



City of Santa Clara

Joint Meeting Agenda of the City Council and Authorities Concurrent & Santa Clara Stadium Authority Board



Tuesday, December 3, 2024

7:00 PM

Hybrid Meeting
City Hall Council Chambers/Virtual
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting City Council meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

- Via Zoom:
 - o <https://santaclaraca.zoom.us/j/99706759306>
 - Meeting ID: 997-0675-9306
 - o Phone 1(669) 900-6833

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1. Use the eComment tab located on the City Council Agenda page (<https://santaclaraca.legistar.com/Calendar.aspx>). eComments are directly sent to the iLegislate application used by City Council and staff, and become part of the public record. eComment closes 15 minutes before the start of a meeting.
2. By email to clerk@santaclaraca.gov by 12 p.m. the day of the meeting. Those emails will be forwarded to the Council and will be uploaded to the City Council Agenda as supplemental meeting material. Emails received after the 12 p.m. cutoff time up through the end of the meeting will form part of the meeting record. Please identify the Agenda Item Number in the subject line of your email.
NOTE: Please note eComments and Emails received as public comment **will not** be read aloud during the meeting.

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7:00 PM JOINT CITY COUNCIL/STADIUM AUTHORITY BOARD MEETING

Call to Order in the Council Chambers

Pledge of Allegiance and Statement of Values

Roll Call

CONTINUANCES/EXCEPTIONS/RECONSIDERATIONS

SPECIAL ORDER OF BUSINESS

1. **24-1167** [Recognition of High School Students Andrew Lam, Aayna Dash, Asmi Sawant, Aanya Mishra, Mithil Patil, and Anav Bordia for Community Service Projects](#)

CONSENT CALENDAR

[Items listed on the CONSENT CALENDAR are considered routine and will be adopted by one motion. There will be no separate discussion of the items on the CONSENT CALENDAR unless discussion is requested by a member of the Council, staff, or public. If so requested, that item will be removed from the CONSENT CALENDAR and considered under CONSENT ITEMS PULLED FOR DISCUSSION.]

- 2.A **24-1207** [Action on the October 29, 2024 Special City Council Meeting Minutes, November 12, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, and November 19, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes.](#)

Recommendation: Approve the meeting minutes of:
October 29, 2024 Special City Council Meeting Minutes,
November 12, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes,
November 19, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes.

- 2.B **24-22** [Board, Commissions and Committee Minutes](#)

Recommendation: Note and file the Minutes of:

Youth Commission - October 8, 2024
Audit Committee - September 17, 2024

2.C 24-1075 [Action on Monthly Financial Status and Investment Reports for September 2024 and Approve the Related Budget Amendments](#)

- Recommendation:**
1. Note and file the Monthly Financial Status Reports and Monthly Investment Reports for September 2024 as presented; and
 2. Approve the FY 2024/25 Budget Amendments in the following funds (as detailed in the Fiscal Section of the staff report and Attachment 3 to the staff report):
 - a. In the General Fund, with a net impact of \$148,785;
 - b. In the Fire Operating Grant Trust Fund, with a net impact of \$31,125;
 - c. In the Public Donations Fund, with a net impact of \$3,132; and
 - d. In the Storm Drain Capital Fund, with a net impact of \$0.

2.D 24-832 [Action on the City of Santa Clara Audited Annual Comprehensive Financial Report and Audited Silicon Valley Power Financial Statements for Fiscal Year Ended June 30, 2024, as Recommended by the Audit Committee](#)

- Recommendation:**
- Note and file, as recommended by the Audit Committee:
1. The audited City of Santa Clara Annual Comprehensive Financial Report (ACFR) for fiscal year ended June 30, 2024; and
 2. The audited City of Santa Clara Electric Utility Enterprise Fund (Silicon Valley Power) Financial Statements for fiscal year ended June 30, 2024.

2.E 24-1125 [Action to Approve an Accounts Receivable Collections and Write-Off Policy](#)

- Recommendation:**
- Approve the attached Accounts Receivable Collections and Write-Off Policy.

2.F 24-1410 [Action on the Award of Purchase Orders with an Aggregate Total of \\$5,665,000 for Vehicles and Equipment for the Public Works, Fire, Police, Silicon Valley Power, Water & Sewer Utilities, and Parks & Recreation Departments, Funded by Amounts Previously Approved in the City's Operating Budget for Fiscal Year 2024/25](#)

Recommendation: 1. Approve and authorize the City Manager or designee to execute purchase orders for vehicles and equipment for the Public Works, Fire, Police, Silicon Valley Power, Water & Sewer Utilities, and Parks & Recreation Departments, through Sourcewell and the California Department of General Services cooperative purchasing agreements, with Municipal Maintenance Equipment, Inc., Downtown Ford, Golden State Fire Apparatus, Altec Industries, Inc., and Peterson Tractor, on the terms and in the amounts presented, in a total aggregate amount not-to-exceed \$5,665,000 (inclusive of taxes, fees, and a 5% contingency), in final forms approved by the City Attorney.

2.G 24-661 [Action on Purchase Order with Insight Public Sector for FLOCK Automated License Plate Reader Systems](#)

Recommendation: Authorize the City Manager or designee to execute purchase orders with Insight Public Sector, through the Omnia Partners cooperative purchasing agreement, for the lease and/or purchase of FLOCK ALPR cameras, software enhancements, subscription services, and professional services, with a total aggregate amount not-to-exceed \$735,900 to cover all cameras and services through November 23, 2028, subject to the appropriation of funds and in a final form approved by the City Attorney.

2.H 24-1596 [Action on an Agreement with Kimley-Horn and Associates, Inc. for Design Professional Services for the Uncontrolled Crosswalks Improvements - Phase II Project](#)

- Recommendation:**
1. Approve and authorize the City Manager to execute an agreement with Kimley-Horn and Associates, Inc. for design professional services for the Uncontrolled Crosswalks Improvements - Phase II Project with maximum compensation not-to-exceed \$368,920, in a final form approved by the City Attorney; and
 2. Authorize the City Manager to negotiate and execute amendments to the agreement to make modifications as needed, including time extensions, subject to the compensation limit and appropriation of funds, in final forms approved by the City Attorney.

2.I 24-1070 [Action on an Agreement with InfoSend, Inc. for Bill Print and Mail Services](#)

- Recommendation:**
1. Authorize the City Manager or designee to negotiate and execute an agreement with InfoSend, Inc. (Agreement) for print and mail services, for an initial one-year term starting on January 1, 2025 and ending on December 31, 2025, with a maximum compensation of \$200,000, to be funded by the General Fund, subject to the review and approval as to form by the City Attorney; and
 2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to (a) add or delete services consistent with the scope of services, (b) adjust rates consistent with market standards, (c) exercise up to six one-year extension options, (d) make other no cost amendments, and (e) increase the maximum compensation by up to \$1,754,081 for a total maximum compensation of \$1,954,081 over the seven-year period, ending on December 31, 2031, subject to the appropriation of funds and review and approval as to form by the City Attorney.
 3. Authorize the payment of pass-through postage costs to InfoSend, Inc., which will be charged to the City at the lowest possible United States Postal Service (USPS) rates, estimated at approximately \$300,000 per year, subject to adjustments based on USPS rate increases and the actual volume of mail sent.

2.J 24-1050 [Action on an Equipment Rental Agreement and Related Documents with Global Rental Co., Inc. for Equipment Rental for Silicon Valley Power](#)

- Recommendation:**
1. Authorize the City Manager or designee to execute an Equipment Rental Agreement and related documents with Global Rental Co., Inc. for Silicon Valley Power under the Sourcewell cooperative purchasing agreement, through June 11, 2028, with a total maximum compensation of up to \$2.5 million, subject to the appropriation of funds and review and approval as to form by the City Attorney; and
 2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to (1) rent additional equipment and vehicles; and (2) purchase vehicle and equipment rentals, subject to appropriation of funds and review and approval as to form by the City Attorney.

2.K 24-1117 [Action on a Purchase and Sale Agreement With Dollinger-Lafayette Associates to Acquire the Improved Property Located at 2900-2930 Lafayette Street in Santa Clara for Use by Silicon Valley Power for a Purchase Price of \\$5.5 Million and Related Budget Amendment](#)

- Recommendation:**
1. Authorize the City Manager to execute a Purchase and Sale Agreement (Agreement) with Dollinger-Lafayette Associates for 2900-2930 Lafayette Street in the amount of \$5.5 Million for use by Silicon Valley Power, in substantially the form presented subject to the review and final approval as to form by the City Attorney;
 2. Authorize the City Manager or designee to take any necessary actions to implement and administer the Agreement, including, acceptance of a grant deed on behalf of the City; and
 3. Approve the FY 2024/25 budget amendment in the Electric Utility Fund to increase the Electric Department (Capital Outlay) appropriation and decrease the Unrestricted Ending Fund Balance in the amount of \$5.5 million **(five affirmative Council votes required for the use of unused balances)**.

2.L 24-982 [Action on Award of Contract for the Lick Mill Blvd Pedestrian Beacon Upgrade and Monroe St - Los Padres Blvd Traffic Signal Modification Project to Sposeto Engineering, Inc. and Related Budget Amendment](#)

- Recommendation:**
1. Determine that the proposed actions are exempt from CEQA pursuant to Section 15301 (Existing Facilities) of Title 14 of California Code of Regulations;
 2. Award the Public Works Contract for the Lick Mill Blvd Pedestrian Beacon Upgrade and Monroe St - Los Padres Blvd Traffic Signal Modification Project to Sposeto Engineering, Inc., the lowest responsive and responsible bidder, in the amount of \$644,666 and authorize the City Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project, in final forms approved by the City Attorney;
 3. Authorize the City Manager to execute change orders up to approximately 15 percent of the original contract price, or \$96,700 for a total project budget not-to-exceed amount of \$741,366, in final forms approved by the City Attorney; and
 4. Approve the following FY 2024/25 budget amendment in the Streets and Highways Capital Fund to reallocate funding from the Lick Mill Pedestrian Beacons Upgrade Project in the amount of \$500,000 to the Monroe - Los Padres Traffic Signal Modification Project (**majority affirmative Council votes required**).

2.M 24-678 [Action to Approve a Resolution Establishing a Citywide Payment Acceptance and Processing Fees Policy to Charge Processing Fees and Set Transaction Limits](#)

- Recommendation:** Approve a Resolution Establishing a Payment Acceptance and Processing Fees Policy.

2.N 24-885 [Action on a Resolution to Set the Regular Meeting Schedules and Dates for the Bicycle and Pedestrian Advisory Committee for Calendar Year 2025](#)

Recommendation: Adopt a resolution setting the regular meeting schedules and dates for the Bicycle and Pedestrian Advisory Committee for Calendar Year 2025.

2.O 24-1032 [Note and File the List of Designated City Employees who are Subject to Post-Employment Restrictions Pursuant to City Code Chapter 2.145](#)

Recommendation: Note and File the List of Designated City Employees who shall be subject to post-employment restrictions pursuant to Santa Clara City Code, Chapter 2.145 for the period of January 1, 2025 - December 31, 2025.

2.P 24-1123 [Action on Delegation of Authority to the City Manager to Negotiate and Execute Amendments to Agreements for Design Professional Services for Silicon Valley Power's System Capacity Expansion Planning Including Plan Implementation and General Consulting Services](#)

- Recommendation:**
1. Subject to the appropriation of funds and review and approval as to form by the City Attorney, authorize the City Manager to negotiate and execute amendments to the Agreements for Design Professional Services (Master Agreements) for Silicon Valley Power's System Expansion Plan for an additional aggregate maximum compensation of \$20 million for a new aggregate maximum compensation of \$100 million funded by the Electric Utility Capital Fund and allocated as SVP may require with (a) 1898 & Co., (b) TRC Solutions, Inc., (c) Electrical Consultants, Inc., (d) AECOM Technical Services, Inc., (e) Stantec Consulting Services Inc., (f) Advisian Worley Group, (g) Leidos Engineering, LLC, (h) Flynn Resource Consultants, Inc. and (i) EN Engineering LLC.); and
 2. Authorize the City Manager to take any actions as necessary to implement and administer the Master Agreements and to negotiate and execute amendments to those agreements to (a) add or delete services with their scope of services; (b) adjust future rates; and (c) extend the terms of the Master Agreements to complete projects initiated during the authorized term, subject to budget appropriations and approval as to form by the City Attorney.

2.Q 24-1127 [Action on Resolutions Approving the Cultural Commission, Youth Commission, and Parks & Recreation Commission 2025 Calendar of Meetings](#)

- Recommendation:** Adopt Resolutions setting the Parks & Recreation Commission, Cultural Commission, and Youth Commission regular meeting dates for the 2025 calendar year.

2.R 24-1193 [Authorize the Mayor to Sign the Final Version of the Responsible AI Pledge at the upcoming GovAI Coalition Summit](#)

Recommendation: Authorize the Mayor to sign the final version of the Responsible Artificial Intelligence (AI) Pledge proposed by the GovAI Coalition Summit being held December 4 - 6.

2.S 24-1035 [Informational Report Regarding Bi-Annual Project Status Report of the GIS Services Program](#)

Recommendation: Note and file the Bi-annual Status Report on the GIS Service Program.

2.T 24-1119 [Action to Authorize the Use of City Water Forces to Install a Backflow Prevention Device at 471 Perry Court.](#)

Recommendation: Approve the use of City Water forces for water utility upgrades at 471 Perry Court based on findings presented that such work can be performed better and more economically by City forces.

2.U 24-1206 [Action to Waive Second Reading and Adopt Ordinance No. 2074 to Approve a Development Agreement Between the City of Santa Clara and Kylli, Inc. for the Property Located at 4995 Patrick Henry Drive and 3005 Democracy Way, Santa Clara](#)

Recommendation: Waive Second Reading and Adopt Ordinance No. 2074 approving a Development Agreement between the City of Santa Clara and Kylli, Inc. for the property located at 4995 Patrick Henry Drive and 3005 Democracy Way, Santa Clara.

SANTA CLARA STADIUM AUTHORITY BOARD CONSENT CALENDAR

3. 24-1101 Action on the Stadium Manager's Request for Approval of an Agreement with Jones Sign Co. Inc. to Replace the Naming Rights Signage at Levi's Stadium (Levi's Naming Rights Signage Refurbishment/Replacement CapEx Project) and Approve Related Budget Amendment

Recommendation:

1. Approve a budget amendment for the Levi's Naming Rights Signage Refurbishment/Replacement line item in the Stadium Authority FY 2024/25 CapEx Budget to increase the budget by \$1,026,082 from the Capital Budget Ending Fund Balance, for a total budget amount of \$3,861,082;
2. Approve the Stadium Manager's request to award a one-time agreement to Jones Sign Co. Inc. in the amount of \$3,978,555.87 to replace the four (4) Naming Rights signs at Levi's Stadium (Levi's Naming Rights Signage Refurbishment/Replacement CapEx Project), pursuant to the First Amendment to the Naming Rights Agreement with Levi Strauss & Co. and Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement with Forty Niners SC Stadium Company LLC;
3. Authorize the Stadium Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of the project, in a form substantially similar to Attachment 5; and
4. Authorize the Stadium Manager to execute change orders for the agreement up to \$397,855.59, for a total not to exceed amount of \$4,376,411.46.
5. Authorize the Stadium Manager to select an additional extended warranty period and execute up to a full ten-year stand-alone parts warranty for signage materials at the additional cost of \$229,840.87.

PUBLIC PRESENTATIONS

[This item is reserved for persons to address the Council or authorities on any matter not on the agenda that is within the subject matter jurisdiction of the City or Authorities. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The governing body, or staff, may briefly respond to statements made or questions posed, and appropriate body may request staff to report back at a subsequent meeting. Although not required, please submit to the City Clerk your name and subject matter on the speaker card available in the Council Chambers.]

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC HEARING/GENERAL BUSINESS

4. **24-1198** [Public Hearing: Action on an Appeal of the Planning Commission's Denial of a Variance and Conditional Use Permit \(PLN22-00282\) for the Construction of a New Four-Story, 111,978 Square Foot Data Center at 1231 Comstock Street](#)

Recommendation: Project Approval

1. Adopt a Resolution adopting the Initial Study, Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program.
2. Sustain the Appeal and Adopt a Resolution approving a Conditional Use Permit for the demolition of the existing building and the construction of a new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.
3. Sustain the Appeal and Adopt a Resolution approving the Variance to height, parking, and front setback for the new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.

5. 24-831 [Action on FY 2023/24 Budget Year-End Report and Approve the Related Budget Amendments](#)

- Recommendation:**
1. Note and file the FY 2023/24 Budget Year-End Report.
 2. Establish a Certified Unified Program Agency (CUPA) Fund to account for CUPA-related activities to be managed by the Fire Department.
 3. Approve the FY 2023/24 Budget Amendments to address necessary budget ratifications totaling \$1,590,060 in 10 funds as set forth in Attachment 1 of this report **(five affirmative Council votes required for revenue actions and the use of unused balances as noted for each item in Attachment 1)**.
 4. Approve the FY 2024/25 Budget Amendments, as set forth in Attachment 2. This includes actions in the General Fund to distribute excess funding from the close-out of FY 2023/24 and actions to recognize FEMA reimbursements and Stadium settlement revenue, as detailed below **(five affirmative Council votes required to appropriate additional revenue and for the use of unused balances)**:
 - a. Increase the Budget Stabilization Reserve in the amount of \$7,525,130, offset by an increase to the Beginning Fund Balance, a decrease in expenditures, and transfers from other funds;
 - b. Increase the Pension Stabilization Reserve in the amount of \$5,379,912, offset by an increase to the Beginning Fund Balance;
 - c. Increase the Non-Departmental budget by \$1,000,000 for General Obligation Bond Implementation, offset by an increase to the Beginning Fund Balance;
 - d. Increase the Human Resources Department budget by \$343,000, offset by an increase to the Beginning Fund Balance;
 - e. Increase the City Clerk's Office budget by \$82,000, offset by an increase to the Beginning Fund Balance;
 - f. Increase the Transfer to the General Government Capital Fund for the FHRMS Update Project in the amount of

- \$1,000,000, offset by an increase to the Beginning Fund Balance;
- g. Increase the Transfer to the Public Buildings Capital Fund for the Building Parking Lot Improvements Project in the amount of \$216,000 to fund the library concrete sidewalk replacement project, offset by an increase to the Beginning Fund Balance;
 - h. Increase the Transfer to the Public Buildings Capital Fund and establish the Commerce/Peddler's Plaza Maintenance Project in the amount of \$429,894 to fund the maintenance of the two properties, offset by an increase to the Beginning Fund Balance;
 - i. Increase the Transfer from the Other City Operating Grant Trust Fund in the amount of \$8,135 to return unused funding related to Covid-19 and to close out the Tobacco Free Cities Grant Program, offset by an increase to the Budget Stabilization Reserve;
 - j. Increase the Transfer from the Public Works Capital Projects Management Fund in the amount of \$162,667 to return savings, offset by an increase to the Budget Stabilization Reserve;
 - k. Increase the Transfer from the General Government Capital Fund in the amount of \$84,237 to return capital project savings and increase the Capital Projects Reserve by \$84,237;
 - l. Increase the Transfer from the Parks and Recreation Capital Fund in the amount of \$2,642 to return capital project savings and increase the Capital Projects Reserve by \$2,642;
 - m. Increase the Transfer from the Streets and Highways Capital Fund in the amount of \$11,576 to return capital project savings and increase the Capital Projects Reserve by \$11,576;
 - n. Establish a transfer to the newly established Fire CUPA Fund in the amount of \$392,826

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- to track all CUPA-related activities separately, offset by an increase to the Beginning Fund Balance;
 - o. Decrease the Commerce/Peddler's Plaza carryover in the City Manager's Office in the amount of \$1,000,000, offset by an increase to the Budget Stabilization Reserve;
 - p. Increase the Transfer to the Patrick Henry Infrastructure Improvement Fund in the amount of \$4,266, offset by an increase to the Beginning Fund Balance;
 - q. Recognize Beginning Fund Balance - Restricted for Prepayments in the amount of \$93,892 and increase the Public Works Department appropriation for remaining developer deposits for third party plan review and inspections;
 - r. Recognize Stadium settlement revenue in the amount of \$7,324,722 and increase the Budget Stabilization Reserve by \$7,324,722;
 - s. Recognize a Transfer from the Other City Departments Operating Grant Trust Fund in the amount of \$1,356,446 to recognize FEMA reimbursements for Covid-related expenses and increase the Budget Stabilization Reserve by \$1,356,446; and
 - t. Increase the Unrestricted Ending Fund Balance by \$2,400,000 to set aside funds to address funding needs that arise during FY 2024/25.
5. Add 1.0 Division Manager and 1.0 Management Analyst in the Human Resources Department to support the City's safety program, employee wellness, and the workers' compensation program.

6. 24-1213 [Action on Approval of Cost-of-Living Salary Adjustment for City Attorney; Approval of Amendment No. 1 to Employment Agreement with City Attorney Glen Googins; Adoption of a Resolution Updating the Unclassified Salary Plan for Position of City Attorney](#)

Recommendation:

1. Approve, and authorize Mayor to sign, Amendment No. 1 to the Employment Agreement with City Attorney Glen R. Googins;
2. Approve cost-of-living salary adjustment for City Attorney of 3.25% retroactive to March 1, 2024, resulting in a new annual salary of \$356,212.50 (to take effect on December 22, 2024), and a retroactive payment of \$9,099.38;
3. Adopt a Resolution updating the Unclassified Salary Plan reflecting the new annual salary for the position of City Attorney to satisfy the requirements of California Code of Regulations Section 570.5, effective December 22, 2024.

7. 24-893 [Action on Recommendations from the Governance and Ethics Committee to Amend Council Policy 049 \("Community Grant Policy"\)](#)

Recommendation: Adopt a resolution approving amendments to Council Policy 049 ("Community Grant Policy") that enhance grant eligibility requirements and criteria, promote accountability/increased protections for the City, and expand post event requirements for grant recipients.

REPORTS OF MEMBERS, SPECIAL COMMITTEES AND COUNCILMEMBER 030 REQUESTS

CITY MANAGER/EXECUTIVE DIRECTOR REPORT

ADJOURNMENT

The next regular scheduled meeting is on Tuesday, December 17, 2024 in the City Hall Council Chambers.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

STREAMING SERVICES: As always, the public may view the meetings on SantaClaraCA.gov, Santa Clara City Television (Comcast cable channel 15 or AT&T U-verse channel 99), or the livestream on the City's YouTube channel or Facebook page.

Note: The public cannot participate in the meeting through these livestreaming methods; livestreaming capabilities may be disrupted at times, viewers may always view and participate in meetings in-person and via Zoom as noted on the agenda.

AB23 ANNOUNCEMENT: Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive \$30 for each attended meeting.

Note: The City Council and its associated Authorities meet as separate agencies but in a concurrent manner. Actions taken should be considered actions of only the identified policy body.

LEGEND: City Council (CC); Stadium Authority (SA); Sports and Open Space Authority (SOSA); Housing Authority (HA); Successor Agency to the City of Santa Clara Redevelopment Agency (SARDA); Bayshore North Project Enhancement Authority (BNPEA); Public Facilities Financing Corporation (PFFC)

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the City in an appropriate alternative format. Contact the City Clerk's Office at 1 408-615-2220 with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the City of Santa Clara, should contact the City's ADA Coordinator at 408-615-3000 as soon as possible but no later than 48 hours before the scheduled event.



Agenda Report

24-1167

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Recognition of High School Students Andrew Lam, Aayna Dash, Asmi Sawant, Aanya Mishra, Mithil Patil, and Anav Bordia for Community Service Projects

BACKGROUND

The following high school students have taken on community projects and initiatives which have benefited the community including Santa Clara with their service and commitment.

Andrew Lam

Santa Clara resident Andrew Lam attends The King's Academy. In the past few years, Andrew has taken on many business initiatives to benefit the needs of others on both a local and global level. In 2019, Andrew won first place at the Santa Clara Children's Business Fair for creating an arcade game which encouraged participation from older adults, those with disabilities, children and people of all ages and collected gently used toys as prizes. He donated proceeds from the game to an orphanage in the Philippines. On evenings in the Rivermark neighborhood, Andrew and his sister sold boba drinks and donated proceeds from the sales to Grace Public School in India.

In 2020 during the pandemic, Andrew started a company "2gether We Are Greater" where he helped develop ear savers with a 3D printer and distributed to health care professionals to relieve pressure on their ears from wearing masks for long hours. In addition, he donated hand-sewn masks to the San Jose City Team Ministries for distribution to the unhoused population.

In 2023, Andrew designed his own apparel of clothing called "Bounce Company" and utilized the profits as microloans. He has supported startups in over nine different countries including in Costa Rica, Philippines, Indonesia, Pakistan, Madagascar, Turkey, Liberia, Congo, and New Delhi. In 2024, as President of The Big Brother Little Brother Club, Andrew coordinated a drive to provide kits to the homeless with over 230 packages donated. Through his school at The King's Academy, Andrew built a wheelchair ramp for an elderly couple confined to their house in Kentucky and helped build a single-family home in Mexico for a family in need.

Code for Cause

Code for Cause is the Bay Area's first philanthropic hackathon, co-founded to address local issues through technology and innovation. Code for Cause was co-founded by high school students from Basis Independent Silicon Valley including: Aayna Dash, Asmi Sawant, Aanya Mishra, Mithil Patil, and Anav Bordia.

The group combines coding with community impact, fostering solutions for real-world challenges in partnership with local nonprofits. In December 2023, the group hosted an inaugural event with over 130 participants, raised \$5,000, and developed eight community partnerships, including the Union

Bank of Switzerland and FalconX. Sponsored by companies like AOPS and Panda Cares, the event offered \$1,000 in prizes, free meals, and custom shirts to foster an inclusive and engaging experience. One standout project was an app for InterTeach, a platform connecting students with volunteer tutors worldwide.

Since the first event, Code for Cause has partnered with seven other hackathons across the Bay Area, amplifying the mission to combine coding and social impact. Through these collaborations, Code for Cause continues to inspire innovation and create meaningful change in local communities.

DISCUSSION

At the December 3, 2024 City Council meeting, students Andrew Lam, Aayna Dash, Asmi Sawant, Aanya Mishra, Mithil Patil, and Anav Bordia will receive Mayoral Certificates of Recognition for their outstanding accomplishments and contributions to Santa Clara and the entire community.

ENVIRONMENTAL REVIEW

This is an information report only and no action is being taken by the City Council and no environmental review under the California Environmental Quality Act ("CEQA") is required.

FISCAL IMPACT

There is no fiscal impact to the City other than staff time.

COORDINATION

This report was coordinated by the City Manager's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

Reviewed by: Maria Le, Assistant to the City Manager, City Manager's Office

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Mayoral Certificates of Recognition

City of Santa Clara

Certificate of Special Mayoral Recognition

On behalf of the Santa Clara City Council, this certificate is presented to

Andrew Lam

in recognition of winning 1st place at the Santa Clara Children's Business Fair, fundraising and donating to schools in other countries, working with multiple local nonprofits, providing financial assistance to startup companies around the world, assisting the elderly in our community, and building homes from the ground up, for those in need in Mexico

on this 3rd day of December 2024.



Lisa M. Gillmor

**LISA M. GILLMOR
MAYOR
CITY OF SANTA CLARA**

City of Santa Clara

Certificate of Special Mayoral Recognition

On behalf of the Santa Clara City Council, this certificate is presented to

Aanya Mishra
Code for Cause

*in recognition of co-founding Code for Cause, hosting the Bay Area's first philanthropic hackathon to address
local issues through technology and innovation, fostering solutions for real-world challenges
and partnering with local nonprofits in our community*

on this 3rd day of December 2024.



Lisa M. Gillmor

LISA M. GILLMOR
MAYOR
CITY OF SANTA CLARA

City of Santa Clara

Certificate of Special Mayoral Recognition

On behalf of the Santa Clara City Council, this certificate is presented to

Aayna Dash
Code for Cause

*in recognition of co-founding Code for Cause, hosting the Bay Area's first philanthropic hackathon to address
local issues through technology and innovation, fostering solutions for real-world challenges
and partnering with local nonprofits in our community*

on this 3rd day of December 2024.



Lisa M. Gillmor

LISA M. GILLMOR
MAYOR
CITY OF SANTA CLARA

City of Santa Clara

Certificate of Special Mayoral Recognition

On behalf of the Santa Clara City Council, this certificate is presented to

Anav Bordia

Code for Cause

*in recognition of co-founding Code for Cause, hosting the Bay Area's first philanthropic hackathon to address
local issues through technology and innovation, fostering solutions for real-world challenges
and partnering with local nonprofits in our community*

on this 3rd day of December 2024.



Lisa M. Gillmor

**LISA M. GILLMOR
MAYOR
CITY OF SANTA CLARA**

City of Santa Clara

Certificate of Special Mayoral Recognition

On behalf of the Santa Clara City Council, this certificate is presented to

Asmi Sawant

Code for Cause

*in recognition of co-founding Code for Cause, hosting the Bay Area's first philanthropic hackathon to address
local issues through technology and innovation, fostering solutions for real-world challenges
and partnering with local nonprofits in our community*

on this 3rd day of December 2024.



Lisa M. Gillmor

**LISA M. GILLMOR
MAYOR
CITY OF SANTA CLARA**

City of Santa Clara

Certificate of Special Mayoral Recognition

On behalf of the Santa Clara City Council, this certificate is presented to

Mithil Patil

Code for Cause

*in recognition of co-founding Code for Cause, hosting the Bay Area's first philanthropic hackathon to address
local issues through technology and innovation, fostering solutions for real-world challenges
and partnering with local nonprofits in our community*

on this 3rd day of December 2024.



Lisa M. Gillmor

**LISA M. GILLMOR
MAYOR
CITY OF SANTA CLARA**



City of Santa Clara

1500 Warburton Avenue
Santa Clara, CA 95050
santaclaraca.gov
[@SantaClaraCity](https://twitter.com/SantaClaraCity)

Agenda Report

24-1207

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on the October 29, 2024 Special City Council Meeting Minutes, November 12, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, and November 19, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes.

RECOMMENDATION

Approve the meeting minutes of:

October 29, 2024 Special City Council Meeting Minutes,
November 12, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes,
November 19, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes.



City of Santa Clara

Special Meeting Minutes

Call and Notice of Special Meeting of the City Council

10/29/2024

7:00 PM

Hybrid Meeting
City Hall Council Chambers/Virtual
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting City Council meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

- Via Zoom:
 - o <https://santaclaraca.zoom.us/j/99706759306>
 - Meeting ID: 997-0675-9306
 - o Phone 1(669) 900-6833

How to Submit Written Public Comment Before City Council Meeting:

1. Use the eComment tab located on the City Council Agenda page <https://santaclaraca.legistar.com/Calendar.aspx>. eComments are directly sent to the iLegislate application used by City Council and staff, and become part of the public record. eComment closes 15 minutes before the start of a meeting.
2. By email to clerk@santaclaraca.gov by 12 p.m. the day of the meeting. Those emails will be forwarded to the Council and will be uploaded to the City Council Agenda as supplemental meeting material. Emails received after the 12 p.m. cutoff time up through the end of the meeting will form part of the meeting record. Please identify the Agenda Item Number in the subject line of your email.

NOTE: Please note eComments and Emails received as public comment **will not** be read aloud during the meeting.

Agendas, Staff Reports and some associated documents for City Council items may be viewed on the Internet at <https://santaclaraca.legistar.com/Calendar.aspx>

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at Santa Clara City Hall, 1500 Warburton Avenue, Santa Clara, CA 95050 at the same time that the public records are distributed or made available to the legislative body. Any draft contracts, ordinances and resolutions posted on the Internet site or distributed in advance of the Council meeting may not be the final documents approved by the City Council. For the final document, you may contact the Office of the City Clerk at (408) 615-2220 or Clerk@santaclaraca.gov.

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of California Government Code §54956 ("The Brown Act") and Section 708 of the Santa Clara City Charter, the Mayor calls for a Special Meeting of the City Council of the City of Santa Clara, to commence and convene on October 29, 2024, at 7:00 pm for a Special Meeting to be held virtually and in the City Hall Council Chambers located in the East Wing of City Hall at 1500 Warburton Avenue, Santa Clara, California, to consider the following matter(s) and to potentially take action with respect to them.

7:00 PM SPECIAL CITY COUNCIL MEETING

Call to Order in the Council Chambers

Vice Mayor Becker called the special meeting to order at 7:09 PM.

Pledge of Allegiance and Statement of Values

Council recited the Pledge of Allegiance.

Councilmember Park recited the Statement of Values.

Roll Call

Deputy City Clerk Nguyen recited the Statement of Behavioral Standards and also noted that any registered Lobbyist speaking during the Public Meeting will need to identify themselves and whom they represent.

Present: 6 - Councilmember Kathy Watanabe, Councilmember Raj Chahal, Councilmember Karen Hardy, Councilmember Kevin Park, Councilmember Suds Jain, and Vice Mayor Anthony Becker

Absent: 1 - Mayor Lisa M. Gillmor

A motion was made by Councilmember Hardy, seconded by Councilmember Chahal, to excuse Mayor Gillmor from the meeting.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, and Vice Mayor Becker

Absent: 1 - Mayor Gillmor

PUBLIC HEARING/GENERAL BUSINESS

1. [24-1079](#) Action on the Carryover of FY 2023/24 Funding for the Operation of a 30-unit (90-private bedrooms) Homekey Interim Housing Development on Santa Clara County-Owned Land Located at the southeast corner of Lawrence Expressway and Benton Street (CEQA: Statutory Exemption under Government Code Section 65913.4, SB 35 Affordable Housing Projects) and Approve the Related Budget Amendment

- Recommendation:**
1. Approve the FY 2024/25 budget amendment in the City Affordable Housing Fund, recognizing an increase to the beginning fund balance in the amount of \$5,124,369 and increasing the capital outlay appropriation in the amount of \$5,124,369 **(five affirmative Council votes required for the use of unused balances)**;
 2. Allocate the remaining balance of \$1,470,000 in PLHA funds (for a total City contribution of \$6,594,369) to secure state Homekey Round 3 funds to construct a three story 30-unit interim family housing development on a County-owned site at Lawrence Expressway and Benton Street

City Manager Grogan made some opening remarks and introduced **Acting Director of Community Development Brilliot** who provided a Powerpoint presentation on the Homekey Interim Housing Development located at Lawrence Expressway and Benton Street.

Council questions and comments followed.

Acting Director of Community Development Brilliot, City Manager Grogan, City Attorney Googins, KJ Kaminski (Acting Director, County of Santa Clara Office of Supportive Housing), Hillary Armstrong (Deputy Director, County of Santa Clara Office of Supportive Housing), Natalie Monk (Housing Community Development Lead, County of Santa Clara Office of Supportive Housing) addressed **Council** questions.

Public Comments: Susan Ellenberg (additional time given by Jose)

Elysa G

Alan Altman

Shalini Venkatesh

Kimmy La

Tom MacDevitt

Linda Knepper

Sarah Ford (additional time given by Casey Robbins
and Vanessa Chicas)

John Haggerty

Ken Kratz

Zhihao Ji

Jordan Grimes

Deborah Dempsey
Erji Wang
Suraj Dasika
Joy Zong
Ashish Verma
Public Speaker
Charles Elliotte
Baseer
Public Speaker
Usha Pidaparthi

Council discussion ensued.

Acting Director of Community Development Brilliot, City Manager Grogan, and City Attorney Googins addressed **Council** questions.

A motion was made by Councilmember Hardy, seconded by Councilmember Jain, to (1) approve the FY 2024/25 budget amendment in the City Affordable Housing Fund, recognizing an increase to the beginning fund balance in the amount of \$5,124,369 and increasing the capital outlay appropriation in the amount of \$5,124,369; and (2) allocate the remaining balance of \$1,470,000 in PLHA funds (for a total City contribution of \$6,594,369) to secure state Homekey Round 3 funds to construct a three story 30-unit interim family housing development on a County-owned site at Lawrence Expressway and Benton Street.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, and Vice Mayor Becker

Excused: 1 - Mayor Gillmor

Vice Mayor Becker called for a recess at 10:45 PM and reconvened the meeting at 11:03 PM.

-
2. [24-144](#) Action on Resolutions Establishing the Average Per-Acre Land Values, Occupant Density Figures, and Park Development Costs to be Used in Setting the Parkland In-Lieu Fees for New Residential Development and Amending the FY 2024-25 Municipal Fee Schedule Updating Parkland In-Lieu Fees Accordingly

Recommendation:

1. Adopt a Resolution (Attachment 6) in accordance with Santa Clara City Code Chapter 17.35 establishing the average per-acre land values, occupant density figures, and park development costs to be used in the setting of parkland in-lieu fees for residential development.
2. Adopt a Resolution (Attachment 7) to amend the FY 2024/25 Municipal Fee Schedule to modify the Parkland Dedication In-Lieu Fees.

City Manager Grogan made some opening remarks and introduced **Assistant City Manager/Director of Parks and Recreation Bojorquez** who provided a Powerpoint presentation.

Council questions and comments followed.

Assistant City Manager/Director of Parks and Recreation Bojorquez addressed **Council** questions.

A motion was made by Councilmember Park, seconded by Councilmember Jain, to (1) adopt Resolution No. 24-9383 in accordance with Santa Clara City Code Chapter 17.35 establishing the average per-acre land values, occupant density figures, and park development costs to be used in the setting of parkland in-lieu fees for residential development; and (2) adopt Resolution No. 24-9384 to amend the FY 2024/25 Municipal Fee Schedule to modify the Parkland Dedication In-Lieu Fees.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, and Vice Mayor Becker

Excused: 1 - Mayor Gillmor

ADJOURNMENT

The meeting was adjourned at 11:20 PM.

A motion was made by Councilmember Jain, seconded by Councilmember Chahal, to adjourn the meeting.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, and Vice Mayor Becker

Excused: 1 - Mayor Gillmor

The next regular scheduled meeting is on Tuesday, November 12, 2024 in the City Hall Council Chambers.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-judicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-judicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

STREAMING SERVICES: As always, the public may view the meetings on SantaClaraCA.gov, Santa Clara City Television (Comcast cable channel 15 or AT&T U-verse channel 99), or the livestream on the City's YouTube channel or Facebook page.

Note: The public cannot participate in the meeting through these livestreaming methods; livestreaming capabilities may be disrupted at times, viewers may always view and participate in meetings in-person and via Zoom as noted on the agenda.

AB23 ANNOUNCEMENT: Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive \$30 for each attended meeting.

Note: The City Council and its associated Authorities meet as separate agencies but in a concurrent manner. Actions taken should be considered actions of only the identified policy body.

LEGEND: City Council (CC); Stadium Authority (SA); Sports and Open Space Authority (SOSA); Housing Authority (HA); Successor Agency to the City of Santa Clara Redevelopment Agency (SARDA); Bayshore North Project Enhancement Authority (BNPEA); Public Facilities Financing Corporation (PFFC)

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the City in an appropriate alternative format. Contact the City Clerk's Office at 1 408-615-2220 with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the City of Santa Clara, should contact the City's ADA Coordinator at 408-615-3000 as soon as possible but no later than 48 hours before the scheduled event.



City of Santa Clara

Meeting Minutes of the

Joint City Council and Authorities Concurrent &

Santa Clara Stadium Authority Board



11/12/2024

5:30 PM

Hybrid Meeting
City Hall Council Chambers/Virtual
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting City Council meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

• Via Zoom:

o <https://santaclaraca.zoom.us/j/99706759306>

Meeting ID: 997-0675-9306

o Phone 1(669) 900-6833

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Closed Session - 5:30 PM | Regular Meeting - 7:00 PM

5:30 PM CLOSED SESSION

Call to Order in the Council Chambers

Mayor/Chair Gillmor called the Closed Session to order at 5:33 PM.

Confirmation of Quorum

Assistant City Clerk Pimentel confirmed a quorum.

1.A [24-954](#)

Conference with Labor Negotiators (CC)
Pursuant to Gov. Code § 54957.6

City representatives: Jovan D. Grogan, Nadine Nader, Aracely Azevedo,
Marco Mercado, Charles Sakai, Glen R. Googins

Employee Organization(s):
Unit # 6 - AFSCME Local 101 (American Federal of State, County and
Municipal Employees)
Unit # 9 - Miscellaneous Unclassified Management Employees

1.B [24-1107](#)

Public Employee Performance Evaluation (CC)
Pursuant to Government Code § 54957(b)(1)
Title: City Attorney

Public Comment

None.

Convene to Closed Session (Council Conference Room)

Mayor Gillmor adjourned into Closed Session at 5:35 PM.

Vice Mayor Becker joined the Closed Session at 5:57 PM.

7:00 PM JOINT CITY COUNCIL/STADIUM AUTHORITY BOARD MEETING

Call to Order in Council Chambers

Mayor/Chair Gillmor called the regular meeting to order at 7:05 PM.

Pledge of Allegiance and Statement of Values

Council/Board recited the Pledge of Allegiance.

Council/Boardmember Park recited the Statement of Values.

[24-1181](#)

Moment of Silence for Jose Emiliano Zamora

Mayor/Chair Gillmor called for a moment of silence to grieve the loss of **Jose Emiliano Zamora** who recently passed away.

Roll Call

Assistant City Clerk/Secretary Pimentel recited the AB23 announcement and Statement of Behavioral Standards.

Assistant City Clerk/Secretary Pimentel also noted that any registered Lobbyist speaking during the Public Meeting will need to identify themselves and whom they represent.

Present: 7 - Council/Boardmember Kathy Watanabe, Council/Boardmember Raj Chahal, Council/Boardmember Karen Hardy, Council/Boardmember Kevin Park, Council/Boardmember Suds Jain, Vice Mayor/Chair Anthony Becker, and Mayor/Chair Lisa M. Gillmor

REPORTS OF ACTION TAKEN IN CLOSED SESSION MATTERS

City Attorney Googins reported there was no reportable action from Closed Session.

CONTINUANCES/EXCEPTIONS/RECONSIDERATIONS

City Manager Grogan introduced the new **Director of Parks and Recreation Damon Sparacino** who provided some remarks.

SPECIAL ORDER OF BUSINESS

2.A [24-1099](#)

Recognition of Srivalli Adarapu for a Community Appreciation Project for JW House and City Departments and Anushka Jain for a Publication of a Book

Mayor Gillmor, on behalf of the **Council**, recognized **Srivalli Adarapu** for a community appreciation project for JW House.

Srivalli Adarapu provided some remarks.

Council comments followed.

City Manager Grogan made some comments about the JW House.

Mayor Gillmor, on behalf of the **Council**, recognized **Anushka Jain** for a publication of a book.

Anushka Jain provided some remarks.

Council comments followed.

2.B [24-567](#)

Proclamation of November 2024 as Sikh Awareness and Acceptance Month

Mayor Gillmor, on behalf of the **Council**, proclaimed November 2024 as Sikh Awareness and Acceptance Month.

Harpreet Singh Kohli (Silicon Valley Gurdwara) provided some remarks.

Council comments followed.

- 2.C [24-1126](#) Action on Resolution by the City of Santa Clara City Council Expressing Gratitude and Appreciation for the Hard Work and Professionalism of City Staff

Recommendation: Adopt a Resolution in the form presented expressing gratitude and appreciation for the hard work and professionalism of City staff

Councilmember Hardy introduced this item.

Public Comments: Brian Darby
Howard Gibbins
Mary Grizzle

Council comments followed.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to adopt Resolution No. 24-9385 expressing gratitude and appreciation for the hard work and professionalism of City staff.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

CONSENT CALENDAR

Council/Boardmember Chahal noted he will recuse from Item 3.F regarding purchase of control enclosures with protection and control panels and neutral founding resistors due to a conflict of interest of owning property within 1000 feet of the subject property.

A motion was made by Vice Mayor/Chair Becker, seconded by Council/Boardmember Hardy, to approve the Consent Calendar (except item 3.F)

Aye: 7 - Council/Boardmember Kathy Watanabe, Council/Boardmember Raj Chahal, Council/Boardmember Karen Hardy, Council/Boardmember Kevin Park, Council/Boardmember Suds Jain, Vice Mayor/Chair Anthony Becker, and Mayor/Chair Lisa M. Gillmor

- 3.A** [24-580](#) Action on the July 16, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, August 20, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, August 27, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, September 3, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, Special September 4, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, and October 8, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes.

Recommendation: Approve the meeting minutes of:
July 16, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting,
August 20, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting,
August 27, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting,
September 3, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting,
Special September 4, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting,
October 8, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to approve the meeting minutes of: July 16, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting, August 20, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting, August 27, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting, September 3, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting, Special September 4, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting, and October 8, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.B [24-20](#) Board, Commissions and Committee Minutes

Recommendation: Note and file the Minutes of:
Planning Commission - October 9, 2024
Parks & Recreation Commission - September 16, 2024
Senior Advisory Commission - June 24, 2024
Senior Advisory Commission - September 23, 2024
Cultural Commission - August 5, 2024
Youth Commission - May 14, 2024
Youth Commission - September 10, 2024

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to note and file the minutes of Planning Commission - October 9, 2024, Parks & Recreation Commission - September 16, 2024, Senior Advisory Commission - June 24, 2024, Senior Advisory Commission - September 23, 2024, Cultural Commission - August 5, 2024, Youth Commission - May 14, 2024, Youth Commission - September 10, 2024.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.C [24-55](#) Action on an Agreement for Services with DLT Solutions, LLC. for the Acquisition and Implementation of a Drawing Management System to be Funded by Silicon Valley Power

Recommendation:

1. Authorize the City Manager or designee to execute a service agreement and license agreement with DLT Solutions, LLC for a Drawing Management System including all software, implementation, configuration, training, support, maintenance, and related professional services for a term commencing on or about November 15, 2024, and ending on or about February 28, 2028, with a maximum compensation not to exceed \$400,000 to be funded by the SVP Operating or Capital Fund, subject to the appropriation of funds and the review and approval as to form by the City Attorney; and
2. Authorize the City Manager to City Manager to take any actions as necessary to implement and administer the agreements and to negotiate and execute amendments to (a) add or delete services consistent with the scope of the agreements; (b) adjust future rates to account for changes in software license subscription, annual support services, and other services required; (c) exercise renewals for software subscriptions and support services for up to an additional six years (for a total term of up to nine years); and (d) increase the maximum compensation by up to an additional \$400,000 for maximum compensation not to exceed \$800,000 over a nine-year term, subject to the appropriation of funds and the review and approval as to form by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to (1) authorize the City Manager or designee to execute a service agreement and license agreement with DLT Solutions, LLC for a Drawing Management System including all software, implementation, configuration, training, support, maintenance, and related professional services for a term commencing on or about November 15, 2024, and ending on or about February 28, 2028, with a maximum compensation not to exceed \$400,000 to be funded by the SVP Operating or Capital Fund, subject to the appropriation of funds and the review and approval as to form by the City Attorney; and (2) authorize the City Manager to take any actions as necessary to implement and administer the agreements and to negotiate and execute amendments to (a) add or delete services consistent with the scope of the agreements; (b) adjust future rates to account for changes in software license subscription, annual support services, and other services required; (c) exercise renewals for software subscriptions and support services for up to an additional six years (for a total term of up to nine years); and (d) increase the maximum

compensation by up to an additional \$400,000 for maximum compensation not to exceed \$800,000 over a nine-year term, subject to the appropriation of funds and the review and approval as to form by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.D [24-652](#) Action on an Agreement with Hello Housing for Administration Services for the Below Market Price Purchase Program

Recommendation:

1. Authorize the City Manager or designee to execute an agreement with Hello Housing (Agreement) for administration services for the Below-Market Purchase Program for an initial term starting on or around December 1, 2024 and ending on June 30, 2027 for a total maximum compensation of \$530,000 subject to the appropriation of funds and approval as to form by the City Attorney; and
2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to (a) add or delete services consistent with the Agreement's scope of services; (b) adjust future rates in accordance with the Agreement; (c) extend the term of the Agreement through June 30, 2034; and (d) increase the maximum compensation by \$1,609,610 for a new not-to-exceed maximum compensation amount of \$2,139,610 for the full term of the agreement, subject to the appropriation of funds and approval as to form by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to (1) authorize the City Manager or designee to execute an agreement with Hello Housing (Agreement) for administration services for the Below-Market Purchase Program for an initial term starting on or around December 1, 2024 and ending on June 30, 2027 for a total maximum compensation of \$530,000 subject to the appropriation of funds and approval as to form by the City Attorney; and (2) authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to (a) add or delete services consistent with the Agreement's scope of services; (b) adjust future rates in accordance with the Agreement; (c) extend the term of the Agreement through June 30, 2034; and (d) increase the maximum compensation by \$1,609,610 for a new not-to-exceed maximum compensation amount of \$2,139,610 for the full term of the agreement, subject to the appropriation of funds and approval as to form by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.E [24-796](#) Action to Authorize the City Manager to Execute Agreements with Tasman East Station Holdco, LLC for the Construction of Park Improvements and the Maintenance of the Parks located at 5123 Calle de Sol within the Tasman East Specific Plan Area at the Developer's Sole Cost

Recommendation: Authorize the City Manager to execute the Parkland Agreement and the Park Maintenance Agreement with Tasman East Station Holdco, LLC on substantially the terms and in the forms presented, with such minor, non-substantive changes and amendments that may be necessary to implement the project, in final forms approved by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to authorize the City Manager to execute the Parkland Agreement and the Park Maintenance Agreement with Tasman East Station Holdco, LLC on substantially the terms and in the forms presented, with such minor, non-substantive changes and amendments that may be necessary to implement the project, in final forms approved by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.F** [24-1056](#) Action on Authorizing the City Manager to Negotiate and Execute Agreement(s) with Vendor(s) for the Purchase of Control Enclosures with Protection and Control Panels and Neutral Grounding Resistors to be Funded by the Electric Utility Capital Fund

Recommendation:

1. Subject to compliance with Chapter 2.105 of the City Code, review and approval as to form by the City Attorney, and appropriation of funds, authorize the City Manager or designee to negotiate and execute agreement(s) or purchase order(s) with vendors for Control Enclosures with Protection and Control Panels and Neutral Grounding Resistors listed below for a maximum compensation amount of \$14,950,000; and
2. Authorize the City Manager or designee to (a) take any actions as necessary to implement and administer the agreement(s) and/or purchase order(s), and (b) negotiate and execute amendments to the agreement(s) for (i) design changes, (ii) any unanticipated issues, (iii) extensions of the term, or (iv) the purchase of additional Control Enclosures with Protection and Control Panels and Neutral Grounding Resistors, subject to the above maximum compensation limit and review and approval as to form by the City Attorney.

Councilmember Chahal recused himself from this item due to a conflict of interest as he owns property within 1000 feet of the subject property.

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to (1) subject to compliance with Chapter 2.105 of the City Code, review and approval as to form by the City Attorney, and appropriation of funds, authorize the City Manager or designee to negotiate and execute agreement(s) or purchase order(s) with vendors for Control Enclosures with Protection and Control Panels and Neutral Grounding Resistors listed below for a maximum compensation amount of \$14,950,000; and (2) authorize the City Manager or designee to (a) take any actions as necessary to implement and administer the agreement(s) and/or purchase order(s), and (b) negotiate and execute amendments to the agreement(s) for (i) design changes, (ii) any unanticipated issues, (iii) extensions of the term, or (iv) the purchase of additional Control Enclosures with Protection and Control Panels and Neutral Grounding Resistors, subject to the above maximum compensation limit and review and approval as to form by the City Attorney.

Aye: 6 - Councilmember Watanabe, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

Recused: 1 - Councilmember Chahal

- 3.G** [24-1604](#) Action on an Agreement with Real Environmental Products, LLC for Landfill Gas Collection System and Cover Maintenance and Repair Services

Recommendation:

1. Determine that the proposed actions are exempt from CEQA pursuant to Section 15301 (Existing Facilities) of Title 14 of California Code of Regulations; and
2. Authorize the City Manager to execute an agreement with Real Environmental Products, LLC for landfill gas collection system and cover maintenance and repair services for a total not-to-exceed amount of \$1,200,000 over a three-year term, subject to annual appropriations of funds and approval as to form by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to (1) determine that the proposed actions are exempt from CEQA pursuant to Section 15301 (Existing Facilities) of Title 14 of California Code of Regulations; and (2) authorize the City Manager to execute an agreement with Real Environmental Products, LLC for landfill gas collection system and cover maintenance and repair services for a total not-to-exceed amount of \$1,200,000 over a three-year term, subject to annual appropriations of funds and approval as to form by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.H** [24-915](#) Action on the Historic Preservation Agreement (Mills Act Contract) (PLN24-00264) for 1756 Fremont Street

Recommendation:

1. Determine that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15331(Class 31 - Historical Resource Restoration / Rehabilitation); and
2. Authorize the City Manager to execute a Mills Act Contract in a final form approved by the City Attorney and adopt the 10-Year Restoration and Maintenance Plan associated with the property at 1756 Fremont Street.

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to (1) determine that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15331(Class 31 - Historical Resource Restoration / Rehabilitation); and (2) authorize the City Manager to execute a Mills Act Contract in a final form approved by the City Attorney and adopt the 10-Year Restoration and Maintenance Plan associated with the property at 1756 Fremont Street.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.I [24-990](#) Informational Report on 2024 Q3 Legislative Updates

Recommendation: Note and file the informational report on 2024 Q3 legislative updates.

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to note and file the informational report on 2024 Q3 legislative updates.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.J [24-1073](#) Action to Approve Revisions to the Existing Resource Analyst II (Job Code 696) and Senior Resource Analyst (Job Code 771) Class Specifications

Recommendation: Approve revisions to the existing Resource Analyst II (Job Code 696) and Senior Resource Analyst (Job Code 771) class specifications

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to approve revisions to the existing Resource Analyst II (Job Code 696) and Senior Resource Analyst (Job Code 771) class specifications.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.K [24-1096](#) Action on the Schematic Design for the New Public Mini Park at 4590 Patrick Henry Drive

Recommendation: Approve the Revised Schematic Design for the New Public Mini Park at 4590 Patrick Henry Drive

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to approve the Revised Schematic Design for the New Public Mini Park at 4590 Patrick Henry Drive.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.L [24-1090](#) Action to Waive Second Reading and Adopt Ordinance No. 2073 Amending Section 3.25.030 of the Santa Clara City Code to Reflect a 1% Increase in the Transient Occupancy Tax Rate.

Recommendation: Waive second reading and adopt Ordinance No. 2073 amending section 3.25.030 of the Santa Clara City Code to reflect the increase in the Transient Occupancy Tax rate.

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to waive second reading and adopt Ordinance No. 2073 amending section 3.25.030 of the Santa Clara City Code to reflect the increase in the Transient Occupancy Tax rate.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

SANTA CLARA STADIUM AUTHORITY BOARD CONSENT CALENDAR

- 4.A [24-686](#) Informational Report on Stadium Authority and Stadium Manager Meetings for the Period of April 1 to June 30, 2024

Recommendation: Note and file the quarterly report on Stadium Authority and Stadium Manager staff meetings and corresponding summaries for the period of April 1 to June 30, 2024.

A motion was made by Vice Chair Becker, seconded by Boardmember Hardy, to note and file the quarterly report on Stadium Authority and Stadium Manager staff meetings and corresponding summaries for the period of April 1, 2024 to June 30, 2024.

Aye: 7 - Boardmember Watanabe, Boardmember Chahal, Boardmember Hardy, Boardmember Park, Boardmember Jain, Vice Chair Becker, and Chair Gillmor

- 4.B [24-835](#) Adopt the Stadium Authority's Resolution Amending the Conflict of Interest Code for Designated Positions as Required by the Political Reform Act and Regulations of the Fair Political Practices Commission

Recommendation: Adopt the Resolution amending the Stadium Authority Conflict of Interest Code required by the Political Reform Act and Regulations of the Fair Political Practices Commission.

A motion was made by Vice Chair Becker, seconded by Boardmember Hardy, to adopt Resolution No. 24-1(SA) amending the Stadium Authority Conflict of Interest Code required by the Political Reform Act and Regulations of the Fair Political Practices Commission.

Aye: 7 - Boardmember Watanabe, Boardmember Chahal, Boardmember Hardy, Boardmember Park, Boardmember Jain, Vice Chair Becker, and Chair Gillmor

PUBLIC PRESENTATIONS

Akos Szoboszlai expressed concerns regarding bike lanes prohibition.

Lakshin expressed concerns regarding political freedom and expression.

Howard Gibbins thanked City staff for their hard work regarding vendor permits.

Satish Chandra (additional time given by Geetanjali) mourned the loss of Jose Zamora and expressed concerns regarding negative political attacks.

Mary Grizzle spoke about downtown development.

Brian Darby spoke about people with mental health struggles.

Albert Gonzalez spoke about mental health in school and the recent election.

Harbir Bhatia spoke about moving forward after the election.

[24-1183](#)

Public Presentations

CONSENT ITEMS PULLED FOR DISCUSSION

None.

PUBLIC HEARING/GENERAL BUSINESS

5. [24-1040](#) Action on a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and Route Approval for the Silicon Valley Power 115 kilovolt Transmission Line from the Northern Receiving Station to the Kifer Receiving Station (Continued from October 8, 2024)

- Recommendation:**
1. Adopt a Resolution adopting the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the New 115kV Transmission Line Project between the Northern Receiving Station and Kifer Receiving Station; and
 2. Approve Route A, Option 1, for an entirely overhead alignment of the New 115kV Transmission Line, with authorization to Silicon Valley Power staff to make minor alignment adjustments based on final project engineering and design.

Councilmember Chahal recused himself from this item due to a conflict of interest as he owns property within 1000 ft of the subject property.

Councilmember Park noted that he would be leaving the meeting. He provided some comments and left the dias at 8:33 PM.

City Manager Grogan made some opening remarks and introduced **Chief Electric Utility Officer Pineda** who provided a Powerpoint presentation on the 115 kV Transmission Line Project.

Gabor Mezei (Principal Scientist, Exponent) and Gary Johnson (Senior Managing Scientist, Exponent) provided a Powerpoint presentation on electromagnetic fields.

Council comments and questions followed.

Chief Electric Utility Officer Pineda, Gabor Mezei (Principal Scientist, Exponent) and Gary Johnson (Senior Managing Scientist, Exponent) responded to **Council** questions.

Public Comments: Satish Chandra
Corina Tyagi
Rachana Ramesh
Dyuti Batchu
Prashant Tiwari (additional time given by Ishoon)
Preetika Tiwari (additional time given by Meesha)
Kanupriya
Shankar Pandravada (additional time given by Harini Tadinada)
Anika Andrujuta
Manjunath Jagannatathrao
Vandana Gupta

Aarna Agrawal
Siara
Richika (additional time given by Vik Sharma)
Usha Ganesh
Hamesh
Praneet Mungara
Simple
Neelam D
Harbir Bhatia
Suneet
James O'Connor
Sharath
Saurabh Sharma
Ramiya Venkatachalam
Linda
Edward Strine

Chief Electric Utility Officer Pineda addressed some of the comments that came up during Public Comments.

Council questions and comments followed.

Chief Electric Utility Pineda addressed **Council** questions.

A motion was made by Councilmember Hardy, seconded by Councilmember Jain, to (1) adopt Resolution No. 24-9386 adopting the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the New 115kV Transmission Line Project between the Northern Receiving Station and Kifer Receiving Station; and (2) approve Route A, Option 1, for an entirely overhead alignment of the New 115kV Transmission Line, with authorization to Silicon Valley Power staff to make minor alignment adjustments based.

Aye: 4 - Councilmember Watanabe, Councilmember Hardy, Councilmember Jain, and Mayor Gillmor

Nay: 1 - Vice Mayor Becker

Absent: 1 - Councilmember Park

Recused: 1 - Councilmember Chahal

Mayor/Chair Gillmor called a recess at 11:10 PM and reconvened the meeting at 11:30 PM.

6. [24-921](#) Public Hearing: Actions on a Rezone from PD - Planned Development to HI - Heavy Industrial and Variance for the Property Located at 2201 Lafayette Street to Allow Reestablishment of Industrial Uses for a Product Engineering Development and Manufacturing Business

Recommendation: Alternatives 1 & 4

1. Determine that the Project is categorically exempt under Section 15301 (Class 1 Existing Facilities) of the CEQA Guidelines;
2. Adopt a resolution approving the Rezone from Planned Development (PD) to Heavy Industrial (HI) for the property located at 2201 Lafayette Street, subject to conditions of approval; and
3. Adopt a resolution approving the Variance for a reduction in parking spaces, including the required findings.

Mayor Gillmor opened the Public Hearing.

City Manager Grogan gave some opening remarks and introduced **Acting Director of Community Development Brilliot** who provided a Powerpoint presentation regarding a rezone application for the property located at 2201 Lafayette Street.

Council comments and questions followed.

Acting Director of Community Development Brilliot addressed **Council** questions.

John Ha provided a verbal presentation on behalf of the applicant.

Public Comment: Linda

A motion was made by Vice Mayor Becker, seconded by Councilmember Hardy, to close the Public Hearing.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

Absent: 1 - Councilmember Park

Acting Director of Community Development Brilliot and John Ha addressed questions from the public.

Council questions followed.

Acting Director of Community Development Brilliot and City Attorney Googins addressed **Council** questions.

Council discussion ensued.

A motion was made by Councilmember Hardy, seconded by Councilmember Jain, to (1) determine that the Project is categorically exempt under Section 15301 (Class 1 Existing Facilities) of the CEQA Guidelines; (2) adopt Resolution No. 24-9387 approving the Rezone from Planned Development (PD) to Heavy Industrial (HI) for the property located at 2201 Lafayette Street, subject to conditions of approval; and (3) adopt Resolution No. 24-9388 approving the variance for a reduction in parking spaces, including the required findings.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

Absent: 1 - Councilmember Park

7. [24-512](#) Action on Resolutions Accepting the Benton Street Bikeway Planning Study, Selecting a Preferred Design Concept and, as Appropriate, Taking Related Actions Regarding Parking and Curb Modifications

Recommendation: Alternative 1, 2b, 3a, 4b, and 5.

1. Adopt a resolution accepting the Benton Street Bikeway Planning Study;
- 2b. Approve roadway concept Two Lanes, Buffered Bike Lanes, Parking on Both Sides for the 60-foot-wide section of Benton Street;
- 3a. Approve roadway concept Two Lanes, Buffered Bike Lanes, Center Turn Lane, Parking on Both Sides for the 64-foot-wide section of Benton Street;
- 4b. Approve roadway concept Bicycle Boulevard with Speed Humps/Cushions, Parking on Both Sides for the 38-foot-wide section and waive the requirements of the NTCP related to Daily Traffic Volumes, Roadway Type, Emergency and Transit Routes, and 70% and 100% neighborhood approval requirements for the installation of speed humps/cushions; and
5. Adopt a resolution establishing no parking zones as necessary on Benton Street between Dunford Way and Lincoln Street.

City Manager Grogan gave opening remarks and introduced **Assistant Director of Public Works Liw** who gave a Powerpoint presentation on the Benton Street Bikeway Planning Study.

Council comments and questions followed.

Assistant Public Works Director Liw addressed **Council** questions.

Public Comments: C. Roy Novak
Charles
Charlotte
Sylvester Ramirez
Gita
Betsy Megas
Sharlene Liu
Jeff Houston
Gavin Achtemeier
Tom
Diane Harrison
Public Speaker

Assistant Director of Public Works Liw responded to questions from the public.

A motion was made by Councilmember Hardy, seconded by

Councilmember Jain, to: (1) adopt Resolution No. 24-9389 accepting the Benton Street Bikeway Planning Study; (2b) approve roadway concept Two Lanes, Buffered Bike Lanes, Parking on Both Sides for the 60-foot-wide section of Benton Street; (3a) approve roadway concept Two Lanes, Buffered Bike Lanes, Center Turn Lane, Parking on Both Sides for the 64-foot-wide section of Benton Street; (4b) approve roadway concept Bicycle Boulevard with Speed Humps/Cushions, Parking on Both Sides for the 38-foot-wide section and waive the requirements of the NTCP related to Daily Traffic Volumes, Roadway Type, Emergency and Transit Routes, and 70% and 100% neighborhood approval requirements for the installation of speed humps/cushions; and (5) adopt Resolution No. 24-9390 establishing no parking zones as necessary on Benton Street between Dunford Way and Lincoln Street.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

Absent: 1 - Councilmember Park

REPORTS OF MEMBERS, SPECIAL COMMITTEES AND COUNCILMEMBER 030 REQUESTS

Vice Mayor Becker congratulated **Kelly Cox** and **Albert Gonzalez** for their election win.

CITY MANAGER/EXECUTIVE DIRECTOR REPORT

[24-1098](#)

Report from the City Manager on the Request to Provide Information Regarding State of the City

City Manager Grogan provided a Powerpoint presentation on the State of the City Address.

Mayor Gillmor gave some remarks on the State of the City Address.

ADJOURNMENT

The meeting was adjourn at 1:30 AM in memory of **Michael De Young**.

A motion was made by Council/Boardmember Hardy, seconded by Vice Mayor/Chair Becker, to adjourn the meeting.

Aye: 6 - Council/Boardmember Kathy Watanabe, Council/Boardmember Raj Chahal, Council/Boardmember Karen Hardy, Council/Boardmember Kevin Park, Council/Boardmember Suds Jain, Vice Mayor/Chair Anthony Becker, and Mayor/Chair Lisa M. Gillmor

Absent: 1 - Council/Boardmember Park

[24-1184](#)

Adjournment of the November 12, 2024, Council & Authorities Concurrent Meeting

The next regular scheduled meeting is on Tuesday, November 19, 2024 in the City Hall Council Chambers.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

STREAMING SERVICES: As always, the public may view the meetings on SantaClaraCA.gov, Santa Clara City Television (Comcast cable channel 15 or AT&T U-verse channel 99), or the livestream on the City's YouTube channel or Facebook page.

Note: The public cannot participate in the meeting through these livestreaming methods; livestreaming capabilities may be disrupted at times, viewers may always view and participate in meetings in-person and via Zoom as noted on the agenda.

AB23 ANNOUNCEMENT: Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive \$30 for each attended meeting.

Note: The City Council and its associated Authorities meet as separate agencies but in a concurrent manner. Actions taken should be considered actions of only the identified policy body.

LEGEND: City Council (CC); Stadium Authority (SA); Sports and Open Space Authority (SOSA); Housing Authority (HA); Successor Agency to the City of Santa Clara Redevelopment Agency (SARDA); Bayshore North Project Enhancement Authority (BNPEA); Public Facilities Financing Corporation (PFFC)

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the City in an appropriate alternative format. Contact the City Clerk's Office at 1 408-615-2220 with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the City of Santa Clara, should contact the City's ADA Coordinator at 408-615-3000 as soon as possible but no later than 48 hours before the scheduled event.



City of Santa Clara

Meeting Minutes of the

Joint City Council and Authorities Concurrent &

Santa Clara Stadium Authority Board



11/19/2024

5:00 PM

Hybrid Meeting
City Hall Council Chambers/Virtual
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting City Council meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

• Via Zoom:

o <https://santaclaraca.zoom.us/j/99706759306>

Meeting ID: 997-0675-9306

o Phone 1(669) 900-6833

How to Submit Written Public Comment Before City Council Meeting:

1. Use the eComment tab located on the City Council Agenda page (<https://santaclaraca.legistar.com/Calendar.aspx>). eComments are directly sent to the iLegislate application used by City Council and staff, and become part of the public record. eComment closes 15 minutes before the start of a meeting.
2. By email to clerk@santaclaraca.gov by 12 p.m. the day of the meeting. Those emails will be forwarded to the Council and will be uploaded to the City Council Agenda as supplemental meeting material. Emails received after the 12 p.m. cutoff time up through the end of the meeting will form part of the meeting record. Please identify the Agenda Item Number in the subject line of your email.

NOTE: Please note eComments and Emails received as public comment **will not** be read aloud during the meeting.

Agendas, Staff Reports and some associated documents for City Council items may be viewed on the Internet at <https://santaclaraca.legistar.com/Calendar.aspx>

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at Santa Clara City Hall, 1500 Warburton Avenue, Santa Clara, CA 95050 at the same time that the public records are distributed or made available to the legislative body. Any draft contracts, ordinances and resolutions posted on the Internet site or distributed in advance of the Council meeting may not be the final documents approved by the City Council. For the final document, you may contact the Office of the City Clerk at (408) 615-2220 or Clerk@santaclaraca.gov.

Closed Session - 5:00 PM | Regular Meeting - 7:00 PM

5:00 PM CLOSED SESSION

Call to Order in the Council Chambers

Mayor Gillmor called the Closed Session to order at 5:03 PM.

Confirmation of Quorum

Assistant City Clerk Pimentel confirmed a quorum.

1.A [24-1004](#)

Conference with Labor Negotiators (CC)
Pursuant to Gov. Code § 54957.6

City representatives: Jovan D. Grogan, Nadine Nader, Aracely Azevedo,
Marco Mercado, Charles Sakai, Glen R. Googins

Employee Organization(s):
Unit # 6 - AFSCME Local 101 (American Federal of State, County and
Municipal Employees)

1.B [24-853](#)

Conference with Real Property Negotiators (CC) - Mathews Property
Pursuant to Gov. Code § 54956.8

Property: 525 Mathew Street, Santa Clara CA 95050 (APN 230-03-090)

City Negotiator: Jovan D. Grogan, City Manager (or designee)

Negotiating Parties: City of Santa Clara (Buyer) and Grief Inc. (Seller)

Under Negotiation: Purchase of Real Property (price and terms of
payment)

1.C [24-1171](#)

Public Employee Performance Evaluation (CC)
Pursuant to Government Code § 54957(b)(1)
(Continued from November 12, 2024)

Title: City Attorney

Public Comment

None.

Convene to Closed Session (Council Conference Room)

Mayor Gillmor adjourned into Closed Session at 5:04 PM.

Councilmember Park joined the Closed Session at 5:20 PM.

7:00 PM JOINT CITY COUNCIL/STADIUM AUTHORITY BOARD MEETING

Call to Order in the Council Chambers

Mayor/Chair Gillmor called the regular meeting to order at 7:01 PM.

Pledge of Allegiance and Statement of Values

Council/Board recited the Pledge of Allegiance.

Council/Boardmember Park recited the Statement of Values.

Roll Call

Assistant City Clerk/Secretary Pimentel recited the AB23 announcement and State of Behavioral Standards.

Assistant City Clerk/Secretary Pimentel also noted that any registered Lobbyist speaking during the Public Meeting will need to identify themselves and whom they represent.

Present: 7 - Council/Boardmember Kathy Watanabe, Council/Boardmember Raj Chahal, Council/Boardmember Karen Hardy, Council/Boardmember Kevin Park, Council/Boardmember Suds Jain, Vice Mayor/Chair Anthony Becker, and Mayor/Chair Lisa M. Gillmor

REPORTS OF ACTION TAKEN IN CLOSED SESSION MATTERS

City Attorney Googins reported there was no reportable action from Item 1.A regarding labor negotiations and Item 1.B. regarding real property negotiations.

Mayor Gillmor reported there was no reportable action from Item 1.C regarding public employee performance evaluation for City Attorney.

City Manager Grogan introduced the new **Director of Community Development Afshan Hamid** who provided some remarks.

CONTINUANCES/EXCEPTIONS/RECONSIDERATIONS

None.

SPECIAL ORDER OF BUSINESS

2.A [24-568](#) Proclamation of November 2024 as Native American Heritage Month

Mayor Gillmor, on behalf of the **Council**, proclaimed November 2024 as Native American Heritage Month.

Vernon Medicine Cloud (Inter Tribal Resource Director, Indian Health Center of Santa Clara Valley) accepted the proclamation and provided some remarks.

2.B [24-1063](#) Proclamation of Nurse Practitioner Week from November 10 to November 16, 2024

Mayor Gillmor, on behalf of the **Council**, proclaimed November 10, 2024 through November 16, 2024 as Nurse Practitioner Week.

Sue Houchen (Legislative Representative, Association of Nurse Practitioners) accepted the proclamation and provided some remarks.

CONSENT CALENDAR

Council/Boardmember Jain noted he will recuse from Item 3.J regarding the Mills Act contract at 811 Monroe Street due to a conflict of interest as he owns property near the subject property.

Mayor/Chair Gillmor noted that she will recuse from Item 3.I regarding the Mills Act contract at 1365 Main Street and Item 3.J regarding the Mills Act contract at 811 Monroe Street due to a conflict of interest as she owns property near the subject properties.

A motion was made by Vice Mayor/Chair Becker, seconded by Council/Boardmember Chahal, to approve the Consent Calendar (except Item 3.I and Item 3.J)

Aye: 7 - Council/Boardmember Kathy Watanabe, Council/Boardmember Raj Chahal, Council/Boardmember Karen Hardy, Council/Boardmember Kevin Park, Council/Boardmember Suds Jain, Vice Mayor/Chair Anthony Becker, and Mayor/Chair Lisa M. Gillmor

- 3.A** [24-1174](#) Action on the September 10, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, September 24, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes, October 21, 2024 Special City Council Meeting Minutes, October 22, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting Minutes.

Recommendation: Approve the meeting minutes of:
September 10, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting,
September 24, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting,
October 21, 2024 Special City Council Meeting,
October 22, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to approve the meeting minutes of September 10, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting, September 24, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting, October 21, 2024 Special City Council Meeting, and October 22, 2024 Joint Council and Authorities Concurrent & Stadium Authority Meeting.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.B** [24-21](#) Board, Commissions and Committee Minutes

Recommendation: Note and file the Minutes of:

Cultural Commission - October 7, 2024
Planning Commission - October 23, 2024
Board of Library Trustees - September 16, 2024
Board of Library Trustees - October 7, 2024
Bicycle and Pedestrian Advisory Committee - August 26, 2024

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to note and file the minutes of Cultural Commission - October 7, 2024, Planning Commission - October 23, 2024, Board of Library Trustees - September 16, 2024, Board of Library Trustees - October 7, 2024, and Bicycle and Pedestrian Advisory Committee - August 26, 2024.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.C [24-1074](#) Action on City Bills and Claims Report for the period September 21, 2024 - October 18, 2024

Recommendation: Approve the list of Bills and Claims for September 21, 2024 - October 18, 2024.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to approve the list of Bills and Claims for September 21, 2024 - October 18, 2024.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.D** [24-1057](#) Action Authorizing the City Manager to Negotiate and Execute Agreement(s) with Vendor(s) for the Purchase of Capacitor Banks with Reactor Switching Devices, Protection and Control Panels, Insulators, and Surge Arresters to be Funded by the Electric Utility Capital Fund

Recommendation:

1. Subject to compliance with Chapter 2.105 of the City Code, review and approval as to form by the City Attorney, and appropriation of funds, authorize the City Manager or designee to negotiate and execute agreement(s) or purchase order(s) with vendors for Capacitor Banks with Reactive Switching Devices, Protection and Control Panels, Insulators, and Surge Arrestors, subject to a total maximum aggregate compensation amount of \$11,000,000, plus a fifteen percent (15%) contingency (\$1,650,000) for a maximum compensation amount of \$12,650,000; and
2. Authorize the City Manager or designee to (a) take any actions as necessary to implement and administer the agreement(s) and/or purchase order(s), and (b) negotiate and execute amendments to the Agreement(s) for (i) design changes, (ii) any unanticipated issues, (iii) extensions of the term, or (iv) the purchase of additional Capacitor Banks with Reactive Switching Devices, Protection and Control Panels, Insulators and Surge Arresters, subject to the above maximum compensation limit and review and approval as to form by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) subject to compliance with Chapter 2.105 of the City Code, review and approval as to form by the City Attorney, and appropriation of funds, authorize the City Manager or designee to negotiate and execute agreement(s) or purchase order(s) with vendors for Capacitor Banks with Reactive Switching Devices, Protection and Control Panels, Insulators, and Surge Arrestors, subject to a total maximum aggregate compensation amount of \$11,000,000, plus a fifteen percent (15%) contingency (\$1,650,000) for a maximum compensation amount of \$12,650,000; and (2) authorize the City Manager or designee to (a) take any actions as necessary to implement and administer the agreement(s) and/or purchase order(s), and (b) negotiate and execute amendments to the Agreement(s) for (i) design changes, (ii) any unanticipated issues, (iii) extensions of the term, or (iv) the purchase of additional Capacitor Banks with Reactive Switching Devices, Protection and Control Panels, Insulators and Surge Arresters, subject to the above maximum compensation limit and review and approval as to form by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.E [24-1112](#) Authorize the City Manager to execute the Side Letter Agreement between the City of Santa Clara and the Public Safety Non-Sworn Employees Association (Unit 10) that provides a pilot program for training pay for Senior Public Safety Dispatchers who are assigned to train newly hired lateral Public Safety Dispatchers.

Recommendation: Authorize the City Manager to execute the Side Letter Agreement between the City of Santa Clara and the Public Safety Non-Sworn Employees Association (Unit 10) that provides a pilot program for a training pay for Senior Public Safety who are assigned to train newly hired lateral Public Safety Dispatchers on the terms presented and in a final form approved by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to authorize the City Manager to execute the Side Letter Agreement between the City of Santa Clara and the Public Safety Non Sworn Employees Association (Unit 10) that provides a pilot program for a training pay for Senior Public Safety who are assigned to train newly hired lateral Public Safety Dispatchers on the terms presented and in a final form approved by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.F [24-1094](#) Action on the Services Agreement with Bay Pro for Landscaping Services at Water and Sewer Utilities facilities, with a Maximum Compensation Amount of \$410,000

- Recommendation:**
1. Determine the proposed actions are exempt from CEQA pursuant to Section 15301 (Class 1 -Existing Facilities) and of Title 14 of the California Code of Regulations;
 2. Authorize the City Manager or designee to negotiate and execute an agreement with Bay Pro (Agreement) to provide for landscaping services at water wells, storage tanks, and sewer pump/lift station sites for up to five years, with a maximum compensation of \$410,000, subject to the approval as to form by the City Attorney; and
 3. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to (a) increase the maximum compensation amount by \$350,000 for a revised maximum compensation amount of \$410,000, (b) add or delete services consistent with the scope of services, and (c) exercise up to five one-year options to extend the term of the Agreement through June 30, 2030, subject to appropriation of funds and review and approval as to form by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) determine the proposed actions are exempt from CEQA pursuant to Section 15301 (Class 1 Existing Facilities) and of Title 14 of the California Code of Regulations; (2) authorize the City Manager or designee to negotiate and execute an agreement with Bay Pro (Agreement) to provide for landscaping services at water wells, storage tanks, and sewer pump/lift station sites for up to five years, with a maximum compensation of \$410,000, subject to the approval as to form by the City Attorney; and (3) authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to (a) increase the maximum compensation amount by \$350,000 for a revised maximum compensation amount of \$410,000, (b) add or delete services consistent with the scope of services; and (c) exercise up to five one year options to extend the term of the Agreement through June 30, 2030, subject to appropriation of funds and review and approval as to form by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.G [24-1034](#)

Action on an Agreement for Services with Grid Subject Matter Experts, LLC to Provide Silicon Valley Power With Consulting and Support Services for North American Reliability Corporation Critical Infrastructure Protection Compliance

Recommendation:

1. Authorize the City Manager or designee to execute an agreement with Grid Subject Matter Experts, LLC (Agreement) to provide North American Reliability Corporation (NERC) compliance services and Supervisory Control and Data Acquisition (SCADA) system support for a term starting on January 1, 2025 and ending on December 31, 2029, with a maximum compensation of \$600,000, to be funded by Electric Utility Fund, subject to the approval as to form by the City Attorney; and
2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to (a) add or delete services consistent with the scope of services, (b) adjust rates by up to 3% annually, (c) extend the term for up to three additional years, (d) make other no cost or term extension amendments, and (e) increase the maximum compensation by up to \$400,000 for a total maximum compensation of \$1,000,000 over an eight-year period through December 31, 2032, subject to the appropriation of funds and approval as to form by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) authorize the City Manager or designee to execute an agreement with Grid Subject Matter Experts, LLC (Agreement) to provide North American Reliability Corporation (NERC) compliance services and Supervisory Control and Data Acquisition (SCADA) system support for a term starting on January 1, 2025 and ending on December 31, 2029, with a maximum compensation of \$600,000, to be funded by Electric Utility Fund, subject to the approval as to form by the City Attorney; and (2) authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to (a) add or delete services consistent with the scope of services, (b) adjust rates by up to 3% annually, (c) extend the term for up to three additional years, (d) make other no cost or term extension amendments; and (e) increase the maximum compensation by up to \$400,000 for a total maximum compensation of \$1,000,000 over an eight year period through December 31, 2032, subject to the appropriation of funds and approval as to form by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.H [24-1038](#) Action on the Historic Preservation Agreement (Mills Act Contract) (PLN24-00423) for 1309 Alviso Street

Recommendation:

1. Determine that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15331(Class 31 - Historical Resource Restoration / Rehabilitation); and
2. Authorize the City Manager to execute a Mills Act Contract in a final form approved by the City Attorney and adopt the 10-Year Restoration and Maintenance Plan associated with the property at 1309 Alviso Street.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) determine that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15331(Class 31 Historical Resource Restoration / Rehabilitation); and (2) authorize the City Manager to execute a Mills Act Contract in a final form approved by the City Attorney and adopt the 10 Year Restoration and Maintenance Plan associated with the property at 1309 Alviso Street.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.I [24-1041](#) Action on the Historic Preservation Agreement (Mills Act Contract) (PLN21-15422) for 1365 Main Street

Recommendation:

1. Determine that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15331(Class 31 - Historical Resource Restoration / Rehabilitation); and
2. Authorize the City Manager to execute a Mills Act Contract in a final form approved by the City Attorney and adopt the 10-Year Restoration and Maintenance Plan associated with the property at 1365 Main Street.

Mayor Gillmor recused herself from this item due to a conflict of interest as she owns property near the subject property.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) determine that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15331(Class 31 Historical Resource Restoration / Rehabilitation); and (2) authorize the City Manager to execute a Mills Act Contract in a final form approved by the City Attorney and adopt the 10 Year Restoration and Maintenance Plan associated with the property at 1365 Main Street.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, and Vice Mayor Becker

Recused: 1 - Mayor Gillmor

3.J [24-1029](#) Action on the Historic Preservation Agreement (Mills Act Contract) (PLN24-00431) for 811 Monroe Street

Recommendation: 1. Determine that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15331(Class 31 - Historical Resource Restoration / Rehabilitation); and
2. Authorize the City Manager to execute a Mills Act Contract in a final form approved by the City Attorney and adopt the 10-Year Restoration and Maintenance Plan associated with the property at 811 Monroe Street.

Councilmember Jain and **Mayor Gillmor** recused themselves from this item due to a conflict of interest as they own property near the subject property.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) determine that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15331(Class 31 Historical Resource Restoration / Rehabilitation); and (2) authorize the City Manager to execute a Mills Act Contract in a final form approved by the City Attorney and adopt the 10 Year Restoration and Maintenance Plan associated with the property at 811 Monroe Street.

Aye: 5 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, and Vice Mayor Becker

Recused: 2 - Councilmember Jain, and Mayor Gillmor

- 3.K** [24-1067](#) Action on Authorizing the City Manager to Negotiate and Execute Amendment No. 1 to the Substation Agreement with Vantage Data Centers CA31, LLC for the Bowers Avenue Junction Substation

Recommendation: 1. Authorize the City Manager or designee to negotiate and execute Amendment No. 1 to the Substation Agreement with Vantage Data Centers CA31, LLC for the Bowers Avenue Junction Substation on the terms presented, subject to the review and approval as to form by the City Attorney; and

2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to make any additional modifications that do not result in increased costs or total capacity exceeding 192.5 MVA, subject to review and approval as to form by the City Attorney.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) authorize the City Manager or designee to negotiate and execute Amendment No. 1 to the Substation Agreement with Vantage Data Centers CA31, LLC for the Bowers Avenue Junction Substation on the terms presented, subject to the review and approval as to form by the City Attorney; and (2) authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to make any additional modifications that do not result in increased costs or total capacity exceeding 192.5 MVA, subject to review and approval as to form by the City Attorney.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.L** [23-373](#) Action to Adopt a Resolution Approving Updates to the City's Water Service and Use Rules and Regulations

Recommendation: Adopt a Resolution approving updates to the City's Water Service and Use Rules and Regulations.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to adopt Resolution No. 24-9391 approving updates to the City's Water Service and Use Rules and Regulations.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.M** [24-1111](#) Action to Adopt a Resolution of Local Support and Findings for the City's Application for Transit-Oriented Communities Implementation Grants

Recommendation: 1. Adopt a Resolution of Local Support for the City's application for technical assistance grants related to Association of Bay Area Government's Transit-Oriented Communities Policy; and
2. Authorize the City Manager to execute all documents related to applying for and accepting the technical assistance grants.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) adopt Resolution No. 24-9392 of Local Support for the City's application for technical assistance grants related to Association of Bay Area Government's Transit Oriented Communities Policy; and (2) authorize the City Manager to execute all documents related to applying for and accepting the technical assistance grants.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.N** [24-1121](#) Adopt a Resolution Approving and Adopting Updated Salary Plans for Various As-Needed and Classified Positions

Recommendation: Adopt a Resolution to approve and adopt the revised salary plans for various as-needed positions and various classified positions (effective December 22, 2024) to satisfy the requirements of California Code of Regulations Section 570.5.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to adopt Resolution No. 24-9393 to approve and adopt the revised salary plans for various as needed positions and various classified positions (effective December 22, 2024) to satisfy the requirements of California Code of Regulations Section 570.5.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

- 3.O [24-1071](#) Adopt a Resolution to Authorize the City Manager to Execute the 2025-2028 Memorandum of Understanding Between the City of Santa Clara and the Unclassified Miscellaneous Management (hereafter, "Unit 9"), Which Incorporates the Terms of the Tentative Agreement; Adopt a Resolution Updating the Unclassified Salary Plan; Approve the Creation and Modification of Unclassified Class Specifications; and Add 1.0 Assistant Fleet Manager and Delete 1.0 Public Works Supervisor

- Recommendation:**
1. Authorize the City Manager to Execute the 2025-2028 Memorandum of Understanding Between the City of Santa Clara and the Unclassified Miscellaneous Management (hereafter, "Unit 9"), Which Incorporates the Terms of the Tentative Agreement;
 2. Adopt a Resolution to approve the revised salary plans for unclassified positions to satisfy the requirements of California Code of Regulations Section 570.5, effective December 22, 2024;
 3. Authorize the City Manager to negotiate and execute all necessary agreements and other documents, in final form(s) approved by the City Attorney, for the establishment and operation of a section 401(a) deferred compensation plan in accordance with the terms of the Unit 9 MOU;
 4. Approve the Creation of the Assistant Fleet Manager Class Specification (Job Code 046);
 5. Approve the consolidation of the Deputy Public Works Director (Job Code 176) and Deputy Parks and Recreation Director (Job Code 175) to a general Deputy Director (Job Code 176) Class Specification;
 6. Approve Revisions to Senior Electric Division Manager (Job Code 173) Class Specification; and
 7. Approve the addition of 1.0 Assistant Fleet Manager and deletion of 1.0 Public Works Supervisor in the Public Works Department.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to (1) authorize the City Manager to Execute the 2025-2028 Memorandum of Understanding Between the City of Santa Clara and the Unclassified Miscellaneous Management (hereafter, "Unit 9"), Which Incorporates the Terms of the Tentative Agreement; (2) adopt Resolution No. 24-9394 to approve the revised salary plans for unclassified positions to satisfy the requirements of California Code of Regulations Section 570.5, effective December 22, 2024; (3) authorize the City Manager to negotiate and execute all necessary agreements and other documents, in final form(s) approved by the City Attorney, for the establishment and operation of a section 401(a) deferred compensation plan in accordance with the terms of the Unit 9 MOU; (4) approve the Creation of the Assistant Fleet Manager Class Specification (Job Code 046); (5) approve the consolidation of the Deputy Public Works Director (Job

Code 176) and Deputy Parks and Recreation Director (Job Code 175) to a general Deputy Director (Job Code 176) Class Specification; (6) approve Revisions to Senior Electric Division Manager (Job Code 173) Class Specification; and (7) approve the addition of 1.0 Assistant Fleet Manager and deletion of 1.0 Public Works Supervisor in the Public Works Department.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.P [24-866](#) Action on a Resolution Approving the 2025 Board of Library Trustees Calendar of Meetings, and Setting the Number of Regular Board of Library Trustees Meetings

Recommendation: Adopt a Resolution setting the Board of Library Trustees regular meeting dates for the 2025 calendar year.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to adopt Resolution No. 24-9395 setting the Board of Library Trustees regular meeting dates for the 2025 calendar year.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

3.Q [24-1124](#) Appointment of Alternate Cultural Commission Member to the Santa Clara Station Area Plan Task Force (SATF)

Recommendation: Appoint Jonathan Marinaro to represent the Cultural Commission on the SATF.

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to appoint Jonathan Marinaro to represent the Cultural Commission on the SATF.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

SANTA CLARA STADIUM AUTHORITY BOARD CONSENT CALENDAR

4. [24-1078](#) Action on Stadium Authority Bills and Claims for the Month of September 2024

Recommendation: Approve the list of Stadium Authority Bills and Claims for September 2024.

A motion was made by Vice Chair Becker, seconded by Boardmember Chahal, to approve the list of Stadium Authority Bills and Claims for September 2024.

Aye: 7 - Boardmember Watanabe, Boardmember Chahal, Boardmember Hardy, Boardmember Park, Boardmember Jain, Vice Chair Becker, and Chair Gillmor

PUBLIC PRESENTATIONS

Craig Larsen spoke about preserving Modesto Ash Trees and cleaning up the San Tomas Aquino Creek.

Brian Darby spoke about lobbyist money affecting political campaigns.

Michele Ryan spoke about negative campaigning.

James Rowen spoke about the Civil Grand Jury.

[24-1202](#)

Public Presentations

CONSENT ITEMS PULLED FOR DISCUSSION

None.

PUBLIC HEARING/GENERAL BUSINESS

5. [24-1105](#) PUBLIC HEARING: Action on an Environmental Impact Report and Mitigation Monitoring and Reporting Program, General Plan Amendment from High-Intensity Office/Research-and-Development to newly created Urban Center Mixed Use and Urban Center Residential Mixed Use land use designations, a Rezoning to PD - Planned Development, a Vesting Tentative Subdivision Map, and Introduction of an Ordinance to Approve a Development Agreement for a Mixed Use Project at 3005 Democracy Way comprised of up to 1,800 units (approximately 1.8 million square feet of residential uses), up to 3 million square feet of office/research-and-development, approximately 100,000 square feet of retail, and approximately 10,000 square feet of childcare facilities ("Option A"), with a project alternative ("Option B") that allows for the flexibility of up to an additional 800 dwelling units (for a total of up to 2,600 residential units) with a corresponding reduction in office/research and development square footage to 2.2 million square feet.

Recommendation: Option B

1. Adopt a resolution to certify the Final EIR prepared for the Mission Point Project (SCH # 2018072068) and adopt a Mitigation Monitoring and Reporting Program, CEQA Findings, and a Statement of Overriding Considerations, "Option B".
2. Adopt a resolution to approve a General Plan Amendment to add new land use designations, Urban Center Mixed-Use (UCMU) and Urban Center Mission Point (UCMP), and to change the land use designation for the project site from High Intensity Office/Research & Development (HI O/R&D) to UCMU (on Areas C and D) and UCMP (on Areas A and B), "Option B".
3. Adopt a resolution to approve the Planned Development Rezoning from HO-RD - High-Intensity Office/Research and Development to PD - Planned Development, with land use "Option B".
4. Adopt a resolution to approve a Vesting Tentative Subdivision Map, "Option B".
5. Waive first reading and introduce an ordinance to approve the Development Agreement, "Option B".

Mayor Gillmor opened the public hearing.

City Manager Grogan made some opening remarks and introduced the new **Director of Economic Development and Sustainability Reena Brilliot** who provided a Powerpoint presentation on the Mission Point Project.

Council comments and questions followed.

Director of Economic Development and Sustainability Brilliot and

City Manager Grogan addressed **Council** questions.

Council comments and questions followed.

Ben Trunell (Principal, Gensler) provided a Powerpoint presentation on behalf of the applicant.

Council questions followed.

Public Comments: Brian Goldberg
Steve Kelly
Ali Sapirman
Jake Wilde
Mary Grizzle
Eric Crutchlow
Alex Shoor
Brian Darby
Jeff Houston
Anthony Montes
Manuel Salazar
Dylan O'Connell
Mike
Jason Morrow
Edward Strine
Anne Kepner
Jordan Grimes
Divya Dhar

Boshan Han (Vice President, Kylli) provided some remarks on behalf of the applicant.

A motion was made by Vice Mayor Becker, seconded by Councilmember Jain, to close the Public Hearing.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

Council questions and comments followed.

Director of Economic Development and Sustainability Brilliot and
City Manager Grogan addressed **Council** questions.

Council questions and comments followed.

David Doezeema (Consultant, Keyser Marsten) and **Patrick Maley (Consultant)** addressed **Council** questions.

Council discussion ensued.

A motion was made by Councilmember Hardy, seconded by Councilmember Chahal, to (1) adopt Resolution No. 24-9396 to certify the Final EIR prepared for the Mission Point Project (SCH # 2018072068) and adopt a Mitigation Monitoring and Reporting Program, CEQA Findings, and a Statement of Overriding Considerations, "Option B"; (2) adopt Resolution No. 24-9397 to approve a General Plan Amendment to add new land use designations, Urban Center Mixed Use (UCMU) and Urban Center Mission Point (UCMP), and to change the land use designation for the project site from High Intensity Office/Research & Development (HI O/R&D) to UCMU (on Areas C and D) and UCMP (on Areas A and B), "Option B"; (3) adopt Resolution No. 24-9398 to approve the Planned Development Rezoning from HO-RD - High Intensity Office/Research and Development to PD - Planned Development, with land use "Option B"; (4) adopt Resolution No. 24-9399 to approve a Vesting Tentative Subdivision Map, "Option B"; and (5) waive first reading and introduce Ordinance No. 2074 to approve the Development Agreement, "Option B".

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

Mayor/Chair Gillmor called a recess at 10:05 PM and reconvened the meeting at 10:20 PM.

6. [24-51](#) PUBLIC HEARING: Action on a Resolution Amending Rate Schedules for Electric Services for All Classes of Customers to Increase Electric Rates and Charges in Each Rate Schedule by 5.0% and Make Other Modifications, Effective January 1, 2025

Recommendation: Adopt a Resolution amending the City of Santa Clara Rate Schedules for Electric Utility Services to increase electric rates and charges in each rate schedule by 5.0% and make other modifications, effective January 1, 2025.

Mayor Gillmor opened the Public Hearing.

City Manager Grogan made some opening remarks and introduced **Chief Electric Utility Officer Pineda** who provided a Powerpoint presentation on amending rate schedules for electric service.

Council comments and questions followed.

Chief Electric Utility Officer Pineda and **City Manager Grogan** responded to **Council** questions.

Public Comment: None.

A motion was made by Vice Mayor Becker, seconded by Councilmember Jain, to close the Public Hearing.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

Council discussion ensued.

Chief Electric Utility Officer Pineda addressed **Council** questions.

A motion was made by Councilmember Jain, seconded by Councilmember Hardy, to adopt Resolution No. 24-9400 amending the City of Santa Clara Rate Schedules for Electric Utility Services to increase electric rates and charges in each rate schedule by 5.0% and make other modifications, effective January 1, 2025.

Aye: 6 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, and Mayor Gillmor

Nay: 1 - Vice Mayor Becker

7. [24-1022](#) PUBLIC HEARING: Action on a Vesting Tentative Parcel Map at 4590 Patrick Henry Drive for the Creation of Two Lots

Recommendation: Adopt a resolution to approve the Vesting Tentative Parcel Map to subdivide the existing parcel for the creation of two lots at the property located at 4590 Patrick Henry Drive.

Mayor Gillmor opened the Public Hearing.

City Manager Grogan made some opening remarks and introduced **Director of Economic Development and Sustainability Brilliot** who provided a Powerpoint presentation on 4590 Patrick Henry Drive Vesting Tentative Parcel map.

Katia Kamangar (Principal, Kamangar Consulting) noted that she is a lobbyist and provided a powerpoint presentation on behalf of the applicant.

Public Comment: Edward Strine

A motion was made by Vice Mayor Becker, seconded by Councilmember Chahal, to close the Public Hearing.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

Council comments and questions followed.

Economic Development and Sustainability Director Brilliot addressed Council questions.

A motion was made by Councilmember Watanabe, seconded by Vice Mayor Becker, to adopt Resolution No. 24-9401 approving the Vesting Tentative Parcel Map to subdivide the existing parcel for the creation of two lots at the property located at 4590 Patrick Henry Drive.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Councilmember Park, Councilmember Jain, Vice Mayor Becker, and Mayor Gillmor

**REPORTS OF MEMBERS, SPECIAL COMMITTEES AND COUNCILMEMBER 030
REQUESTS**

Councilmember Park noted that he attended the National League of Cities Conference in Tampa last week.

Councilmember Watanabe noted that she attended a press conference at Congregation Sinai in San Jose yesterday.

CITY MANAGER/EXECUTIVE DIRECTOR REPORT

None.

ADJOURNMENT

The meeting was adjourned at 11:12 PM.

A motion was made by Vice Mayor/Chair Becker, seconded by Council/Boardmember Chahal, to adjourn the meeting.

Aye: 7 - Council/Boardmember Kathy Watanabe, Council/Boardmember Raj Chahal, Council/Boardmember Karen Hardy, Council/Boardmember Kevin Park, Council/Boardmember Suds Jain, Vice Mayor/Chair Anthony Becker, and Mayor/Chair Lisa M. Gillmor

The next scheduled Special Stadium Authority meeting is on Monday, November 25, 2024 in the City Hall Council Chambers.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

STREAMING SERVICES: As always, the public may view the meetings on SantaClaraCA.gov, Santa Clara City Television (Comcast cable channel 15 or AT&T U-verse channel 99), or the livestream on the City's YouTube channel or Facebook page.

Note: The public cannot participate in the meeting through these livestreaming methods; livestreaming capabilities may be disrupted at times, viewers may always view and participate in meetings in-person and via Zoom as noted on the agenda.

AB23 ANNOUNCEMENT: Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive \$30 for each attended meeting.

Note: The City Council and its associated Authorities meet as separate agencies but in a concurrent manner. Actions taken should be considered actions of only the identified policy body.

LEGEND: City Council (CC); Stadium Authority (SA); Sports and Open Space Authority (SOSA); Housing Authority (HA); Successor Agency to the City of Santa Clara Redevelopment Agency (SARDA); Bayshore North Project Enhancement Authority (BNPEA); Public Facilities Financing Corporation (PFFC)

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

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City of Santa Clara

1500 Warburton Avenue
Santa Clara, CA 95050
santaclaraca.gov
[@SantaClaraCity](https://twitter.com/SantaClaraCity)

Agenda Report

24-22

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Board, Commissions and Committee Minutes

COUNCIL PILLAR

Enhance Community Engagement and Transparency

RECOMMENDATION

Note and file the Minutes of:

Youth Commission - October 8, 2024

Audit Committee - September 17, 2024



City of Santa Clara

Meeting Minutes Youth Commission

10/08/2024

6:00 PM

Youth & Teen Center
2446 Cabrillo Avenue
Santa Clara, CA 95051

CALL TO ORDER AND ROLL CALL

This meeting was called to order by Gayle Ichiho at 6:04 p.m.

Present 14 - Commissioner Allysa Domensino, Commissioner Simren Garg, Commissioner Namita Gaidhani, Commissioner Srikha Gopiseti, Commissioner Julianna Arias Hernandez, Commissioner Neha Israni, Commissioner Maryam Ismail, Commissioner Rebecca Kunze, Commissioner Kira Liang, Commissioner Malia Martin, Commissioner Samaira Mehta, Commissioner Hiranya Parekh, Commissioner Brian Rong, and Commissioner Samarth Suresh

Absent 1 - Commissioner Ryan Kim

A motion was made by Commissioner Suresh, seconded by Commissioner Parekh to excuse Commissioner Kim from the October 8, 2024 meeting. The motion was carried by the following votes:

Aye: 14 - Commissioner Domensino, Commissioner Garg, Commissioner Gaidhani, Commissioner Gopiseti, Commissioner Arias Hernandez, Commissioner Israni, Commissioner Ismail, Commissioner Kunze, Commissioner Liang, Commissioner Martin, Commissioner Mehta, Commissioner Parekh, Commissioner Rong, and Commissioner Suresh

Absent: 1 - Commissioner Kim

CONSENT CALENDAR

1. [24-965](#) Review and Approve the Youth Commission Minutes of September 10, 2024 Meeting

A motion was made by Commissioner Suresh, seconded by Commissioner Parekh that this item be recommended for approval. The motion was carried by the following votes:

Aye: 14 - Commissioner Domensino, Commissioner Garg, Commissioner Gaidhani, Commissioner Gopisetti, Commissioner Arias Hernandez, Commissioner Israni, Commissioner Ismail, Commissioner Kunze, Commissioner Liang, Commissioner Martin, Commissioner Mehta, Commissioner Parekh, Commissioner Rong, and Commissioner Suresh

Excused: 1 - Commissioner Kim

PUBLIC PRESENTATIONS

none

GENERAL BUSINESS

2. [24-778](#) Elect a Chair and Vice Chair for the FY 2024/25 Youth Commission Term

A motion was made by Commissioner Suresh, seconded by Commissioner Parekh, to elect Commissioner Liang for the Chair position, Commissioner Martin for Vice Chair position, Commissioner Gaidhani for Secretary position, and Commissioner Garg for the Commission Outreach position. The motion was carried by the following votes:

Aye: 14 - Commissioner Domensino, Commissioner Garg, Commissioner Gaidhani, Commissioner Gopisetti, Commissioner Arias Hernandez, Commissioner Israni, Commissioner Ismail, Commissioner Kunze, Commissioner Liang, Commissioner Martin, Commissioner Mehta, Commissioner Parekh, Commissioner Rong, and Commissioner Suresh

Excused: 1 - Commissioner Kim

3. [24-822](#) Santa Clara Vision Zero Project Introduction and Discussion

Received presentation on the Santa Clara Vision Zero project.

City Staff, Senior Civil Engineer, Ralph Garcia presented the Santa Clara Vision Zero project. Youth Commissioners provided feedback on challenges or concerns about locations in Santa Clara that need improvement.

4. [24-964](#) Adopt Youth Commission Calendar of Meetings for 2025

A motion was made by Commissioner Suresh, seconded by Commissioner Martin, that this item be recommended for approval. The motion was carried by the following votes:

Aye: 14 - Commissioner Domensino, Commissioner Garg, Commissioner Gaidhani, Commissioner Gopisetti, Commissioner Arias Hernandez, Commissioner Israni, Commissioner Ismail, Commissioner Kunze, Commissioner Liang, Commissioner Martin, Commissioner Mehta, Commissioner Parekh, Commissioner Rong, and Commissioner Suresh

Excused: 1 - Commissioner Kim

5. [24-966](#) Discussion and Possible Action on Youth Commission FY 2024/25 Work Plan & Goals
- Commissioners prioritized three themes for the FY2024/25 Work Plan: Public Outreach and Education, Community Building with Santa Clara residents, and Youth Empowerment. The first committee meeting dates will be set for November 12th. Each committee will discuss specific goals and activities to promote their respective theme.

A motion was made by Commissioner Gaidhani, seconded by Commissioner Parekh that this item be recommended for approval.
The motion was carried by the following votes:

Aye: 14 - Commissioner Domensino, Commissioner Garg, Commissioner Gaidhani, Commissioner Gopisetti, Commissioner Arias Hernandez, Commissioner Israni, Commissioner Ismail, Commissioner Kunze, Commissioner Liang, Commissioner Martin, Commissioner Mehta, Commissioner Parekh, Commissioner Rong, and Commissioner Suresh

Excused: 1 - Commissioner Kim

STAFF REPORT

Gayle Ichiho, Parks & Recreation Supervisor discussed the upcoming Children's Halloween Party on Saturday, October 26 at Central Park. The Youth & Teen Center is looking for high school volunteers to support the event. She also shared information about the online Parks & Recreation Master Plan survey and explained that this is a strategic document that will set forth a framework for the City's parks and recreation system. It will improve, protect, and expand parks, facilities, and recreational services now and in the future.

COMMISSIONERS REPORT

Commissioner Israni reported that the Youth Commission participated in a stakeholder's engagement session for the Library Facilities Master plan on October 1, 2024.

ADJOURNMENT

A motion was made by Commissioner Suresh, seconded by Commissioner Parekh that this meeting be adjourned at 7:34 p.m. The motion was carried by the following votes:

Aye: 14 - Commissioner Domensino, Commissioner Garg, Commissioner Gaidhani, Commissioner Gopiseti, Commissioner Arias Hernandez, Commissioner Israni, Commissioner Ismail, Commissioner Kunze, Commissioner Liang, Commissioner Martin, Commissioner Mehta, Commissioner Parekh, Commissioner Rong, and Commissioner Suresh

Excused: 1 - Commissioner Kim

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

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City of Santa Clara

Meeting Minutes

Audit Committee

09/17/2024

9:00 AM

CMO Sparacino Conference Room
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting the Audit Committee meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join: <https://santaclaraca.zoom.us/j/99199624617>

Webinar ID: 991 9962 4617

Or join by phone:

US: +1 669 900 6833

CALL TO ORDER AND ROLL CALL

Chair Watanabe called the meeting to order at 9:04 AM.

Member Park was not present when the meeting was called to order, however, arrived late at 9:08 AM.

Present 3 - Chair Kathy Watanabe, Member Suds Jain, and Member Kevin Park

CONSENT CALENDAR

A motion was made by Member Jain, seconded by Chair Watanabe, to approve the Consent Calendar.

Aye: 2 - Chair Watanabe, and Member Jain

Absent: 1 - Member Park

1.A [24-886](#) Action on Audit Committee Minutes of February 28, 2024

Recommendation: Approve the Audit Committee minutes of February 28, 2024.

A motion was made by Member Jain, seconded by Chair Watanabe, to approve the Audit Committee Minutes of February 28, 2024.

Aye: 2 - Chair Watanabe, and Member Jain

Absent: 1 - Member Park

- 1.B [24-919](#) Action on Audit Committee Minutes of March 21, 2024

Recommendation: Approve the Audit Committee minutes of March 21, 2024.

A motion was made by Member Jain, seconded by Chair Watanabe, to approve the Audit Committee Minutes of March 21, 2024.

Aye: 2 - Chair Watanabe, and Member Jain

Absent: 1 - Member Park

- 1.C [24-887](#) Action on Audit Committee Minutes of September 3, 2024

Recommendation: Approve the Audit Committee minutes of September 3, 2024.

A motion was made by Member Jain, seconded by Chair Watanabe, to approve the Audit Committee Minutes of September 3, 2024.

Aye: 2 - Chair Watanabe, and Member Jain

Absent: 1 - Member Park

PUBLIC PRESENTATIONS

Member of the public, Christine, expressed concern regarding the review of internal controls, the validation process, and accessing prior billing and payment data/reports for utilities.

GENERAL BUSINESS

2. [24-888](#) Overview of Santa Clara Stadium Authority Fiscal Year 2023/24 Annual Financial Statements and Audit Results

Recommendation: Accept the Santa Clara Stadium Authority Fiscal Year 2023/24 Annual Financial Statements and recommend that the Stadium Authority note and file the report at the September 24, 2024 Joint Council and Authorities Concurrent and Stadium Authority meeting.

Treasurer, Kenn Lee, gave a brief overview of the discussion at the September 3, 2024 meeting and noted minor changes.

A motion was made by Member Jain, seconded by Member Park, to accept the Santa Clara Stadium Authority Fiscal Year 2023/24 Annual Financial Statements and recommend that the Stadium Authority note and file the report at the September 24, 2024 Joint Council and Authorities Concurrent and Stadium Authority meeting.

Aye: 3 - Chair Watanabe, Member Jain, and Member Park

3. [24-895](#) Action to Accept Report of Whistleblower Hotline Activity for Fiscal Year 2023-24

Recommendation: Accept the report on the Whistleblower Hotline activity for Fiscal Year 2023-24.

Audit Manager, David Noce, gave an overview of the report and staff addressed Committee Members' questions.

A motion was made by Member Jain, seconded by Member Park to accept the report on the Whistleblower Hotline activity for Fiscal Year 2023-24.

Aye: 3 - Chair Watanabe, Member Jain, and Member Park

4. [24-917](#) Status Update on the Proposed 2024-2025 Audit Work Plan

Recommendation: Note and file staff update.

Audit Manager, David Noce, gave an overview of the work plan and staff addressed Committee Members' questions.

A motion was made by Member Jain, seconded by Member Park, to note and file the staff update.

Aye: 3 - Chair Watanabe, Member Jain, and Member Park

ADJOURNMENT

Chair Watanabe adjourned the meeting at 10:14 AM.

Future Audit Committee Meetings will be scheduled at a later date.

MEETING DISCLOSURES

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Agenda Report

24-1075

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on Monthly Financial Status and Investment Reports for September 2024 and Approve the Related Budget Amendments

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

In compliance with the Charter of the City of Santa Clara and the adopted Investment Policy, the monthly financial report and monthly investment report for September 2024 are submitted for your information. The financial review as of September 30, 2024 provides a year-to-date financial update to the City Council for fiscal year 2024/25. The analysis of the revenues collected and all expenditures measures the level of adherence to the established resource allocation plan and allows the City to monitor and project revenues and expenditures throughout the year.

The Adopted Budget incorporates the estimated revenues and planned expenditures for all funds. The attached Financial Status Report provides the budget to actual revenue and expenditure summaries for the General Fund, Special Revenue Funds and Enterprise Operating Funds, as well as expenditure summary for Capital Improvement Funds and Fund Reserve Balances. Any significant variances are explained in the report.

In accordance with City Council Policy 051 - Donations to the City, included in these reports are monthly activity and annual summary of donations received by department. Although the requirement of the policy is to report quarterly, the City will include this information monthly in the financial status report.

DISCUSSION

Monthly Financial Status Report (Attachment 1)

The attached Monthly Financial Status Report summarizes the City's financial performance as of September 30, 2024 (Attachment 1). This report provided financial analysis for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds.

Monthly Financial Status Report shows that General Fund revenues (excluding transfers) at 11.6% of the budget through September 2024. The revenue in some categories received through September account for activity that occurred in FY 2023/24 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year. While it is very early in the fiscal year and limited data is available, General Fund revenues are currently tracking within estimated levels. As shown in Monthly Financial Status Report, General

Fund departmental expenditures were at 24.2% through September 2024 and are tracking within budgeted levels.

As shown in Monthly Financial Status Report, total revenues for Enterprise Funds (Electric, Water, Sewer, Cemetery, Solid Waste, and Water Recycling) were at 17.6% of the budget through September 30, 2024, while total expenses were at 20%.

In September, donations of \$2,782 were received, bringing total donations to \$8,890.

Economic news remains positive. The UCLA Anderson Forecast predicts strong GDP growth in the third quarter 2024, followed by lower growth in the fourth quarter 2024. Strong growth is then predicted for 2025 and 2026. The Conference Board points to ongoing resilience in the US economy despite looming uncertainties and persistent shocks.

On a national level, the unemployment rate changed little from 4.2% in August 2024 to 4.1% in September 2024. The number of unemployed persons also decreased from 7.1 million in August 2024 to 6.8 million in September 2024. In the advance estimate for the third quarter 2024, the Gross Domestic Product (GDP) increased at an annual rate of 2.8%, following a GDP increase of 3.0% in the second quarter.

The California unemployment rate remained unchanged at 5.3% between August and September 2024, but was up from 5.0% in September 2023. The unadjusted unemployment rate in the San José -Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.1% in September 2024, down from a revised 4.6% in August 2024, but above the September 2023 level of 3.9%.

Staff will continue to closely monitor the General Fund revenues and the City's overall financial performance as the fiscal year progresses.

Monthly Investment Report (Attachment 2)

All securities held by the City of Santa Clara as of September 30, 2024, were in compliance with the City's Investment Policy Statement regarding current market strategy and long-term goals and objectives. All securities held are rated "A" or higher by two nationally recognized rating agencies. There is adequate cash flow and maturity of investments to meet the City's needs for the next six months.

The City's investment strategy for September 2024 was to invest funds not required to meet current obligations in securities listed in the prevailing Investment Policy Statement, with maturities not to exceed five years from the date of purchase. This strategy ensures safety of the City's funds, provides liquidity to meet the City's cash needs, and with a reasonable portfolio return of 3.53% in September.

The Monthly Investment Report also now reflects a Statement of Transactions, following the Investment Inventory, in accordance with California Municipal Treasurers Association investment policy guidelines.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to section 15378(b)(4) of Title 14 of the California Code

of Regulations in that it is a fiscal activity that does not involve the commitment to a specific project which may result in a potentially significant physical impact on the environment.

FISCAL IMPACT

From time to time, adjustments to the budget are required to reflect new information, align budgets with actual revenues and expenses, and correct for inadvertent errors. The recommended budget adjustments are described in Attachment 3 and summarized below:

- General Fund - allocates funding from the Technology Fee Reserve to the Non-Departmental budget to provide funding to migrate parcel data and documents from the City's legacy permit information system to Laserfiche. An action is also included to recognize and appropriate wildland reimbursements for the Fire Department.
- Fire Operating Grant Trust Fund - recognizes and appropriates County of Santa Clara Emergency Medical Services grant funding to the Fire Department.
- Public Donations Fund - recognizes and appropriates donations for Senior Center wellness programs and the Reed & Grant Sports Park under the Parks and Recreation Department.
- Storm Drain Capital Fund - allocates funding from available fund balance to the Storm Drain System Improvements project to address storm drain system capacity deficiencies.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

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RECOMMENDATION

1. Note and file the Monthly Financial Status Reports and Monthly Investment Reports for September 2024 as presented; and
2. Approve the FY 2024/25 Budget Amendments in the following funds (as detailed in the Fiscal Section of the staff report and Attachment 3 to the staff report):
 - a. In the General Fund, with a net impact of \$148,785;
 - b. In the Fire Operating Grant Trust Fund, with a net impact of \$31,125;
 - c. In the Public Donations Fund, with a net impact of \$3,132; and
 - d. In the Storm Drain Capital Fund, with a net impact of \$0.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Monthly Financial Status Report - September 2024
2. Monthly Investment Report - September 2024

3. FY 2024/25 Budget Amendments



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

September 2024

City of Santa Clara

Financial Status Report as of September 30, 2024

This report summarizes the City’s financial performance for the month ended September 30, 2024. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds. Financial information included in this report is unaudited.

Economic Outlook

Economic news remains positive. At the national level, the UCLA Anderson Forecast predicts strong GDP growth in the third quarter 2024 estimated at 2.5% on a seasonally adjusted annual rate, followed by lower growth in the fourth quarter 2024. Banner growth is then projected for 2025 and 2026 driven in part by growth in residential development. For California, the economists for the UCLA Forecast predict sub-par growth in 2024, followed by two years of growth rates higher than the U.S., led by technology and aerospace¹.

According to The Conference Board, “US economic data continue to surprise to the upside, revealing ongoing resilience despite looming uncertainties and persistent shocks. We now expect real GDP to expand by 2.6 percent year-over-year in 2024, an upward revision from 2.4 percent. Some moderate growth at yearend and early next year may constrain annual 2025 growth to 1.7 percent despite expectations of stronger quarterly annualized growth over the course of that year. Slowing inflation and a healthy labor market should support measured interest rate cuts over the course of the next year, lowering the Fed Funds rate target range to 3.00-3.25 percent in 2025.”²

On a national level, the unemployment rate changed little from 4.2% to 4.1% between August and September 2024. In September, the number of unemployed persons totaled 6.8 million, a decrease from 7.1 million in August.³

Chart 1. Unemployment rate, seasonally adjusted, September 2022 – September 2024

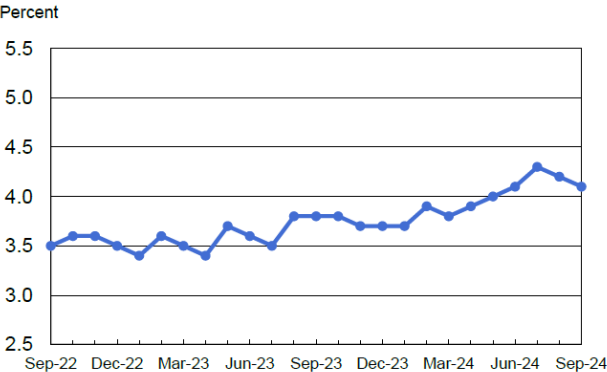
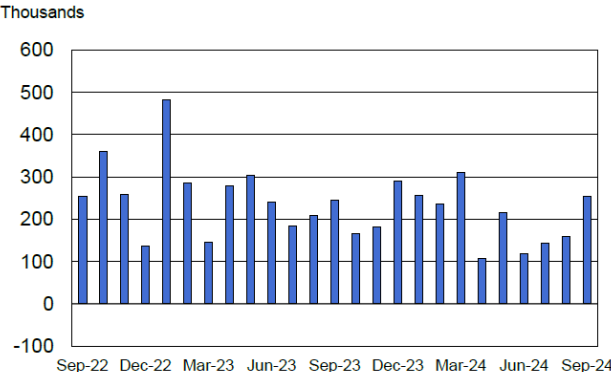


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, September 2022 – September 2024



¹ <https://www.anderson.ucla.edu/news-and-events/press-releases/sub-par-growth-for-california-followed-by-banner-years-for-state-and-us-gdps>

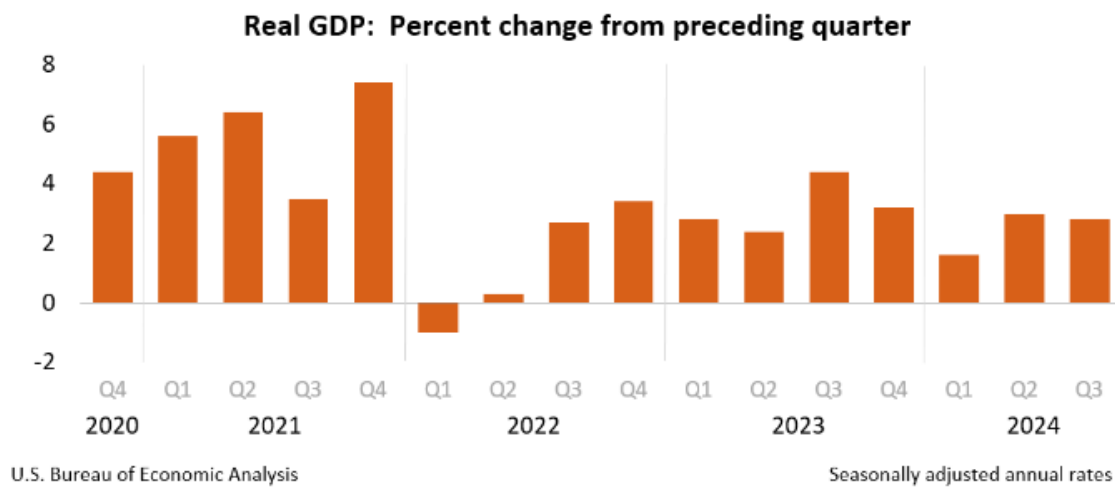
² <https://www.conference-board.org/research/us-forecast>, The Conference Board Economic Forecast for the US Economy, October 23, 2024

³ <https://www.bls.gov/news.release/pdf/empst.pdf>

City of Santa Clara

Financial Status Report as of September 30, 2024

In the third quarter 2024 advance estimate, the Gross Domestic Product (GDP) increased by 2.8%, following a GDP increase of 3.0% in the second quarter. The increase in real GDP primarily reflected increases in consumer spending, exports, and federal government spending.⁴



At the state level, the California unemployment rate remained unchanged at 5.3% between August and September 2024. This rate is higher compared to the 5.0% rate in September 2023. Over the past year, California employers have added 265,300 nonfarm jobs.⁵

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.1% in September 2024, down from a revised 4.6% in August 2024, but above the September 2023 estimate of 3.9%. Between September 2023 and September 2024, employment in this region increase by 3,700 jobs, or 0.3%. The largest increases were in private education and health services (up 9,600 jobs), professional and business services (up 4,800 jobs), and leisure and hospitality (up 2,300 jobs). Notable employment reductions were in information (down 6,700 jobs) and manufacturing (down 5,400 jobs).⁶

General Fund

The General Fund is the major operating fund for the City and includes multiple programs, services, and activities for the residents and businesses of the City. The adopted budget for operating revenues and expenditures for fiscal year 2024/25 was \$310.7 million. The amended budget for revenues and expenditures was adjusted to \$317.9 million to reflect carryover encumbrances from fiscal year 2023/24 and various budget amendments approved by the City Council through September 2024.

While it is very early in the fiscal year and limited data is available, General Fund revenues and expenditures are tracking within estimated levels.

⁴ <https://www.bea.gov/sites/default/files/2024-10/tech3q24-adv.pdf>
⁵ https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-september-2024/
⁶ [https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pbs.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pbs.pdf)

Financial Status Report as of September 30, 2024

General Fund Revenues

As of September 30, 2024, \$34.2 million or 11.6% of the General Fund estimated revenue (excluding transfers) was received. Transfers and use of reserves of \$22.1 million have occurred as budgeted. This low collection level through September is largely due to the timing of payments. In some categories, the revenues received in September account for activity that occurred in FY 2023/24 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year.

CITY OF SANTA CLARA GENERAL FUND REVENUE OVERVIEW AND COMPARISON BY TYPE

Function	FISCAL YEAR 2024/25				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2024	Percentage Received	Actual Through 9/30/2023	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 62,900,000	\$ 62,900,000	\$ 4,714,363	7.50%	\$ 5,013,575	\$ (299,212)	-5.97%
Property Tax	94,391,000	94,391,000	123,179	0.13%	184,513	(61,334)	-33.24%
Transient Occupancy Tax	22,850,000	22,850,000	2,049,094	8.97%	1,319,673	729,421	55.27%
Other Taxes	6,950,000	6,950,000	493,594	7.10%	667,689	(174,095)	-26.07%
Total Taxes	187,091,000	187,091,000	7,380,230	3.94%	7,185,450	194,780	2.71%
LICENSES & PERMITS							
Business Licenses	6,000,000	6,000,000	2,179,914	36.33%	1,029,725	1,150,189	111.70%
Fire Operation Permits	2,010,000	2,010,000	591,820	29.44%	340,223	251,597	73.95%
Miscellaneous Permits	55,000	55,000	137,851	250.64%	98,442	39,409	40.03%
Total Licenses & Permits	8,065,000	8,065,000	2,909,585	36.08%	1,468,390	1,441,195	98.15%
FINES & PENALTIES	1,452,000	1,452,000	291,043	20.04%	604,657	(313,614)	-51.87%
INTERGOVERNMENTAL	970,000	970,000	366,762	37.81%	9,654	357,108	3699.07%
CHARGES FOR SERVICES	30,829,954	30,829,954	9,277,938	30.09%	7,270,797	2,007,140	27.61%
SILICON VALLEY POWER TRANSFER	34,500,000	34,500,000	8,866,275	25.70%	8,227,562	638,713	7.76%
USE OF MONEY & PROPERTY							
Interest	6,212,000	6,212,000	(486,666)	-7.83%	(677,143)	190,477	-28.13%
Rent	13,028,187	13,028,187	3,265,867	25.07%	3,157,866	108,001	3.42%
Total Use of Money & Property	19,240,187	19,240,187	2,779,201	14.44%	2,480,723	298,478	12.03%
MISCELLANEOUS REVENUES	215,550	215,550	267,609	124.15%	79,362	188,247	237.20%
LAND PROCEED	-	-	-	N/A	-	-	N/A
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,454,000	1,454,000	1,454,000	100.00%	1,454,000	-	0.00%
Operating Transfer In - Reserves	6,964,827	13,895,239	13,895,239	100.00%	8,012,113	5,883,126	73.43%
Operating Transfer In - Fund Balances ⁽¹⁾	6,162,369	6,162,369	6,162,369	100.00%	4,759,683	1,402,686	29.47%
Operating Transfer In - Miscellaneous	575,821	575,821	575,821	100.00%	746,044	(170,223)	-22.82%
Total Other Financing Sources	15,157,017	22,087,429	22,087,429	100.00%	14,971,840	7,115,589	47.53%
STADIUM OPERATION							
Charges for Services	11,705,481	12,023,104	2,058,397	17.12%	561,121	1,497,276	266.84%
Rent and Licensing	1,472,000	1,472,000	-	0.00%	-	-	N/A
Total Stadium Operation	13,177,481	13,495,104	2,058,397	15.25%	561,121	1,497,276	266.84%
TOTAL GENERAL FUND	\$ 310,698,189	\$ 317,946,224	\$ 56,284,469	17.70%	\$ 42,859,556	\$ 13,424,913	31.32%

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2024 and mid year budget amendment from reserves.

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.125%, of which the City receives 1.0%. As of September 30, 2024, \$4.7 million has been collected, which is 6.0% lower than prior year collection levels. Given the timing of payments, the sales tax payments reflected are for the month of July 2024.

Property Tax: \$0.1 million in property tax receipts were received in September 2024. The majority of property tax revenue is collected in February and April each year. Based on initial information from the County of Santa Clara, property tax receipts are projected to end the year at \$95.9 million, slightly above the Adopted Budget estimate of \$94.4 million.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's current TOT rate is 12.5% and will increase to 13.5% effective January 1, 2025. Through September 30, 2024, approximately \$2.0 million was received, which reflects a 55.3% increase when compared through the same period last fiscal year.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected approximately \$0.5 million through September, which is 27% lower than last fiscal year's collection levels. Receipts through September primarily reflect franchise tax collections, with minimal documentary transfer tax revenue collected.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Revenue collections are tracking above par with receipts totaling \$2.9 million, or 36.1% of the \$8.1 million budget. This reflects strong growth in all categories with the largest collections in the business license tax category. Effective FY 2023/24, the City implemented a new Business License Tax methodology which is reflected in the receipts recorded this fiscal year totaling \$2.2 million, or 36.3% of the budget. This collection level is above the prior year level of \$1.0 million due, in part, to the timing of payments; last year, collections at the beginning of the year were delayed with the implementation of the new tax structure.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through September was \$0.3 million. Collections in this category are tracking below the prior year.

Intergovernmental: Includes motor vehicle fees, state homeowner tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency. Through September 30, 2024, approximately \$0.4 million has been collected, or 37.8% of the \$1.0 million budget.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through September, collections totaled approximately \$9.3 million or 30.1% of the budget. This reflects a 27.6% increase compared to last year's collections, primarily due to higher receipts from engineering fees, Emergency Medical Services (EMS) transport fees, and interdepartmental charges.

Silicon Valley Power Transfer: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. Transfers throughout the year are based on the budgeted estimate and will be trued up at the end of the fiscal year based on actual performance.

Use of Money & Property: Includes realized investment income and rental income. Through September, \$2.8 million has been collected, compared to \$2.5 million last fiscal year. This increase is due to higher rents, specifically right-of-way, collected in the current year. This is mainly due to the timing of when the right-of-way revenue was recorded, when compared to last fiscal year. The negative amount under the interest category reflects an accrual to the prior year.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through September, collections total \$0.3 million, compared to \$79,362 collected in the prior year.

Stadium Operation: Through September, approximately \$2.1 million has been collected through charges for services.

Financial Status Report as of September 30, 2024

General Fund Expenditures

As of September 30, 2024, \$91.1 million or 28.7% of the General Fund operating budget had been expended, which is higher than prior year expenditure levels. Excluding transfers, expenditures totaled \$73.1 million, or 24.4% of the budget, which is at par. Transfers of \$18.0 million have occurred as budgeted. Overall, expenditures in the General Fund are at budgeted levels through September.

CITY OF SANTA CLARA GENERAL FUND EXPENDITURES OVERVIEW AND COMPARISON BY FUNCTION

Function	FISCAL YEAR 2024/25				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2024	Percentage Used	Actual Through 9/30/2023	\$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 17,622,136	\$ 17,841,022	\$ 5,094,715	28.56%	\$ 2,499,761	\$ 2,594,954	103.81%
City Council	1,196,923	1,196,923	305,664	25.54%	282,965	22,699	8.02%
City Clerk	2,102,267	2,104,267	567,840	26.99%	344,072	223,768	65.04%
City Manager	8,222,051	9,030,316	1,186,788	13.14%	852,846	333,942	39.16%
City Attorney	3,357,661	3,440,037	730,921	21.25%	630,789	100,132	15.87%
Human Resources	4,845,256	5,019,594	927,839	18.48%	785,034	142,805	18.19%
Finance	21,008,682	21,937,208	5,459,590	24.89%	4,176,852	1,282,738	30.71%
Total General Government	58,354,976	60,569,367	14,273,357	23.57%	9,572,319	4,701,038	49.11%
PUBLIC WORKS	26,347,463	28,132,690	6,197,081	22.03%	5,702,914	494,167	8.67%
COMMUNITY DEVELOPMENT	5,575,313	5,636,381	1,237,071	21.95%	1,277,915	(40,844)	-3.20%
PARKS AND RECREATION	23,172,047	23,931,989	5,347,557	22.34%	5,306,810	40,747	0.77%
PUBLIC SAFETY							
Fire	66,292,191	66,954,133	17,833,066	26.63%	16,697,448	1,135,618	6.80%
Police	92,074,298	92,973,019	22,240,589	23.92%	20,669,417	1,571,172	7.60%
Total Public Safety	158,366,489	159,927,152	40,073,655	25.06%	37,366,865	2,706,790	7.24%
LIBRARY	11,732,505	12,212,058	3,046,574	24.95%	2,498,581	547,993	21.93%
DEPARTMENTAL TOTAL	283,548,793	290,409,637	70,175,295	24.16%	61,725,404	8,449,891	13.69%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	626,778	626,778	626,778	100.00%	1,198,809	(572,031)	-47.72%
Operating Transfer Out - Debt Services	1,405,940	1,405,940	1,405,940	100.00%	1,402,440	3,500	0.25%
Operating Transfer Out - Maintenance Dtrct	977,546	977,546	977,546	100.00%	942,413	35,133	3.73%
Operating Transfer Out - Cemetery	823,000	823,000	823,000	100.00%	796,000	27,000	3.39%
Operating Transfer Out - CIP	14,204,882	14,204,882	14,204,882	100.00%	7,305,499	6,899,383	94.44%
Total Other Financing Uses	18,038,146	18,038,146	18,038,146	100.00%	11,645,161	6,392,985	54.90%
STADIUM OPERATION	9,111,250	9,498,441	2,918,720	30.73%	3,239,740	(321,020)	-9.91%
TOTAL GENERAL FUND	\$ 310,698,189	\$ 317,946,224	\$ 91,132,161	28.66%	\$ 76,610,304	\$ 14,521,857	18.96%

General Fund Expenditures

Below is an explanation of certain budget to actual expenditure variances by program.

Non-Departmental: Includes expenditures that are not attributable to a single department, but a function of the City in general. Through September 30, 2024, expenditures totaled \$5.1 million, or 28.6% of the budget. These expenditures are above the par level of 25%, and significantly higher than prior year levels. This increase is due to the timing of the insurance payment; last fiscal year, these expenditures were not reflected until later in the fiscal year.

City Attorney: Actual expenditures through September totaled approximately \$0.7 million, which is 21.3% of the budget, which is below par. Spending is significantly higher than the total expenditures through the same time last fiscal year by 15.9%. This increase is a result of higher spend primarily in the salaries and benefits categories and the outside legal services category.

City Clerk: Through September 30, 2024, actual expenditures were tracking at \$0.6 million or approximately 27% of the budget. This expenditure level reflects a 65% increase compared to last fiscal year due to one-time Granicus costs that are paid every other year.

City Council: Through September, expenditures were at 25.5% of budget, which is slightly above par. Compared to the same period through last fiscal year, this reflects an increase in expenditures due to higher salaries and benefits spending.

City Manager: The actual expenditures through September totaled \$1.2 million, or 13.1% of the budget, which is below par for this time of the year. Expenditures are approximately 39% higher compared with the spending level through the same period last fiscal year. The increase is attributable to higher spend in the salaries and benefits and advertising and miscellaneous services and supplies categories.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building Division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through September, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.2 million, or 22% of the budget, which is below par of 25%. This expenditure level is consistent with prior year spend.

Finance Department: Through September, the Department's expenditures totaled \$5.5 million, or 24.9% of the budget, which is at par. This expenditure level was approximately 30.7% higher than through the same period last year. The current year spend reflects higher salaries and benefits and contractual services costs, primarily related to PeopleSoft and the Questica Budget System.

Fire Department: Through September 30, 2024, actual expenditures totaled \$17.8 million, or 26.6% of the budget, which is above par. These expenditures also reflect a 6.8% increase from last fiscal year due to higher expenditures across the salaries and benefits, interfund services, and non-personnel categories. Overtime expenditures are tracking over budget at 155% due, in part, to overtime

expenditures related to mutual aid deployment efforts. These costs are reimbursable, and budget actions will continue to be brought forward for City Council approval to recognize the reimbursements and adjust the Department overtime budget throughout the fiscal year as reimbursements are received. Excluding mutual aid-related costs, the overtime budget is 73.8% expended through September. Overtime is used to backfill for shift absences and vacant shift positions to maintain daily minimum staffing. It is anticipated that overtime expenditures will exceed the overtime budget as the current absence rate exceeds the estimate used in the development of the budget.

Absences are significantly above historical levels at 20,648 hours through September. This level, however, is down 7% from the 22,299 hours through September of the prior fiscal year. Absences that are trending high are in the areas of workers' compensation/injury leave, Family Medical Leave Act leave, sick leave, and vacation usage. It is important to note that employees can elect for compensatory time over overtime pay when backfilling shift absences, which increases the need to backfill when the compensatory time is used. Through September, the compensatory time payouts total \$472,099, which is above historical levels but 40% below the payouts of \$787,792 experienced through September of last fiscal year. The Department will continue to monitor the overtime expenditures throughout the fiscal year and bring forth budget recommendations, as needed.

Library Department: Through September, actual expenditures totaled \$3.0 million, or 25% of the budget, which is at par, and 21.9% higher than expenditure levels last fiscal year. The higher spending is primarily in the salaries and benefits and maintenance categories.

Parks and Recreation Department: Through September 30, 2024, actual expenditures totaled \$5.3 million, or 22.3% of the budget, which is slightly below par, but consistent with prior year spend.

Police Department: Expenditures through September are tracking at expected levels at \$22.2 million, or 23.9% of the budget; this is approximately 7.6% higher than prior year spending. The higher spend is primarily in the salaries and benefits and contractual services categories.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$2.9 million through September, which is lower than the prior year. This is primarily due to fewer ticketed Non-NFL events being held in the current year, resulting in lower as needed and overtime spend. The Stadium hosted four ticketed Non-NFL events and three NFL games through September.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of September 30, 2024. The amended budget reflects carryover encumbrances from fiscal year 2023/24 and budget amendments approved by the City Council through September 2024.

Revenues totaled approximately \$7.4 million, while expenditures totaled approximately \$5.6 million through the end of September. While revenue is tracking above par, expenditures are tracking slightly below par of 25%. In the Building Development Services Fee Fund and Fire Development Services Fee Fund, development-related fees are tracking above budget and the prior year. In the City Affordable Housing Fund and Housing Successor Agency Fund, higher interest earnings have been collected when compared to prior year levels.

CITY OF SANTA CLARA SPECIAL REVENUE FUNDS REVENUE AND EXPENDITURES - OVERVIEW AND COMPARISON BY FUND

Fund Description	REVENUE - FISCAL YEAR 2024/25				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2024	Percentage Received	Actual Through 9/30/2023	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$ 16,164,000	\$ 16,164,000	\$ 5,055,368	31.28%	\$ 4,024,759	\$ 1,030,609	25.61%
City Affordable Housing Fund	1,168,177	1,168,177	208,904	17.88%	50,231	158,673	315.89%
Fire Development Services Fee Fund	3,277,500	3,277,500	1,353,308	41.29%	877,639	475,669	54.20%
Housing and Urban Development	2,532,068	3,375,068	385,632	11.43%	382,263	3,369	0.88%
Housing Authority Fund	252,496	252,496	14,749	5.84%	63,247	(48,498)	-76.68%
Housing Successor Fund	1,306,326	1,306,326	335,132	25.65%	170,252	164,880	96.84%
TOTAL	\$ 24,700,567	\$ 25,543,567	\$ 7,353,093	28.79%	\$ 5,568,391	\$ 1,784,702	32.05%

Fund Description	EXPENDITURES - FISCAL YEAR 2024/25				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2024	Percentage Used	Actual Through 9/30/2023	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$ 15,044,148	\$ 15,852,488	\$ 3,921,073	24.73%	\$ 3,632,981	\$ 288,092	7.93%
City Affordable Housing Fund	1,593,647	1,983,423	235,782	11.89%	277,139	(41,357)	-14.92%
Fire Development Services Fee Fund	3,387,922	3,387,922	909,483	26.84%	767,376	142,107	18.52%
Housing and Urban Development	2,532,068	4,071,407	350,021	8.60%	399,273	(49,252)	-12.34%
Housing Authority Fund	468,931	511,389	41,549	8.12%	42,189	(640)	-1.52%
Housing Successor Fund	902,579	1,012,590	184,747	18.24%	257,090	(72,343)	-28.14%
TOTAL	\$ 23,929,295	\$ 26,819,219	\$ 5,642,655	21.04%	\$ 5,376,048	\$ 266,607	4.96%

Governmental Capital Improvement Funds

The table below lists the revenue for selected capital improvement funds. The amended budget reflects current year appropriations, prior year carryover, and budget amendments approved through September 2024. As of September 30, 2024, the capital fund revenue totaled \$2.2 million.

CITY OF SANTA CLARA
GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS
REVENUE - OVERVIEW AND COMPARISON BY SELECTED FUND

	REVENUE - FISCAL YEAR 2024/25				
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2024	Percentage Used
Parks & Recreation	\$ -	\$ 3,349,489	\$ 3,349,489	\$ 423,344	12.64%
Related Santa Clara Developer	795,344	-	795,344	-	0.00%
Storm Drain	1,454,000	3,000,000	4,454,000	368,282	8.27%
Streets & Highways	5,951,458	22,490,903	28,442,361	1,364,912	4.80%
Tasman East Specific Infrastructure Improvement Fund	3,734,932	-	3,734,932	53,421	1.43%
TOTAL	\$ 11,935,734	\$ 28,840,392	\$ 40,776,126	\$ 2,209,959	5.42%

The table below lists the total amended budgeted amounts for expenditures in the Capital Improvement Funds. Similar to the revenue table, the amended expenditure budgets consist of current year appropriations, prior year carryover encumbrance balances in Governmental Capital Improvement Funds, and budget amendments approved through September 2024. As of September 30, 2024, capital fund expenditures totaled \$10 million, or 6% of the amended budget, well below par of 25%.

As part of the adoption of the FY 2024/25 and FY 2025/26 biennial capital improvement program budget, some capital funds were carried over for projects that were not anticipated to be completed by June 30, 2024. Necessary additional adjustments to the capital carryover amounts are included as part of the Budgetary Year-End Report for FY 2023/24.

CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

EXPENDITURES - FISCAL YEAR 2024/25						
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2024	Percentage Used	
Fire	\$ 1,473,700	1,247,874	\$ 2,721,574	\$ 247,074	9.08%	
General Govt - Other	2,390,820	9,127,697	11,518,517	365,492	3.17%	
Library	471,848	248,407	720,255	8,601	1.19%	
Parks & Recreation	7,654,966	25,525,570	33,180,536	1,430,884	4.31%	
Public Buildings	1,792,207	5,442,248	7,234,455	353,617	4.89%	
Related Santa Clara Developer	795,344	393,992	1,189,336	82,911	6.97%	
Storm Drain	2,161,450	7,135,999	9,297,449	338,666	3.64%	
Streets & Highways	21,295,073	77,468,474	98,763,547	7,144,166	7.23%	
Tasman East Specific Infrastructure Improvement Fund	1,432,193	1,433,994	2,866,187	4,928	0.17%	
TOTAL	\$ 39,467,601	\$ 128,024,255	\$ 167,491,856	\$ 9,976,339	5.96%	

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of September 30, 2024. Overall, revenues and expenditures are tracking below budgeted levels.

CITY OF SANTA CLARA ENTERPRISE OPERATING FUNDS REVENUE AND EXPENSES - OVERVIEW AND COMPARISON BY FUND

Fund Description	REVENUE - FISCAL YEAR 2024/25				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2024	Percentage Received	Actual Through 9/30/2023	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 750,000	\$ 750,000	\$ 124,806	16.64%	\$ 112,497	\$ 12,309	10.94%
Electric Utility Fund	893,397,959	893,397,959	148,886,032	16.67%	144,823,775	4,062,257	2.80%
Sewer Utility Fund	46,989,803	46,989,803	10,499,589	22.34%	8,947,880	1,551,709	17.34%
Solid Waste Utility Fund	41,561,372	41,561,372	8,059,470	19.39%	7,740,949	318,521	4.11%
Water Recycling Fund	8,507,338	8,507,338	2,260,300	26.57%	2,038,776	221,524	10.87%
Water Utility Fund	64,096,935	64,096,935	15,745,533	24.57%	13,272,180	2,473,353	18.64%
TOTAL REVENUE	\$ 1,055,303,407	\$ 1,055,303,407	\$ 185,575,730	17.59%	\$ 176,936,057	\$ 8,639,673	4.88%

Fund Description	EXPENSES - FISCAL YEAR 2024/25				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 9/30/2024	Percentage Used	Actual Through 9/30/2023	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 1,628,800	\$ 1,628,800	\$ 276,838	17.00%	\$ 294,071	\$ (17,233)	-5.86%
Electric Utility Fund	649,513,582	667,335,619	129,516,954	19.41%	138,554,412	(9,037,458)	-6.52%
Sewer Utility Fund	38,762,083	39,278,049	10,066,852	25.63%	9,342,530	724,322	7.75%
Solid Waste Utility Fund	40,775,942	43,928,485	9,619,028	21.90%	7,603,240	2,015,788	26.51%
Water Recycling Fund	9,307,289	9,332,389	2,007,432	21.51%	343,078	1,664,354	485.12%
Water Utility Fund	57,614,177	58,830,207	12,715,673	21.61%	8,756,636	3,959,037	45.21%
TOTAL - Operating Appropriations	\$ 797,601,873	\$ 820,333,549	\$ 164,202,777	20.02%	\$ 164,893,967	\$ (691,190)	-0.42%

While revenues are tracking slightly higher than prior years, expenditures are consistent with prior year levels. In the Water Utility Fund, there have been higher customer service charges collected, along with higher personnel, resource and maintenance costs charged. Additionally, in the Water Recycling Fund, a payment for the 4th quarter of last fiscal year was recorded in the current fiscal year due to the timing of receipt of the invoice. A budget adjustment to carryover the budget from FY 2023/24 to FY 2024/25 is included in the FY 2023/24 Budgetary Year-End Report for that payment.

Revenues in the electric (which also includes the Electric Debt Service Fund), water, and sewer utility (which also includes the Sewer Debt Service Fund) and water recycling funds are primarily from customer service charges. The activity levels for these customer service charges also impact the resource and production costs on the expenditure side for these funds. The lower the revenue from customer service charges, the lower the expenditures in the resource and production category.

Financial Status Report as of September 30, 2024

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through September 30, 2024, totaled \$5.4 million, consisting primarily of developer contributions and load development fees in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$14.7 million, or 3% of the amended budget. Similar to the general government capital funds, capital funds were carried over from FY 2023/24 as part of the FY 2024/25 and FY 2025/26 budget adoption process for those projects that were not expected to be completed by June 30, 2024. Additional necessary adjustments to the capital carryover amounts based on actual year-end expenditures are included in the FY 2023/24 Budgetary Year-End Report for that payment.

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS REVENUE - OVERVIEW AND COMPARISON BY SELECTED FUND

REVENUE - FISCAL YEAR 2024/25					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2024	Percentage Used
Convention Center Capital Fund	\$ 550,000	\$ -	\$ 550,000	\$ -	0.00%
Electric Utility Fund	21,659,000	26,213,951	47,872,951	5,101,505	10.66%
Sewer Utility Fund	-	-	-	247,661	N/A
Solid Waste Utility Fund	258,000	-	258,000	2,258	0.88%
Street Lighting ⁽¹⁾	-	-	-	837	N/A
Water Recycling Fund	-	-	-	-	N/A
Water Utility Fund	-	-	-	30,684	N/A
TOTAL - Revenue	\$ 22,467,000	\$ 26,213,951	\$ 48,680,951	\$ 5,382,945	11.06%

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

EXPENDITURES - FISCAL YEAR 2024/25					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2024	Percentage Used
Cemetery Fund	\$ 4,689	\$ 17,835	\$ 22,524	\$ 1,172	5.20%
Convention Center Capital Fund	2,700,000	1,726,973	4,426,973	144,926	3.27%
Electric Utility Fund	217,332,515	198,533,383	415,865,898	9,444,478	2.27%
Sewer Utility Fund	20,325,410	28,269,938	48,595,348	3,187,049	6.56%
Solid Waste Utility Fund	788,000	119,873	907,873	140,329	15.46%
Street Lighting ⁽¹⁾	5,365,000	3,405,462	8,770,462	32,749	0.37%
Water Recycling Fund	400,000	-	400,000	238	0.06%
Water Utility Fund	5,795,000	6,127,745	11,922,745	1,764,264	14.80%
TOTAL - CIP Appropriations	\$ 252,710,613	\$ 238,201,210	\$ 490,911,823	\$ 14,715,205	3.00%

(1) Street Lighting fund is part of Electric Capital Improvement Funds

Fund Reserves

By policy, City Council established the City’s General Contingency Reserve, under which reserves for Budget Stabilization and Capital Projects were established.

- Budget Stabilization Reserve is set aside for weathering economic downturns, emergency financial crisis, or disaster situations. The reserve target is equal to the expenditures of the City’s General Fund operations for three months (90-day or 25% General Fund Adopted Operating Budget). In FY 2024/25, the City Council approved an exception to the policy to allow the Reserve to drop to a minimum of 15% of expenditures.
- Capital Projects Reserve earmarks funds for the Capital Improvement Program.

Other General Reserves and Enterprise Fund Reserves included in this report are highlighted as follows:

- Technology Fee Reserve is set aside to update and/or replace the City’s aging technology and to ensure internal controls are in compliance with current business standard and legal requirements.
- Land Sale Reserve is net proceeds from the sale of City-owned land, with interest earned on these funds available to be appropriated for General Fund operating expenditures. This reserve is available for appropriation by City Council action.
- The Electric Utility Rate Stabilization Reserve and Operations and Maintenance Reserve ensures sufficient operating cash is available to cover day-to-day expenses, address unforeseen cost increases or revenue shortfalls, and ensure debt service coverage.
- The Replacement and Improvement Reserve in the Water and Sewer Utility Funds is for future capital improvement.

The table below summarizes select reserve balances.

City of Santa Clara

Financial Status Report as of September 30, 2024

CITY OF SANTA CLARA
RESERVE BALANCES
September 30, 2024

DETAIL OF SELECTED FUND RESERVE BALANCES:			
	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 53,131,576		
Capital Projects Reserve	7,769,117		
Land Sale Reserve	18,481,036		
Technology Fee Reserve	2,488,729		
Electric Rate Stabilization Fund Reserve		\$ 66,000,000	
Electric Operations and Maintenance Reserve		195,000,000	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 81,870,458	\$ 261,000,000	\$ 303,090

Donations to the City of Santa Clara

Donations received by department during the month of September 2024 and for fiscal year 2024/25 are shown in the table below.

Department	Sep-24	Fiscal Year 2024/25		Designated Use
		Year To Date		
City Manager's Office	0	2		Help Your Neighbor
Electric Utility	25	25		Neighborhood Solar
Parks & Recreation	0	500		Case Management
Parks & Recreation	632	632		Reed/Grant Park Soccer Equipment
Parks & Recreation	1,250	2,781		Roberta Jones Jr. Theatre
Parks & Recreation	875	4,950		Wade Brummal
TOTALS	\$ 2,782	\$ 8,890		



**City of
Santa Clara**
The Center of What's Possible

MONTHLY INVESTMENT REPORT

September 2024

City of Santa Clara

Monthly Investment Report

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CITY OF SANTA CLARA SUMMARY OF INVESTMENT PORTFOLIO

All securities held by the City of Santa Clara as of September 30, 2024 were in compliance with the City's Investment Policy Statement regarding current market strategy and long-term goals and objectives. All securities held are rated A or higher by two nationally recognized rating agencies. There is adequate cash flow and maturity of investments to meet the City's needs for the next six months.

The following table provides the breakdown of the total portfolio among the City, the Sports and Open Space Authority (SOSA), and the Housing Authority (HA) as of September 30, 2024.

	<u>COST VALUE</u>	<u>PERCENTAGE</u>
City	\$1,177,137,583	99.90%
SOSA	15,223	0.00%
HA	<u>1,191,421</u>	<u>0.10%</u>
Unrestricted	\$1,178,344,227	<u>100.00%</u>
Restricted Bond Proceeds	<u>2,379,646</u>	
Total Investments	<u>\$1,180,723,873</u>	

On September 30, 2024 the cost value and market value of the City's unrestricted pooled investment portfolio were \$1,178,344,227 and \$1,185,890,329 respectively.

Investment Strategy and Market Update

The Federal Open Market Committee (FOMC) lowered the target range for the federal funds rate by 50 basis points (bps) to 4.75% - 5.00% at its September meeting. The half percentage point cut was well-digested by markets despite expectations being split between 25 and 50 bps. Federal Reserve Chair Powell described the risks to achieving the Fed's employment and inflation goals as now being "roughly in balance."

The August PCE reading of 2.2% year-over-year hit its lowest level since February 2021, continuing the trajectory towards the Fed's 2% inflation target.

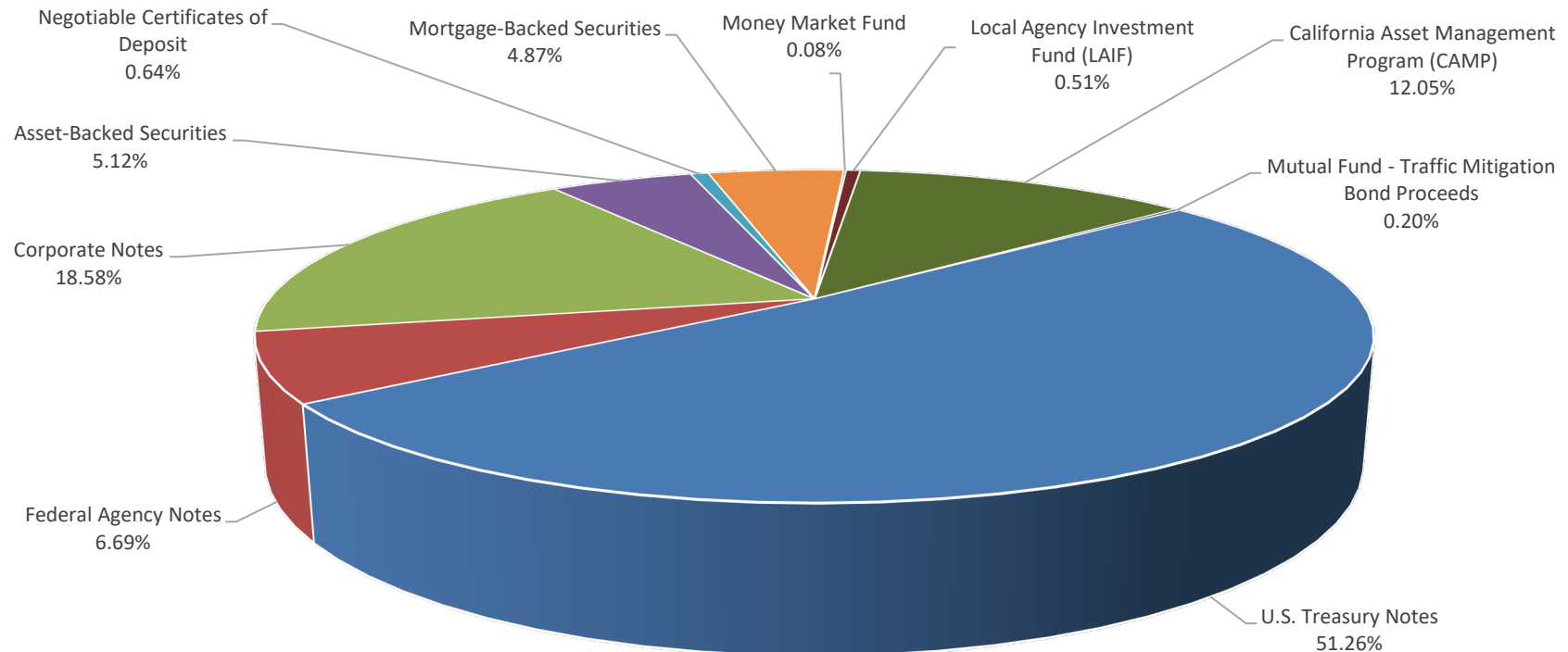
Nonfarm payrolls came in well above expectations and showed 254,000 net new jobs created in September, the strongest print since March. The July and August prints were revised up by a combined 72,000. Additionally, the unemployment rate ticked back down to 4.1%, from 4.2% the prior month. The strength of the labor market continues to serve as a tailwind to the consumer.

U.S. Treasury yields continued their descent in September as markets digested the Fed's first cut. Overnight and short-term maturities (less than three months) declined in lockstep with the 50 basis point cut. Meanwhile, the yield on the 2-year U.S. Treasury note declined 1.4% from its six-month high in April.

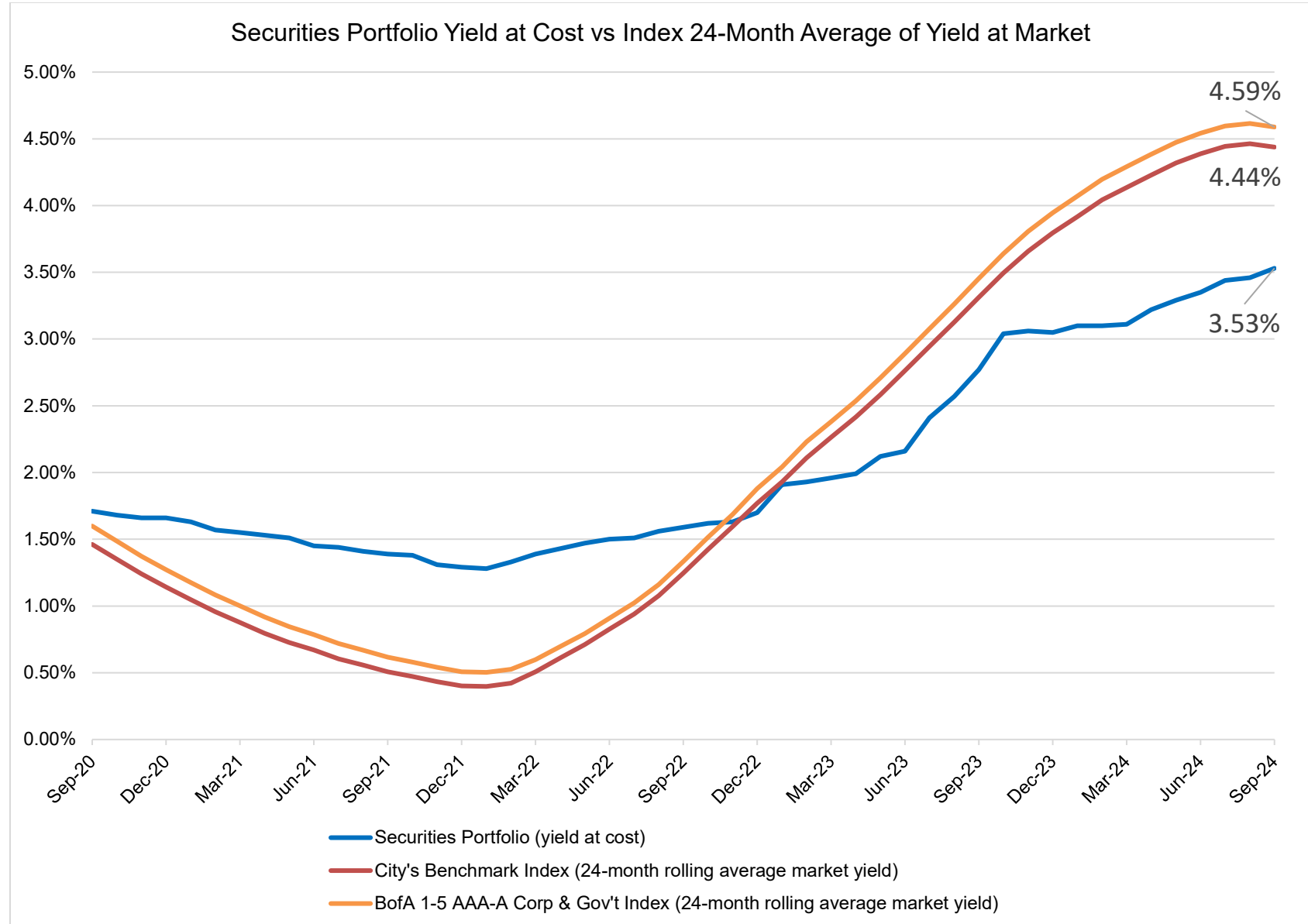
Yields on benchmark 2-, 5-, and 10-year U.S. Treasuries ended the month at 3.64%, 3.56%, and 3.78%, respectively, representing changes of -28, -14, and -12 bps for the month, respectively.

The City's investment strategy for September 2024 was to invest funds not required to meet current obligations, in securities listed in the prevailing Investment Policy Statement, with maturities not to exceed five years from date of purchase. This strategy ensures safety of the City's funds, provides liquidity to meet the City's cash needs, and earns a reasonable portfolio return. PFM Asset Management LLC began actively managing the City's securities portfolio on September 1, 2020.

As of September 30, 2024, 51.26% of the City's portfolio consists of U.S. Treasury Notes, 18.58% consists of investment grade Corporate Notes, 12.05% consists of California Asset Management Program (CAMP), 6.69% consists of Federal Agencies, 5.12% consists of investment grade Asset-Back Securities, 4.87% consists of investment grade Mortgage-Backed Securities, 0.64% consists of Negotiable Certificates of Deposit, and 0.51% consists of Local Agency Investment Fund (LAIF). In addition, City bond proceeds are invested in separate funds and are not included in the calculation of the City's portfolio yield.



The City's securities portfolio is benchmarked against the ICE BAML 1-5 US Treasury Index.



The following table summarizes the investment yields other information of the City's investment portfolio components, along with comparable-maturity market indices. Also shown are the monthly interest income and aggregate year-to-date income.

	Current Month 9/30/2024
Investment Yield	
Liquidity Portfolio ¹	5.23%
<i>LAIF average monthly yield</i>	<i>4.58%</i>
Securities Portfolio ²	3.53%
<i>ICE BAML 1-5 US Treasury Index (24-month rolling average market yield)</i>	<i>4.44%</i>
<i>ICE BAML 1-5 AAA-A US Corporate & Government Index (24-month rolling average market yield)</i>	<i>4.59%</i>
City Portfolio (Liquidity + Securities)	3.74%
Investment Total Return*	
Securities Portfolio	0.88%
<i>ICE BAML 1-5 US Treasury Index</i>	<i>0.89%</i>
<i>ICE BAML 1-5 AAA-A US Corporate & Government Index</i>	<i>0.90%</i>
Average Maturity of Investments (in years)	
Liquidity Portfolio ¹	0.08
Securities Portfolio ²	2.95
City Portfolio (Liquidity + Securities)	2.57
<i>ICE BAML 1-5 US Treasury Index</i>	<i>2.77</i>
<i>ICE BAML 1-5 AAA-A US Corporate & Government Index</i>	<i>2.78</i>
Cash Interest Income Current Month ³	\$ 2,978,044
Cash Interest Income Fiscal Year-To-Date ³	\$ 10,668,827

1. Consists of CAMP Pool, LAIF, Dreyfus Traffic Mitigation Fund, & Principal Sweep Account

2. Core long term portfolio managed by PFM Asset Management

3. Cash basis

* Total rate of return including earnings, distributions, and capital appreciation/depreciation of all portfolio assets

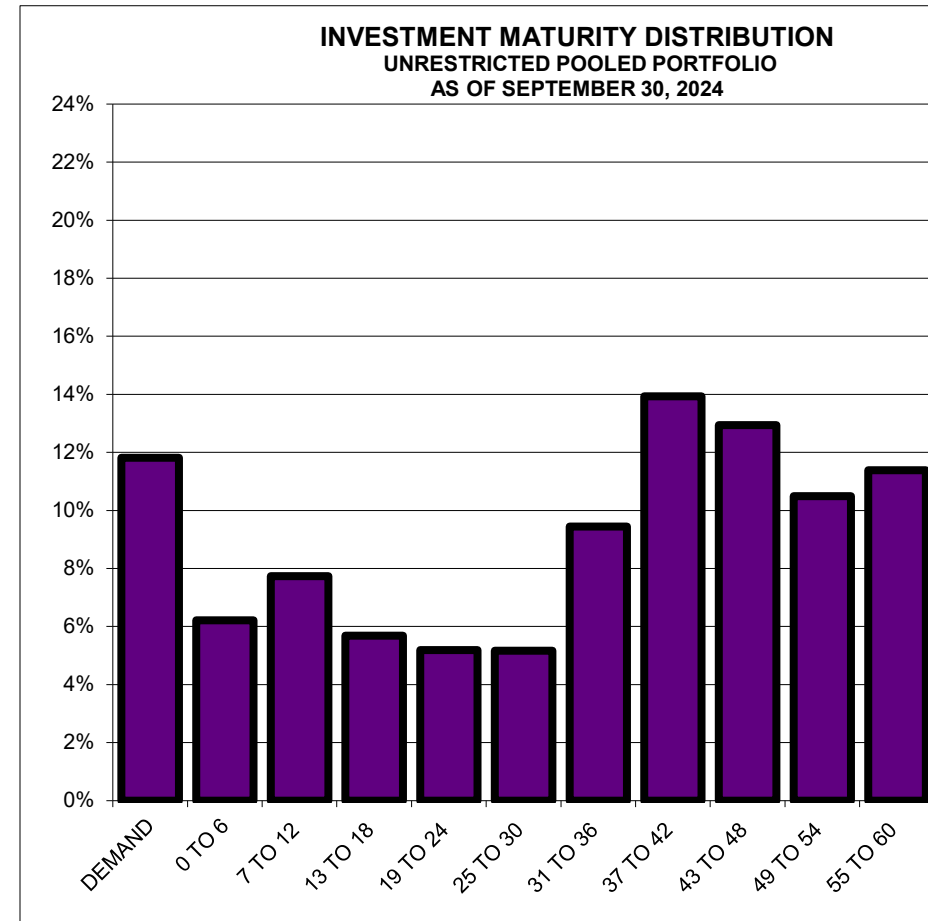
CITY OF SANTA CLARA

SUMMARY OF INVESTMENTS SEPTEMBER 30, 2024

<u>INVESTMENT TYPE</u>	<u>COST VALUE</u>	<u>% OF PORTFOLIO</u>	<u>PER INVESTMENT POLICY</u>
U.S. Treasury Notes	605,199,828	51.26%	No Limit
Federal Agency Notes	79,100,843	6.69%	80%
Corporate Notes	219,427,649	18.58%	25%
Asset-Backed Securities	60,420,874	5.12%	10%
Negotiable Certificates of Deposit	7,500,000	0.64%	30%
Mortgage-Backed Securities	57,459,337	4.87%	15%
Money Market Fund	988,565	0.08%	10% Per Fund
Local Agency Investment Fund (LAIF)	6,001,483	0.51%	\$75 M
California Asset Management Program (CAMP)	142,245,648	12.05%	No Limit
Mutual Fund - Traffic Mitigation Bond Proceeds	<u>2,379,646</u>	<u>0.20%</u>	10% Per Fund
TOTAL INVESTMENTS	<u><u>\$ 1,180,723,873</u></u>	<u><u>100.00%</u></u>	

**INVESTMENT MATURITY DISTRIBUTION
AS OF SEPTEMBER 30, 2024
UNRESTRICTED POOLED PORTFOLIO**

MATURITY (IN MONTHS)	COST VALUE	NUMBER OF INVESTMENTS	DISTRIBUTION
DEMAND (a)	\$ 139,235,696 (a)	3	11.82%
0 TO 6	73,130,104	14	6.21%
7 TO 12	91,233,039	14	7.74%
13 TO 18	66,960,386	16	5.68%
19 TO 24	61,198,305	11	5.19%
25 TO 30	60,893,433	13	5.17%
31 TO 36	111,250,729	15	9.44%
37 TO 42	164,121,582	25	13.93%
43 TO 48	152,478,718	27	12.94%
49 TO 54	123,558,824	21	10.49%
55 TO 60	134,283,411	18	11.39%
TOTAL	<u>\$ 1,178,344,227</u>	<u>177</u>	<u>100.00%</u>



Average Maturity of Unrestricted Pool: 2.57 Years

(a) \$20 million is earmarked for the City's Electric Utility power-trading.

City of Santa Clara Monthly Report

9/30/2024

Description	Issue Date	Coupon Rate	Maturity Date	CUSIP	Par Value	S&P Rating	Settle Date	Cost Value	YTM at Cost	Market Value	Unrealized G/L
UNITED STATES TREASURY	1/31/2020	1.375%	1/31/2025	912828Z52	5,000,000.00	AA+	4/22/2020	5,238,671.88	0.37%	4,948,000.00	-290,671.88
UNITED STATES TREASURY	1/31/2020	1.375%	1/31/2025	912828Z52	1,950,000.00	AA+	5/7/2021	2,013,146.48	0.50%	1,929,720.00	-83,426.48
UNITED STATES TREASURY	2/28/2018	2.750%	2/28/2025	9128283Z1	6,200,000.00	AA+	3/6/2020	6,850,757.82	0.61%	6,158,088.00	-692,669.82
UNITED STATES TREASURY	8/31/2020	0.250%	8/31/2025	91282CAJ0	4,120,000.00	AA+	8/2/2021	4,075,581.25	0.52%	3,980,455.60	-95,125.65
UNITED STATES TREASURY	11/30/2020	0.375%	11/30/2025	91282CAZ4	4,450,000.00	AA+	11/4/2021	4,327,625.00	1.07%	4,274,269.50	-53,355.50
UNITED STATES TREASURY	12/31/2020	0.375%	12/31/2025	91282CBC4	3,820,000.00	AA+	5/3/2021	3,751,956.25	0.76%	3,659,903.80	-92,052.45
UNITED STATES TREASURY	1/31/2019	2.625%	1/31/2026	9128286A3	10,490,000.00	AA+	10/5/2023	9,948,699.61	5.01%	10,331,391.20	382,691.59
UNITED STATES TREASURY	3/1/2021	0.500%	2/28/2026	91282CBQ3	5,175,000.00	AA+	12/7/2021	5,067,214.15	1.15%	4,942,953.00	-124,261.15
UNITED STATES TREASURY	3/1/2021	0.500%	2/28/2026	91282CBQ3	3,575,000.00	AA+	8/31/2021	3,542,880.86	0.70%	3,414,697.00	-128,183.86
UNITED STATES TREASURY	6/1/2021	0.750%	5/31/2026	91282CCF6	9,250,000.00	AA+	6/8/2022	8,477,480.47	2.99%	8,810,255.00	332,774.53
UNITED STATES TREASURY	6/1/2021	0.750%	5/31/2026	91282CCF6	5,860,000.00	AA+	3/21/2022	5,520,989.84	2.20%	5,581,415.60	60,425.76
UNITED STATES TREASURY	8/15/2016	1.500%	8/15/2026	9128282A7	5,350,000.00	AA+	8/15/2022	5,033,388.67	3.08%	5,141,457.00	108,068.33
UNITED STATES TREASURY	9/15/2023	4.625%	9/15/2026	91282CHY0	10,000,000.00	AA+	10/3/2023	9,930,468.75	4.88%	10,179,300.00	248,831.25
UNITED STATES TREASURY	9/30/2021	0.875%	9/30/2026	91282CCZ2	5,585,000.00	AA+	4/5/2022	5,176,815.04	2.61%	5,290,502.95	113,687.91
UNITED STATES TREASURY	11/1/2021	1.125%	10/31/2026	91282CDG3	5,700,000.00	AA+	8/8/2022	5,267,601.56	3.05%	5,413,917.00	146,315.44
UNITED STATES TREASURY	11/15/2016	2.000%	11/15/2026	912828U24	8,840,000.00	AA+	6/8/2022	8,472,242.19	3.01%	8,546,512.00	74,269.81
UNITED STATES TREASURY	12/31/2021	1.250%	12/31/2026	91282CDQ1	5,340,000.00	AA+	4/14/2022	5,000,617.97	2.69%	5,070,703.80	70,085.83
UNITED STATES TREASURY	2/15/2017	2.250%	2/15/2027	912828V98	7,910,000.00	AA+	7/7/2022	7,705,452.34	2.85%	7,665,897.40	-39,554.94
UNITED STATES TREASURY	2/15/2017	2.250%	2/15/2027	912828V98	5,400,000.00	AA+	6/13/2022	5,159,109.38	3.29%	5,233,356.00	74,246.62
UNITED STATES TREASURY	2/15/2017	2.250%	2/15/2027	912828V98	2,100,000.00	AA+	4/20/2022	2,040,691.41	2.88%	2,035,194.00	-5,497.41
UNITED STATES TREASURY	3/31/2022	2.500%	3/31/2027	91282CEF4	940,000.00	AA+	11/30/2022	883,159.38	4.03%	915,842.00	32,682.62
UNITED STATES TREASURY	4/30/2020	0.500%	4/30/2027	912828ZN3	7,000,000.00	AA+	8/3/2022	6,262,812.50	2.89%	6,471,990.00	209,177.50
UNITED STATES TREASURY	5/15/2017	2.375%	5/15/2027	912828X88	5,400,000.00	AA+	8/8/2022	5,248,546.88	3.01%	5,236,110.00	-12,436.88
UNITED STATES TREASURY	5/15/2024	4.500%	5/15/2027	91282CKR1	2,200,000.00	AA+	9/17/2024	2,257,492.19	3.46%	2,249,764.00	-7,728.19
UNITED STATES TREASURY	6/17/2024	4.625%	6/15/2027	91282CKV2	27,665,000.00	AA+	9/27/2024	28,426,868.16	3.55%	28,411,678.35	-15,189.81
UNITED STATES TREASURY	6/30/2020	0.500%	6/30/2027	912828ZV5	5,675,000.00	AA+	8/15/2022	5,034,789.06	3.00%	5,221,000.00	186,210.94
UNITED STATES TREASURY	8/1/2022	2.750%	7/31/2027	91282CFB2	10,800,000.00	AA+	9/14/2022	10,392,046.88	3.60%	10,559,160.00	167,113.12
UNITED STATES TREASURY	8/15/1997	6.375%	8/15/2027	912810FA1	9,390,000.00	AA+	10/5/2023	9,913,052.34	4.78%	10,121,387.10	208,334.76
UNITED STATES TREASURY	8/15/2017	2.250%	8/15/2027	9128282R0	11,115,000.00	AA+	9/6/2022	10,537,975.20	3.40%	10,714,304.25	176,329.05
UNITED STATES TREASURY	9/30/2022	4.125%	9/30/2027	91282CFM8	3,785,000.00	AA+	11/3/2022	3,760,308.79	4.27%	3,845,787.10	85,478.31
UNITED STATES TREASURY	11/2/2020	0.500%	10/31/2027	91282CAU5	21,480,000.00	AA+	1/6/2023	18,292,401.56	3.91%	19,565,272.80	1,272,871.24
UNITED STATES TREASURY	10/31/2022	4.125%	10/31/2027	91282CFU0	16,115,000.00	AA+	9/17/2024	16,442,335.94	3.43%	16,369,939.30	-72,396.64
UNITED STATES TREASURY	10/31/2022	4.125%	10/31/2027	91282CFU0	4,750,000.00	AA+	1/31/2023	4,833,310.55	3.72%	4,825,145.00	-8,165.55
UNITED STATES TREASURY	10/31/2022	4.125%	10/31/2027	91282CFU0	5,100,000.00	AA+	12/13/2022	5,165,343.75	3.83%	5,180,682.00	15,338.25
UNITED STATES TREASURY	10/31/2022	4.125%	10/31/2027	91282CFU0	10,930,000.00	AA+	12/8/2022	11,081,995.31	3.81%	11,102,912.60	20,917.29
UNITED STATES TREASURY	11/17/1997	6.125%	11/15/2027	912810FB9	3,100,000.00	AA+	7/24/2024	3,288,058.59	4.14%	3,335,290.00	47,231.41
UNITED STATES TREASURY	11/30/2022	3.875%	11/30/2027	91282CFZ9	7,130,000.00	AA+	9/5/2024	7,182,917.97	3.63%	7,192,387.50	9,469.53
UNITED STATES TREASURY	1/3/2023	3.875%	12/31/2027	91282CGC9	8,255,000.00	AA+	1/31/2023	8,320,459.57	3.70%	8,333,670.15	13,210.58
UNITED STATES TREASURY	1/3/2023	3.875%	12/31/2027	91282CGC9	7,325,000.00	AA+	2/8/2023	7,333,583.98	3.85%	7,394,807.25	61,223.27
UNITED STATES TREASURY	1/3/2023	3.875%	12/31/2027	91282CGC9	4,850,000.00	AA+	2/2/2023	4,906,078.13	3.62%	4,896,220.50	-9,857.63
UNITED STATES TREASURY	1/3/2023	3.875%	12/31/2027	91282CGC9	7,175,000.00	AA+	9/27/2024	7,247,030.27	3.54%	7,243,377.75	-3,652.52
UNITED STATES TREASURY	2/1/2021	0.750%	1/31/2028	91282CBJ9	5,815,000.00	AA+	2/7/2023	5,009,758.79	3.83%	5,302,117.00	292,358.21
UNITED STATES TREASURY	1/31/2023	3.500%	1/31/2028	91282CGH8	7,505,000.00	AA+	5/16/2023	7,508,517.97	3.49%	7,487,963.65	-20,554.32
UNITED STATES TREASURY	2/28/2023	4.000%	2/29/2028	91282CGP0	8,080,000.00	AA+	1/26/2024	8,063,587.50	4.05%	8,189,807.20	126,219.70
UNITED STATES TREASURY	2/28/2023	4.000%	2/29/2028	91282CGP0	7,360,000.00	AA+	5/16/2023	7,532,500.00	3.46%	7,460,022.40	-72,477.60
UNITED STATES TREASURY	2/28/2023	4.000%	2/29/2028	91282CGP0	6,600,000.00	AA+	3/7/2023	6,526,781.25	4.25%	6,689,694.00	162,912.75

City of Santa Clara Monthly Report

9/30/2024

Description	Issue Date	Coupon Rate	Maturity Date	CUSIP	Par Value	S&P Rating	Settle Date	Cost Value	YTM at Cost	Market Value	Unrealized G/L
UNITED STATES TREASURY	3/31/2021	1.250%	3/31/2028	91282CBS9	5,820,000.00	AA+	5/9/2023	5,236,408.59	3.50%	5,378,262.00	141,853.41
UNITED STATES TREASURY	3/31/2021	1.250%	3/31/2028	91282CBS9	5,470,000.00	AA+	5/10/2023	4,912,530.08	3.54%	5,054,827.00	142,296.92
UNITED STATES TREASURY	3/31/2023	3.625%	3/31/2028	91282CGT2	5,765,000.00	AA+	5/4/2023	5,816,569.73	3.42%	5,776,702.95	-39,866.78
UNITED STATES TREASURY	3/31/2023	3.625%	3/31/2028	91282CGT2	5,030,000.00	AA+	5/2/2023	5,023,712.50	3.65%	5,040,210.90	16,498.40
UNITED STATES TREASURY	5/1/2023	3.500%	4/30/2028	91282CHA2	5,075,000.00	AA+	5/2/2023	5,042,488.28	3.64%	5,062,515.50	20,027.22
UNITED STATES TREASURY	5/31/2023	3.625%	5/31/2028	91282CHE4	11,735,000.00	AA+	6/5/2023	11,695,577.73	3.70%	11,753,306.60	57,728.87
UNITED STATES TREASURY	5/31/2023	3.625%	5/31/2028	91282CHE4	8,285,000.00	AA+	1/26/2024	8,149,074.22	4.04%	8,297,924.60	148,850.38
UNITED STATES TREASURY	6/30/2023	4.000%	6/30/2028	91282CHK0	11,300,000.00	AA+	7/10/2023	11,117,699.22	4.36%	11,469,048.00	351,348.78
UNITED STATES TREASURY	6/30/2023	4.000%	6/30/2028	91282CHK0	1,700,000.00	AA+	7/3/2023	1,687,183.59	4.17%	1,725,432.00	38,248.41
UNITED STATES TREASURY	7/31/2023	4.125%	7/31/2028	91282CHQ7	4,950,000.00	AA+	8/2/2023	4,921,962.89	4.25%	5,046,079.50	124,116.61
UNITED STATES TREASURY	8/31/2023	4.375%	8/31/2028	91282CHX2	7,940,000.00	AA+	1/26/2024	8,054,137.50	4.03%	8,169,227.80	115,090.30
UNITED STATES TREASURY	8/31/2023	4.375%	8/31/2028	91282CHX2	1,735,000.00	AA+	8/31/2023	1,742,726.17	4.28%	1,785,089.45	42,363.28
UNITED STATES TREASURY	10/31/2023	4.875%	10/31/2028	91282CJF9	5,900,000.00	AA+	1/4/2024	6,140,839.84	3.94%	6,188,097.00	47,257.16
UNITED STATES TREASURY	10/31/2023	4.875%	10/31/2028	91282CJF9	5,160,000.00	AA+	1/8/2024	5,355,717.19	4.00%	5,411,962.80	56,245.61
UNITED STATES TREASURY	11/16/1998	5.250%	11/15/2028	912810FF0	11,160,000.00	AA+	9/17/2024	11,969,100.00	3.37%	11,884,060.80	-85,039.20
UNITED STATES TREASURY	11/30/2023	4.375%	11/30/2028	91282CJN2	8,025,000.00	AA+	1/26/2024	8,150,704.10	4.01%	8,270,805.75	120,101.65
UNITED STATES TREASURY	1/2/2024	3.750%	12/31/2028	91282CJR3	14,950,000.00	AA+	1/19/2024	14,770,132.81	4.02%	15,050,464.00	280,331.19
UNITED STATES TREASURY	1/2/2024	3.750%	12/31/2028	91282CJR3	6,250,000.00	AA+	1/4/2024	6,202,148.44	3.92%	6,292,000.00	89,851.56
UNITED STATES TREASURY	1/31/2024	4.000%	1/31/2029	91282CJW2	6,400,000.00	AA+	2/13/2024	6,367,750.00	4.11%	6,508,032.00	140,282.00
UNITED STATES TREASURY	1/31/2024	4.000%	1/31/2029	91282CJW2	5,030,000.00	AA+	2/14/2024	4,968,107.42	4.28%	5,114,906.40	146,798.98
UNITED STATES TREASURY	1/31/2024	4.000%	1/31/2029	91282CJW2	4,735,000.00	AA+	9/5/2024	4,814,348.24	3.58%	4,814,926.80	578.56
UNITED STATES TREASURY	2/16/1999	5.250%	2/15/2029	912810FG8	8,610,000.00	AA+	7/24/2024	9,040,500.00	4.04%	9,226,131.60	185,631.60
UNITED STATES TREASURY	2/29/2024	4.250%	2/28/2029	91282CKD2	4,375,000.00	AA+	9/27/2024	4,498,046.88	3.56%	4,496,493.75	-1,553.13
UNITED STATES TREASURY	2/29/2024	4.250%	2/28/2029	91282CKD2	2,850,000.00	AA+	3/7/2024	2,867,923.83	4.11%	2,929,144.50	61,220.67
UNITED STATES TREASURY	4/1/2024	4.125%	3/31/2029	91282CKG5	10,050,000.00	AA+	4/11/2024	9,938,900.39	4.37%	10,278,135.00	339,234.61
UNITED STATES TREASURY	4/30/2024	4.625%	4/30/2029	91282CKP5	16,425,000.00	AA+	4/30/2024	16,412,167.97	4.64%	17,151,313.50	739,145.53
UNITED STATES TREASURY	4/30/2024	4.625%	4/30/2029	91282CKP5	5,625,000.00	AA+	8/2/2024	5,809,570.31	3.86%	5,873,737.50	64,167.19
UNITED STATES TREASURY	5/31/2024	4.500%	5/31/2029	91282CKT7	4,950,000.00	AA+	6/7/2024	4,993,892.58	4.30%	5,148,000.00	154,107.42
UNITED STATES TREASURY	7/1/2024	4.250%	6/30/2029	91282CKX8	24,360,000.00	AA+	9/5/2024	25,072,406.07	3.58%	25,071,799.20	-606.87
UNITED STATES TREASURY	7/1/2024	4.250%	6/30/2029	91282CKX8	1,100,000.00	AA+	8/15/2024	1,128,316.41	3.67%	1,132,142.00	3,825.59
UNITED STATES TREASURY	7/1/2024	4.250%	6/30/2029	91282CKX8	7,590,000.00	AA+	7/3/2024	7,538,411.72	4.40%	7,811,779.80	273,368.08
UNITED STATES TREASURY	7/1/2024	4.250%	6/30/2029	91282CKX8	16,955,000.00	AA+	7/3/2024	16,858,965.82	4.38%	17,450,425.10	591,459.28
UNITED STATES TREASURY	7/31/2024	4.000%	7/31/2029	91282CLC3	9,575,000.00	AA+	9/17/2024	9,819,237.30	3.43%	9,756,733.50	-62,503.80
UNITED STATES TREASURY	8/31/2022	3.125%	8/31/2029	91282CFJ5	10,650,000.00	AA+	9/27/2024	10,429,095.70	3.59%	10,428,267.00	-828.70
UNITED STATES TREASURY	9/3/2024	3.625%	8/31/2029	91282CLK5	12,700,000.00	AA+	9/5/2024	12,736,214.84	3.56%	12,737,719.00	1,504.16
UNITED STATES TREASURY	9/3/2024	3.625%	8/31/2029	91282CLK5	1,870,000.00	AA+	9/3/2024	1,864,156.25	3.69%	1,875,553.90	11,397.65
U.S. Treasury Bond / Note				Subtotal	611,755,000.00			605,199,828.04		612,385,577.95	7,185,749.91
FANNIE MAE	1/10/2020	1.625%	1/7/2025	3135G0X24	225,000.00	AA+	1/22/2020	224,970.75	1.63%	223,184.25	-1,786.50
FANNIE MAE	4/24/2020	0.625%	4/22/2025	3135G03U5	10,000,000.00	AA+	5/7/2020	10,050,600.00	0.52%	9,797,800.00	-252,800.00
FANNIE MAE	11/12/2020	0.500%	11/7/2025	3135G06G3	1,860,000.00	AA+	12/29/2020	1,864,929.00	0.44%	1,789,822.20	-75,106.80
FNMA Medium Term Note				Subtotal	12,085,000.00			12,140,499.75		11,810,806.45	-329,693.30

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Description	Issue Date	Coupon Rate	Maturity Date	CUSIP	Par Value	S&P Rating	Settle Date	Cost Value	YTM at Cost	Market Value	Unrealized G/L
FEDERAL FARM CREDIT BANK	1/23/2020	1.650%	1/23/2025	3133ELJM7	7,320,000.00	AA+	5/18/2020	7,689,367.20	0.56%	7,252,656.00	-436,711.20
FEDERAL FARM CREDIT BANK	5/14/2020	0.500%	5/14/2025	3133ELZM9	10,000,000.00	AA+	5/15/2020	9,982,800.00	0.53%	9,775,700.00	-207,100.00
FEDERAL FARM CREDIT BANK	6/9/2020	0.500%	6/9/2025	3133ELH23	10,000,000.00	AA+	6/12/2020	9,997,540.00	0.50%	9,750,800.00	-246,740.00
FFCB Medium Term Note				Subtotal	27,320,000.00			27,669,707.20		26,779,156.00	-890,551.20
FEDERAL FARM CREDIT BANK	7/2/2020	0.500%	7/2/2025	3133ELR71	10,000,000.00	AA+	7/14/2020	10,017,640.00	0.46%	9,731,600.00	-286,040.00
FFCB Coupon Note				Subtotal	10,000,000.00			10,017,640.00		9,731,600.00	-286,040.00
FEDERAL HOME LOAN BANK	11/6/2014	2.750%	12/13/2024	3130A3GE8	5,000,000.00	AA+	3/12/2020	5,461,300.00	0.77%	4,981,000.00	-480,300.00
FHLB Medium Term Note				Subtotal	5,000,000.00			5,461,300.00		4,981,000.00	-480,300.00
FREDDIE MAC	2/14/2020	1.500%	2/12/2025	3137EAEP0	5,000,000.00	AA+	5/20/2020	5,226,960.00	0.53%	4,942,500.00	-284,460.00
FREDDIE MAC	8/30/2022	4.050%	8/28/2025	3134GXS54	5,000,000.00	AA+	8/30/2022	4,998,000.00	4.06%	4,990,450.00	-7,550.00
FREDDIE MAC	9/25/2020	0.375%	9/23/2025	3137EAEX3	9,390,000.00	AA+	9/25/2020	9,361,736.10	0.44%	9,064,448.70	-297,287.40
FREDDIE MAC	10/10/2023	6.000%	10/10/2028	3134H1FT5	4,225,000.00	AA+	10/10/2023	4,225,000.00	6.00%	4,220,310.25	-4,689.75
FHLMC Medium Term Note				Subtotal	23,615,000.00			23,811,696.10		23,217,708.95	-593,987.15
FANNIE MAE-ACES	7/1/2023	4.181%	7/1/2028	3136BQDE6	8,361,127.84	AA+	11/30/2023	8,036,807.52	5.14%	8,395,074.04	358,266.52
FANNIE MAE-ACES	7/1/2023	4.181%	7/1/2028	3136BQDE6	7,262,236.79	AA+	7/31/2023	7,139,119.19	4.58%	7,291,721.45	152,602.26
FHLMC MULTIFAMILY STRUCTURED PASS THROU	1/1/2017	3.347%	11/1/2026	3137BTUM1	5,252,368.93	AA+	5/24/2023	5,090,694.45	4.29%	5,173,530.87	82,836.42
FHLMC MULTIFAMILY STRUCTURED PASS THROU	5/1/2017	3.224%	3/1/2027	3137BXQY1	8,000,000.00	AA+	8/18/2023	7,546,250.00	4.94%	7,867,360.00	321,110.00
FHLMC MULTIFAMILY STRUCTURED PASS THROU	7/1/2017	3.243%	4/1/2027	3137F1G44	4,545,000.00	AA+	8/18/2023	4,285,260.35	4.93%	4,462,462.80	177,202.45
FHLMC MULTIFAMILY STRUCTURED PASS THROU	8/1/2017	3.117%	6/1/2027	3137F2LJ3	6,525,000.00	AA+	8/22/2023	6,101,894.53	4.97%	6,383,864.25	281,969.72
FHLMC MULTIFAMILY STRUCTURED PASS THROU	7/1/2023	4.819%	6/1/2028	3137HACX2	7,500,000.00	AA+	7/20/2023	7,574,910.00	4.59%	7,696,275.00	121,365.00
FHLMC MULTIFAMILY STRUCTURED PASS THROU	7/1/2023	4.777%	6/1/2028	3137HAD45	6,060,684.04	AA+	7/27/2023	6,060,532.53	4.78%	6,157,291.34	96,758.81
FHLMC MULTIFAMILY STRUCTURED PASS THROU	10/1/2023	4.740%	8/1/2028	3137HAQ74	5,750,000.00	AA+	10/19/2023	5,623,868.00	5.25%	5,897,027.50	273,159.50
Federal Agency Commercial Mortgage-Backed Security				Subtotal	59,256,417.61			57,459,336.57		59,324,607.25	1,865,270.68
ADOBE INC	1/26/2015	3.250%	2/1/2025	00724FAC5	4,000,000.00	A+	1/26/2022	4,183,680.00	1.68%	3,975,600.00	-208,080.00
ADOBE INC	4/4/2024	4.800%	4/4/2029	00724PAF6	1,635,000.00	A+	4/4/2024	1,632,563.85	4.83%	1,689,085.80	56,521.95
ADOBE INC	4/4/2024	4.800%	4/4/2029	00724PAF6	1,340,000.00	A+	4/4/2024	1,337,762.20	4.84%	1,384,327.20	46,565.00
ALPHABET INC	8/9/2016	1.998%	8/15/2026	02079KAC1	5,740,000.00	AA+	1/30/2023	5,354,386.80	4.05%	5,563,954.20	209,567.40
AMAZON.COM INC	4/13/2022	3.300%	4/13/2027	023135CF1	6,715,000.00	AA	4/25/2022	6,672,964.10	3.44%	6,629,249.45	-43,714.65
APPLE INC	11/13/2017	2.750%	1/13/2025	037833DF4	5,000,000.00	AA+	3/29/2021	5,355,200.00	0.84%	4,973,450.00	-381,750.00
APPLE INC	11/13/2017	2.750%	1/13/2025	037833DF4	5,000,000.00	AA+	3/9/2021	5,340,100.00	0.94%	4,973,450.00	-366,650.00
BANK OF NY MELLON CORP	1/28/2021	0.750%	1/28/2026	06406RAQ0	9,000,000.00	A	2/10/2021	9,025,920.00	0.69%	8,609,850.00	-416,070.00
BLACKROCK INC	3/28/2017	3.200%	3/15/2027	09247XAN1	4,140,000.00	AA-	5/18/2022	4,086,055.80	3.50%	4,080,135.60	-5,920.20
BLACKROCK INC	3/28/2017	3.200%	3/15/2027	09247XAN1	4,140,000.00	AA-	5/18/2022	4,085,352.00	3.50%	4,080,135.60	-5,216.40
BLACKROCK INC	3/14/2024	4.700%	3/14/2029	09290DAA9	2,924,000.00	AA-	4/11/2024	2,911,222.12	4.80%	3,007,480.20	96,258.08
BLACKROCK INC	3/14/2024	4.700%	3/14/2029	09290DAA9	350,000.00	AA-	3/14/2024	349,366.50	4.74%	359,992.50	10,626.00

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BOFA SECURITIES INC.	3/22/2022	3.384%	4/2/2026	06051GKM0	5,000,000.00	A-	3/22/2022	5,005,100.00	3.36%	4,960,050.00	-45,050.00
BOFA SECURITIES INC.	8/18/2023	5.526%	8/18/2026	06428CAA2	4,000,000.00	A+	8/18/2023	3,998,360.00	5.54%	4,107,000.00	108,640.00
BOFA SECURITIES INC.	4/22/2021	1.734%	7/22/2027	06051GJS9	1,420,000.00	A-	8/10/2022	1,281,251.80	3.92%	1,355,659.80	74,408.00
BRISTOL-MYERS SQUIBB CO	11/13/2020	0.750%	11/13/2025	110122DN5	5,725,000.00	A	6/30/2021	5,672,673.50	0.96%	5,515,007.00	-157,666.50
CITIGROUP INC	9/29/2023	5.803%	9/29/2028	17325FBB3	11,225,000.00	A+	9/29/2023	11,225,000.00	5.80%	11,882,448.25	657,448.25
ELI LILLY & COMPANY	3/5/2015	2.750%	6/1/2025	532457BH0	5,415,000.00	A+	2/10/2022	5,559,255.60	1.91%	5,356,301.40	-202,954.20
ELI LILLY & COMPANY	8/14/2024	4.200%	8/14/2029	532457CQ9	1,555,000.00	A+	8/14/2024	1,557,643.50	4.16%	1,569,896.90	12,253.40
ELI LILLY & COMPANY	8/14/2024	4.200%	8/14/2029	532457CQ9	445,000.00	A+	8/14/2024	444,025.45	4.25%	449,263.10	5,237.65
HERSHEY CO/THE	8/21/2015	3.200%	8/21/2025	427866AU2	3,000,000.00	A	3/30/2022	3,014,040.00	3.05%	2,971,410.00	-42,630.00
HOME DEPOT INC/THE	9/14/2017	2.800%	9/14/2027	437076BT8	7,805,000.00	A	1/27/2023	7,364,719.95	4.15%	7,583,962.40	219,242.45
HONEYWELL INTERNATIONAL INC	5/18/2020	1.350%	6/1/2025	438516CB0	5,000,000.00	A	9/8/2021	5,097,900.00	0.82%	4,905,800.00	-192,100.00
HONEYWELL INTERNATIONAL INC	5/18/2020	1.350%	6/1/2025	438516CB0	2,255,000.00	A	3/22/2022	2,181,960.55	2.41%	2,212,515.80	30,555.25
JOHN DEERE CAPITAL CORP	6/17/2021	1.050%	6/17/2026	24422EVR7	5,000,000.00	A	12/8/2021	4,908,600.00	1.47%	4,764,650.00	-143,950.00
JOHN DEERE CAPITAL CORP	7/14/2023	4.950%	7/14/2028	24422EXB0	605,000.00	A	7/18/2023	610,874.55	4.73%	625,079.95	14,205.40
JOHN DEERE CAPITAL CORP	7/14/2023	4.950%	7/14/2028	24422EXB0	505,000.00	A	7/14/2023	504,247.55	4.98%	521,760.95	17,513.40
JOHNSON & JOHNSON	8/25/2020	0.550%	9/1/2025	478160CN2	5,000,000.00	AAA	9/3/2020	5,023,550.00	0.45%	4,842,400.00	-181,150.00
JPMORGAN CHASE FINANCIAL CO LLC	3/13/2020	2.005%	3/13/2026	46647PBH8	2,800,000.00	A-	3/22/2022	2,712,500.00	2.84%	2,762,648.00	50,148.00
JPMORGAN CHASE FINANCIAL CO LLC	4/22/2021	1.578%	4/22/2027	46647PCB0	4,100,000.00	A-	8/10/2022	3,710,746.00	3.80%	3,927,677.00	216,931.00
JPMORGAN CHASE FINANCIAL CO LLC	2/24/2022	2.947%	2/24/2028	46647PCW4	2,925,000.00	A-	9/18/2023	2,674,532.25	5.13%	2,836,840.50	162,308.25
JPMORGAN CHASE FINANCIAL CO LLC	4/22/2024	5.571%	4/22/2028	46647PEE2	5,000,000.00	A-	8/9/2024	5,103,350.00	4.95%	5,155,350.00	52,000.00
MASTERCARD INC	12/3/2019	2.000%	3/3/2025	57636QAN4	5,000,000.00	A+	3/9/2021	5,213,450.00	0.91%	4,947,200.00	-266,250.00
MASTERCARD INC	12/3/2019	2.000%	3/3/2025	57636QAN4	5,000,000.00	A+	3/10/2022	4,990,800.00	2.06%	4,947,200.00	-43,600.00
MASTERCARD INC	5/31/2019	2.950%	6/1/2029	57636QAM6	7,500,000.00	A+	6/27/2024	6,889,875.00	4.82%	7,186,200.00	296,325.00
META PLATFORMS INC	8/9/2024	4.300%	8/15/2029	30303M8S4	5,370,000.00	AA-	8/14/2024	5,385,895.20	4.23%	5,452,805.40	66,910.20
MICROSOFT CORP	2/12/2015	2.700%	2/12/2025	594918BB9	5,000,000.00	AAA	3/9/2021	5,341,700.00	0.92%	4,966,600.00	-375,100.00
MICROSOFT CORP	11/3/2015	3.125%	11/3/2025	594918BJ2	5,100,000.00	AAA	1/25/2023	4,940,982.00	4.33%	5,051,856.00	110,874.00
MORGAN STANLEY BANK NA	5/30/2024	5.504%	5/26/2028	61690U8B9	6,105,000.00	A+	5/31/2024	6,117,881.55	5.45%	6,297,429.60	179,548.05
MORGAN STANLEY BANK NA	5/30/2024	5.504%	5/26/2028	61690U8B9	3,145,000.00	A+	5/30/2024	3,145,000.00	5.50%	3,244,130.40	99,130.40
NOVARTIS FINANCE CORPORATION	11/20/2015	3.000%	11/20/2025	66989HAJ7	10,000,000.00	AA-	1/31/2023	9,638,600.00	4.38%	9,884,500.00	245,900.00
PACCAR FINANCIAL CORP	1/31/2024	4.600%	1/31/2029	69371RS80	7,000,000.00	A+	7/30/2024	6,996,080.00	4.61%	7,177,940.00	181,860.00
PEPSICO INC	7/17/2024	4.500%	7/17/2029	713448FX1	4,380,000.00	A+	7/17/2024	4,373,211.00	4.53%	4,514,290.80	141,079.80
QUALCOMM INC	5/20/2015	3.450%	5/20/2025	747525AF0	5,850,000.00	A	5/19/2022	5,860,588.50	3.39%	5,816,713.50	-43,875.00
STATE STREET CORP	2/7/2022	1.746%	2/6/2026	857477BR3	1,115,000.00	A	2/7/2022	1,115,000.00	1.75%	1,101,854.15	-13,145.85
STATE STREET CORP	10/29/2020	2.901%	3/30/2026	857477BM4	4,250,000.00	A	3/14/2022	4,275,372.50	2.74%	4,205,715.00	-69,657.50
TARGET CORP	1/24/2022	1.950%	1/15/2027	87612EBM7	4,595,000.00	A	2/1/2022	4,567,889.50	2.08%	4,413,957.00	-153,932.50
TARGET CORP	1/24/2022	1.950%	1/15/2027	87612EBM7	990,000.00	A	1/24/2022	988,317.00	1.99%	950,994.00	-37,323.00
TOYOTA MOTOR CREDIT CORP	9/11/2023	5.250%	9/11/2028	89236TLB9	5,600,000.00	A+	9/11/2023	5,590,256.00	5.29%	5,834,864.00	244,608.00
WALMART INC.	6/27/2018	3.550%	6/26/2025	931142ED1	5,700,000.00	AA	2/8/2022	6,011,847.00	1.87%	5,676,801.00	-335,046.00
Corporate Note				Subtotal	220,464,000.00			219,427,649.32		219,303,482.45	-124,166.87

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Description	Issue Date	Coupon Rate	Maturity Date	CUSIP	Par Value	S&P Rating	Settle Date	Cost Value	YTM at Cost	Market Value	Unrealized G/L
AMERICAN EXPRESS CREDIT TRUST 2023-1	9/19/2023	5.230%	9/15/2028	02582JKD1	6,170,000.00	AAA	9/19/2023	6,169,724.20	5.24%	6,311,910.00	142,185.80
BA CREDIT CARD TRUST	12/14/2023	4.980%	11/15/2028	05522RDH8	3,045,000.00	NR	12/14/2023	3,044,591.06	4.98%	3,106,356.75	61,765.69
BOFA AUTO TRUST 2024-1	7/31/2023	5.530%	2/15/2028	06428AAC2	3,120,000.00	NR	7/31/2023	3,119,881.75	5.53%	3,163,024.80	43,143.05
BOFA AUTO TRUST 2024-1	11/21/2023	5.740%	6/15/2028	06054YAC1	6,595,000.00	NR	11/21/2023	6,594,880.63	5.76%	6,730,131.55	135,250.92
CARMAX AUTO OWNER TRUST 2023-3	4/21/2021	0.520%	2/17/2026	14314QAC8	151,344.87	AAA	4/21/2021	151,312.26	0.52%	150,777.33	-534.93
CHASE ISSUANCE TRUST	9/15/2023	5.160%	9/15/2028	161571HT4	6,045,000.00	AAA	9/15/2023	6,043,324.33	5.17%	6,176,176.50	132,852.17
CHASE ISSUANCE TRUST	1/31/2024	4.600%	1/16/2029	161571HV9	7,605,000.00	AAA	1/31/2024	7,603,841.76	4.60%	7,702,115.85	98,274.09
CITIBANK CREDIT CARD ISSUANCE TRUST	12/11/2023	5.230%	12/8/2027	17305EGW9	1,855,000.00	AAA	12/11/2023	1,854,767.38	5.23%	1,874,848.50	20,081.12
FIFTH THIRD AUTO TRUST	8/23/2023	5.530%	8/15/2028	31680EAD3	5,270,000.00	AAA	8/23/2023	5,269,673.26	5.53%	5,344,675.90	75,002.64
GM FINANCIAL SECURITIZED TERM AUTO RECE	1/17/2024	4.850%	12/18/2028	36268GAD7	815,000.00	NR	1/17/2024	814,836.10	4.85%	825,334.20	10,498.10
HONDA AUTO RECEIVABLES OWNER TRUST 2024	11/24/2021	0.880%	1/21/2026	43815GAC3	438,582.56	NR	11/24/2021	438,490.10	0.89%	432,872.22	-5,617.88
HONDA AUTO RECEIVABLES OWNER TRUST 2024	8/22/2023	5.410%	2/18/2028	43815QAC1	4,825,000.00	AAA	8/22/2023	4,824,005.09	5.42%	4,894,287.00	70,281.91
HYUNDAI AUTO RECEIVABLES TRUST 2024-B	11/17/2021	0.740%	5/15/2026	44935FAD6	292,780.77	AAA	11/17/2021	292,715.43	0.75%	290,084.26	-2,631.17
HYUNDAI AUTO RECEIVABLES TRUST 2024-B	11/13/2023	5.540%	10/16/2028	44918CAD4	2,530,000.00	AAA	11/13/2023	2,529,667.31	5.54%	2,585,761.20	56,093.89
KUBOTA CREDIT OWNER TRUST 2024-2A	7/26/2023	5.280%	1/18/2028	500945AC4	1,925,000.00	NR	7/26/2023	1,924,513.75	5.29%	1,954,760.50	30,246.75
TOYOTA AUTO RECEIVABLES OWNER TRUST COM	9/27/2021	0.430%	1/15/2026	89239BAC5	486,269.61	AAA	9/27/2021	486,230.86	0.43%	482,087.69	-4,143.17
TOYOTA AUTO RECEIVABLES OWNER TRUST COM	8/15/2023	5.160%	4/17/2028	89231FAD2	1,505,000.00	AAA	8/15/2023	1,504,659.57	5.17%	1,523,330.90	18,671.33
TOYOTA AUTO RECEIVABLES OWNER TRUST COM	11/14/2023	5.540%	8/15/2028	89239FAD4	1,725,000.00	AAA	11/14/2023	1,724,814.05	5.54%	1,765,278.75	40,464.70
USAA AUTO OWNER TRUST 2024-A	9/15/2023	5.580%	5/15/2028	90291VAC4	6,030,000.00	AAA	9/15/2023	6,028,944.75	5.58%	6,107,304.60	78,359.85
Asset-Backed Security				Subtotal	60,428,977.80			60,420,873.64		61,421,118.50	1,000,244.86
COOPERAT RABOBANK UA/NY	7/20/2023	5.080%	7/17/2026	21684LGS5	7,500,000.00	A+	7/20/2023	7,500,000.00	5.08%	7,699,575.00	199,575.00
Certificate of Deposit				Subtotal	7,500,000.00			7,500,000.00		7,699,575.00	199,575.00
PRINCIPAL PUBLIC DEPOSIT SWEEP PROGRAM		2.650%	10/1/2024	992995944	988,565.40		9/1/2020	988,565.40		988,565.40	-
LOCAL AGENCY INVESTMENT FUND		4.575%	10/1/2024		6,001,482.83		9/30/1997	6,001,482.83		6,001,482.83	-
CALIFORNIA ASSET MANAGEMENT PROGRAM		5.290%	10/1/2024		132,245,647.89		10/4/2022	132,245,647.89		132,245,647.89	-
CALIFORNIA ASSET MANAGEMENT PROGRAM - TERM		5.120%	10/21/2024		10,000,000.00		1/25/2024	10,000,000.00		10,000,000.00	-
DREYFUS TREASURY		5.320%	10/1/2024		2,379,646.00		10/31/1997	2,379,646.00		2,379,646.00	-
Cash Equivalent				Subtotal	151,615,342.12			151,615,342.12		151,615,342.12	-
Grand Total			Count	178	1,189,039,737.53			1,180,723,872.74		1,188,269,974.67	7,546,101.93

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
		<u>BEGINNING BALANCE</u>	<u>0.00</u>	<u>927,763,925.10</u>	
		CASH EQUIVALENTS			
09/03/24		INTEREST RECEIVED PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM INTEREST FROM 8/1/24 TO 8/31/24	1,172.07		
09/30/24	106,271,832.09	CASH SWEEP PURCHASES FOR STMT PERIOD PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM 12 TRANSACTIONS	106,271,832.09-	106,271,832.09	
09/30/24	106,313,692.69-	CASH SWEEP SALES FOR STMT PERIOD PRINCIPAL PUBLIC DEPOSIT SWEEP PRGRM 4 TRANSACTIONS	106,313,692.69	106,313,692.69-	
		BONDS & NOTES			
09/16/24		INTEREST RECEIVED AMERICAN EXPRES ABS 5.230% 9/15/28 CUSIP 02582JKD1 \$0.00436/PV ON 6,170,000.00 PV DUE 9/15/24	26,890.91		
09/16/24		INTEREST RECEIVED BANK OF AMERICA ABS 5.530% 2/15/28 CUSIP 06428AAC2 \$0.00461/PV ON 3,120,000.00 PV DUE 9/15/24	14,378.00		
09/16/24		INTEREST RECEIVED BANK OF AMERICA ABS 5.740% 6/15/28 CUSIP 06054YAC1 \$0.00478/PV ON 6,595,000.00 PV DUE 9/15/24	31,546.08		

**STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024**

**CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX**

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/16/24		INTEREST RECEIVED BK OF AMERICA ABS 4.980% 11/15/28 CUSIP 05522RDH8 \$0.00415/PV ON 3,045,000.00 PV DUE 9/15/24	12,636.75		
09/16/24		INTEREST RECEIVED BLACKROCK FUNDING 4.700% 3/14/29 CUSIP 09290DAA9 INTEREST ON 3,274,000.000 UNITS	76,939.00		
09/16/24		INTEREST RECEIVED BLACKROCK INC 3.200% 3/15/27 CUSIP 09247XAN1 INTEREST ON 8,280,000.000 UNITS	132,480.00		
09/16/24		INTEREST RECEIVED CARMAX AUTO OWNER TR 0.520% 2/17/26 CUSIP 14314QAC8 \$0.00004/PV ON 234,216.02 PV DUE 9/15/24	101.49		
09/16/24	82,871.15-	PAID DOWN CARMAX AUTO OWNER TR 0.520% 2/17/26 CUSIP 14314QAC8 TO SETTLE ON 09/16/2024	82,871.15	82,853.29-	17.86
09/16/24		INTEREST RECEIVED CHASE ISSUANCE ABS 4.600% 1/16/29 CUSIP 161571HV9 \$0.00383/PV ON 7,605,000.00 PV DUE 9/15/24	29,152.50		
09/16/24		INTEREST RECEIVED CHASE ISSUANCE ABS 5.160% 9/15/28 CUSIP 161571HT4 \$0.00430/PV ON 6,045,000.00 PV DUE 9/15/24	25,993.50		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/30/24		INTEREST RECEIVED CITIBANK 5.803% 9/29/28 CUSIP 17325FBB3 INTEREST ON 11,225,000.000 UNITS	325,693.38		
09/16/24		INTEREST RECEIVED DISCOVER CARD EXECUT 0.580% 9/15/26 CUSIP 254683CP8 \$0.00048/PV ON 2,100,000.00 PV DUE 9/15/24	1,015.00		
09/16/24	2,100,000-	PAID DOWN DISCOVER CARD EXECUT 0.580% 9/15/26 CUSIP 254683CP8	2,100,000.00	2,099,550.39-	449.61
09/23/24		INTEREST RECEIVED FED HOME LN MTG CORP 0.375% 9/23/25 CUSIP 3137EAEX3 INTEREST ON 9,390,000.000 UNITS	17,606.25		
09/25/24		INTEREST RECEIVED FED HOME LN MTG CORP 3.117% 6/25/27 CUSIP 3137F2LJ3 \$0.00260/PV ON 6,525,000.00 PV DUE 9/25/24	16,948.69		
09/25/24		INTEREST RECEIVED FHLMC K061 CMO V-M 3.347% 11/25/26 CUSIP 3137BTUM1 \$0.00274/PV ON 5,262,569.26 PV DUE 9/25/24	14,678.18		
09/25/24	10,200.33-	PAID DOWN FHLMC K061 CMO V-M 3.347% 11/25/26 CUSIP 3137BTUM1 AT \$2,506.9714 ON TRADE DATE 09/25/2024	10,200.33	9,886.35-	313.98

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/25/24		INTEREST RECEIVED FHLMC K508 CMO V-M 4.740% 8/25/28 CUSIP 3137HAQ74 \$0.00395/PV ON 5,750,000.00 PV DUE 9/25/24	22,712.50		
09/25/24		INTEREST RECEIVED FHLMC MULTIFAMILY ST 3.243% 4/25/27 CUSIP 3137F1G44 \$0.00270/PV ON 4,545,000.00 PV DUE 9/25/24	12,282.86		
09/25/24		INTEREST RECEIVED FHLMC SER KJ46 CMO 4.777% 6/25/28 CUSIP 3137HAD45 \$0.00395/PV ON 6,064,572.20 PV DUE 9/25/24	24,142.05		
09/25/24	3,888.16-	PAID DOWN FHLMC SER KJ46 CMO 4.777% 6/25/28 CUSIP 3137HAD45 AT \$6,576.8734 ON TRADE DATE 09/25/2024	3,888.16	3,888.06-	0.10
09/25/24		INTEREST RECEIVED FHLMC SER K505 CMO 4.819% 6/25/28 CUSIP 3137HACX2 \$0.00402/PV ON 7,500,000.00 PV DUE 9/25/24	30,118.75		
09/16/24		INTEREST RECEIVED FIFTH THIRD AUT ABS 5.530% 8/15/28 CUSIP 31680EAD3 \$0.00461/PV ON 5,270,000.00 PV DUE 9/15/24	24,285.91		

**STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024**

**CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX**

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/25/24		INTEREST RECEIVED FNMA SER M6 CMO V-M 4.190% 7/25/28 CUSIP 3136BQDE6 \$0.00349/PV ON 16,350,000.00 PV DUE 9/25/24	57,088.76		
09/25/24	726,635.37-	PAID DOWN FNMA SER M6 CMO V-M 4.190% 7/25/28 CUSIP 3136BQDE6 AT \$65.7592 ON TRADE DATE 09/25/2024	726,635.37	705,825.24-	20,810.13
09/16/24		INTEREST RECEIVED GM FINANCIAL ABS 4.850% 12/18/28 CUSIP 36268GAD7 \$0.00404/PV ON 815,000.00 PV DUE 9/16/24	3,293.96		
09/16/24		INTEREST RECEIVED HOME DEPOT INC 2.800% 9/14/27 CUSIP 437076BT8 INTEREST ON 7,805,000.000 UNITS	109,270.00		
09/18/24		INTEREST RECEIVED HONDA AUTO ABS 5.410% 2/18/28 CUSIP 43815QAC1 \$0.00451/PV ON 4,825,000.00 PV DUE 9/18/24	21,752.71		
09/23/24		INTEREST RECEIVED HONDA AUTO RECEIVABL 0.880% 1/21/26 CUSIP 43815GAC3 \$0.00023/PV ON 506,231.39 PV DUE 9/21/24	371.24		
09/23/24	67,648.83-	PAID DOWN HONDA AUTO RECEIVABL 0.880% 1/21/26 CUSIP 43815GAC3 TO SETTLE ON 09/23/2024	67,648.83	67,634.57-	14.26

**STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024**

**CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX**

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/16/24		INTEREST RECEIVED HYUNDAI AUTO REC ABS 5.540% 10/16/28 CUSIP 44918CAD4 \$0.00462/PV ON 2,530,000.00 PV DUE 9/15/24	11,680.17		
09/16/24		INTEREST RECEIVED HYUNDAI AUTO RECEIVA 0.740% 5/15/26 CUSIP 44935FAD6 \$0.00017/PV ON 352,490.23 PV DUE 9/15/24	217.37		
09/16/24	59,709.46-	PAID DOWN HYUNDAI AUTO RECEIVA 0.740% 5/15/26 CUSIP 44935FAD6 AT \$2,007.7230 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	59,709.46	59,696.13-	13.33
09/03/24		INTEREST RECEIVED JOHNSON & JOHNSON 0.550% 9/01/25 CUSIP 478160CN2 INTEREST ON 5,000,000.000 UNITS	13,750.00		
09/16/24		INTEREST RECEIVED KUBOTA CREDIT ABS 5.280% 1/18/28 CUSIP 500945AC4 \$0.00440/PV ON 1,925,000.00 PV DUE 9/15/24	8,470.00		
09/03/24		INTEREST RECEIVED MASTERCARD INC 2.000% 3/03/25 CUSIP 57636QAN4 INTEREST ON 10,000,000.000 UNITS	100,000.00		
09/30/24		INTEREST RECEIVED STATE STREET CORP 2.901% 3/30/26 CUSIP 857477BM4 INTEREST ON 4,250,000.000 UNITS	61,646.25		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/16/24		INTEREST RECEIVED TOYOTA AUTO REC ABS 5.160% 4/17/28 CUSIP 89231FAD2 \$0.00430/PV ON 1,505,000.00 PV DUE 9/15/24	6,471.50		
09/16/24		INTEREST RECEIVED TOYOTA AUTO REC ABS 5.540% 8/15/28 CUSIP 89239FAD4 \$0.00462/PV ON 1,725,000.00 PV DUE 9/15/24	7,963.75		
09/16/24		INTEREST RECEIVED TOYOTA AUTO RECEIVAB 0.430% 1/15/26 CUSIP 89239BAC5 \$0.00008/PV ON 595,301.39 PV DUE 9/15/24	213.32		
09/16/24	109,031.78-	PAID DOWN TOYOTA AUTO RECEIVAB 0.430% 1/15/26 CUSIP 89239BAC5 AT \$1,099.4964 ON TRADE DATE 09/15/2024 TO SETTLE ON 09/16/2024	109,031.78	109,023.09-	8.69
09/11/24		INTEREST RECEIVED TOYOTA MTR CR MTN 5.250% 9/11/28 CUSIP 89236TLB9 INTEREST ON 5,600,000.000 UNITS	147,000.00		
09/30/24		INTEREST RECEIVED U.S TREASURY NOTES 2.500% 3/31/27 CUSIP 91282CEF4 INTEREST ON 940,000.000 UNITS	11,750.00		
09/27/24	10,650,000	PURCHASED U.S. TREASURY NOTES 3.125% 8/31/29 CUSIP 91282CFJ5 AT \$97.9258 ON TRADE DATE 09/26/2024 TO SETTLE ON 09/27/2024 BNP PARIBAS SECURITIES CORP/BO	10,429,095.70-	10,429,095.70	

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/27/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 3.125% 8/31/29 CUSIP 91282CFJ5	24,823.03-		
09/30/24		INTEREST RECEIVED U.S. TREASURY NOTES 3.625% 3/31/28 CUSIP 91282CGT2 INTEREST ON 10,795,000.000 UNITS	195,659.38		
09/03/24	1,870,000	PURCHASED U.S. TREASURY NOTES 3.625% 8/31/29 CUSIP 91282CLK5 AT \$99.6875 ON TRADE DATE 09/03/2024 BMOCM/BONDS	1,864,156.25-	1,864,156.25	
09/03/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 3.625% 8/31/29 CUSIP 91282CLK5	561.77-		
09/05/24	12,700,000	PURCHASED U.S. TREASURY NOTES 3.625% 8/31/29 CUSIP 91282CLK5 AT \$100.2852 ON TRADE DATE 09/04/2024 TO SETTLE ON 09/05/2024 HSBC SECURITIES, INC.	12,736,214.84-	12,736,214.84	
09/05/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 3.625% 8/31/29 CUSIP 91282CLK5	6,358.77-		
09/05/24	7,130,000	PURCHASED U.S. TREASURY NOTES 3.875% 11/30/27 CUSIP 91282CFZ9 AT \$100.7422 ON TRADE DATE 09/04/2024 TO SETTLE ON 09/05/2024 BARCLAYS CAPITAL INC. FIXED IN	7,182,917.97-	7,182,917.97	

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/05/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 3.875% 11/30/27 CUSIP 91282CFZ9	73,223.74-		
09/27/24	7,175,000	PURCHASED U.S. TREASURY NOTES 3.875% 12/31/27 CUSIP 91282CGC9 AT \$101.0039 ON TRADE DATE 09/26/2024 TO SETTLE ON 09/27/2024 BMOCM/BONDS	7,247,030.27-	7,247,030.27	
09/27/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 3.875% 12/31/27 CUSIP 91282CGC9	67,241.25-		
09/05/24	4,735,000	PURCHASED U.S. TREASURY NOTES 4.000% 1/31/29 CUSIP 91282CJW2 AT \$101.6758 ON TRADE DATE 09/04/2024 TO SETTLE ON 09/05/2024 HSBC SECURITIES, INC.	4,814,348.24-	4,814,348.24	
09/05/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 4.000% 1/31/29 CUSIP 91282CJW2	18,528.26-		
09/03/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.000% 2/29/28 CUSIP 91282CGP0 INTEREST ON 22,040,000.000 UNITS	440,800.00		
09/17/24	9,575,000	PURCHASED U.S. TREASURY NOTES 4.000% 7/31/29 CUSIP 91282CLC3 AT \$102.5508 ON TRADE DATE 09/16/2024 TO SETTLE ON 09/17/2024 HSBC SECURITIES, INC.	9,819,237.30-	9,819,237.30	

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/17/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 4.000% 7/31/29 CUSIP 91282CLC3	49,956.52-		
09/30/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.125% 3/31/29 CUSIP 91282CKG5 INTEREST ON 10,050,000.000 UNITS	207,281.25		
09/30/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.125% 9/30/27 CUSIP 91282CFM8 INTEREST ON 3,785,000.000 UNITS	78,065.63		
09/17/24	16,115,000	PURCHASED U.S. TREASURY NOTES 4.125% 10/31/27 CUSIP 91282CFU0 AT \$102.0313 ON TRADE DATE 09/16/2024 TO SETTLE ON 09/17/2024 WACHOVIA CAPITAL MARKETS, LLC.	16,442,335.94-	16,442,335.94	
09/17/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 4.125% 10/31/27 CUSIP 91282CFU0	252,891.64-		
09/03/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.250% 2/28/29 CUSIP 91282CKD2 INTEREST ON 2,850,000.000 UNITS	60,562.50		
09/27/24	4,375,000	PURCHASED U.S. TREASURY NOTES 4.250% 2/28/29 CUSIP 91282CKD2 AT \$102.8125 ON TRADE DATE 09/26/2024 TO SETTLE ON 09/27/2024 CITIGROUP GBL MKTS/SALOMON BRO	4,498,046.88-	4,498,046.88	

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/27/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 4.250% 2/28/29 CUSIP 91282CKD2	13,868.27-		
09/05/24	24,360,000	PURCHASED U.S. TREASURY NOTES 4.250% 6/30/29 CUSIP 91282CKX8 AT \$102.9219 ON TRADE DATE 09/04/2024 TO SETTLE ON 09/05/2024 J.P. MORGAN SECURITIES INC., -	25,071,768.75-	25,071,768.75	
09/05/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 4.250% 6/30/29 CUSIP 91282CKX8	188,492.12-		
09/03/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.375% 8/31/28 CUSIP 91282CHX2 INTEREST ON 9,675,000.000 UNITS	211,640.63		
09/17/24	2,200,000	PURCHASED U.S. TREASURY NOTES 4.500% 5/15/27 CUSIP 91282CKR1 AT \$102.6133 ON TRADE DATE 09/16/2024 TO SETTLE ON 09/17/2024 HSBC SECURITIES, INC.	2,257,492.19-	2,257,492.19	
09/17/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 4.500% 5/15/27 CUSIP 91282CKR1	33,627.72-		
09/27/24	27,665,000	PURCHASED U.S. TREASURY NOTES 4.625% 6/15/27 CUSIP 91282CKV2 AT \$102.7539 ON TRADE DATE 09/26/2024 TO SETTLE ON 09/27/2024 J.P. MORGAN SECURITIES INC., -	28,426,868.16-	28,426,868.16	

**STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024**

**CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX**

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/27/24		ACCRUED INTEREST ON PURCHASE U.S. TREASURY NOTES 4.625% 6/15/27 CUSIP 91282CKV2	363,575.55-		
09/16/24		INTEREST RECEIVED U.S. TREASURY NOTES 4.625% 9/15/26 CUSIP 91282CHY0 INTEREST ON 10,000,000.000 UNITS	231,250.00		
09/17/24	11,160,000	PURCHASED US TREASURY BOND 5.250% 11/15/28 CUSIP 912810FF0 AT \$107.2500 ON TRADE DATE 09/16/2024 TO SETTLE ON 09/17/2024 BNP PARIBAS SECURITIES CORP/BO	11,969,100.00-	11,969,100.00	
09/17/24		ACCRUED INTEREST ON PURCHASE US TREASURY BOND 5.250% 11/15/28 CUSIP 912810FF0	199,014.95-		
09/03/24		INTEREST RECEIVED US TREASURY NOTE 0.250% 8/31/25 CUSIP 91282CAJ0 INTEREST ON 4,120,000.000 UNITS	5,150.00		
09/17/24	10,910,000-	SOLD US TREASURY NOTE 0.250% 10/31/25 CUSIP 91282CAT8 AT \$96.0234 ON TRADE DATE 09/16/2024 TO SETTLE ON 09/17/2024 WACHOVIA CAPITAL MARKETS, LLC.	10,476,157.03	10,310,098.85-	166,058.18
09/17/24		ACCRUED INTEREST ON SALE US TREASURY NOTE 0.250% 10/31/25 CUSIP 91282CAT8	10,376.36		

**STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024**

**CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX**

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/17/24	28,520,000-	SOLD US TREASURY NOTE 0.375% 1/31/26 CUSIP 91282CBH3 AT \$95.5000 ON TRADE DATE 09/16/2024 TO SETTLE ON 09/17/2024 BMOCM/BONDS	27,236,600.00	26,935,125.00-	301,475.00
09/17/24		ACCRUED INTEREST ON SALE US TREASURY NOTE 0.375% 1/31/26 CUSIP 91282CBH3	13,950.00		
09/03/24		INTEREST RECEIVED US TREASURY NOTE 0.500% 2/28/26 CUSIP 91282CBQ3 INTEREST ON 8,750,000.000 UNITS	21,875.00		
09/30/24		INTEREST RECEIVED US TREASURY NOTE 0.875% 9/30/26 CUSIP 91282CCZ2 INTEREST ON 5,585,000.000 UNITS	24,434.38		
09/30/24		INTEREST RECEIVED US TREASURY NOTE 1.250% 3/31/28 CUSIP 91282CBS9 INTEREST ON 11,290,000.000 UNITS	70,562.50		
09/03/24		INTEREST RECEIVED US TREASURY NOTE 2.750% 2/28/25 CUSIP 9128283Z1 INTEREST ON 6,200,000.000 UNITS	85,250.00		
09/16/24		INTEREST RECEIVED USAA AUTO OWNER ABS 5.580% 5/15/28 CUSIP 90291VAC4 \$0.00465/PV ON 6,030,000.00 PV DUE 9/15/24	28,039.50		

STATEMENT OF TRANSACTIONS
FOR THE PERIOD SEPTEMBER 1, 2024 THROUGH SEPTEMBER 30, 2024

CITY OF SANTA CLARA- CUSTODY
ACCOUNT NUMBER XXXXXXXX

STATEMENT OF TRANSACTIONS

DATE	PAR VALUE/SHARES	DESCRIPTION	CASH	COST VALUE	REALIZED GAIN/LOSS
09/25/24		INTEREST RECEIVED VR FHLMC MULTIFAMI 3.224% 3/25/27 CUSIP 3137BXQY1 \$0.00269/PV ON 8,000,000.00 PV DUE 9/25/24	21,493.34		
09/13/24		INTEREST RECEIVED VR JPMORGAN CHASE & 2.005% 3/13/26 CUSIP 46647PBH8 INTEREST ON 2,800,000.000 UNITS	28,070.00		
		OTHER CASH RECEIPTS			
09/04/24		ADDITION TO ACCOUNT CONTRIBUTION TO FUND ACCOUNT	50,000,000.00		
09/26/24		ADDITION TO ACCOUNT CONTRIBUTION TO FUND ACCOUNT CALIFORNIA ASSET MANAGEMENT TRUST	50,000,000.00		
ENDING BALANCE			0.00	1,030,097,096.02	

INVESTMENT AND INSURANCE PRODUCTS ARE:

- NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT, OBLIGATION OF, OR GUARANTEED BY ANY BANK OR BANKING AFFILIATE
- SUBJECT TO INVESTMENT RISKS AND MAY LOSE VALUE, INCLUDING POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED

FY2024/25 Budget Amendments

General Fund (001)

Department/Item	Source of Funds	Use of Funds	Explanation
Non-Departmental - Materials, Services and Supplies		11,200	Increases the Materials, Services and Supplies appropriation in the Non-Departmental budget to fund the final task required to retire the City's legacy permitting system, Tidemark. The last task required to migrate the City completely to Accela is to transfer parcel data and documents from Tidemark to Laserfiche. This final migration will allow for the Community Development Department's Building and Planning Divisions to research proposed developments and respond to public record requests related to the development process (five affirmative Council votes required for the use of unused balances) .
Technology Fee Reserve		(11,200)	Decreases the Technology Fee Reserve to offset the cost of the final tasks required to retire the City's legacy permitting system, Tidemark, described above (five affirmative Council votes required for the use of unused balances) .
Other Agencies Revenue (Wildland Deployment Reimbursements) / Fire Department	148,785	148,785	Recognizes Cal OES reimbursements for wildland deployments in 2024 for the Thompson, Bogus, and Pay fires as well as OES Preposition incidents and appropriates the funding to the Fire Department to cover the associated costs (five affirmative Council votes required to appropriate additional revenue) .
	148,785	148,785	

Fire Operating Grant Trust Fund (178)

Department/Item	Source of Funds	Use of Funds	Explanation
Other Agencies Revenue / 2023 County of Santa Clara Emergency Medical Services Grant	31,125	31,125	Recognizes and appropriates \$31,125 in additional grant funding to increase the 2023 Emergency Medical Services County Patient Care System grant from \$51,446 to \$82,571. The additional funding will cover costs for the Fire Department equipment and controlled substance storage and dispensing devices (five affirmative Council votes required to appropriate additional revenue) .
	31,125	31,125	

FY2024/25 Budget Amendments

Public Donations Fund (067)

Department/Item	Source of Funds	Use of Funds	Explanation
Other Revenue / Senior Center's Health & Wellness Case Management Program and Reed & Grant Sports Park	3,132	3,132	Recognizes and appropriates donations to support the following programs and activities: Senior Center activities (\$2,000 from Velda Lavato), Senior Center Health & Wellness program (\$500 from the Santa Clara Historic Home Tour), and new equipment for the Reed & Grant Sports Park (\$632 from the Santa Clara Youth Soccer League) (five affirmative Council votes required to appropriate additional revenue).
	3,132	3,132	

Storm Drain Capital Fund (535)

Department/Item	Source of Funds	Use of Funds	Explanation
Storm Drain System Improvements Project		25,856	Increases the Storm Drain System Improvements Project to set aside funds to address storm drain system capacity deficiencies, funded by previously collected storm drain outlet fees (five affirmative Council votes required for the use of unused balances).
Unrestricted Ending Fund Balance		(25,856)	Decreases the Unrestricted Ending Fund Balance, storm drain outlet fee to offset the action above (five affirmative Council votes required for the use of unused balances).
	-	-	



Agenda Report

24-832

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on the City of Santa Clara Audited Annual Comprehensive Financial Report and Audited Silicon Valley Power Financial Statements for Fiscal Year Ended June 30, 2024, as Recommended by the Audit Committee

COUNCIL PILLARS

Enhance Community Engagement and Transparency
Promote Sustainability and Environmental Protection

BACKGROUND

On November 21, 2024, the Audit Committee took action to accept the City of Santa Clara Audited Annual Comprehensive Financial Report (ACFR) and Silicon Valley Power (SVP) Financial Statements for Fiscal Year Ended June 30, 2024 and referred the reports to the City Council to be noted and filed at the December 3, 2024 Council meeting.

The annual financial audit is a requirement of Section 1319 of the City Charter. The ACFR presents the audited financial information of the City in accordance with Generally Accepted Accounting Principles (GAAP) applicable to government entities, and it also provides the City Council valuable information for financial oversight and informs Santa Clara residents and businesses as well as creditors.

The separate audited annual financial report for SVP is presented to make available additional information and disclosure relevant to the electric industry. The unmodified opinions from the auditor enhance the SVP's reputation, and its adherence to GAAP applicable to governmental entities.

DISCUSSION

The annual financial audit of the City was recently completed and the City's external auditor, Maze & Associates ("Maze"), issued an unmodified ("clean") opinion on the City's ACFR for fiscal year ended June 30, 2024. The ACFR includes an extensive discussion and presentation of the City's financial data and its related agencies in accordance with GAAP. The ACFR also includes selected multi-year statistical information about the City. In addition, the City issued a separate, audited comparative financial statement report for SVP for fiscal year ended June 30, 2024.

City Finance staff prepares the financial statements and Maze audits the financial information contained within them. Part of the audit is to determine whether City staff have the appropriate skills, knowledge, and expertise to prepare the ACFR in accordance with GAAP and other reporting requirements. Based on their audit, Maze determined that the City's Finance staff has the necessary skills, knowledge, and expertise to compile high quality reports.

Overall, the City's financial condition was solid at the end of the fiscal year 2023/24. Key financial highlights for fiscal year June 30, 2024 are as follows:

- The assets and deferred outflows of resources of the City, as a whole, exceeded its liabilities and deferred inflows of resources by \$2.6 billion in fiscal year 2023/24.
- The City's total net position increased by \$313 million and primarily includes a \$33 million increase in the governmental activities and a \$280 million increase in business activities.
- At the close of fiscal year 2023/24, the General Fund had assets of \$457 million and a fund balance of \$181 million. This represents an increase in fund balance of \$28 million, or 18.3% from the prior fiscal year. The increase reflects the modest growth of the local economy since the pandemic.
- The City's total outstanding long-term debt decreased by \$18 million during the current fiscal year primarily due to the repayment of Stadium Authority debt, Electric revenue bonds, and Sewer loans partially offset by the issuance of \$36 million in Sewer Certificates of Participation.
- The City's total net pension liability, which includes governmental activities and business-type activities, increased by \$24 million to \$686 million at June 30, 2024. The changes were mainly due to the change in the differences between expected and actual experience liability claims. The City is a member of the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public entities within the State of California.

City staff and Maze met with the City Council Audit Committee on November 21, 2024. Committee members Watanabe, Jain and Park attended the meeting during which Maze gave a presentation about the audit process, scope of work, and the auditor's opinion. The Director of Finance and staff gave an overview of the financial reports. Maze and staff responded to Committee member questions. The Audit Committee accepted the ACFR and SVP Financial Statements presented at the Committee meeting and recommended that the City Council note and file the reports at a December 3, 2024 Council meeting.

ENVIRONMENTAL REVIEW

There is no action being taken; therefore, the California Environmental Quality Act (CEQA) is not applicable.

FISCAL IMPACT

The staff and the external auditor costs associated with the audit and financial reports production are included in the annual appropriations.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file, as recommended by the Audit Committee:

1. The audited City of Santa Clara Annual Comprehensive Financial Report (ACFR) for fiscal year ended June 30, 2024; and
2. The audited City of Santa Clara Electric Utility Enterprise Fund (Silicon Valley Power) Financial Statements for fiscal year ended June 30, 2024.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Annual Comprehensive Financial Report (ACFR)
2. Silicon Valley Power (SVP) Financial Statements

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



**City of
Santa Clara**
The Center of What's Possible



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024



**THE
MISSION CITY**

**CITY OF SANTA CLARA, CALIFORNIA
1500 WARBURTON AVENUE
SANTA CLARA, CA 95050-3796**

PREPARED BY DEPARTMENT OF FINANCE

Introductory Section

CITY OF SANTA CLARA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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November 21, 2024

The Honorable Mayor and City Council and Residents of the City of Santa Clara
City of Santa Clara
Santa Clara, CA 95050

Dear Mayor and Members of the City Council and Residents of the City of Santa Clara:

It is our pleasure to submit for your information the Annual Comprehensive Financial Report (ACFR) of the City of Santa Clara (City) for the fiscal year ended June 30, 2023. The City compiles and prepares the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the City. Management of the City has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Per the City Charter (Section 1319, Independent Audit) the City's financial statements have been audited by Maze & Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require that agencies expending more than \$750,000 in federal monies, are required to have the independent auditor report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report, scheduled for release in March 2025.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

This report is divided into three sections:

- The Introductory Section includes this letter of transmittal, an organizational overview of the City government, and prior awards received.
- The Financial Section consists of the independent auditor’s report, Management’s Discussion and Analysis, Basic Financial Statements (which include the Government-Wide Financial Statements, Fund Financial Statements, and Notes to Basic Financial Statements), Required Supplementary Information, and a Supplementary Section containing the Combined and Individual Fund Financial Statements and Schedules.
- The Statistical Section includes a number of tables of unaudited data depicting the financial history of the City, demographics, and other selected information about the City.

PROFILE OF THE CITY OF SANTA CLARA

The City is located in the County of Santa Clara, California, and is approximately 45 miles southeast of San Francisco and three miles west of downtown San Jose. It is situated in the northern part of the County and occupies approximately 19.3 square miles.

The City enjoys a diversified industrial and commercial base. Santa Clara is headquarters to some of the nation's leading electronics, telecommunications, computer, and semiconductor firms. The City is also home to a university, a community college, an adult learning center, a general hospital, a theme park, and a stadium.

The City’s population is estimated at 132,048 indicating the City remains an attractive place both to live and work. The City is one of the most highly desirable areas to live because of the high- quality services it provides to residents and its business friendly environment.

The City of Santa Clara, also known as the Mission City, is a charter city incorporated in 1852 under the laws of the State of California. The City’s powers are exercised through a Council/Manager form of government. The City Council is made up of the Mayor, elected at large, and six councilmembers elected by district serving as the legislative authority. The City Council appoints a City Manager who is responsible for the overall management and administration of the City, a City Attorney to represent and advise the City Council and all City officers in all matters of law pertaining to their offices, and a City Auditor to audit and approve all bills, invoices, payrolls, demands or charges against the City government before payment and, with the advice of the City Attorney, advise the City Council as to the regularity, legality and correctness of such claims, demands or charges. The Police Chief and the City Clerk are also publicly elected officials.

The City provides a full range of services. These services include police, fire protection and emergency dispatch; electric, water, and sanitary sewer services; the construction and maintenance of streets and infrastructure; parks and recreational activities and cultural events; planning and zoning; library; cemetery; and general administrative and support services.

LOCAL ECONOMY

The local economy continued to improve during fiscal year 2023-24 as the nation, State, and local economies continued to recover from COVID-19. On a national level, unemployment rates in June 2024 totaled 4.1%, an increase of 0.5% compared to the prior year. This rate is still below the record setting high of 14.8% in April 2020, and slightly above the pre-pandemic unemployment rate of 3.5%. The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) increased slightly from 3.7% in June 2023 to 4.2% in June 2024.

The City's financial position has improved since the adoption of the fiscal year 2022-23 budget. Fiscal year 2023-24 saw the continued recovery of the impact of COVID-19 on the local economy. Strong Property Tax collections continued to reflect high assessed valuation growth due to property sales and new construction projects. Despite slowing growth due to higher interest and inflation rates, Property Tax remains the largest revenue category for the City's General Fund. Sales Tax exceeded pre-pandemic levels, reflecting both a local recovery and the impact of inflation on the prices of goods for which this tax is applied. The City continued budget balancing efforts during the fiscal year in part through the use of one-time reserves, expenditure reductions, and new revenues. As the City looks ahead, the City Council amended a balanced fiscal year 2024-25 Operating Budget and approved a two-year fiscal year 2024-25 and 2025-26 Capital Budget. Forecasts currently show a small deficit beyond the two-year budget.

Significant funding gaps for certain capital infrastructure needs have been identified. A total of \$626 million of unfunded projects which include the City's parks, fire stations, transportation, storm and other city infrastructure over the next five-years. A workplan considering several options of new revenues is underway including a \$400 million General Obligation Bond Measure that voters passed in November 2024.

FINANCIAL INFORMATION

Long-term Financial Planning

The City Council has adopted key Council Strategic Pillars to guide long-term policy decisions and address the economic challenges that the City faces. The Council Strategic Pillars are:

- Promote and Enhance Economic, Housing and Transportation Development
- Deliver and Enhance High Quality Efficient Services and Infrastructure
- Enhance Community Sports, Recreational and Arts Assets
- Enhance Community Engagement and Transparency
- Ensure Compliance with Measure J and Manage Levi's Stadium
- Manage Strategically Our Workforce Capacity and Resources

- Promote Sustainability and Environmental Protection

In addition, the City produces an annual Ten-Year Financial Forecast. The purpose of the Forecast is to provide policy-makers and the public an updated assessment of the City's fiscal health that takes into account the latest economic developments. The report includes historical perspective on revenues and expenditures and a ten-year financial outlook beyond the adopted budget year. The value of this type of analysis is to give the City Council, staff, and the public a tool to assist with strategic decision-making as they work to adopt the budget for the coming year. The Forecast is a collaborative effort between the City Manager's Office, Finance Department, and City departments. Individual projections of revenues and expenditures are developed based on trend analyses, input from available economic reports, consultant recommendations, and input from other subject matter experts. The most current information available is incorporated into the Plan and refined on a moving forward basis as part of the City's commitment to fiscal responsibility.

The Forecast does not include the following:

- One-time funding sources and one-time expenditure needs;
- The cost to address unmet/deferred capital infrastructure needs;
- Potential additional revenue from the Stadium (performance rent/excess revenue) and the Related project (future project phases);
- Revenue and staffing impacts of development projects; and
- Additional contributions to Reserves (Budget Stabilization Reserve, Capital Projects Reserve, Pension Reserve).

Historically, the City has funded many of capital infrastructure and equipment needs with one-time funds on a pay-as-you-go basis. The use of one-time funds as the funding mechanism for capital improvements and various equipment that rely on the General Fund creates challenges. The lack of sufficient one-time funding has resulted in a backlog of unmet/deferred infrastructure needs. As part of the budget process, in May 2024, staff presented an updated unmet/deferred infrastructure need of over \$626 million over the next five-years. Staff will continue to evaluate potential options to create capacity to address those funding.

In addition to the elements described above that are not factored into the Forecast, the City has identified various factors that could have potential positive or negative impacts on the Forecast. These include:

- Future economic slowdown/recession;
- Re-assessment of properties for property tax purposes;
- State/federal legislative changes and legal challenges;
- Labor costs outside the budget assumptions;
- CalPERS actuarial changes or reform actions;
- Unanticipated critical capital/infrastructure needs; and
- Maintenance impacts and timing of development projects.

The City's financial position has significantly improved since the adoption of the fiscal year 2024-25 budget. The latest Ten-Year General Fund Forecast, updated in April 2024, shows smaller deficits of \$6.0 million and \$11.9 million in fiscal year 2025-26 and fiscal year 2026-27. The out-years of the forecast shows shortfalls ranging from \$6.0 million to \$19.3 million which equates to 1.9% to 5.0% of expenditures annually.

While we continue to face a structural budget imbalance, impacts from the pandemic, and significant recovery has been achieved. As we look ahead, additional work efforts will be needed to generate new revenues, reduce costs, or use reserves to balance the forthcoming budget.

Internal Controls

The management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse, and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the stated framework. City management believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls

As part of the City's internal controls, it maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the City Council. In addition, a two-year Capital Improvement Project Budget or a two-year Operating Budget is adopted annually and a Ten-Year Financial Forecast is updated and presented as part of the budget each year. The City Council is responsible for approving the appropriation of fiscal resources to cover estimated expenditures for each fiscal year. Expenditures are appropriated in each fund to departments, offices, and agencies for various goods, services, and capital projects described in the budget. The legal appropriation control is established at the department level in each fund. For select funds where expenditures are not allocated to a specific department, the appropriation control is established at the fund level. For capital funds, the appropriation control is at the project level. Transfers of funding between budgetary funds require City Council appropriation and approval. City Council approval is required for a budget amendment during the fiscal year which may include the use of reserves or fund balances, and approval of appropriations of grant monies. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control. Encumbrances outstanding at year-end are included within the specific fund balance category of the underlying resource. Per Article XIII, Section 1305 of the City Charter, appropriations lapse at the end of each fiscal year; therefore, unencumbered funds allocated for specific projects, donations, and grants require City Council appropriation for use in the following fiscal year.

Budgetary transfers between accounts or expenditure category may be done through Finance Department as long as they are conducted within the legal appropriation control limit set by the City Council.

Independent Audit

The City Charter and State of California statutes require the City to have an annual audit by an independent certified public accountant. The City goes to the market with a formal Request for Proposal for audit services every five years. The accounting firm of Maze & Associates, Certified Public Accountants, was selected by the City Council again in 2021 after the City conducted a competitive procurement process.

This is the third year of audit in the new contract with Maze & Associates. In addition to meeting the requirements set forth in the City Charter and State statutes, the audit is designed to meet the requirements of the federal Single Audit Act of 1984, as amended in 1996 and by the recent Uniform Guidance. The auditors' report on the basic financial statements and the supplementary combining statements and schedules are included in the financial section of this report. The auditors' reports related specifically to the single audit are included in a separately issued single audit document on file with the City Clerk's Office.

MAJOR INITIATIVES

Addressing our Capital Infrastructure

Looking ahead, the City Council took action to adopt a two-year capital investment plan that focuses on our capital infrastructure, supporting the facilities that serve our residents and community. The Biennial fiscal year 2024-25 and 2025-26 Capital Budget totals \$928 million and the Five-Year CIP totals \$1.33 billion, supporting infrastructure improvements throughout the City. Of this CIP amount, \$1.1 billion (83%) funds capital projects for the City's utilities and there is sufficient funding in the associated utility funds to support these projects. The other projects total \$225 million and fund improvements to the parks, trails, libraries, transportation system, storm system, convention center and other City facilities. There are significant funding gaps in these areas and unfunded projects identified in this budget total \$626 million over the next five years. This funding gap does not fully represent all the unmet/deferred infrastructure needs throughout the City beyond the five-year CIP period. Long term funding strategies are needed to meet these infrastructure needs as the General Fund does not have sufficient funding to cover the significant unfunded capital costs. New funding strategies are needed to meet these infrastructure needs. After an analysis of potential options, the City Council approved the inclusion of a \$400 million General Obligation Bond measure on the November 2024 ballot and voters passed the measure with a two-thirds majority.

Fiscal Sustainability

The fiscal year 2023-24 General Fund balancing strategy adopted as part of the fiscal year 2024-25 and 2025-26 biennial budget remains in place. The use of one-time reserves and federal stimulus funds, new revenues, and expenditure reductions has balanced the competing goals of aligning ongoing revenues and expenditures and minimizing the service delivery impacts to the community. It has also allowed time for General Fund revenues to recover. This strategy has positioned the City well with the balanced fiscal year 2024-25 budget. While the financial picture is much better, it is important to note that significant economic uncertainty persists.

Development Projects

More than \$3 billion in new development projects are on the horizon for Santa Clara in the next few years, with the likelihood of more to come. There are many residential and commercial projects in various stages of planning. While some of these projects are underway, it is important to note that changes in the office environment due to new remote-work trends has caused some pause to activity as developers reassess demand for commercial projects. Furthermore, the recent continuation of elevated inflation impacts to construction costs and high interest rates resulting in higher borrowing costs creates a potential for a slowdown in development activity. As these projects are both sensitive to new community requirements and an economic downturn: therefore, flexibility will be required. Below are highlights of a few of the larger planned projects:

Related Santa Clara Project

Related Santa Clara is a unique partnership between the City of Santa Clara and Related Companies to create a LEED-certified, multi-phased, mixed-use destination adjacent to Levi's Stadium. This urban center will incorporate residential units, restaurants, entertainment venues, hotels, retail, and office space to establish a new neighborhood in a pedestrian oriented "live, work, play" environment.

Related Santa Clara consists of 9.2 million square feet of mixed-use development with a city center of commercial office, retail/entertainment including a globally inspired food market, 1,680 residential units, 700 hotel rooms and approximately 5 million square feet of corporate office space. The development will also feature new roadways and the creation of a 30-acre city park. The project site consists of 240 acres located at 5155 Stars & Stripes Drive in Santa Clara, CA.

Downtown Master Plan

The City of Santa Clara is in the process of planning for the revitalization of our Downtown by developing a Precise Plan that will provide guidance for new development within a portion of the Downtown Focus Area. Following an initial community engagement effort, three land use scenarios/conceptual plans have been developed. Additional review and testing of the land use/design options, a larger context study to understand compatibility and competition from other large development projects, and an El Camino Real intersection study to understand multi modal connectivity from regional transit to downtown will be performed. This work will focus on market feasibility, retail strategy and connectivity.

Freedom Circle Mixed Use Project

This project proposes a General Plan Amendment and Re-zoning to Planned Development to construct a mixed-use development project on a 13.3 acre site within the Freedom Circle focus plan area, that consists of up to 1,100 residential units With 1,540 parking spaces, up to 2,000 square feet of commercial space with 10 parking spaces and a two-acre public park.

Gateway Crossing Mixed Use Project

Developed by Hunter/Storm, this project currently under construction consists of up to 1,565 residential units, a 152,000 square foot, 225 room, full-service hotel, 45,000 square feet of supporting retail, a 2.1 acre park, structured parking facilities, private and public streets, and on and off-site public and private improvements. This project is currently under construction.

Mission Point by Kylii Mixed Use Development Project

This project is in review for a General Plan amendment for a nine-parcel property to amend the designation from High-Intensity Office/Research to a newly-established mixed-use designation allowing a high-intensity mix of office, commercial, and residential uses. The Project proposes a rezone for the development of 3,000,000 +/- square feet of commercial office/lab space, 100,000 +/- square feet of neighborhood retail, 1,800 +/- new multi-family residential, a childcare facility, and indoor and outdoor community spaces, as well as a large network of diverse, accessible and interconnected park, trail, and open spaces, and related infrastructure improvements.

Patrick Henry Drive Specific Plan

The City has developed a Specific Plan to implement the City's General Plan goals and policies for the Patrick Henry Drive plan area by providing more detailed guidance for future land uses and urban design

elements. The vision is to transform a series of 1970s office parks several existing office parks into a cohesive, high-density mixed-use community that fosters economic vitality, helps ameliorate the State's housing shortage, and enhances quality of life for those who live, work, and recreate in the area. The Patrick Henry Drive Specific Plan planning area encompasses approximately 74-acres of land bounded by Calabazas Creek, Mission Community College, Great America parkway, and the SFPUC right of way, as shown below.

Lawrence Station Area Plan

The Lawrence Station Area Plan provides a mixed-use development on an approximately 72 acres site (65 acres of developable land area excluding existing public right-of-way) located in close proximity to the Caltrain Lawrence Station serving the communities of Santa Clara and Sunnyvale. The Plan creates a lively neighborhood that accommodates up to 3,500 residential dwelling units, roughly 100,000 square feet of neighborhood oriented and convenience retail, and approximately 6.3 acres of public open space in conjunction with various outdoor recreational facilities and landscape features, such as a community garden, a public plaza, pocket parks and paseos. The targeted residential density is 45 - 56 dwelling units per acre. While substantial completion of this development was achieved the continuation of the full build-out of this plan is underway. Associated infrastructure improvements were completed, including an internal road network comprised of public and private streets, and upgrades to sewer, water, and storm drain systems.

Tasman East Specific Plan

The project area is an existing industrial neighborhood 45 acres in size, and is bounded by Tasman Drive to the south, the Guadalupe River to the East, the Santa Clara golf course to the north, and Lafayette Street to the west. The Plan creates a framework for the development of a high-density and transit-oriented neighborhood (currently proposed to be up to 100 Dwelling units per acre), along with supportive retail services. The specific plan will lay out allowed uses, densities, height limits and design criteria in the Tasman East area. Connections to the existing Guadalupe River trail, potential locations for parkland, and strategies for better access to transit will also be incorporated into the plan. The City is currently developing an amendment to the Tasman East Specific Plan that would allow an additional 1,500 units within the existing Specific Plan boundaries. City staff are currently exploring ways to provide additional dedicated parkland as a part of the Amendment.

FINANCIAL POLICIES

The City has adopted a comprehensive set of financial policies. These policies address items such as budget, cash management, interfund loans, investments, reserves, and debt management. The City Council reviews and approves budgetary policies as part of the annual budget process. Investment and debt policy statements are reviewed and approved by the City Council under separate cover.

AWARDS

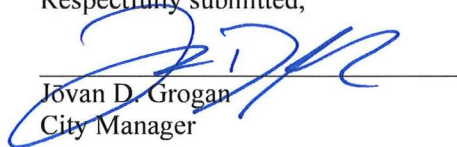
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports and is valid for a period of one year only. The City has received this prestigious award for the past thirty two consecutive years.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We wish to thank all City departments for their assistance in providing the data necessary to prepare this report. Credit and thanks are also due to the Mayor and City Councilmembers for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,


Jovan D. Grogan
City Manager


Kenn Lee
Director of Finance

ROSTER OF COUNCIL AND COMMISSION MEMBERS

CITY COUNCIL

Mayor	Lisa M. Gillmor
Councilmember District 1	Kathy Watanabe
Councilmember District 2	Raj Chahal
Councilmember District 3	Karen Hardy
Councilmember District 4	Kevin Park
Councilmember District 5	Sudhanshu “Suds” Jain
Councilmember District 6	Anthony J. Becker

BOARD OF LIBRARY TRUSTEES

Jonathan Evans, Daniel Huynh, Ghouse Salim Monammed, Stephen Ricossa, Debbie Tryforos,

CULTURAL COMMISSION

Candida A. Diaz, Neetu Garg, Jonathan Marinaro, Paul McNamara, Abinas Roy, Louis Samara, Debra von Huene,

PLANNING COMMISSION

Yashraj Bhatnagar, Mario Bouza, Nancy A. Biagini, Priya Cherukuru, Eric Cruthchlow, Qian Huang, Lance Saleme

SENIOR ADVISORY COMMISSION

Rick Andrews, Edmund Drozek, Tom Freitas, Judy Hubbard, Srinivasan Manivannan, Veena Sterling, Maria Vaz

YOUTH COMMISSION

Julianna Arias Hernandez, Allysa Domensino, Mateo Espinal (Alternate), Namita Gaidhani, Simren Garg, Srikha Gopisetti, Maryam Ismail, Neha Israni, Ryan Kim, Rebecca Kunze, Kira Liang, Malia Martin, Samaira Mehta, Hiranya Parekh, Brian Rong, Samarth Suresh, Niharika Uppalapati (Alternate), Aneesha Vemu (Alternate)

CIVIL SERVICE COMMISSION

Ron Billingsley, Wesley Dudzinski, Franklin J. Felizardo, Samuel Pumarejo, Arti Purohit

HISTORICAL AND LANDMARKS COMMISSION

Michael Celso, , Ivonne Inciarte, Amy Kirby, Patricia Leung, Kathleen Romano, Ed Stocks, Ana Vargas-Smith

PARKS AND RECREATION COMMISSION

Dana Caldwell, Maureen Reilly Chu, Derek DeMarco, Eversley Forte, Vikas Gupta, Sajid Hai, Brittany Ricketts

SALARY SETTING COMMISSION

Natasha Humphries, MV Kumar, Donald Lawson, John Sontag, Vacant

DOWNTOWN COMMUNITY TASK FORCE

Butch Coyne, Rob Mayer, Dan Ondrasek, Mathew Reed, Chan Thai, Adam Thompson, Ana Vargas-Smith, Atisha Varshney, Debra Von Huene

EXECUTIVE MANAGEMENT TEAM

CITY MANAGER

Jōvan D. Grogan

CITY ATTORNEY

Glen Googins

CITY AUDITOR

Vacant

CITY CLERK

Hosam Haggag

CHIEF OPERATING OFFICER

Nadine Nader

ASSISTANT CITY MANAGER

Clarence Baker

ASSISTANT CITY MANAGER

Cynthia Bojorquez

CHIEF OF POLICE

Pat Nikolai

FIRE CHIEF

Ruben Torres

DIRECTOR OF HUMAN RESOURCES

Aracely Azevedo

DIRECTOR OF FINANCE

Kenn Lee

INTERIM DIRECTOR OF PARKS & RECREATION

Cynthia Bojorquez

DIRECTOR OF INFORMATION TECHNOLOGY

Gaurav Garg

CITY LIBRARIAN

Patty Wong

CHIEF ELECTRIC UTILITY OFFICER

Manuel Pineda

DIRECTOR OF WATER AND SEWER UTILITIES

Gary Welling

DIRECTOR OF PUBLIC WORKS

Craig Mobeck

INTERIM DIRECTOR OF COMMUNITY DEVELOPMENT

Reena Brilliot



Government Finance Officers Association

Certificate of
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Presented to

**City of Santa Clara
California**

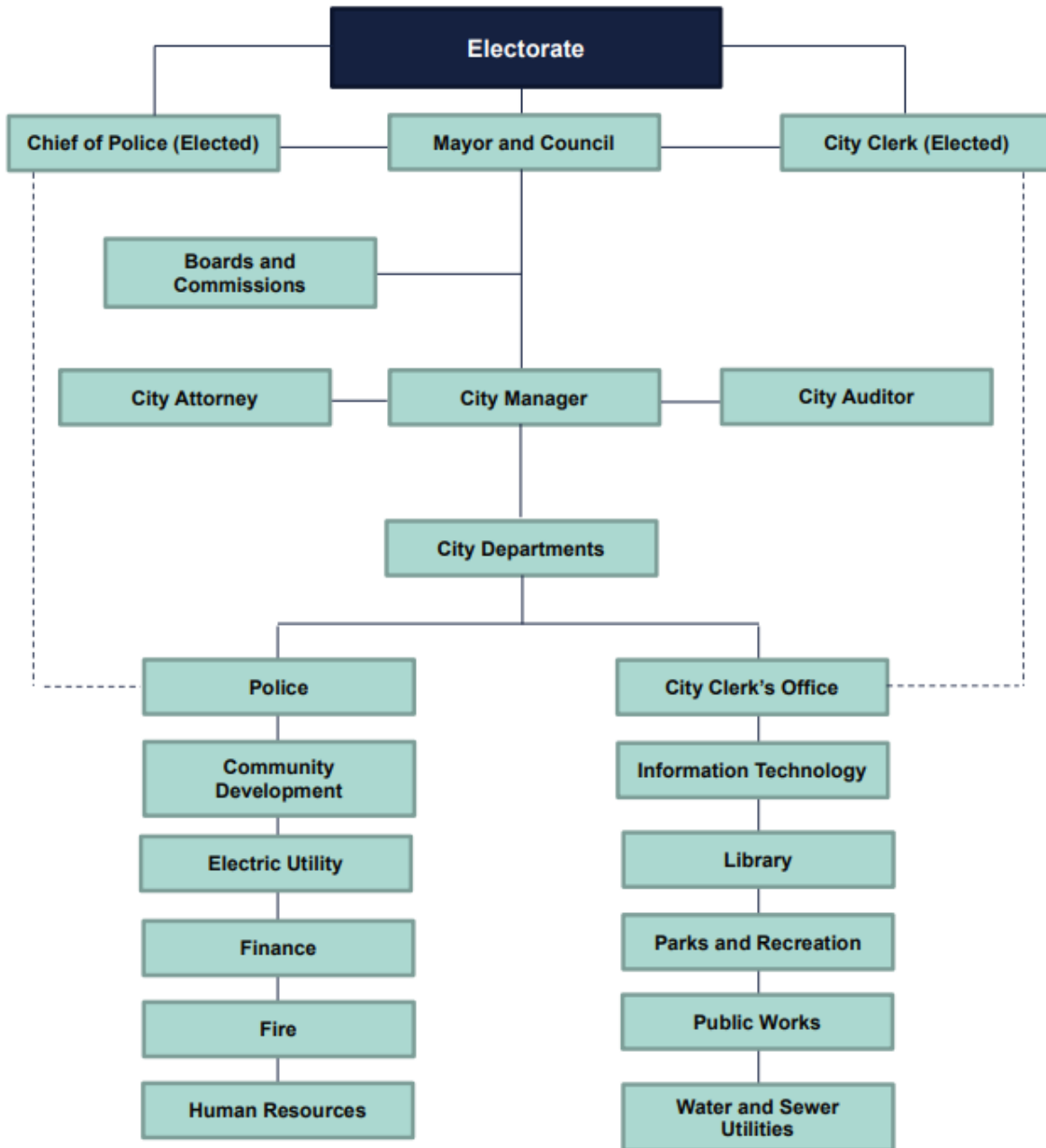
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY ORGANIZATION CHART



Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Santa Clara, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Clara, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents. We did not audit the component unit financial statements of the Santa Clara Stadium Authority (Stadium Authority), as of and for the year ended March 31, 2024, which is both a major fund and 39.6%, 6.9%, and 9.3% of the assets, net position and revenues, respectively, of the business-type activities. The financial statements of the Stadium Authority were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Stadium Authority, is based solely on the report of other auditors.

We also did not audit the financial statements of Northern California Power Agency (NCPA), Transmission Agency of Northern California (TANC), M-S-R Energy Authority (MSR EA), M-S-R Public Power Agency (MSR PPA), and San Jose-Santa Clara Regional Wastewater Facility and Clean Water Financing Authority (SJSC) as of and for the year ended June 30, 2024, related to the calculation of the Investments in Joint Ventures. The Investment in these Joint Ventures collectively represents 9.4%, 17.6%, and 1.7%, respectively, of total assets, net position and revenues of the business-type activities. The financial statements of the NCPA, TANC, MSR EA, MSR PPA and SJSC were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the calculation of the Investments in Joint Ventures, is based solely on the reports of the other auditors.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matters

As discussed in Note 6, the Stadium Authority restated balances related to the accounting and reporting of leases in the Santa Clara Stadium Authority Enterprise Fund as of March 31, 2023. In addition, the City determined that the Stadium Authority's ground lease with the City is not subject to GASB 87, *Leases*, in the City's Annual Comprehensive Financial Report and as a result, the Santa Clara Stadium Authority Enterprise Fund net position has been restated to reflect the elimination and reclassification of that transaction for reporting in the City's financial statements. The emphasis of these matters does not constitute a modification to our opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Maye & Associates". The script is fluid and cursive, with the "M" and "A" being particularly large and stylized.

Pleasant Hill, California
November 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the City of Santa Clara's (City) Annual Comprehensive Financial Report provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the City's financial performance. Readers should review the discussion and analysis in conjunction with the basic financial statements, as well as the notes to the financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Financial highlights for fiscal year June 30, 2024 are as follows:

- In the fiscal year 2023-24, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.6 billion. Out of this amount, \$107 million represents unrestricted net position, which is \$176 million higher than in the fiscal year 2022-23. This is made up of a negative balance of \$282 million for governmental activities and a positive balance of \$389 million for business-type activities. The negative net position in governmental activities primarily stems from a net pension liability of \$538 million and a net Other Post Employment Benefits (OPEB) liability of \$26 million as of June 30, 2024.
- The City's total net position increased by \$313 million, with \$33 million increase in governmental activities, primarily driven by the steady economic growth since the pandemic. The remaining \$280 million increase came from business-type activities, including a \$222 million rise in the Electric Utility Fund, mainly due to higher rates and reduced resource purchase expenditures, and a \$36 million increase in the Sewer Utility Fund, largely due to the higher equity income in the joint project with City of San Jose.
- The total net pension liability, encompassing both governmental activities and business-type activities, experienced an increase of \$24 million or 3.6% during fiscal year 2023-24, reaching \$686 million from \$662 million. This increase was primarily driven by the change in the differences between expected and actual experience liability calculation. As of June 30, 2024, there were deferred outflows of resources related to pensions amounting to \$169 million, reflecting a decrease of \$7 million compared to the previous year. In contrast, there were deferred inflows of resources related to pensions totaling \$4 million at June 30, 2024, which marked a decrease of \$1 million from the prior fiscal year. For more detailed information regarding the net pension liability, please refer to Note 13.
- The net OPEB liability decreased by \$2 million or 5.4% during fiscal year 2023-24, reducing it to \$36 million at June 30, 2024, compared to \$38 million in fiscal year 2022-23. More details on the net OPEB liability are included in Note 16.
- The City's total liabilities, excluding net pension liability and net OPEB liability, increased by \$12 million, reaching to \$1,050 million as of June 30, 2024. The increase of the liabilities is mainly attributed to \$32 million in accrued liabilities, partially offset by the net reduction/repayment of \$18 million of long term obligations when compared to the fiscal year 2022-23.
- As of June 30, 2024, the City's governmental funds reported combined fund balances of \$401 million, an increase of \$32 million from the prior year. At June 30, 2024, \$109 million is in the unassigned fund balance and available for spending at the City's discretion.
- At the close of fiscal year 2023-24, the General Fund had assets of \$457 million and a fund balance of \$181 million. This represents an increase in fund balance of \$28 million, or 18.3% from prior fiscal year. The increase reflects the modest growth of the local economy since the pandemic. Of

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

the total fund balance, \$144 million was unrestricted (the total of committed, assigned, and unassigned components of fund balance).

- In November 2012, the Santa Clara Stadium Authority (Stadium Authority) elected to adjust its fiscal year to April 1 through March 31 to conform with the fiscal year of Stadium Funding Trust (FinanceCo). This report covers the twelve month period from April 1, 2023 through March 31, 2024. As of March 31, 2024, the carrying value of Levi's Stadium, net of depreciation, is \$679 million, and the assets of the Stadium Authority exceeded its liabilities and deferred inflow of the lease revenues by \$133 million.
- The City's total outstanding long-term debt decreased by \$18 million, primarily due to the repayment of \$54 million for Stadium Authority debt, Electric revenue bonds, and Sewer loans partially offset by the issuance of \$36 million in Sewer Certificates of Participation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City as a whole. This report consists of six parts – introductory section, financial/MD&A section, basic financial statements, required supplementary information, supplementary information, and statistical section.

The basic financial statements include two types of statements that present different views of the City:

- The *Government-wide Financial Statements* provide both long-term and short-term information about the City's overall financial status.
- The *Fund Financial Statements* focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.

Government-wide Financial Statements

Government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. They include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Over time, increases or decreases in the City's net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities provides information about the City's revenues and expenses, regardless of the timing of related cash flows. The Statement of Activities explains in detail the change in net position for the fiscal year.

The Government-wide Financial Statements are divided into two categories:

- *Governmental Activities*—all of the City's basic services are governmental activities. Included in basic services are the City Council, City Manager, City Clerk, City Attorney, Information Technology, Human Resources, Finance, Parks and Recreation, Library, Planning and Inspection, Public Works, Police, and Fire. These services are principally supported by taxes and intergovernmental revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- *Business-Type Activities*—unlike governmental services, these services are intended to recover all or a significant portion of their costs through user fees and charges. All the City's enterprise activities are reported as business-type activities, including the Major funds (Electric, Water, Sewer, Water Recycling utilities, and Stadium Authority) and Non-Major funds (Solid Waste, Cemetery, Santa Clara Convention Center, and Sports and Open Space Authority).

The City is the primary government in this report. These financial statements include four entities that, although legally separate, are important because they are blended component units of the City. These component units are the Santa Clara Stadium Authority, City of Santa Clara Sports and Open Space Authority, the Santa Clara Housing Authority, and the City of Santa Clara Public Facilities Financing Corporation. These component units have been included as an integral part of the City (that is, they have been "blended" with those of the City) and they are not reported as separate discrete component units in these financial statements.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. Each major fund is presented individually, with all non-major funds combined in a single column on each fund statement. The non-major fund statements are presented in the Supplementary Information section of this report. Major funds present the primary activities of the City for the year and may change from year to year as a result of changes in the pattern of the City's activities. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Most of the City's basic services are included in Governmental Funds which focus on how money flows into and out of these funds and the balance left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds: Enterprise and Internal Service Fund Financial Statements are prepared on the full accrual basis of accounting, similar to that used by private sector companies. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position. The City's Proprietary Funds are the same as the business-type activities reported in the Government-wide Statements but provide more detail and additional information, such as cash flows.

Since the City's Internal Service Funds provide goods and services only to the City's governmental and business-type activities, their activities are only reported at the fund level. Internal Service Funds cannot be considered major funds because their revenues are derived from other City funds. Revenues between funds are eliminated in the Government-wide Financial Statements and any related profits or losses are

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

returned to the activities in which they were created, along with any residual net position of the Internal Service Funds.

Fiduciary Funds: Fiduciary Funds are prepared on the full accrual basis, similar to the Proprietary Funds. The City has three types of Fiduciary Funds: the Custodial Funds (which includes Employee Supplemental Funds, Special Assessments, and Custodial Deposits), and the Private Purpose Trust Funds (which includes the Charitable Trust and Successor Agency). The City's fiduciary activities are reported separately in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These activities are excluded from the City's Financial Statements because the City cannot use these assets to finance its own operations.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements follow the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. This information includes budgetary comparison schedules and the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found immediately following the Notes to the Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS ANALYSIS

Citywide Financial Statements

This section focuses on the City's net position and changes in net position of its governmental and business-type activities for the fiscal year ending June 30, 2024. As noted earlier, the City's total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$2.6 billion at the end of the fiscal year, an increase in net position of \$313 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Table 1
Governmental And Business-Type Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
Cash and investments	\$ 442	\$ 407	\$ 936	\$ 746	\$ 1,378	\$ 1,153
Lease receivable	252	255	598	610	850	865
Other assets	140	134	549	490	689	624
Capital assets	669	652	1,498	1,470	2,167	2,122
Total Assets	1,503	1,448	3,581	3,316	5,084	4,764
Deferred outflows on derivative	-	-	-	1	-	1
Deferred outflows from refunding	-	-	5	5	5	5
Deferred outflows OPEB related	1	2	-	1	1	3
Deferred outflows pension related	136	141	33	35	169	176
Total Deferred Outflows of Resources	137	143	38	42	175	185
Long-term debt outstanding	9	11	384	400	393	411
Right-to-use assets liability	9	9	4	5	13	14
Net OPEB liability	26	28	10	10	36	38
Net pension liability	538	517	148	145	686	662
Other liabilities	87	80	557	533	644	613
Total Liabilities	669	645	1,103	1,093	1,772	1,738
Deferred inflows on derivative instruments	-	-	12	23	12	23
Deferred inflows from refunding	-	-	1	1	1	1
Deferred inflows Lease related	246	251	582	600	828	851
Deferred inflows OPEB related	1	3	1	1	2	4
Deferred inflows pension related	3	4	1	1	4	5
Total Deferred Inflows of Resources	250	258	597	626	847	884
Net investment in capital assets	650	632	1,145	1,089	1,795	1,721
Restricted	353	343	385	332	738	675
Unrestricted	(282)	(287)	389	218	107	(69)
Total Net Position	\$ 721	\$ 688	\$ 1,919	\$ 1,639	\$ 2,640	\$ 2,327

(1) Not restated for the changes discussed in Note 6E.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The largest portion of the City's net position, \$1.8 billion (68%), is its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment, right-to-use leased assets, and right-to-use SBITA), less any related outstanding debt that was used to acquire those assets and right-to-use liabilities. The City uses these capital assets to provide services to its residents and other stakeholders. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the City's net position of \$738 million (28%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$107 million (4%) is unrestricted.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position except for the Information Technology Services Internal Service Fund and Workers' Compensation Insurance Claims Internal Service Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Table 2
Governmental and Business-Type Changes in Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 63	\$ 57	\$ 1,040	\$ 992	\$ 1,103	\$ 1,049
Operating grants and contributions	23	6	-	-	23	6
Capital grants and contributions	11	9	3	2	14	11
General revenues:						
Taxes:						
Sales	62	64	-	-	62	64
Ad valorem property	90	84	-	-	90	84
Transient occupancy	22	19	-	-	22	19
Other	7	7	-	-	7	7
Contribution in lieu of taxes	33	30	-	-	33	30
Investment earnings	18	13	36	29	54	42
Net increase (decrease) in fair value of investments	10	(6)	12	(4)	22	(10)
Equity in income of joint ventures	-	-	19	9	19	9
Rents and royalties	10	10	-	-	10	10
Other	12	43	-	-	12	43
Total revenues	<u>361</u>	<u>336</u>	<u>1,110</u>	<u>1,028</u>	<u>1,471</u>	<u>1,364</u>
Expenses:						
General Administration	33	33	-	-	33	33
City Clerk	1	1	-	-	1	1
City Attorney	2	3	-	-	2	3
Human Resources	2	2	-	-	2	2
Finance	9	10	-	-	9	10
Public Works	46	45	-	-	46	45
Parks and Recreation	28	26	-	-	28	26
Public Safety:						
Police	98	88	-	-	98	88
Fire	80	73	-	-	80	73
Planning and Inspection	19	19	-	-	19	19
Library	13	13	-	-	13	13
Utilities:						
Electric	-	-	584	659	584	659
Water	-	-	58	49	58	49
Sewer	-	-	36	86	36	86
Water Recycling	-	-	9	7	9	7
Solid Waste	-	-	38	34	38	34
Cemetery	-	-	1	1	1	1
Santa Clara Convention Center	-	-	19	17	19	17
Santa Clara Stadium Authority	-	-	91	62	91	62
Total expenses	<u>331</u>	<u>313</u>	<u>836</u>	<u>915</u>	<u>1,167</u>	<u>1,228</u>
Increase in net position before transfers	30	23	274	113	304	136
Transfers in (out)	3	5	(3)	(5)	-	-
Increase in net position	<u>33</u>	<u>28</u>	<u>271</u>	<u>108</u>	<u>304</u>	<u>136</u>
Restatement/Change in accounting principal	-	-	9	5	9	5
Net position - July 1	688	660	1,639	1,526	2,327	2,186
Net position - June 30	<u>\$ 721</u>	<u>\$ 688</u>	<u>\$ 1,919</u>	<u>\$ 1,639</u>	<u>\$ 2,640</u>	<u>\$ 2,327</u>

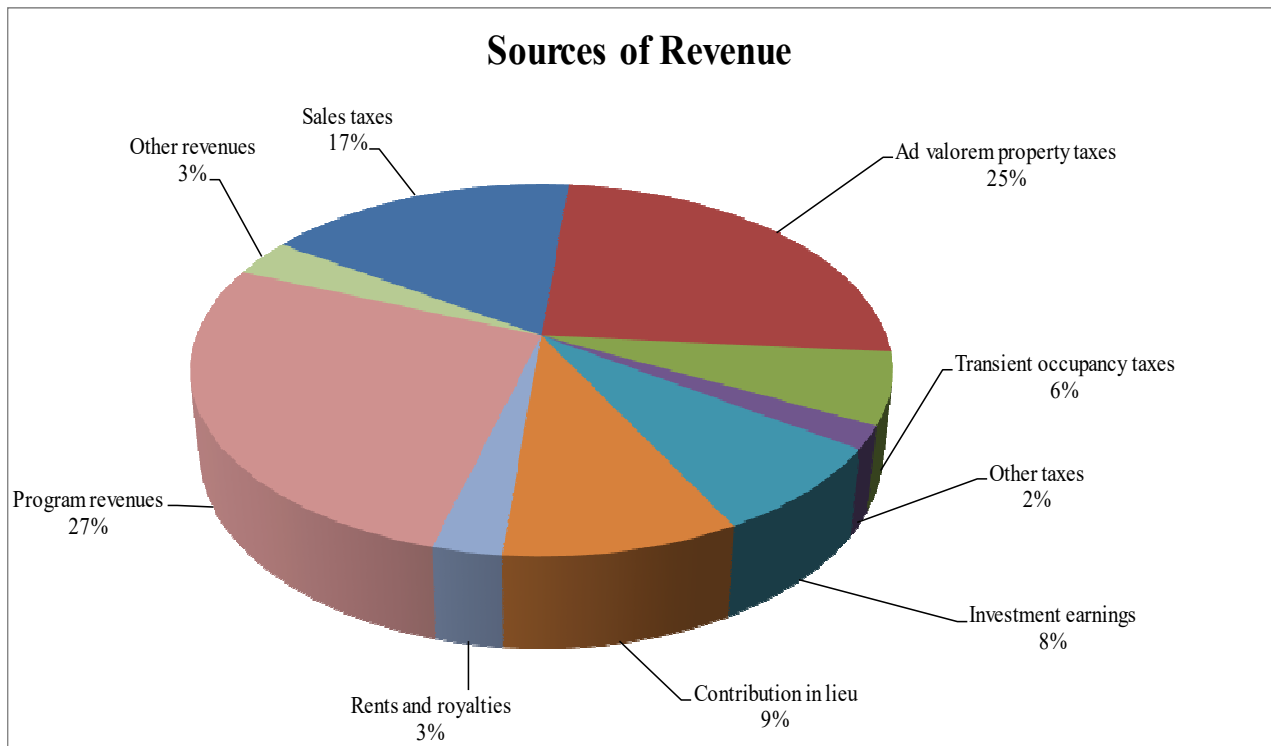
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

Governmental Activities – the City’s governmental activities boosted its net position by \$33 million, mainly attributed to the higher revenue from charge for services and operational grants received from other agencies during the fiscal year 2023-24.

Business-type Activities – the City’s business-type activities contributed to an increase of \$280 million in the City’s net position. This substantial growth is primarily due to a \$220 million increase in the Electric Utility Fund, resulting from a higher charge for services resulting from an 5% rate increase effective July 1, 2023, and a 10% rate increase effective January 1, 2024, along with an \$80 million reduction in resource purchase expenditures.

Governmental Activities

The chart below presents revenues by source for Governmental Activities. General revenues are composed of taxes and other revenues not specifically generated by, or restricted to, individual activities. All tax revenues and investment earnings are included in general revenues.



MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following analysis presents a comparison of fiscal year 2023-24 and fiscal year 2022-23 by the total cost and net cost of each of the City's largest programs. Net cost is defined as total program cost less the revenues generated by those specific activities. It is common to see Governmental Activities as net cost generators, wherein costs of governmental activities are greater than the revenues they generate.

Table 3
Governmental Activities
(in millions)

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General Administration	\$ 33	\$ 33	\$ 8	\$ 17
City Clerk	1	1	1	1
City Attorney	2	3	2	3
Human Resources	2	2	2	2
Finance	9	10	6	9
Public Works	46	45	15	26
Parks and Recreation	28	26	24	23
Public Safety:				
Police	98	88	96	86
Fire	80	73	67	64
Planning and Inspection	19	19	(1)	(3)
Library	13	13	13	13
Totals	<u>\$ 331</u>	<u>\$ 313</u>	<u>\$ 233</u>	<u>\$ 241</u>

In fiscal year 2023-24, the total cost of services increased by \$18 million, while the net cost of services decreased \$8 million compared to the previous year.

The increase in the total cost of services is largely driven by a \$17 million rise in the Public Safety costs during fiscal year 2023-24. This growth is primarily attributed to a \$11 million rise in CalPERS Safety pension expenditures and a \$7 million increase in the personnel costs in the Fire Department compared to the prior year.

The net cost of services in the General Administration decreased \$9 million from the prior year, reaching \$8 million in fiscal year 2023-24. This decrease is primarily attributed to a \$7 million increase in revenue from charges for services, resulting from the voter-approved change to the Business License Tax effective July 1, 2023. In Public Works, the net cost of services decreased by \$11 million from the previous year, dropping to \$15 million in fiscal year 2023-24, mainly due to a \$10 million increase in grants received from other agencies.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Business-type Activities

The following analysis provides the total costs and net costs of each of the City's enterprise funds. Net cost is defined as total program cost less the revenues generated by each enterprise fund.

Table 4
Business-Type Activities
(in millions)

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Utilities:				
Electric	\$ 584	\$ 659	\$ (200)	\$ (93)
Water	58	49	2	(1)
Sewer	36	86	(32)	28
Water Recycling	9	7	-	-
Solid Waste	38	34	(1)	(2)
Cemetery	1	1	-	1
Santa Clara Convention Center	19	17	(1)	(1)
Santa Clara Stadium Authority	91	62	6	(13)
Totals	<u>\$ 836</u>	<u>\$ 915</u>	<u>\$ (226)</u>	<u>\$ (81)</u>

In fiscal year 2023-24, the City's business-type total cost of services decreased by \$79 million, leading to a \$145 million reduction in the net cost of services.

The cost of services in the Electric Utility Fund decreased by \$75 million to \$584 million in fiscal year 2023-24. The decrease was driven by lower expenses for resource purchases. The net cost of services in the Electric Utility Fund is at negative \$200 million, reflecting a \$107 million reduction from fiscal year 2022-23. This decrease in net cost is primarily due to a \$97 million increase in revenue on charges for services as a result of two phases of rate increases during the fiscal year.

The cost of services in the Sewer Utility Fund decreased by \$50 million to \$36 million. This reduction is primarily attributed to the prior year's recognition of a \$52 million equity loss in the sewer joint project with the City of San Jose. The net cost of services for the Sewer Utility fell to negative \$32 million, marking a \$60 million decrease from the previous year. This significant net cost change is primarily due to the \$20 million equity gain in the sewer joint project with the City of San Jose, a stark contrast to the \$52 million equity loss recognized in the prior year.

FUND FINANCIAL STATEMENTS

Financial Analysis of Governmental Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows,

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose.

At June 30, 2024, the City's governmental funds reported a combined fund balance of \$401 million, an increase of \$32 million or 8.6% in comparison with the prior fiscal year. Approximately 27.3% or \$109 million constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form, \$6 million, 2) restricted for particular purposes, \$168 million, 3) committed for particular purposes, \$102 million, or 4) assigned for particular purposes, \$16 million.

Governmental fund revenues were \$375 million, reflecting an increase of \$10 million, or 2.7%, from \$365 million in the prior year. However, the other revenues decreased from \$56 million in fiscal year 2022-23 to \$9 million in fiscal year 2023-24, primarily due to reduced developer contribution in the park and recreation capital improvement fund and the City affordable housing fund. The overall revenue increase is mainly attributed to following factors:

- a \$17 million or 131.1% increase in intergovernmental revenue largely due to a \$11 million rise for Street and Highway development projects and a \$7 million increase in Fire department grants.
- a \$16 million or 272.2% increase in unrealized gain from investment activities.
- a \$7 million or 12.5% increase in charges for services.
- a \$6 million or 7.2% increase in property tax revenues.
- a \$4 million increase in interest and rent driven by new ground leases effective from January 2023 and higher interest revenue compared to the previous fiscal year.
- a \$4 million increase in the contribution in-lieu tax from the Electric Utility Fund, resulting from higher charges for services due to rate increases.

Governmental fund expenditures were \$343 million, reflecting an increase of \$11 million or 3.3% compared to the prior year. The increase is primarily due to a \$7 million increase in the personnel expenditure within the Public Safety program, and a \$10 million increase in capital outlays for subscription-based IT arrangements for the City's library and the transfer of land held for development in the Housing Successor fund to capital assets.

General Fund

Revenues

The City's General Fund revenues totaled \$311 million in fiscal year 2023-24, an increase of \$36 million or 13.2% from the prior fiscal year.

Sales tax accounts for approximately 19.9% of the General Fund's direct revenues. Sales tax revenue fell by \$2.7 million, or 4.2% compared to the previous year, totaling \$61.8 million. The decline was primarily due to an economic contraction resulting from a mild recession during the current fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Property tax (ad valorem) stands as the largest revenue source among General Fund revenues. In the fiscal year 2023-24, property tax revenues amounted to \$91 million, reflecting an increase of \$6.1 million, or a 7.2% growth from the previous year. This increase can be attributed to several factors, including reassessments following the sale of properties and the addition of new construction projects to the tax rolls. These factors have collectively contributed to the continued rise in property tax revenue for the fiscal year.

Transient occupancy taxes (TOT) are calculated as a percentage of the charges for hotel and motel rooms within the city. In November 2020, Santa Clara voters approved to increase the Transient Occupancy Tax rate by up to 4%, and the first two percentage point increase went into effect on January 1, 2022. The City raised the rate from 11.5% to 12.5% in January 2024 from with the final one percentage point increase expected in January 2025, bringing the rate to 13.5%. The COVID-19 pandemic, along with related safety restrictions, significantly impacted TOT revenues towards the end of the fiscal year 2019-20 and throughout fiscal year 2020-21. However, fiscal year 2022-23 saw a notable recovery, which continued into 2023-24, with revenues increasing by \$3.4 million, or 17.7%, compared to 2022-23, totaling \$22.3 million. This growth is largely attributed to both the tax rate increase and the ongoing recovery from the pandemic.

Licenses, permits, fines and penalties revenues were \$11.6 million in business licenses, parking permit, and miscellaneous permit in fiscal year 2023-24, compared to \$6.6 million in the previous year. The 76.1% increase is attributed to the voter-approved change to the Business License Tax effective July 1, 2023, which updated the structure of the business tax and increased the amount of license and permit revenue.

Intergovernmental revenues were \$0.9 million in fiscal year 2023-24 compared to \$1.7 million in the previous year. The decrease is due to \$0.8 million reduction in mutual aid reimbursement revenues for the fire departments and mandated reimbursement revenue for the police department when comparing to the prior year.

Charges for services, which excludes building development related activities, totaled \$45.7 million in fiscal year 2023-24 compared to \$42.1 million in the prior fiscal year, an increase of 8.6%. This increase is largely attributed to the ambulance transportation services and from service reimbursements related to the stadium events.

Contributions in-lieu of taxes were approximately \$33.1 million in fiscal year 2023-24, a \$3.6 million increase from the prior fiscal year. The increase is the result of higher consumption and retail rates.

Interest and rent revenues were \$27.2 million in fiscal year 2023-24, reflecting a \$3.9 million increase from the prior fiscal year. This increase was drive by higher interest rates and the addition of three new long-term ground leases with Related Santa Clara, LLC. effective January 1, 2023.

Expenditures

General Fund expenditures totaled \$267 million for fiscal year 2023-24, 3.5% increase from the prior fiscal year total of \$258 million. This amount excludes encumbrances, re-appropriations, and building related activities.

Salaries and benefits expenditures were \$205 million in fiscal year 2023-24, a \$7 million or 3.2% increase from the \$198 million spent in the previous fiscal year 2022-23. The increase is primarily attribute to a \$3.1 million increase in the police department, and \$3.2 million increase in the general administration and public work departments.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Other operating expenditures, encompassing various categories such as materials, services, supplies, internal service fund charges, debt service, and minor capital outlays were \$62 million in fiscal year 2023-24, an increase of \$2 million from the prior fiscal year. The increase can be primarily attributed to a \$2 million increase in the internal service fund cost allocation.

The uses of the other financing sources for fiscal year 2023-24 were \$16 million, reflecting a increase of \$12 million when compared to the prior fiscal year. This increase can be primarily attributed to an increase of \$6.3 million for the various governmental capital improvement projects and a one-time transfer of \$3.5 million for radio replacement project.

Fund Balance

As of June 30, 2024, total fund balance in the General Fund was \$181 million, up \$28 million from the fiscal year 2022-23. Table 5A shows the breakdown of various components compared with the prior fiscal year.

Table 5A
General Fund Balance for the Fiscal Year Ended June 30, 2024
(in millions)

	<u>2024</u>	<u>2023</u>	<u>Net Change</u>
Nonspendable	\$ 6	\$ 3	\$ 3
Restricted	32	25	7
Committed	18	18	-
Assigned	16	14	2
Unassigned	<u>109</u>	<u>93</u>	<u>16</u>
Total General Fund Balance	<u>\$ 181</u>	<u>\$ 153</u>	<u>\$ 28</u>

General Fund Budgetary Highlights

The City's budget is a flexible-spending plan, which commits resources to the accomplishment of City Council goals and objectives. During the fiscal year, the City Council took action to amend the adopted General Fund budget. A summary of the budgetary comparison schedule for the General Fund, located in the required supplementary information following the notes to the financial statements, is shown in the following table:

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Original Budget Compared to Final Budget

Table 5B
General Fund Budget for the Fiscal Year Ended June 30, 2024
(in millions)

	Original Budgeted Amount	Final Budgeted Amount	Net Change
Revenues	\$ 272	\$ 281	\$ 9
Expenditures	\$ 270	\$ 276	\$ 6
Other financing sources (uses)	\$ (9)	\$ (18)	\$ (9)

Adjustments to the original budget were based on the following:

- The \$9 million increase in budgeted revenues is attributed to several factors: a \$1 million mid-year budgetary adjustment in the property tax due to the solid growth of the projected receipts, a \$4 million increase in charge for services driven by higher than anticipated revenues from events at Levi's stadium and ambulance transportation, a \$1 million rise in the penalties due to a higher actual collection, a \$1 million increase in rental revenue from Commerce and Peddlers lease payments, and a \$1 million increase in contribution in-lieu tax based on the higher than anticipated electric revenues in fiscal year 2023-24.
- The increase in budgeted expenditures is primarily due to a \$3 million mid-year budget increase in the stadium operations to account for the cost associated with additional events, a \$2 million increase in appropriations in the general administration for HVAC repairs and replacements, and a \$1 million increase in the salary and benefits in the Fire department due to overtime.
- The increase in budgeted Other Financing Uses is primarily due to a \$3.5 million transfer to communication acquisition fund for radio replacements, a \$3.7 million transfer to support the storm drain and city hall capital improvement projects, and a \$1.3 million transfer to fire new development service fund to true up the fund balance.

Final Budget Versus Actual

Table 5C
General Fund Final Budget Versus Actual for the Fiscal Year Ended June 30, 2024
(in millions)

	Final Budgeted Amount	Actual Amount	Variance
Revenues	\$ 281	\$ 294	\$ 13
Expenditures	\$ 276	\$ 266	\$ (10)
Other financing sources (uses)	\$ (18)	\$ (18)	\$ -

The most significant differences between actual and final budgeted amounts are explained as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

- The final budgeted revenues resulted in a \$13 million positive variance mainly due to a \$6 million increase in the property taxes, sales taxes, and transient occupancy taxes, a \$4 million increase in the interest and rents, a \$3 million increase in the charges for services.
- Actual expenditures were \$10 million lower than the final budget as a result of lower departmental costs. See the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget Actual (Non-GAAP Basis) for additional details.

Santa Clara Housing Successor

The Santa Clara Housing Successor (SCHS) Fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the Redevelopment Agency. The activities are governed by Community Redevelopment Law and must be used to provide housing for people with low and moderate incomes.

The SCHS's revenues were approximately \$956 thousand in fiscal year 2023-24, a decrease of \$248 thousand from the previous year. The decrease is primarily due to lower principal and interest payments received from the multi-family developer loans.

The SCHS's expenditures totaled \$5.9 million, an increase of \$358 thousand or 6.4% compared to \$5.6 million in fiscal year 2022-23. Of this amount, \$5.4 million was attributed to the cost of transferring land held for development to capital assets. The general expenditures account for case management services offered to persons experiencing or at risk of homelessness, on-going administration, and labor cost related to developing land held for development of affordable housing and managing assets. In fiscal year 2023-24, the general expenditures were \$585 thousand, a decrease of \$43 thousand or 6.8% from the previous year. The reduction was mainly due to lower spending on contractual services.

Non-Major Governmental Funds

These funds are not presented separately in the Basic Financial statements but are individually presented in the Supplemental Information section of this report.

Financial Analysis of Enterprise Funds

At the end of fiscal year 2023-24, the Enterprise Fund net position totaled \$1.9 billion, reflecting an increase of \$280 million or 17.1% compared to the prior fiscal year. The major contributor to this increase was the Electric Utility Fund, which shown a \$222 million increase. The increase in the Electric Utility Fund can be attributed to a \$97 million increase in the charges for services and a \$80 million decrease in the resource purchase expenses.

In fiscal year 2023-24, the equity of the joint venture recognized a gain of \$19 million, a significant increase from the \$43 million loss recorded in the previous fiscal year. This increase of \$62 million is mostly due to a \$71 million increase in the equity associated with the San Jose Santa Clara Joint Wastewater Treatment Facility project in the Sewer Utility fund, offset by a \$9 million decrease in the Electric Utility joint venture equity.

Excluding joint venture activity and net change in the fair value of investments, non-operating expenses in fiscal year 2023-24 were \$16 million, a decrease of \$1 million from the previous fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Electric Utility

This fund accounts for the operation of the City's electric utility services. Charges for Services revenues were \$656 million in fiscal year 2023-24, an increase of \$97 million, or 17.3% from fiscal year 22-23. The primary driver for this increase was a 5% rate increase effective July 1, 2023, a 10% rate increase effective January 1, 2024, and increased consumption.

Retail operating expenses reached \$580 million in fiscal year 2023-24, a reduction from the \$665 million in fiscal year 2022-23. The decrease of \$75 million or 11% in the operating expenses were primarily attributed to the lower costs in the purchased resources due to decreased gas prices.

Revenues from wholesale resource operations was \$11.5 million in the current fiscal year, a significant decrease from the \$85 million recorded in fiscal year 2022-23. The decrease is mainly attribute to a \$60 million gain recognized in the wholesale resources trading activities in fiscal year 2022-23 and lower future gas price. The costs related to wholesale resources purchases decreased to \$10 million from \$19 million in the prior fiscal year. The decrease in wholesale power in fiscal year 2032-24 was influenced by the lower gas price in resource market.

Interest revenues was \$14 million in fiscal year 2023-24, up from \$8 million recorded in fiscal year 2022-23. This increase is primarily due to a higher interest rate environment. Interest expense was \$2 million in the current year.

The Electric Utility Fund had a net position of \$1,293 million at June 30, 2024, an increase of \$222 million or 20.7% from the prior fiscal year. Of this amount, \$576 million was net investment in capital assets, \$10 million was restricted for contractual obligations, and \$707 million was unrestricted. The Electric Utility Fund is a participant in a number of joint ventures including Northern California Power Agency (NCPA), the Transmission Agency of Northern California (TANC), M-S-R Public Power Agency (MSR PPA), and M-S-R Energy Authority (MSR EA).

Water Utility

This fund accounts for the operation of the City's water utility services. Operating revenues were \$57 million for fiscal year 2023-24 compared to \$50 million for the prior fiscal year. Increased water usage and water utility rates increase are the main factors for the revenue variance of \$7 million.

Operating expenses were \$58 million in fiscal year 2023-24, compared to \$49 million in fiscal year 2022-23. The increase is primarily due to increased resource costs, higher maintenance cost and increased interfund allocation per the most recent rate study. The Water Utility Fund's net position was \$76 million at June 30, 2024.

Sewer Utility

This fund accounts for the maintenance of the City's sewer lines and related facilities. Operating revenues of the Sewer Utility were \$45 million for fiscal year 2023-24 compared to \$51 million in fiscal year 2023-24. The additional revenue earned from the increase in sewer utility rates was offset by lower sewer conveyance fees for upsizing existing structures. Non-operating revenue was \$4 million in the current year.

Operating expenses were \$34 million in fiscal year 2023-24, compared to \$33 million in the prior year. This increase is primarily due to higher salaries and benefits cost.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Sewer Utility Fund had a net position of \$375 million at June 30, 2024. Of this amount, \$33 million was net investment in capital assets, \$273 million was restricted for joint venture capital projects and \$69 million was unrestricted and other. The Sewer Utility, together with the City of San Jose, owns the San Jose/Santa Clara Regional Wastewater Facility which is administered by the City of San Jose. The Sewer Utility's ownership share is approximately 19.71% of the assets, capital, and operating costs. In fiscal year 2022-23, the City of San Jose reported that a gain of the Utility's equity in the Regional Wastewater Facility was \$19 million (fiscal year 2023-24 amounts were not available at the time of this report).

Water Recycling

This fund accounts for the ongoing maintenance and operations of the City's wastewater reclamation system. Operating revenues is \$8 million, an increase of \$2 million from the prior year. Revenue increase is due to a combination of recycled water utility rates increase, increased usage and higher other agencies revenue due to reimbursement for an emergency leak repair. Operating expenses is \$9 million, an increase of \$2 million from fiscal year 2022-23 due to higher resource cost, and higher maintenance cost for an emergency leak repair. The net position at June 30, 2024 remains at \$6 million.

Santa Clara Stadium Authority (Stadium Authority)

These funds account for the development and operation of Levi's Stadium. As of March 31, 2024, the Stadium Authority recorded approximately \$81 million in operating revenue, \$9 million more than prior year. This was mainly due to increases in revenue from ticketed Non-NFL events, rents and licenses and NFL ticket surcharge. Operating expenses were \$79 million, increasing \$31 million from the prior fiscal year. This increase is primarily due to the 2024 Settlement Agreement, which resulted in an increase in buffet costs, performance-based rent and public safety costs over the threshold. Non-NFL event expenses also increased due to larger ticketed Non-NFL events. Net position at March 31, 2024 was \$133 million, an increase of \$21 million from the previous fiscal year. Refer to Note 6 for additional information.

Solid Waste

This fund accounts for the administration of the City's garbage and rubbish collection service. Operating revenues were \$39.3 million in fiscal year 2023-24, an increase of \$3.3 million from the prior fiscal year. Operating expenses were \$37.8 million compared to \$34 million in the prior fiscal year, mainly due to the increases in materials, services, and supplies cost. The Solid Waste Fund's net position was \$2.6 million at June 30, 2024.

Cemetery

This fund accounts for the Mission City Memorial Park's operations. Operating revenues were \$775 thousand, down 17% over the prior fiscal year. Operating expenses were down by 13% due to a decrease of \$233 thousand in salary and benefits. Net position at June 30, 2024, was \$3.4 million.

Santa Clara Convention Center

This fund accounts for the operations of the Santa Clara Convention Center. Operating revenues were \$20 million in fiscal year 2023-24 compared to \$17 million in fiscal year 2022-23. Expenses were \$19 million in the fiscal year 2023-24 compared to \$17 million in prior fiscal year. The increased costs are directly related to the increased events at the Convention Center. Net position at June 30, 2024, was \$27 million. On November 1, 2019, the City entered into an agreement with Levy Premium Foodservice Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Partnership (Levy) to manage the foodservice operations at the Convention Center and Levy agreed to pay an operating investment of \$5.75 million to promote the economic development of the City. The investment is amortized on a straight-line basis over 15 years.

Sports and Open Space Authority (SOSA)

This fund accounts for the acquisition and preservation of open space within the City and the development of local sports activities. There were no operating revenues in fiscal year 2023-24 due to the expiration of the operating lease. Operating expenses were \$10 thousand, with a net position at June 30, 2024 of \$2 million.

CAPITAL ASSETS

At June 30, 2024, the City's capital assets totaled \$669 million in Governmental Activities, and \$1.498 billion in Business-Type Activities, net of depreciation. Capital Assets are invested in a broad range of categories, as shown in Table 6.

Table 6
Capital Assets at June 30, 2024
(in millions)

	2024	2023	Net Change
Governmental Activities:			
Land	\$ 130	\$ 125	\$ 5
Construction in progress	59	39	20
Land improvements	60	60	-
Buildings	217	217	-
Infrastructure	646	633	13
Machinery and equipment	89	87	2
Right-to-use leased Equipment	1	1	-
Right-to-use SBITA	13	11	2
Less accumulated depreciation	(546)	(521)	(25)
Totals	<u>\$ 669</u>	<u>\$ 652</u>	<u>\$ 17</u>
Business-Type Activities:			
Land	\$ 19	\$ 19	\$ -
Construction in progress	93	74	19
Buildings	922	919	3
Infrastructure	1,316	1,262	54
Machinery and equipment	30	28	2
Right-to-use leased building	3	3	-
Right-to-use SBITA	4	3	1
Less accumulated depreciation	(889)	(838)	(51)
Totals	<u>\$ 1,498</u>	<u>\$ 1,470</u>	<u>\$ 28</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The increase of \$13 million in the Governmental Funds infrastructure was primarily due to \$8 million in the improvement in street and sidewalk infrastructure and \$4 million of Contributed Infrastructure from various developers. The \$54 million increase in Enterprise Funds infrastructure was mainly due to \$39 million in Electric infrastructure improvements related to substation and transformer projects, \$5 million in sanitary sewer system improvement, and \$3 million in replacement of the water distribution system.

The Capital Improvement Project Budget for fiscal year 2023-24 and the Five-Year Financial Plan for fiscal year 2023-24 through fiscal year 2027-28 contain more detailed discussions of Capital Projects planned for the City of Santa Clara. See Note 9 to the financial statements for additional details on fiscal year 2023-24 capital assets.

DEBT ADMINISTRATION

Each of the City's debt issues is discussed in detail in Note 10 to the financial statements. At June 30, 2024 the City's debt was comprised of the following:

Table 7
Outstanding Debt at June 30, 2024
(in millions)

	Balance June 30, 2024	Balance June 30, 2023	Net Change
Governmental Activity Debt:			
Refunding Certificates of Participation, Series 2013	\$ 9	\$ 11	\$ (2)
Business-Type Debt:			
Electric Utility Revenue Bonds, net of unamortized discount	27	33	(6)
Electric Loan Agreements	86	95	(9)
Sewer Utility Loan Agreements	6	27	(21)
Sewer Utility Certificates of Participation 2023	36	-	36
StadCo CFD Advance ⁽¹⁾	29	30	(1)
Stadium Funding Trust Loan ⁽¹⁾	200	215	(15)
Total Debt	<u>\$ 393</u>	<u>\$ 411</u>	<u>\$ (18)</u>

(1) Stadium Authority's long-term obligations are based on a March 31 fiscal year end.

SUCCESSOR AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (AB 26) that provided for the dissolution of all redevelopment agencies in the State of California. On February 1, 2012 all redevelopment agencies in California were effectively dissolved. The Successor Agency for the Santa Clara Redevelopment Agency is currently in the process of winding down the affairs of the former Redevelopment Agency.

See Notes 21 and 22 for further information on the Redevelopment Agency dissolution and Successor Agency activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

ECONOMIC OUTLOOK

The economy of the City is discussed in the accompanying Transmittal Letter.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. A separate Annual Financial Report for Silicon Valley Power is available upon request. Questions about this Report should be directed to the City of Santa Clara Finance Department, 1500 Warburton Avenue, Santa Clara, California, 95050, telephone (408) 615-2340.

Basic Financial Statements

<p style="text-align: center;">CITY OF SANTA CLARA GOVERNMENT-WIDE FINANCIAL STATEMENTS STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES</p>
--

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the excess of the City's total assets and deferred outflows of resources over the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position presents similar information to the balance sheet format, but presents it in a way that focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows from total assets and deferred outflows.

The Statement of Net Position summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Debt Service, and Capital Projects funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating interfund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net (expense) revenue of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-Type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the Santa Clara Housing Authority, the Santa Clara Stadium Authority, the City of Santa Clara Sports and Open Space Authority, and the City of Santa Clara Public Facilities Financing Corporation, which are legally separate but are component units of the City.

CITY OF SANTA CLARA
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments (Note 7):			
Pooled cash and investments	409,840,935	\$ 787,747,851	\$ 1,197,588,786
Investments with fiscal agent	48,901	32,506,728	32,555,629
Receivables (net of allowance for uncollectible):			
Accounts	8,056,985	167,107,083	175,164,068
Interest	7,582,817	4,487,443	12,070,260
Intergovernmental	19,465,431	-	19,465,431
Leases receivable (Note 4)	1,635,317	12,252,358	13,887,675
Derivative financial instruments (Note 10D)	-	7,119,963	7,119,963
Materials, supplies and prepaids	2,505,265	21,062,541	23,567,806
Land held for development (Note 2H)	1,703,500	-	1,703,500
Total Current Assets	450,839,151	1,032,283,967	1,483,123,118
Noncurrent Assets			
Restricted Cash (Note 7)	31,763,107	94,295,087	126,058,194
Investment with fiscal agent (Note 7)	719,134	11,562,642	12,281,776
Derivative financial instruments (Note 10D)	-	4,867,018	4,867,018
Deposits (Note 7)	-	9,449,807	9,449,807
Leases receivable, noncurrent (Note 4)	249,956,383	585,893,904	835,850,287
Internal balances (Note 8C)	(6,808,252)	6,558,214	(250,038)
Long term loans, net	102,259,111	-	102,259,111
Capital assets (Note 9):			
Land and construction in progress	188,556,761	111,492,874	300,049,635
Capital assets being depreciated, net	480,381,920	1,386,646,274	1,867,028,194
Investment in joint ventures (Note 12)	5,501,554	337,582,904	343,084,458
Other	22,680	534,892	557,572
Total Noncurrent Assets	1,052,352,398	2,548,883,616	3,601,236,014
Total Assets	1,503,191,549	3,581,167,583	5,084,359,132
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments (Note 10D)	-	7,708	7,708
Refunding of debt	-	4,474,983	4,474,983
OPEB related items (Note 16)	1,175,912	433,841	1,609,753
Pension related items (Note 13)	136,293,702	33,154,106	169,447,808
Total Deferred Outflows of Resources	137,469,614	38,070,638	175,540,252

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accrued liabilities	35,071,427	82,810,384	117,881,811
Deposits	5,631,370	-	5,631,370
Interest payable	280,863	6,921,257	7,202,120
Accrued compensated absences (Note 2L)	1,517,925	578,025	2,095,950
Unearned revenue, current portion	328,031	22,439,187	22,767,218
Landfill closure liability (Note 11)	-	788,000	788,000
Derivative financial instruments (Note 10D)	-	7,708	7,708
Current portion of lease obligation (Note 10H)	39,413	710,181	749,594
Current portion of SBITA (Note 10I)	2,011,963	481,034	2,492,997
Long-term debt due within one year (Note 10)	1,085,000	24,306,891	25,391,891
Total Current Liabilities	45,965,992	139,042,667	185,008,659
Noncurrent Liabilities			
Long-term portion estimated claims (Note 19)	22,756,000	-	22,756,000
Accrued compensated absences (Note 2L)	20,689,883	7,878,680	28,568,563
Landfill closure liabilities (Note 11)	-	5,925,426	5,925,426
Unearned revenue	-	431,418,058	431,418,058
Long-term lease obligation (Note 10H)	-	240,824	240,824
Long-term SBITA obligation (Note 10I)	7,191,980	2,495,434	9,687,414
Long-term debt due after one year (Note 10)	8,390,800	358,927,512	367,318,312
Net OPEB liability due after one year (Note 16)	26,077,531	9,620,901	35,698,432
Net pension liability due after one year (Note 13)	537,991,162	148,179,823	686,170,985
Total Noncurrent Liabilities	623,097,356	964,686,658	1,587,784,014
Total Liabilities	669,063,348	1,103,729,325	1,772,792,673
DEFERRED INFLOWS OF RESOURCES			
Derivative instruments (Note 10D)	-	11,986,981	11,986,981
Refunding of debt	-	1,024,530	1,024,530
Leases related (Note 4)	245,748,566	582,229,348	827,977,914
OPEB related items (Note 16)	1,446,368	533,618	1,979,986
Pension related items (Note 13)	2,578,910	655,703	3,234,613
Total Deferred Inflows of Resources	249,773,844	596,430,180	846,204,024
NET POSITION (Note 18)			
Net investment in capital assets	650,219,524	1,145,343,708	1,795,563,232
Restricted for:			
Capital projects and other agreements	142,129,746	384,617,264	526,747,010
Debt service	597,880	-	597,880
Housing activities	128,513,549	-	128,513,549
Community development	37,791,655	-	37,791,655
Transportation	4,889,228	-	4,889,228
Pension rate stabilization program	29,226,846	-	29,226,846
Maintenance	2,474,601	-	2,474,601
Other purposes	7,638,904	-	7,638,904
Total Restricted Net Position	353,262,409	384,617,264	737,879,673
Unrestricted Net Position	(281,657,962)	389,117,744	107,459,782
Total Net Position	721,823,971	\$ 1,919,078,716	\$ 2,640,902,687

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:					
General Administration	\$ 38,816,294	\$ (5,672,334)	\$ 21,733,373	\$ 2,971,195	\$ 203,494
City Clerk	1,669,643	(461,058)	21,252	-	-
City Attorney	2,748,865	(430,321)	-	-	-
Human Resources	3,611,651	(1,721,282)	-	-	-
Finance	16,247,051	(7,423,030)	3,185,275	-	-
Public Works	48,511,286	(2,346,978)	6,061,820	13,950,965	11,063,241
Parks and Recreation	27,658,938	-	3,589,000	161,915	-
Public Safety:					
Police	97,507,011	-	1,059,513	830,610	-
Fire	79,840,376	-	8,866,965	3,998,213	-
Planning and Inspection	18,723,508	-	18,953,027	1,024,894	-
Library	13,056,165	-	9,958	179,325	-
Interest on long term debt	546,405	-	-	-	-
Total Governmental Activities	348,937,193	(18,055,003)	63,480,183	23,117,117	11,266,735
Business-type Activities:					
Utilities:					
Electric	575,096,910	8,975,561	784,316,159	-	-
Water	55,075,142	2,963,626	57,514,540	-	-
Sewer	34,661,494	1,500,450	48,790,966	-	-
Water Recycling	8,908,204	86,874	8,796,611	-	-
Solid Waste	35,862,680	1,946,726	39,286,895	-	-
Cemetery	1,094,830	132,888	774,643	-	-
Sports and Open Space Authority	10,498	-	-	-	-
Santa Clara Convention Center	18,645,254	280,583	19,670,945	-	-
Santa Clara Stadium Authority	88,878,746	2,168,295	81,107,805	-	3,467,625
Total Business-type Activities	818,233,758	18,055,003	1,040,258,564	-	3,467,625
Total	\$ 1,167,170,951	\$ -	\$ 1,103,738,747	\$ 23,117,117	\$ 14,734,360
General Revenues:					
Taxes:					
Sales					
Ad valorem property					
Transient occupancy					
Other					
Contribution in lieu of taxes					
Investment earnings					
Net increase in the fair value of investments					
Equity in gains of joint ventures					
Rents and royalties					
Gain on retirement of capital asset					
Other					
Transfers (Note 8A)					
Total General Revenues and Transfers					
Change in Net Position					
Net Position - beginning					
GASB 87 implementation (Note 6F)					
Net Position - beginning, as restated					
Net Position - ending					

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (8,235,898)	\$ -	\$ (8,235,898)
(1,187,333)	-	(1,187,333)
(2,318,544)	-	(2,318,544)
(1,890,369)	-	(1,890,369)
(5,638,746)	-	(5,638,746)
(15,088,282)	-	(15,088,282)
(23,908,023)	-	(23,908,023)
(95,616,888)	-	(95,616,888)
(66,975,198)	-	(66,975,198)
1,254,413	-	1,254,413
(12,866,882)	-	(12,866,882)
(546,405)	-	(546,405)
(233,018,155)	-	(233,018,155)
-	200,243,688	200,243,688
-	(524,228)	(524,228)
-	12,629,022	12,629,022
-	(198,467)	(198,467)
-	1,477,489	1,477,489
-	(453,075)	(453,075)
-	(10,498)	(10,498)
-	745,108	745,108
-	(6,471,611)	(6,471,611)
-	207,437,428	207,437,428
(233,018,155)	207,437,428	(25,580,727)
61,776,044	-	61,776,044
90,176,113	-	90,176,113
22,347,394	-	22,347,394
7,115,826	-	7,115,826
33,143,505	-	33,143,505
17,939,203	35,798,886	53,738,089
9,968,998	11,712,312	21,681,310
-	18,555,751	18,555,751
9,753,446	-	9,753,446
-	1,071	1,071
12,124,140	-	12,124,140
2,525,925	(2,525,925)	-
266,870,594	63,542,095	330,412,689
33,852,439	270,979,523	304,831,962
687,971,532	1,639,353,776	2,327,325,308
-	8,745,417	8,745,417
687,971,532	1,648,099,193	2,336,070,725
\$ 721,823,971	\$ 1,919,078,716	\$ 2,640,902,687

See accompanying notes to basic financial statements

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<p>CITY OF SANTA CLARA FUND FINANCIAL STATEMENTS GOVERNMENTAL FUNDS</p>
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The funds described below were determined to be Major Funds by the City in fiscal year 2023-24. Individual non-major funds may be found in the Supplementary section.

<p>MAJOR GOVERNMENTAL FUNDS</p>
--

GENERAL FUND

The General Fund accounts for resources and services traditionally associated with government. The General Fund provides administrative, financial, police protection, fire protection, community development, recreation, and maintenance services to the community and other funds. The General Fund accounts for revenues that have unrestricted uses and are not required legally or by contractual agreement to be accounted for in another fund.

SANTA CLARA HOUSING SUCCESSOR FUND

The Santa Clara Housing Successor Fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by Community Redevelopment Law and must be used to provide housing for people with low and moderate incomes.

**CITY OF SANTA CLARA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2024**

	General Fund	Santa Clara Housing Successor
ASSETS		
Cash and investments (Note 7):		
Pooled cash and investments	\$ 143,861,990	\$ 4,305,770
Investments with fiscal agent - current	-	-
Restricted cash	29,226,846	-
Receivables (net of allowance for uncollectibles):		
Accounts	7,193,374	-
Interest	7,582,817	-
Loans	4,339,823	103,509,057
Intergovernmental	12,599,452	-
Due from other funds (Note 8B)	223,091	-
Materials, supplies and prepaids	23,593	-
Land held for development (Note 2H)	-	1,703,500
Investments with fiscal agent - noncurrent (Note 7)	-	-
Leases Receivable (Note 4)	251,591,700	-
Other	22,680	-
Total Assets	\$ 456,665,366	\$ 109,518,327
LIABILITIES		
Accrued liabilities	\$ 19,298,124	\$ 140,463
Deposits	5,631,370	-
Unearned revenue	328,031	-
Total Liabilities	25,257,525	140,463
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - Lease revenues (Note 4)	245,748,566	-
Unavailable revenue - Loans	4,339,823	103,509,057
Total Deferred Inflows of Resources	250,088,389	103,509,057
FUND BALANCES (Note 18)		
Nonspendable	5,880,051	-
Restricted	31,841,260	5,868,807
Committed	18,577,142	-
Assigned	15,756,256	-
Unassigned	109,264,743	-
Total Fund Balances	181,319,452	5,868,807
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 456,665,366	\$ 109,518,327

See accompanying notes to basic financial statements

**CITY OF SANTA CLARA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2024**

Non-Major Governmental Funds	Total Governmental Funds
\$ 210,327,750	\$ 358,495,510
48,901	48,901
2,536,261	31,763,107
389,518	7,582,892
-	7,582,817
78,767,881	186,616,761
6,865,979	19,465,431
-	223,091
-	23,593
-	1,703,500
719,134	719,134
-	251,591,700
-	22,680
<u>\$ 299,655,424</u>	<u>\$ 865,839,117</u>
\$ 7,502,881	\$ 26,941,468
-	5,631,370
-	328,031
<u>7,502,881</u>	<u>32,900,869</u>
-	245,748,566
<u>78,767,881</u>	<u>186,616,761</u>
<u>78,767,881</u>	<u>432,365,327</u>
-	5,880,051
129,755,688	167,465,755
83,628,974	102,206,116
-	15,756,256
-	109,264,743
<u>213,384,662</u>	<u>400,572,921</u>
<u>\$ 299,655,424</u>	<u>\$ 865,839,117</u>

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

TOTAL GOVERNMENTAL FUND BALANCE	\$ 400,572,921
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
CURRENT LIABILITIES	
The assets and liabilities below are due and payable in less than one year and more than 90 days and therefore are not reported in the Funds:	
Current portion of accrued compensated absences (excluding Internal Service Funds)	(1,466,067)
Interest payable	(187,537)
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and, therefore, are not reported in the Governmental Funds.	
	659,663,679
Right to use leases assets and SBITA assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
	9,275,002
INVESTMENT IN NON-BUSINESS-TYPE JOINT VENTURE	5,501,554
DEFERRED OUTFLOWS OF RESOURCES	
OPEB related (excluding Internal Service Funds)	1,145,821
Pension related (excluding Internal Service Funds)	134,144,284
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION	
Internal Service Funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position:	
Cash and investments	51,345,425
Accounts receivable	474,093
Materials, supplies and prepaid	2,481,672
Deferred outflows OPEB related items	30,091
Deferred outflows pension related items	2,149,418
Accrued liabilities, including short-term portion of estimated claims	(8,129,959)
Long-term portion of estimated claims	(22,756,000)
Compensated absences - current	(51,858)
Compensated absences - long-term	(706,850)
Internal balances	(7,031,343)
Lease obligations, including interest payable	(34,722)
SBITA obligations, including interest payable	(1,227,314)
Net OPEB liability	(667,331)
Net pension liability	(9,181,654)
Deferred inflows OPEB related items	(37,012)
Deferred inflows pension related items	(40,629)
LONG TERM LIABILITIES	
The assets and liabilities below are not due and payable in the current period and, therefore, are not reported in the Funds:	
Reserve against conditional grant balances	(10,035,548)
Long-term debt	(9,475,800)
Long-term liability associated with lease agreements (excluding Internal Service Funds)	(4,731)
Long-term liability associated with SBITA agreements (excluding Internal Service Funds)	(8,069,916)
Non-current portion of accrued compensated absences (excluding Internal Service Funds)	(19,983,033)
Net OPEB liability (excluding Internal Service Funds)	(25,410,200)
Net pension liability (excluding Internal Service Funds)	(528,809,507)
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues recorded in governmental funds financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenues in Government-Wide Financial Statements.	
	112,294,659
OPEB related (excluding Internal Service Funds)	(1,409,356)
Pension related (excluding Internal Service Funds)	(2,538,281)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 721,823,971</u>

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024

	General Fund	Santa Clara Housing Successor
REVENUES		
Taxes:		
Sales	\$ 61,776,044	\$ -
Ad valorem	90,710,410	-
Transient occupancy	22,347,394	-
Other	6,741,057	-
Licenses, permits, fines, and penalties	11,610,060	-
Intergovernmental	889,326	-
Charges for services	45,715,376	15,648
Contributions in-lieu of taxes	33,143,505	-
Interest and rents	27,193,406	77,056
Net increase (decrease) in the fair value of investments	9,968,998	-
Other	1,196,420	862,868
Total Revenues	<u>311,291,996</u>	<u>955,572</u>
EXPENDITURES		
Current:		
General Administration	28,020,144	5,985,386
City Clerk	1,746,564	-
City Attorney	2,834,635	-
Human Resources	3,520,797	-
Finance	18,081,016	-
Public Works	24,514,543	-
Parks and Recreation	20,518,817	-
Public Safety:		
Police	84,399,853	-
Fire	65,032,429	-
Planning and Inspection	4,408,690	-
Library	10,571,512	-
Capital outlay	2,109,475	-
Debt service (Note 10):		
Principal payments	1,092,217	-
Interest and fiscal fees	195,159	-
Total Expenditures	<u>267,045,851</u>	<u>5,985,386</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>44,246,145</u>	<u>(5,029,814)</u>
OTHER FINANCING SOURCES (USES)		
Subscription Based IT Arrangement Liabilities (Note 10)	2,078,197	-
Transfers in (Note 8A)	2,861,559	-
Transfers (out) (Note 8A)	(21,182,424)	-
Total Other Financing Sources (Uses)	<u>(16,242,668)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	28,003,477	(5,029,814)
Fund balances - beginning	153,315,975	10,898,621
Fund balances - ending	<u>\$ 181,319,452</u>	<u>\$ 5,868,807</u>

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024

Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 61,776,044
-	90,710,410
-	22,347,394
374,769	7,115,826
8,540,817	20,150,877
29,840,188	30,729,514
13,580,919	59,311,943
-	33,143,505
3,159,380	30,429,842
-	9,968,998
6,800,489	8,859,777
62,296,562	374,544,130
7,316,005	41,321,535
-	1,746,564
-	2,834,635
-	3,520,797
-	18,081,016
7,185,694	31,700,237
2,699,325	23,218,142
581,290	84,981,143
7,045,055	72,077,484
14,470,224	18,878,914
187,843	10,759,355
28,990,995	31,100,470
1,146,047	2,238,264
427,037	622,196
70,049,515	343,080,752
(7,752,953)	31,463,378
-	2,078,197
30,885,841	33,747,400
(14,438,252)	(35,620,676)
16,447,589	204,921
8,694,636	31,668,299
204,690,026	368,904,622
\$ 213,384,662	\$ 400,572,921

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 31,668,299

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

ACCRUAL OF CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of financial resources over 90 days and therefore are not reported as revenue or expenditures in governmental funds (net change):

Current portion of accrued compensated absences 286,299

CAPITAL ASSET TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance 34,422,541

Depreciation expense is deducted from the fund balance

(Depreciation expense is net of Internal Service Fund depreciation of \$2,473,907 which has already been allocated to service funds.) (22,909,250)

Retirements of capital assets (net of Internal Service Fund retirement of \$30,107) (2,791)

Contributions of infrastructure improvements by developers and equipment are capitalized in the Statement of Activities, but are not recorded in the Governmental Fund Statements because no cash changed hands. 4,060,168

JOINT VENTURES - PROFIT FROM EQUITY (334,939)

LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Issuance of SBITA liability is deducted from fund balance (2,078,197)

Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance 1,030,000

Amortization of bond premium 54,297

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Provision for reserve of conditional grants (355,798)

Non-current portion of accrued compensated absences (1,752,208)

Interest payable 21,458

Unavailable revenue 311,775

Lease related expense 73

SBITA related expense 2,042,054

OPEB related expense 1,488,654

Pension related expense (23,995,622)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds.

The portion of the net revenue (expense) of these Internal Service Funds, arising out of their transactions with Governmental Funds, is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds, net 7,827,416

Change in Net Position of Internal Service Funds reported with Business-Type Activities 2,068,210

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 33,852,439

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<p style="text-align: center;">CITY OF SANTA CLARA MAJOR PROPRIETARY FUNDS</p>
--

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges. Individual non-major Proprietary funds may be found in the Supplementary section.

The City has identified the funds below as major proprietary funds in fiscal year 2023-24.

GAAP does not require the disclosure of budget versus actual comparisons regarding proprietary funds that are major funds.

ELECTRIC UTILITY FUND

This fund accounts for the operation of the City's electric utility, a self-supporting activity that provides services on a user charge basis to residences and businesses.

WATER UTILITY FUND

This fund accounts for the operation of the City's water utility, a self-supporting activity that provides services on a user charge basis to residences and businesses.

SEWER UTILITY FUND

The sewer utility fund accounts for the maintenance of the City's sewer lines and related facilities. It is a self-supporting activity that provides services on a user charge basis to residences and businesses.

WATER RECYCLING UTILITY FUND

This fund accounts for the ongoing maintenance and operations of the City's waste water reclamation system. It is a self-supporting activity that provides services on a user charge basis from the sale of non-potable water for irrigation and landscaping.

SANTA CLARA STADIUM AUTHORITY FUND

The Santa Clara Stadium Authority Fund was established in 2011 to provide for development and operation of Levi's Stadium (home of the NFL's San Francisco 49ers). In November 2012, the Santa Clara Stadium Authority changed its fiscal year ending date from June 30th to March 31st to conform with the fiscal year of Stadium Funding Trust.

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric	Water	Sewer
	Utility	Utility	Utility
ASSETS			
Current assets:			
Cash and investments (Note 7):			
Pooled cash and investments	\$ 609,040,674	\$ 25,420,688	\$ 102,158,565
Investments with fiscal agent	16,596,885	-	-
Receivables (net of allowance for uncollectible):			
Accounts	122,946,617	9,678,377	5,996,715
Interest	3,761,308	139,299	570,526
Leases receivable (Note 4)	259,985	32,805	32,805
Derivative financial instrument (Note 10D)	7,119,963	-	-
Due from other funds (Note 8B)	4,017,195	1,621,839	1,126,387
Materials, supplies and prepaids	19,366,588	1,695,953	-
Total current assets	<u>783,109,215</u>	<u>38,588,961</u>	<u>109,884,998</u>
Noncurrent assets:			
Restricted cash (Note 7)	10,065,874	2,230,727	958,752
Investment with fiscal agent (Note 7)	-	-	26,407
Derivative financial instrument (Note 10D)	4,867,018	-	-
Deposits (Note 7)	9,449,807	-	-
Leases receivable, noncurrent (Note 4)	1,852,925	875,240	875,240
Capital assets (Note 9):			
Land	14,371,743	661,268	725,328
Construction in progress	86,463,324	167,655	364,713
Buildings, infrastructure and land improvements	1,147,187,859	111,885,017	68,370,301
Equipment	10,212,515	4,172,275	5,462,089
Right-to-use leased assets	2,916,623	-	-
Right-to-use SBITA	3,837,038	-	-
	<u>1,264,989,102</u>	<u>116,886,215</u>	<u>74,922,431</u>
Less accumulated depreciation	<u>576,144,800</u>	<u>54,697,373</u>	<u>30,560,821</u>
Net capital assets	<u>688,844,302</u>	<u>62,188,842</u>	<u>44,361,610</u>
Investment in joint ventures (Note 12)	65,209,772	-	272,373,132
Other assets	-	-	-
Total noncurrent assets	<u>780,289,698</u>	<u>65,294,809</u>	<u>318,595,141</u>
Total assets	<u>1,563,398,913</u>	<u>103,883,770</u>	<u>428,480,139</u>
DEFERRED OUTFLOWS OF RESOURCES			
Derivative instruments (Note 10D)	7,708	-	-
Refunding of debt	4,474,983	-	-
OPEB related items (Note 16)	311,077	68,522	32,559
Pension related items (Note 13)	25,096,908	4,241,869	2,137,766
Total deferred outflows of resources	<u>29,890,676</u>	<u>4,310,391</u>	<u>2,170,325</u>

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

Business-type Activities-Enterprise Funds					Internal Service Funds (Note 2B)
Water Recycling Utility	Santa Clara Stadium Authority (as of March 31, 2024) restated (Note 6)	Non-Major Enterprise Funds	TOTAL		
\$ 6,459,997	\$ 18,485,558	\$ 25,733,041	\$ 787,298,523	\$ 51,794,753	
-	15,909,843	-	32,506,728	-	
1,597,714	19,453,027	7,434,633	167,107,083	474,093	
16,310	-	-	4,487,443	-	
-	11,926,763	-	12,252,358	-	
-	-	-	7,119,963	-	
-	-	265,923	7,031,344	41,213	
-	-	-	21,062,541	2,481,672	
8,074,021	65,775,191	33,433,597	1,038,865,983	54,791,731	
168,123	78,573,023	2,298,588	94,295,087	-	
-	11,536,235	-	11,562,642	-	
-	-	-	4,867,018	-	
-	-	-	9,449,807	-	
-	582,290,499	-	585,893,904	-	
-	-	3,092,872	18,851,211	-	
-	4,202,330	1,443,641	92,641,663	-	
1,257,070	830,191,432	80,211,731	2,239,103,410	-	
-	7,002,901	3,006,588	29,856,368	45,087,709	
-	-	-	2,916,623	34,655	
-	-	-	3,837,038	1,386,483	
1,257,070	841,396,663	87,754,832	2,387,206,313	46,508,847	
209,637	162,827,215	64,627,319	889,067,165	32,683,436	
1,047,433	678,569,448	23,127,513	1,498,139,148	13,825,411	
-	-	-	337,582,904	-	
-	534,892	-	534,892	-	
1,215,556	1,351,504,097	25,426,101	2,542,325,402	13,825,411	
9,289,577	1,417,279,288	58,859,698	3,581,191,385	68,617,142	
-	-	-	7,708	-	
-	-	-	4,474,983	-	
4,787	-	16,896	433,841	30,091	
398,746	-	1,278,817	33,154,106	2,149,418	
403,533	-	1,295,713	38,070,638	2,179,509	

(continued)

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric	Water	Sewer
	Utility	Utility	Utility
LIABILITIES			
Current liabilities:			
Accrued liabilities	44,808,600	7,353,649	476,633
Interest payable	1,190,752	-	731,599
Unearned revenue	-	-	-
Due to other funds (Note 8B)	-	-	-
Accrued compensated absences (Note 2L)	472,381	61,405	24,070
Current portion of landfill closure liability (Note 11)	-	-	-
Current portion of long-term debt (Note 10)	15,460,000	-	1,546,995
Current portion derivative financial instruments (Note 10D)	7,708	-	-
Current portion of leases obligation (Note 10H)	710,181	-	-
Current portion of SBITA (Note 10I)	481,034	-	-
Total current liabilities	<u>63,130,656</u>	<u>7,415,054</u>	<u>2,779,297</u>
Noncurrent liabilities:			
Unearned revenue	-	-	-
Long-term portion estimated claims	-	-	-
Long-term compensated absences (Note 2L)	6,438,722	836,972	328,076
Landfill closure liability (Note 11)	-	-	-
Long-term debt (Note 10)	97,089,699	-	40,469,883
Long-term leases obligation (Note 10H)	240,824	-	-
Long-term SBITA (Nte 10I)	2,495,434	-	-
Net OPEB liability (Note 16)	6,898,479	1,519,553	722,033
Net pension liability (Note 13)	108,269,790	20,708,985	10,320,983
Total noncurrent liabilities	<u>221,432,948</u>	<u>23,065,510</u>	<u>51,840,975</u>
Total liabilities	<u>284,563,604</u>	<u>30,480,564</u>	<u>54,620,272</u>
DEFERRED INFLOWS OF RESOURCES			
Derivative instruments (Note 10D)	11,986,981	-	-
Refunding of debt	1,024,530	-	-
Leases related (Note 4)	1,997,165	831,430	831,430
OPEB related items (Note 16)	382,621	84,281	40,047
Pension related items (Note 13)	479,098	91,638	45,671
Total deferred inflows of resources	<u>15,870,395</u>	<u>1,007,349</u>	<u>917,148</u>
NET POSITION (Note 18)			
Net investment in capital assets	575,817,583	62,188,842	33,260,715
Restricted for capital projects and other agreements	10,065,874	1,927,637	273,331,884
Unrestricted	706,972,133	12,589,769	68,520,445
Total net position	<u>\$ 1,292,855,590</u>	<u>\$ 76,706,248</u>	<u>\$ 375,113,044</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.

Net position of business-type activities

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

Business-type Activities-Enterprise Funds				Internal Service Funds (Note 2B)
Water Recycling Utility	Santa Clara Stadium Authority (as of March 31, 2024) restated (Note 6)	Non-Major Enterprise Funds	TOTAL	
1,601,637	23,637,965	4,931,900	82,810,384	8,129,958
-	4,998,906	-	6,921,257	7,304
-	16,900,628	5,538,559	22,439,187	-
-	473,130	-	473,130	7,072,557
61	-	20,108	578,025	51,858
-	-	788,000	788,000	-
-	7,299,896	-	24,306,891	-
-	-	-	7,708	-
-	-	-	710,181	34,720
-	-	-	481,034	602,683
1,601,698	53,310,525	11,278,567	139,515,797	15,899,080
-	431,418,058	-	431,418,058	-
-	-	-	-	22,756,000
829	-	274,081	7,878,680	706,850
-	-	5,925,426	5,925,426	-
-	221,367,930	-	358,927,512	-
-	-	-	240,824	-
-	-	-	2,495,434	617,329
106,147	-	374,689	9,620,901	667,331
1,809,522	-	7,070,543	148,179,823	9,181,654
1,916,498	652,785,988	13,644,739	964,686,658	33,929,164
3,518,196	706,096,513	24,923,306	1,104,202,455	49,828,244
-	-	-	11,986,981	-
-	-	-	1,024,530	-
-	578,569,323	-	582,229,348	-
5,887	-	20,782	533,618	37,012
8,008	-	31,288	655,703	40,629
13,895	578,569,323	52,070	596,430,180	77,641
1,047,433	449,901,622	23,127,513	1,145,343,708	12,570,679
168,123	94,236,867	4,886,879	384,617,264	-
4,945,463	(411,525,037)	7,165,643	388,668,416	8,320,087
\$ 6,161,019	\$ 132,613,452	\$ 35,180,035	1,918,629,388	\$ 20,890,766
			449,328	
			<u>\$ 1,919,078,716</u>	

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric	Water	Sewer
	Utility	Utility	Utility
Operating revenues:			
Charges for services	\$ 656,147,118	\$ 57,051,908	\$ 44,530,605
Rents, royalties and licensing	-	-	-
Insurance refunds and other	-	-	-
Mandated program receipts	20,120,470	-	-
Renewable energy credits	10,502,295	-	-
Wholesale resource sales	11,470,683	-	-
Other	43,225,175	-	-
Total operating revenues	741,465,741	57,051,908	44,530,605
Operating expenses:			
Salaries and benefits	60,073,452	7,489,714	3,923,106
Materials, services and supplies	475,459,245	48,560,558	28,688,090
General and administrative	-	-	-
Mandated program disbursements	6,179,170	-	-
Wholesale resources purchases	9,785,427	-	-
Amortization- Right to use assets	1,158,632	-	-
Depreciation	27,322,314	1,927,329	1,382,392
Total operating expenses	579,978,240	57,977,601	33,993,588
Operating income (loss)	161,487,501	(925,693)	10,537,017
Nonoperating revenues (expenses):			
Interest revenue	13,871,450	621,481	2,194,821
Net change in the fair value of investments	8,702,128	733,792	2,100,610
Rents and royalties	3,484,588	56,610	56,610
Other revenue	39,365,830	406,022	4,203,751
Interest expense	(2,206,422)	-	(1,557,125)
Other expense	-	-	(550,331)
Equity in income (losses) of joint ventures	(635,169)	-	19,190,920
Gain (loss) on retirement of assets	-	1,071	-
Total nonoperating revenues (expenses)	62,582,405	1,818,976	25,639,256
Income (loss) before contributions and transfers	224,069,906	893,283	36,176,273
Contributions	-	-	-
Transfers in (Note 8A)	376,500	218,118	113,266
Transfers (out) (Note 8A)	(2,885,902)	(832,275)	(158,795)
Change in net position	221,560,504	279,126	36,130,744
Total net position - beginning	1,071,295,086	76,427,122	338,982,300
GASB 87 implementation (Note 6E)	-	-	-
Total net position - beginning as adjusted (Note 6E)	1,071,295,086	76,427,122	338,982,300
Total net position - ending	\$ 1,292,855,590	\$ 76,706,248	\$ 375,113,044

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.

Change in net position of business-type activities

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

Business-type Activities-Enterprise Funds					
Water Recycling Utility	Santa Clara Stadium Authority (as of March 31, 2024) restated (Note 6)	Non-Major Enterprise Funds	Total	Internal Service Funds	
\$ 8,668,005	\$ 40,611,283	\$ 59,159,905	\$ 866,168,824	\$ 39,278,769	
-	40,496,522	-	40,496,522	-	
-	-	-	-	193,973	
-	-	-	20,120,470	-	
-	-	-	10,502,295	-	
-	-	-	11,470,683	-	
-	-	561,112	43,786,287	-	
<u>8,668,005</u>	<u>81,107,805</u>	<u>59,721,017</u>	<u>992,545,081</u>	<u>39,472,742</u>	
867,765	-	2,675,931	75,029,968	8,396,743	
8,090,909	59,885,259	53,683,823	674,367,884	13,636,273	
-	2,033,263	-	2,033,263	12,789,818	
-	-	-	6,179,170	-	
-	-	-	9,785,427	-	
-	-	-	1,158,632	713,293	
25,141	17,438,287	1,566,634	49,662,097	2,473,907	
<u>8,983,815</u>	<u>79,356,809</u>	<u>57,926,388</u>	<u>818,216,441</u>	<u>38,010,034</u>	
<u>(315,810)</u>	<u>1,750,996</u>	<u>1,794,629</u>	<u>174,328,640</u>	<u>1,462,708</u>	
58,652	18,819,490	232,992	35,798,886	-	
175,782	-	-	11,712,312	-	
-	-	11,466	3,609,274	-	
128,606	-	-	44,104,209	2,036,276	
-	(11,690,232)	-	(15,453,779)	(40,662)	
-	-	-	(550,331)	-	
-	-	-	18,555,751	-	
-	-	-	1,071	(30,107)	
<u>363,040</u>	<u>7,129,258</u>	<u>244,458</u>	<u>97,777,393</u>	<u>1,965,507</u>	
47,230	8,880,254	2,039,087	272,106,033	3,428,215	
-	3,467,625	-	3,467,625	-	
-	-	847,864	1,555,748	4,955,105	
(177,258)	-	(27,443)	(4,081,673)	(555,904)	
(130,028)	12,347,879	2,859,508	273,047,733	7,827,416	
<u>6,291,047</u>	<u>111,520,156</u>	<u>32,320,527</u>		<u>13,063,350</u>	
-	8,745,417	-		-	
<u>6,291,047</u>	<u>120,265,573</u>	<u>32,320,527</u>		<u>13,063,350</u>	
<u>\$ 6,161,019</u>	<u>\$ 132,613,452</u>	<u>\$ 35,180,035</u>		<u>\$ 20,890,766</u>	
			(2,068,210)		
			<u>\$ 270,979,523</u>		

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 668,767,150	\$ 56,268,434	\$ 44,310,904
Payments to suppliers	(465,537,231)	(46,305,916)	(29,405,529)
Payments to employees for salaries and benefits	(56,790,537)	(6,838,553)	(3,667,375)
Internal activity - payments to other funds	-	-	-
Claims paid	-	-	-
Rents, royalties and licenses received	4,543,348	53,879	53,879
Other receipts (payments)	48,902,208	(261,498)	3,830,543
Renewable energy credits	10,502,295	-	-
Wholesale resource sales	11,470,683	-	-
Wholesale resources purchases	(9,785,427)	-	-
Resource trading escrow deposit	1,677,372	-	-
Charges for joint project contributions	-	-	(13,099,087)
Net cash provided (used) by operating activities	<u>213,749,861</u>	<u>2,916,346</u>	<u>2,023,335</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
(Increase) in due from other funds	(807,346)	(342,982)	(161,693)
Decrease in due from other funds	-	-	-
Increase in due to other funds	-	-	-
Deposits to (withdraws from) pension rate stabilization fund	3,741,829	667,520	373,208
Transfers in	376,500	218,118	113,266
Transfers (out)	(2,885,902)	(832,275)	(158,795)
Cash Flows from Noncapital Financing Activities	<u>425,081</u>	<u>(289,619)</u>	<u>165,986</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Contribution from Community Facilities District	-	-	-
Acquisition and construction of capital assets, net	(63,780,946)	(3,495,175)	(6,250,530)
Proceeds from sale of assets	-	1,071	-
Proceeds from debt	-	-	34,585,000
Premium on issuance of debt	-	-	1,367,609
Cost of issuance	-	-	(550,331)
Principal payments on capital debt	(16,292,173)	-	(20,798,120)
Interest paid on capital debt	(2,555,621)	-	(909,865)
Cash Flows from Capital and Related Financing Activities	<u>(82,628,740)</u>	<u>(3,494,104)</u>	<u>7,443,763</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net decrease in the fair value of investments	8,702,128	733,792	2,100,610
Interest and dividends	11,877,286	568,570	1,948,611
Fiscal agent investment sales	17,593,392	-	-
Fiscal agent investment purchases	(17,992,362)	-	-
Cash Flows from Investing Activities	<u>20,180,444</u>	<u>1,302,362</u>	<u>4,049,221</u>

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Business-type Activities-Enterprise Funds					
Water Recycling Utility	Santa Clara Stadium Authority (as of March 31, 2024)	Non-Major Enterprise Funds	Totals	Internal Service Funds	
\$ 8,109,065	\$ 41,368,043	\$ 57,866,548	\$ 876,690,144	\$ 39,322,277	
(7,894,410)	(38,995,500)	(52,234,959)	(640,373,545)	(14,829,607)	
(873,547)	-	(2,200,682)	(70,370,694)	(8,095,531)	
-	-	-	-	(405,304)	
-	-	-	-	(11,139,607)	
-	47,106,805	11,466	51,769,377	-	
63,806	-	560,272	53,095,331	2,036,276	
-	-	-	10,502,295	-	
-	-	-	11,470,683	-	
-	-	-	(9,785,427)	-	
-	-	-	1,677,372	-	
-	-	-	(13,099,087)	-	
<u>(595,086)</u>	<u>49,479,348</u>	<u>4,002,645</u>	<u>271,576,449</u>	<u>6,888,504</u>	
-	-	-	(1,312,021)	(3,644)	
-	-	39,778	39,778	-	
-	330,234	-	330,234	1,275,886	
64,800	-	-	4,847,357	-	
-	-	847,864	1,555,748	4,955,105	
<u>(177,258)</u>	<u>-</u>	<u>(27,443)</u>	<u>(4,081,673)</u>	<u>(555,904)</u>	
<u>(112,458)</u>	<u>330,234</u>	<u>860,199</u>	<u>1,379,423</u>	<u>5,671,443</u>	
-	2,840,331	-	2,840,331	-	
-	(7,079,493)	(735,235)	(81,341,379)	(3,681,678)	
-	-	-	1,071	-	
-	-	-	34,585,000	-	
-	-	-	1,367,609	-	
-	-	-	(550,331)	-	
-	(16,606,911)	-	(53,697,204)	(800,003)	
-	(12,076,707)	-	(15,542,193)	(40,662)	
<u>-</u>	<u>(32,922,780)</u>	<u>(735,235)</u>	<u>(112,337,096)</u>	<u>(4,522,343)</u>	
175,782	-	-	11,712,312	-	
63,804	5,803,963	232,992	20,495,226	-	
-	(28,306,155)	-	(10,712,763)	-	
-	36,661,687	-	18,669,325	-	
<u>239,586</u>	<u>14,159,495</u>	<u>232,992</u>	<u>40,164,100</u>	<u>-</u>	
					(continued)

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Business-type Activities-Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
Net increase (decrease) in cash and cash equivalents	151,726,646	434,985	13,682,305
Cash and cash equivalents at beginning of period	467,379,902	27,216,430	89,435,012
Cash and cash equivalents at end of period	<u>\$ 619,106,548</u>	<u>\$ 27,651,415</u>	<u>\$ 103,117,317</u>
Cash and cash equivalents:			
Pooled cash and investments	\$ 609,040,674	\$ 25,420,688	\$ 102,158,565
Restricted cash	10,065,874	2,230,727	958,752
Total cash and cash equivalents	<u>\$ 619,106,548</u>	<u>\$ 27,651,415</u>	<u>\$ 103,117,317</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 161,487,501	\$ (925,693)	\$ 10,537,017
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Decrease) Increase in lease and SBITA obligation	(34,360)	-	-
(Decrease) Increase in due to OPEB system	(404,151)	(89,024)	(42,300)
(Decrease) Increase in due to retirement system	3,230,418	702,886	197,534
Depreciation	28,480,946	1,927,329	1,382,392
Change in assets and liabilities:			
Receivables, net	(30,948,216)	(769,353)	(219,337)
Inventory	(3,539,456)	132,015	-
Restricted Cash	(3,741,829)	(667,520)	(373,208)
Accrued liabilities	14,234,570	2,108,870	(717,439)
Long-term portion estimated claims	-	-	-
Compensated absences	456,648	37,299	100,497
Unearned revenue	-	-	-
Other receipts	42,850,418	459,537	4,257,266
Wholesale trading escrow deposit	1,677,372	-	-
Charges for joint project contributions	-	-	(13,099,087)
Net cash provided (used) by operating activities	<u>\$ 213,749,861</u>	<u>\$ 2,916,346</u>	<u>\$ 2,023,335</u>
NONCASH TRANSACTIONS:			
Joint Ventures			
Nonoperating income (loss)	\$ (635,169)	\$ -	\$ 19,190,920
Capital Contribution	\$ -	\$ -	\$ -
Addition of SBITA Asset	\$ 729,014	\$ -	\$ -
Issuance of SBITA Liability	\$ (729,014)	\$ -	\$ -

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Business-type Activities-Enterprise Funds				
Water Recycling Utility	Santa Clara Stadium Authority (as of March 31, 2024)	Non-Major Enterprise Funds	Totals	Internal Service Funds
(467,958)	31,046,297	4,360,601	200,782,876	8,037,604
7,096,078	66,012,284	23,671,028	680,810,734	43,757,149
<u>\$ 6,628,120</u>	<u>\$ 97,058,581</u>	<u>\$ 28,031,629</u>	<u>\$ 881,593,610</u>	<u>\$ 51,794,753</u>
\$ 6,459,997	\$ 18,485,558	\$ 25,733,041	\$ 787,298,523	\$ 51,794,753
168,123	78,573,023	2,298,588	94,295,087	-
<u>\$ 6,628,120</u>	<u>\$ 97,058,581</u>	<u>\$ 28,031,629</u>	<u>\$ 881,593,610</u>	<u>\$ 51,794,753</u>
\$ (315,810)	\$ 1,750,996	\$ 1,794,629	\$ 174,328,640	\$ 1,462,708
-	7,745,256	-	7,710,896	713,294
(6,218)	-	(21,950)	(563,643)	(39,095)
(454)	-	327,148	4,457,532	262,976
25,141	17,438,287	1,566,634	50,820,729	2,473,907
(558,942)	657,660	(364,392)	(32,202,580)	39,529
-	-	-	(3,407,441)	(1,501,939)
(64,800)	-	-	(4,847,357)	-
196,501	22,428,022	1,448,864	39,699,388	322,517
-	-	-	-	1,041,000
890	-	170,051	765,385	77,331
-	(540,873)	(929,805)	(1,470,678)	-
128,606	-	11,466	47,707,293	2,036,276
-	-	-	1,677,372	-
-	-	-	(13,099,087)	-
<u>\$ (595,086)</u>	<u>\$ 49,479,348</u>	<u>\$ 4,002,645</u>	<u>\$ 271,576,449</u>	<u>\$ 6,888,504</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,555,751</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ 3,467,625</u>	<u>\$ -</u>	<u>\$ 3,467,625</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729,014</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (729,014)</u>	<u>\$ -</u>

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA FIDUCIARY FUNDS
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These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

PRIVATE PURPOSE TRUST FUNDS

These funds are used to report resources of all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City for community or private organizations, or as an agent for its employees or for assessment districts. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements. Individual non-major Custodial funds may be found in the Supplementary section.

CITY OF SANTA CLARA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Current assets		
Cash and investments:		
Pooled cash and investments (Note 7)	\$ 1,556,057	\$ 945,303
Receivables (net of allowance for uncollectibles):		
Interest and rent	195,975	-
Leases receivable (Note 22)	896,947	-
Total current assets	<u>2,648,979</u>	<u>945,303</u>
Noncurrent assets		
Leases receivable-noncurrent (Note 22)	41,927,423	-
Investment with fiscal agent-noncurrent-noncurrent (Note 7)	2,902,022	-
Land held for resale	532,542	-
Total noncurrent assets	<u>45,361,987</u>	<u>-</u>
Total Assets	<u>48,010,966</u>	<u>945,303</u>
LIABILITIES		
Accrued liabilities	-	1,100
Unearned revenues	122,008	-
Due to other agencies	740,000	-
Total Liabilities	<u>862,008</u>	<u>1,100</u>
DEFERRED INFLOWS OF RESOURCES		
Leases related (Note 22)	40,393,601	-
Total deferred inflows of resources	<u>40,393,601</u>	<u>-</u>
NET POSITION		
Held in trust for private purpose	3,721,814	-
Restricted for individuals, organization and other governments	3,033,543	944,203
Total Net Position	<u>\$ 6,755,357</u>	<u>\$ 944,203</u>

See accompanying notes to basic financial statements

CITY OF SANTA CLARA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2024

	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Contributions:		
Employee contributions	\$ -	\$ 63,557
Other plans	-	3,281,253
Gifts and bequest	-	1,740
Total contributions	<u>-</u>	<u>3,346,550</u>
Investment income:		
Net change in fair value of investments	129,146	-
Interest and rents	<u>3,725,137</u>	<u>8,012</u>
Net investment income	<u>3,854,283</u>	<u>8,012</u>
Total additions	<u>3,854,283</u>	<u>3,354,562</u>
DEDUCTIONS		
General and administrative	109,464	83,063
Benefits paid	-	56,059
Pass through to the Stadium Authority	-	3,105,273
Pass through to the County of Santa Clara	<u>2,920,000</u>	<u>-</u>
Total deductions	<u>3,029,464</u>	<u>3,244,395</u>
Net increase (decrease) in fiduciary net position	824,819	110,167
Net position - beginning	<u>5,930,538</u>	<u>834,036</u>
Net position - ending	<u>\$ 6,755,357</u>	<u>\$ 944,203</u>

See accompanying notes to basic financial statements

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CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 – DEFINITION OF THE REPORTING ENTITY

The City of Santa Clara (City), also known as the Mission City, is a charter city incorporated in 1852 under the laws of the State of California. The City Charter establishes the Council/Manager form of government. The City's citizens elect a City Council of seven citizens, six councilpersons and a Mayor elected at-large, who serve a term of four years each, and who, in turn, appoint a City Manager.

The City is located in the County of Santa Clara, California, approximately 45 miles southeast of San Francisco. It is situated in the northern part of the County and occupies approximately 18.41 square miles. The City's population of 132,048 accounts for 6.95% of the total Santa Clara County estimated population of 1.9 million.

The City provides a full range of municipal services, including police and fire, library, recreation, community services, public works, parks, sanitation, planning and community development, public improvements, electric, water and sewer services.

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units which are described below are all blended.

A. City of Santa Clara Sports and Open Space Authority

The City of Santa Clara Sports and Open Space Authority (SOSA) was created by the City Council in 1974 for the acquisition and development of open space within the City. The members of the City Council are also members of SOSA's Board of Directors and, as such, are authorized to transact business and exercise power to purchase, lease or otherwise obtain and dispose of real and personal property, to acquire, construct, maintain, repair, manage and operate real and personal property, including leasing to private operators for commercial purposes, surplus space which is not economical to use for open space planning. The City performs all accounting and administrative functions of SOSA. The operations of SOSA have been included in the Supplementary Information section in the Non-Major Enterprise Funds.

B. City of Santa Clara Public Facilities Financing Corporation

The City of Santa Clara Public Facilities Financing Corporation (PFFC) was formed in 1997 for the purpose of issuing Certificates of Participation (COPs) to provide financing for the construction of the major City facilities. Members of the City Council are also members of the PFFC Board. Debt service on the COPs is secured by lease payments made by the City's General Fund to the PFFC for the use of the constructed facilities for public purposes. In accordance with lease agreements, the PFFC assigns lease payments received from the City to the trustee for payment to the certificate holders. The operations of PFFC have been included in the Supplementary Information section in the Non-Major Governmental Fund. The individual COPs and the related facilities are described in Note 10B.

C. Santa Clara Housing Authority

The Santa Clara Housing Authority (SCHA) was established by the City Council in 2011 to assume the responsibility of housing projects for the former Redevelopment Agency (former RDA). SCHA also assumes the responsibility for housing loans, which are long-term and were made under various programs, for

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 1 – DEFINITION OF THE REPORTING ENTITY (continued)

qualifying individuals and groups. The members of the City Council are also members of SCHA's Board of Directors and, as such, are authorized to transact business and exercise power to plan, engineer, and implement development projects. The City performs all accounting and administrative functions of SCHA. The financial activities of SCHA have been reported in the accompanying Non-Major Governmental Fund financial statements.

D. Santa Clara Stadium Authority

The Santa Clara Stadium Authority (SCSA) was established by the City Council in 2011 to provide for development and operation of Levi's Stadium. The members of the City Council are also members of SCSA's Board of Directors and, as such, are authorized to manage the stadium, transact business and exercise power to plan, engineer, and construct the stadium. The City performs all accounting and administrative functions of SCSA. The financial activities of SCSA have been reported in the accompanying Enterprise Fund financial statements.

On November 13, 2012, an amendment was made to the JPA Agreement to change SCSA's fiscal year end date from June 30th to March 31st. As such, the financial activities reported for SCSA are as of fiscal year ended March 31, 2024. In addition, the annual financial report was audited by KPMG, an independent auditing firm, and a copy of the report can be found on the City's website.

NOTE 2 - FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Basic Financial Statements

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The significant accounting policies are described below:

Government-wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Interfund Services provided and used are allocated to governmental and business-type activities, as appropriate. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental, proprietary, and fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds, except for fiduciary funds.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for the City's enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

B. Major Funds

Major funds are defined as funds that have either assets combined with deferred outflows of resources, liabilities combined with deferred inflows of resources, revenues or expenditures/expenses equal to 10% of corresponding totals for all governmental or enterprise funds and at least 5% of the aggregate amount to all governmental and enterprise fund for the same item. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds. All other funds, called non-major funds, are combined, and reported in a single column, regardless of their fund-type.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Santa Clara Housing Successor Fund - This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by Community Redevelopment Law and must be used to provide housing for people with low and moderate incomes. Revenues received are primarily loan repayments on low income loans and investment earnings that are restricted for use on other low and moderate income housing loans and projects.

The City reported the following enterprise funds as major funds in the accompanying financial statements:

Electric Utility Fund - This fund accounts for the operation of the City's electric utility, a self-supporting activity that provides services on a user charge basis to residences and businesses.

Water Utility Fund - This fund accounts for the operation of the City's water utility, a self-supporting activity that provides services on a user charge basis to residences and businesses.

Sewer Utility Fund - This fund accounts for the maintenance of the City's sewer lines and related facilities. It is a self-supporting activity that provides services on a user charge basis to residences and businesses.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Water Recycling Utility Fund - This fund accounts for the ongoing maintenance and operations of the City's wastewater reclamation system. It is a self-supporting activity that provides services on a user charge basis from the sale of non-potable water for irrigation and landscaping.

Santa Clara Stadium Authority Fund - The Stadium Authority was established to provide for development and operation of Levi's Stadium.

The City also reports the following fund types:

Internal Service Funds - These funds account for maintenance of vehicles and communication equipment, information technology, public works capital project management, general liability, and workers' compensation claims, all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds - These funds account for assets held by the City in trust for community or private organizations, or as an agent for its employees or for assessment districts without city commitment. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

The Successor Agency to the Redevelopment Agency of the City of Santa Clara (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the former RDA. The Successor Agency is a separate public entity from the City, subject to the direction of an Oversight Board. The Oversight Board is comprised of seven-member representatives from local government bodies: two County of Santa Clara (County) representatives; the Mayor of the City of Santa Clara; the County Superintendent of Education; the Chancellor of California Community Colleges; one Santa Clara Valley Water District representative; and one former RDA employee appointed by the Mayor. The City performs all accounting and administrative functions of the Successor Agency. The financial activities of the Successor Agency have been reported in the accompanying basic financial statements in the Private Purpose Trust Fund. See Notes 21 and 22 for information regarding the Successor Agency.

C. Basis of Accounting

The government-wide financial statements and the fund category, proprietary, and fiduciary fund category financial statements are reported using the *economic resources measurement* focus and the *full accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, including lease liabilities and subscription-based IT arrangement (SBITA) liabilities as well as claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions, including entering into contracts giving the City right to use leased assets and SBITA assets, are reported as expenditures in governmental funds. Proceeds of general long-term debt, financing through leases, and issuance of subscription liabilities are reported as *other financing sources*.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

The City allocates certain indirect expenses incurred by the General Government activity to those activities that benefit from services received.

During the year ended June 30, 2024, the City implemented the following GASB Statements:

The GASB issued Statement No. 100, *Accounting Changes and Errors Corrections*. The objective of this statement is to establish accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements. The provisions of this Statement were implemented during fiscal year 2024. The implementation required a change to the disclosure in Note 6.

The City is analyzing the effects of the following pronouncements and plans to adopt them by the effective dates:

The GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to amend the existing requirements for the recognition of compensated absences liability. This statement becomes effective for periods beginning after December 15, 2023. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement is effective for fiscal years beginning after June 15, 2024. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the impact on the financial statements.

D. Cash and Investments

While maintaining safety and liquidity, the City maximizes investment return by pooling its available cash for investment purposes. Unless there are specific legal or contractual requirements to do otherwise, interest earnings are apportioned among funds according to average monthly cash and investment balances. It is generally the City's intention to hold investments until maturity. City investments are stated at fair value (see Note 7).

Cash and cash equivalents for purposes of the statement of cash flows include pooled cash and investments and cash designated for construction. Transactions with City-wide cash management pools are similar to those with external investment pools; therefore, since pooled cash and investments have the same characteristics as demand deposits in that the City's individual funds and component units may withdraw additional monies at

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

any time without prior notice or penalty, pooled cash and investments are considered essentially demand deposit accounts.

Cash and investments with fiscal agent, a bond reserve investment pool, and amounts classified as deposits are not considered cash and cash equivalents.

E. Interfund Transactions and Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The related receivables and payables are classified as "due from other funds," and "due to other funds" in the fund financial statements. Long-term interfund receivables and payables are recorded as advances to/from other funds in the fund financial statements.

Transactions constituting reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are generally recorded as expenditures/expenses in the reimbursing fund and as revenue in the fund that is reimbursed.

Internal balances represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities, and are reported only in the government-wide financial statements.

F. Inventory of Materials and Supplies

Inventory of materials and supplies is accounted for using the consumption method and is stated at average cost. Inventory consists of expendable supplies held for consumption by all departments of the City. The cost is recorded as an expenditure or expense in the appropriate fund at the time individual inventory items are withdrawn for use. The General Fund inventory amount is equally offset by a non-spendable fund balance, which indicates that it does not constitute available expendable resources.

G. Restricted Assets

Restricted assets are monies or other resources, the use of which is restricted by legal or contractual requirements.

H. Land Held for Development

The Santa Clara Housing Successor, through execution of an assignment and assumption agreement with the City and the former RDA has assumed responsibility for housing projects and parcels of land purchased to develop or redevelop blighted properties within the Redevelopment areas. Such land parcels are accounted for as investments on the balance sheet at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

Individual parcels which have experienced other than temporary fair value decline are written down to estimated current market value. No appreciation is recorded if the current estimated net realizable value of an individual parcel exceeds cost.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for intangible right-to-use lease assets, the measurement of which is discussed in Note 2X below, and right-to-use subscription assets, the measurement of which is described in Note 2J below. Contributed capital assets are valued at their estimated acquisition value on the date contributed. The City's policy is to capitalize equipment and right-to-use leased equipment with costs exceeding \$5,000, buildings, improvements and infrastructure with costs exceeding \$20,000, and the right-to-use Subscription based IT Arrangement (SBITA) with costs exceeding \$400,000.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Public domain (infrastructure) assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and traffic signals, have been capitalized and reported in the government-wide financial statements. Depreciation has been calculated on all capital assets, including infrastructure, the right-to-use leased buildings and equipment, and the right-to-use SBITA assets on a straight-line basis over the estimated useful lives of the assets.

	Useful Lives Years	Capitalization Threshold
Buildings and improvements	20-50	\$ 20,000
Right-to-use leased buildings	20-50	20,000
Land improvements	20-50	20,000
Machinery and equipment	3-25	5,000
Right-to-use leased equipment	3-25	5,000
Right-to-use SBITA assets	3-25	400,000
Infrastructure	10-50	20,000

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets and the related obligations acquired under lease/purchase agreements are capitalized and accounted for in accordance with current accounting standards.

J. Subscription-Based Information Technology Arrangements (SBITAs) Accounting

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets. The City recognizes SBITA liabilities with an initial, individual value of \$400,000 or more for all funds.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The City uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with liabilities on the statement of net position.

K. Joint Ventures

The City participates in several joint ventures. In accordance with GAAP investments in these joint ventures are accounted for on the equity method (see Note 12). If the City's equity in net losses of joint ventures exceeds its investment, use of the equity method is suspended except to the extent that the City is obligated to provide further financial support or has guaranteed obligations of the joint ventures.

The City advances funds to certain of its joint ventures in the form of refundable advances, project advances and operating and maintenance advances. Refundable advances accrue interest at rates stated in the related agreements. Operating, maintenance and project advances are charged to operations when incurred.

Capitalized project costs are charged to operations in the event that a project is determined to be not economically feasible.

L. Compensated Absences

Amounts of vested or accumulated vacation leave and certain benefits that are not expected to be liquidated with expendable available financial resources are reported in the Governmental Activities portion of the

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

government-wide financial statements only. Vested or accumulated vacation leave and benefits of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. Vacation time is earned based on length of service in amounts ranging between 10 and 24 days per year. City employees are allowed to carry over unused vacation earned. The maximum amount of time that can be carried over varies, depending on the employee's rate of accrual, with an upper limit of 400 hours for most employees. Employees are paid for unused vacation and certain benefits upon separation from employment.

In accordance with GAAP a liability for sick leave and benefits is accrued using the vesting method. The vesting method provides that a governmental entity estimates its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. Amounts of sick leave payments that are not expected to be liquidated with expendable available financial resources are reported in the Governmental Activities portion of the government-wide financial statements only. No expenditure is reported for these amounts in the governmental fund financial statements.

That portion of compensated absences that is unused reimbursable leave still outstanding following an employee's resignation or retirement at year end, is an expense and current liability to the respective fund(s) that an employee charges their time to.

The accrual for compensated absences comprised the following at June 30, 2024. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 20,664,568	\$ 7,691,320	\$ 28,355,888
Additions	2,686,089	1,270,655	3,956,744
Payments	(1,142,849)	(505,270)	(1,648,119)
Ending Balance	<u>\$ 22,207,808</u>	<u>\$ 8,456,705</u>	<u>\$ 30,664,513</u>
Current Portions	<u>\$ 1,517,925</u>	<u>\$ 578,025</u>	<u>\$ 2,095,950</u>

M. Risk Management

The City is self-insured up to \$3 million to provide general liability protection. In addition to the City's self-insurance, the City also maintains excess general liability with coverage up to \$50 million.

The City is also self-insured up to \$750,000 per claim for Workers' Compensation Claims. These self-insurance programs are administered by outside agencies. The City also maintains excess workers' compensation insurance for workers' compensation claims over \$750,000 per claim with coverage up to statutory limits with PRISM (formerly CSAC Excess Insurance Authority).

The City maintains property damage coverage through the Public Entity Property Insurance Program (APIP), which has a plan limit of \$1 billion. The City maintains boiler and machinery property coverage of \$100

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

million per occurrence in excess of self-insured amounts varying from \$25,000 to \$100,000 per occurrence. No claims settlement amount exceeded the City's insurance coverage in the past fiscal years.

The City also maintains a Faithful Performance, Crime Coverage Bond with a plan limit of \$20 million through PRISM.

The City also had property coverage specific to the electric power plants which has a plan limit of \$250 million.

N. Long-Term Obligations

Long-term obligations are reported in the Governmental Activities portion of the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Santa Clara, California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to and deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Accounting for Encumbrances

The City utilizes an encumbrance system of accounting wherein encumbrances outstanding at year end, for which the goods or services have not been received, are not reported as expenditures, but are reported as a component of the fund balance category available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The City Charter requires recording encumbrances as a charge against appropriations in the accounting period in which a purchase order is issued, rather than in the accounting period when goods or services are received.

Under the modified accrual basis of accounting, in accordance with GAAP, expenditures are recorded when the goods or services are received. Adjustments to convert expenditures from the modified accrual basis to the budgetary basis are reflected in the schedule of revenues, expenditures, and changes in fund balances - budget and actual (non-GAAP legal basis) (see Note 3 and Required Supplementary Information).

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category: deferred outflows related to the derivative instruments, refunding of debt, pension, and OPEB.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements the City reports deferred amounts related to derivative instruments, refunding of debt, leases and deferred amounts related to pension and OPEB.

R. Net Position and Fund Balance Equity

Fund balances and net position are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. For governmental fund reporting, the City considers restricted fund balance to have been spent first when an expenditure is incurred, followed by committed, assigned and unassigned fund balances (in order of spending). For government-wide reporting, the City considers restricted net position to have been spent first when an expenditure is incurred, followed by unrestricted net position.

S. Bond Discounts/Premiums

In governmental funds, bond discounts and premiums are recognized in the current period. Bond discounts and premium for proprietary funds and entity-wide financial statements are deferred and amortized over the term of the bonds using the straight-line method of accounting.

T. Property Taxes

The State of California Constitution Article XIII A provides that the combined maximum tax rate on any given property may not exceed 1% of its assessed value except for voter approved incremental property taxes adopted prior to the passage of Article XIII A and any additional amount for general obligation debt approved by voters subsequent to the passage of Article XIII A.

Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased by no more than 2% per year unless there is a new construction on the property or the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from the 1% tax levy among the counties, cities, school districts and other districts.

Santa Clara County (County) assesses properties and bills and collects property taxes on behalf of the City as follows:

	Secured	Unsecured
Valuation dates	January 1	January 1
Lien/levy dates	January 1	January 1
Due dates	50% on November 1, 50% on February 1	Upon receipt of billing
Delinquent as of	December 10 (for November), April 10 (for February)	August 31

The term "unsecured" refers to taxes on property not secured by liens on real property and generally includes business use personal property.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

The City participates in the Teeter Plan offered by the County whereby cities receive 100% of secured property tax levied in exchange for foregoing any interest and penalties collected on delinquent taxes.

Property taxes levied are recorded as revenue when received from the County. Property taxes expected to be collected within 60 days of the end of the fiscal year are recorded as revenue.

The City's net assessed valuation for the year ended June 30, 2024, was \$61 billion, an increase of 7.0% compared to the previous year. The average tax rate was 1.17% per \$100 of assessed valuation.

U. Contribution In-Lieu of Taxes

Contribution in lieu of taxes is a general revenue of the governmental funds. It is levied on receipts of the City-owned and operated Electric Utility (Silicon Valley Power) in accordance with the City Charter. Non-City owned and operated electric utilities pay a franchise fee, which is also a governmental activities general revenue source.

V. Special Assessment Districts with City Commitment

Recognition of revenue related to noncurrent receivables of special assessment district funds is deferred until such receivables become current. There is no reserve for delinquent receivables since liens exist against the related properties and hence the City's management believes the City will ultimately receive value equal to the delinquent receivables. Surplus fund balances remaining at the completion of a special assessment district project are disposed of in accordance with City Council resolutions and with the applicable assessment bond laws of the State of California.

W. Income Taxes

The City falls under the purview of Internal Revenue Code, Section 115 and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to federal or state income taxes.

X. Lease Agreements

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Lessee - The City is a lessee for noncancellable lease of equipment and buildings. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - The City is a lessor for noncancellable leases of land, building, and fiber optics. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. During the current fiscal year, the City has not engaged in any sublease transactions, sale-leaseback arrangements, or lease-leaseback agreements.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Y. Arbitrage Rebate Liability

Arbitrage rebate liabilities, if any, are included in accrued liabilities.

Z. Revenue Recognition

Electric, Water, Sewer and Solid Waste Fund revenues are recognized based on cycle billings periodically rendered to customers. Revenues for services provided, but not billed at the end of a fiscal year, are recognized and accrued based on estimated consumption.

Governmental Activities revenues subject to accrual include taxes, intergovernmental revenues, interest and charges for services.

AA. Non-exchange Transactions

The City gives or receives value without directly receiving or giving equal value in exchange, including grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

BB. Financial Instruments

Financial instruments included in the City's basic financial statements, excluding cash and investments, consisted of accounts receivable, accrued liabilities and bonds payable. The carrying amounts are a reasonable estimate of fair value.

CC. Conditional Grants

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and moderate-income housing. Certain of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City accounts for these loans as conditional grants in the City-wide financial statements, and provides a reserve against their eventual forgiveness using the straight-line method over the life of the respective loan. As of June 30, 2024, conditional grants of \$24,257,245 were offset by reserves of \$10,035,548.

DD. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 2 – FINANCIAL STATEMENT PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

EE. Vehicle Registration Fee

On November 2, 2010, Santa Clara County voters approved Measure B, which levies a \$10 annual vehicle registration fee (VRF). The statute requires that fees collected be used only to pay for programs and projects that have a relationship or benefit to the owners of motor vehicles paying the fee and are consistent with the regional transportation plan. All revenue collected by Santa Clara Valley Transportation Authority, administrator of VRF are allocated on a population basis to cities in Santa Clara County. The City has committed and used the revenue from Measure B towards various street maintenance and traffic signal timing upgrade projects. The Vehicle Registration Fees are reported in the Streets and Highways Improvement Capital Projects Fund.

As of June 30, 2024, the balance of the Vehicle Registration Fees are as follows:

	Vehicle Registration Fee
Beginning Balance July 1, 2023	\$ 3,498,667
Intergovernmental revenue	981,645
Interest	67,593
Expenditures	(1,011,440)
Ending Balance June 30, 2024	<u>\$ 3,536,465</u>

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

The budget of the City is a detailed operating plan that identifies estimated costs and activities in relation to estimated revenues. The budget includes: (1) the projects, services and activities to be provided during the fiscal year, (2) the estimated revenue available to finance the operating plan, and (3) the estimated spending requirements of the operating plan.

The budget process is the mechanism through which policy decisions are made, implemented and controlled. The City Charter requires that the City establish a budgetary system for general operations and prohibits expending funds for which there is no legal appropriation. The City is required to adopt a budget on or before June 30 for the ensuing fiscal year that begins July 1. Activities of the General Fund, the Santa Clara Housing Successor, and the Maintenance Special Revenue Funds are included in the annual appropriated operating budget. The procedures followed to establish the budgetary data reflected in the accompanying required supplementary information to the basic financial statements are as follows:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. This includes a Five-Year Financial Plan to aid in the planning and funding of operations and capital projects over the next five years.
2. Public hearings are conducted to obtain public comments.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (continued)

3. The operating and capital budgets are legally enacted through the passage of a minute order.

From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the applicable governmental funds. The City Council may amend the budget by motion during the fiscal year. The legal appropriation control is established at the department level in each fund. For select funds where expenditures are not allocated to a specific department, the appropriation control is established at the fund level. Transfers of funding between budgetary funds require City Council appropriation and approval. City Council approval is required for a budget amendment during the fiscal year which may include the use of reserves or fund balances, and approval of appropriations of grant monies. Per Article XIII, Section 1305 of the City Charter, appropriations lapse at the end of each fiscal year; therefore, unencumbered funds allocated for specific projects, donations, and grants require City Council appropriation for use in the following fiscal year.

Budgetary transfers between accounts or expenditure category may be done through Finance Department or City Manager's Office approval as long as they are conducted within the legal appropriation control limit set by the City Council.

Budget information is presented on a non-GAAP budgetary basis. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations and transfers during the year. Budget amounts in the schedules of revenues, expenditures and changes in fund balances-budget and actual, include supplemental appropriations approved by the City Council during the year.

For the actual GAAP basis financial statements, encumbered appropriations are not reported as expenditures, but are reported as a reservation of fund balance available for subsequent year expenditures, based on the encumbered appropriation authority carried over to the next fiscal year.

In addition to the annual Operating Budget, each year the City Council adopts a project length Capital Improvement Project budget biennially.

NOTE 4 – LEASE AGREEMENTS

In June 2017, the Government Accounting Standards Board (GASB) issued Statement No. 87, Leases. GASB Statement No. 87 (GASB 87) increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. GASB 87 replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset.

This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement were implemented during fiscal year 2021-22.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 – LEASE AGREEMENTS (continued)

The balances related to leases receivable and deferred inflows of resources as of June 30, 2024 are:

	Leases Receivable	Deferred Inflow of Resources
Governmental activities		
General Fund	\$ 251,591,700	\$ 245,748,566
Business-type activities		
Electric Utility	\$ 2,112,910	\$ 1,997,165
Water Utility	908,045	831,430
Sewer Utility	908,045	831,430
Stadium Authority (as of March 31, 2024)	594,217,262	578,569,323
	<u>\$ 598,146,262</u>	<u>\$ 582,229,348</u>
Total leases receivable	<u><u>\$ 849,737,962</u></u>	<u><u>\$ 827,977,914</u></u>

A discussion of the most significant leases follows:

A. Peddler's Plaza and Commerce Plaza Leases

During the current fiscal year, the City began leasing the two properties located at 1000 Lafayette Street, known as Peddler's Plaza, and 900 Lafayette Street, known as Commerce Plaza. In 1971, the City entered long-term ground leases which expired in September 2021 and April 2022 respectively. These two properties have been long discussed as integral components of a long-term vision for rebuilding downtown. The planning process on a specific plan for downtown is not complete and it will be several more years before any redevelopment of the properties could begin to occur. The two buildings are occupied, and it would be beneficial to the City if there is ongoing occupancy of the structures.

The City extended their respective current leases under generally the same terms for a limited period (up to two years) to allow time for the City and its new management company to transition into their new roles. The City recognized \$27,768 in lease revenue and \$16 in interest revenue for Peddler's Plaza, \$1,397,335 in lease revenue and \$2,198 in interest revenue for Commerce Plaza, during the current fiscal year related to these two leases.

Both leases expired in May 2024 and were not extended beyond twelve months. As of June 30, 2024, the City's receivable for lease payments and the deferred inflow of resources associated with leases are zero.

B. Irvine Company Ground Leases

Irvine Company Disposition and Development Agreement With Ground Lease (DDA) for Office Park Development

In April 2000, the former RDA entered into a Disposition and Development Agreement (DDA) with Ground Lease with The Irvine Company (Developer) for development of the site as an office/R&D complex. The DDA contemplated the former RDA obtaining title to the entire property from the City prior to entering into ground leases with the Developer. The site is subdivided into three parcels to accommodate the phased

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 – LEASE AGREEMENTS (continued)

development of the project. Only Parcel 2 was conveyed to the former RDA. Parcels 1 & 3 were always held by the City and not subject to terms of the subsequent RDA dissolution.

In March 2006, the DDA and the Ground Lease were amended to update the status of conditions precedent; amend the schedule of performance; and clarify terms and conditions relating to Parcel 1 and Parcel 3. In October 2012, the City entered into two ground leases with the Irvine Company for Parcels 1 and 3. The term of both leases is 80 years after the effective date of October 31, 2012, and therefore both leases shall expire on October 31, 2092. The rent commencement date is November 1, 2012. Under the terms of the leases the City will receive specified amounts for minimum rent subject to certain events or time periods and then inflationary adjustments at times specified in the leases. For the fiscal year ended June 30, 2024, the City recognized \$1,313,233 in lease revenue and \$2,106,631 in interest revenue for Parcel 1 and \$633,168 in lease revenue and \$1,015,700 in interest revenue for Parcel 3. As of June 30, 2024, the City's receivable for lease payments for Parcel 1 was \$91,882,951 and the balance of the deferred inflows of resources was \$89,737,617. The City's receivable for lease payments for Parcel 3 was \$44,300,828 and the balance of the deferred inflows of resources was \$43,266,468.

C. City Leases Pursuant to the Terms of the January 8, 2016 Settlement Agreement

On March 8, 2011, the City and the former RDA adopted resolutions authorizing the execution of property conveyance agreements for the conveyance of certain real property owned by the former RDA. The agreements conveyed the properties subject to existing leases to the City. Properties included California's Great America Theme Park, Techmart, Hyatt Regency, and Hilton Hotel.

The actions taken by the former RDA related to the asset transfers were validly authorized and conformed with the requirements of the Community Redevelopment Law as it existed at the time of the actions. Pursuant to ABx1 26, the Redevelopment Dissolution Law, the State Controller's Office is to review any asset transfers that occurred between a redevelopment agency and any other public agency after January 1, 2011 and if the assets have not been contractually committed to a third party and to the extent allowed by state and federal law, the Controller, after completing its review is to order the return of the assets to the Successor Agency. The Successor Agency received a Controller's order on September 10, 2013 ordering the City to transfer the assets back to the Successor Agency. The validity of that order was the subject of litigation in Sacramento Superior Court (Sharma vs. City of Santa Clara). Additionally, on July 26, 2013, the Court granted the County of Santa Clara, the Santa Clara Unified School District, and the Santa Clara County Office of Education (Petitioners) motion for a preliminary injunction (temporary restraining order), restricting the City from selling, transferring, encumbering, spending, or otherwise depleting or wasting any real property interests received from the former RDA.

On January 8, 2016 the City executed a Settlement Agreement in Sharma vs the City of Santa Clara. This Settlement Agreement calls for the City to return to the Successor Agency certain properties that the former Redevelopment Agency transferred to the City prior to dissolution. The properties returned are as follows: The Great America Theme Park Property, the Hilton Hotel Property, the North/South Parking Lots, the Gateway Parcel 2 Property, the Hyatt Hotel Property, The Techmart Property, and the Martinson Childcare Center Property. The Settlement Agreement requires the City to forego the long-term lease revenues generated by the properties. Lease revenues collected from July 1, 2012 to June 30, 2016 have been passed on to the Successor Agency. Additional information concerning the Settlement Agreement can be found in Note 22.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 – LEASE AGREEMENTS (continued)

The Settlement Agreement provides clarity that the City retains title to the main parking lot property for the Great America Theme Park and the Hyatt Hotel Ballroom Space. The agreement provides that rental income from these properties beginning July 1, 2015 is the property of the City.

California's Great America Theme Park Parking Lot Lease

The City and Cedar Fair entered into various agreements to operate and manage the theme park. As agreed in the Settlement Agreement, the Great America Theme Park Main Parking Lot is and always has been owned by the City and the City is entitled to any lease revenues generated from the Main Parking Lot after June 30, 2015. Pursuant to the Fourth Amendment of the ground lease, the City allows Cedar Fair to use certain City property adjacent to the Theme Park property for parking. Under the terms of the amended Ground Lease, Cedar Fair pays the City annually for use of such property for parking. For the fiscal year ended June 30, 2024, the City recognized \$107,932 in lease revenue and \$6,001 in interest revenue. As of June 30, 2024, the City's receivable for lease payments was \$473,257 and the balance of the deferred inflows of resources was \$494,691.

Hyatt Ballroom Lease Agreement

In April 1985, the former RDA entered into various agreements for the development of a certain piece of land for the eventual operation of a high quality hotel and related facilities, including a ballroom. The resulting lease agreement pertaining to the City owned ballrooms for an initial term of 50 years. The Lessee has options to renew the lease for four additional periods of ten years each and one additional period of nine years. In 2013, Hyatt Equities, LLC. sold its interest to Inland American Lodging Acquisitions, Inc., the terms and conditions of the lease agreements remain in effect.

The minimum rent of the Ballroom lease is adjusted every three years according to the April 1985 agreement. Due to the COVID-19 impacts, the City agreed to waive and abate the ballroom lease from March 1, 2020 to October 1, 2021. For the fiscal year ended June 30, 2024, the City recognized \$327,695 in lease revenue and \$88,691 in interest revenue. As of June 30, 2024, the City's receivable for lease payments was \$3,739,402 and the balance of the deferred inflows of resources was \$3,550,031.

D. North South Parking Lot Lease

On May 22, 2018, the City Council authorized the City Manager to make an offer to purchase the Successor Agency owned North South Parcel and further authorized the execution of a Purchase and Sale Agreement for the property. The transfer of the property was settled on July 24, 2018. As part of the acquisition, the City accepted and assumed all of the duties, obligations, liabilities, commitments and covenants of Successor Agency accruing from and after the settlement date with respect to or arising under the lease with Cedar Fair.

For the fiscal year ended June 30, 2024, the City recognized \$26,174 in lease revenue and \$5,003 in interest revenue. As of June 30, 2024, the City's receivable for lease payments was \$436,607 and the balance of the deferred inflows of resources was \$434,054.

E. Related Santa Clara Ground Lease

The City and Related Santa Clara, LLC, a Delaware limited liability company, entered into the certain Disposition and Development Agreement (City Place Santa Clara) on August 12, 2016. The duly adopted Development Agreement requires the City to convey the Property by lease in accordance with the DDA. In December 2022, the City entered into three ground leases with the Related Santa Clara for Phase 1-A, Phase

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 – LEASE AGREEMENTS (continued)

1-B, and Phase 1-C. The term of the three leases is 99 years after the effective date of January 1, 2023. The rent commencement date was on December 20, 2022. Under the terms of the lease, the City will receive specified amounts for minimum rent subject to certain events or time periods and then inflationary adjustments at times specified in the leases. For the fiscal year ended June 30, 2024, the City recognized \$432,590 in lease revenue and \$1,871,363 in interest revenue for Phase 1-A, recognized \$380,247 in lease revenue and \$1,644,931 in interest revenue for Phase 1-B, recognized \$173,693 in lease revenue and \$751,388 in interest revenue for Phase 1-C. As of June 30, 2024, the City's receivable for lease payments was \$42,785,031 and the balance of the deferred inflows of resources was \$42,163,552 for Phase 1-A, the lease receivable \$37,608,110 and the balance of the deferred inflows of resources was \$37,061,830 for Phase 1-B, the lease receivable \$17,179,016 and the balance of the deferred inflows of resources was \$16,929,480 for Phase 1-C.

F. Future Lease Payments

As of June 30, 2024, the City's receivable for future lease payments to maturity for the leasing assets to other entities with the funds in which payments will be received are as follows:

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 4 – LEASE AGREEMENTS (continued)

	Governmental Activities		Business-Type Activities (excluding Santa Clara Stadium Authority)	
For the Year Ending June 30	Principal	Interest	Principal ⁽¹⁾	Interest
2025	\$ 1,635,317	\$ 4,270,218	\$ 325,595	\$ 94,605
2026	1,693,898	4,257,475	342,725	86,924
2027	1,754,666	4,427,307	343,940	79,061
2028	1,808,507	4,428,058	356,180	71,459
2029	1,761,411	4,410,016	374,801	63,300
2030-2034	9,866,117	23,513,808	1,000,952	217,567
2035-2039	10,144,323	23,984,081	1,122,709	89,445
2040-2044	9,823,424	26,452,489	62,098	296
2045-2049	7,258,765	30,533,165	-	-
2050-2054	7,757,603	33,158,032	-	-
2055-2059	8,693,749	36,472,461	-	-
2060-2064	9,737,690	40,419,958	-	-
2065-2069	10,919,096	45,261,627	-	-
2070-2074	12,236,867	50,225,267	-	-
2075-2079	13,713,698	57,578,988	-	-
2080-2084	15,366,846	64,433,349	-	-
2085-2089	17,224,481	73,814,801	-	-
2090-2094	12,623,086	84,281,008	-	-
2095-2099	-	98,027,203	-	-
2100-2104	-	115,096,629	-	-
2105-2109	-	134,664,798	-	-
2110-2114	-	158,113,909	-	-
2115-2119	1,659,699	183,335,968	-	-
2120-2124	95,912,457	5,382,069	-	-
	<u>\$ 251,591,700</u>	<u>\$ 1,306,542,684</u>	<u>\$ 3,929,000</u>	<u>\$ 702,657</u>

(1) Please refer to Santa Clara Stadium Authority 's separately issued Financial Statement Note 2k for the principal outstanding for Stadium Authority.

NOTE 5 - ENTERPRISE FUND MANAGEMENT AGREEMENTS

A. Santa Clara Convention Center

During fiscal year 2018-19, the City performed a competitive bidding process to select a new management company for the Convention Center. On March 12, 2019, the City Council approved a resolution to enter into

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 5 – ENTERPRISE FUND MANAGEMENT AGREEMENTS (continued)

a new agreement with Global Spectrum, LP, doing business as Spectra Venue Management (Spectra), to manage and operate the Convention Center effective March 18, 2019. The initial term of this agreement began on March 18, 2019 and runs through June 30, 2024 with the option to extend the agreement for two subsequent terms of five (5) years by serving notice to Spectra no later than 180 days from the expiration of the term period. Under the terms of this agreement, Spectra will receive an annual base management fee for its' operation of the Convention Center and an additional management fee if certain performance measures are met. For fiscal year ended June 30, 2024, the City paid Spectra \$171,494 in management fees.

In May 2019, the City issued a request for proposal (RFP) to select a qualified company to provide Food and Beverage Operations for the Convention Center. The City entered into an agreement with Levy Premium Foodservice Limited Partnership (Levy) on November 1, 2019 to manage the foodservice operations at the Convention Center. The initial term of this agreement began on November 1, 2019 and expires on June 30, 2025. Upon expiration of the initial term, the City has the option to extend this agreement for two subsequent terms of five (5) years each by serving notice to Levy no later than 180 calendar days from expiration of term period. Under the terms of this agreement, Levy will receive management fees equal to 4.5% of gross receipts plus an additional fee of 8% of net receipts. For the fiscal year ended June 30, 2024, the City paid Levy \$341,586 in fees.

In accordance with the November 1, 2019 executed agreement, Levy agreed to pay the City \$5,750,000 consisting of \$5,000,000 for an Operations Investment to be used for pre-opening expenses and other improvements to the foodservice facilities at the Convention Center, and a \$750,000 Community Enrichment Investment to be spent on programs that drive community enrichment, develop local partnerships and promote economic development of the City. Both of these are amortized on a straight-line basis over 15 years. In the event that this agreement terminates for any reason prior to full amortization of the investment funds, the City is obligated to reimburse Levy for the unamortized amount.

NOTE 6 – SANTA CLARA STADIUM AUTHORITY

A. Credit Agreements

The Restated Credit Agreement dated as of June 19, 2013 was entered into by and among Stadium Funding Trust (FinanceCo), SCSA, and Goldman Sachs Bank. Under the Restated Credit Agreement, FinanceCo issued private placement notes and obtained a loan from a consortium of lenders and will loan SCSA up to \$450 million and StadCo up to \$400 million. Additionally, SCSA and Forty Niners SC Stadium Company LLC (StadCo) entered into the Restated StadCo Obligations Agreement on June 19, 2013 under which StadCo will loan up to \$500 Million to SCSA to pay costs associated with the development of Levi's Stadium.

B. Management Agreement

The Stadium Management Agreement dated as of March 28, 2012 was entered into by and among the SCSA, Forty Niners Stadium Management Company LLC (ManagementCo), and StadCo. The SCSA and StadCo selected ManagementCo to provide management services for the Stadium on each entity's behalf on a continual, year-round basis, including overseeing the day-to-day operations and maintenance of the Stadium. The Stadium Management Agreement has an initial term of 25 years, plus a 15-year renewal option.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

The Stadium Management Agreement also authorizes ManagementCo to pay for services related to the Stadium operations on behalf of the SCSA. For the year ended March 31, 2024, ManagementCo charged the SCSA \$8.6 million in Shared Expenses, and \$8.5 million in Other Operating and Management Expenses.

C. Ground Lease

On February 28, 2012, the SCSA entered into a lease (the Ground Lease) with the City whereby the City leases the Stadium site to the SCSA. The Ground Lease was amended on June 19, 2013.

The Ground Lease has an initial term of 40 years. The first lease year commenced on the first day following the substantial completion of construction (August 1, 2014) and ended on the next following March 31st. The subsequent lease years will start on April 1st and end on the following March 31st. The SCSA will have five successive extension options, each four years in duration, which would commence following the initial term expiration date.

The Ground Lease provides that the City will receive a fixed ground rent (Fixed Ground Rent) of \$180 thousand for the first year of Stadium operations payable by the SCSA. Beginning in the second year of Stadium operations and annually thereafter through the tenth year of Stadium operations, the Fixed Ground Rent will increase annually by \$35 thousand. Beginning in the 11th year of Stadium operations, Fixed Ground Rent will be increased to equal \$1 million, and thereafter will be increased by \$100 thousand every five years through the end of the initial term of the Ground Lease. If the term of the Ground Lease is extended, then, during the first extension term, the Fixed Ground Rent will equal \$1.58 million; and if and to the extent the Ground Lease is further extended, the Fixed Ground Rent will be increased by \$80 thousand every four years thereafter through the expiration of the term of the Ground Lease. The SCSA paid the City \$495 thousand in ground rent in fiscal year ended March 31, 2024.

The Ground Lease also provides that the City will receive a performance-based rent equal to 50% of the net income from non-NFL events, less certain credits including 50% of the Fixed Ground Rent, payable by the SCSA. If certain of the credits are not used within the year incurred or the next five succeeding years, the credits will expire. The SCSA reported a net Non-NFL event profit of \$8.8 million and \$8.3 million for fiscal year ended March 31, 2023 and 2024, which triggers the performance-based rent. However, in the prior fiscal year the Stadium Authority did not pay the City any performance-based rent because there remained disputes and pending arbitration with StadCo as to potential credits that needed to be deducted from a performance-based rent amount due public safety costs in excess of a disputed threshold. The 2024 Settlement Agreement will resolve those disputes. The \$7.3 million in performance-based rent due to the City for both fiscal years were accrued in fiscal year ended March 31, 2024. However, the payment to the City will not occur until the Final Effective Date of the 2024 Settlement Agreement. More details on the litigation are included in Note 20E.

The following schedule summarizes the minimum future payments due under this lease:

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

Fiscal Year Ending March 31	Ground Lease Amount
2024	\$ 1,000,000
2025	1,000,000
2026	1,000,000
2027	1,000,000
2028	1,000,000
Thereafter	32,500,000
Total	<u>\$ 37,500,000</u>

D. Stadium Lease

On March 28, 2012, the SCSA entered into a lease with StadCo whereby the SCSA leases the Stadium to StadCo. On June 19, 2013, the same parties entered into an Amended and Restated Stadium Lease Agreement (the Stadium Lease).

The Stadium Lease has an initial term of 40 years commencing on the first day following the substantial completion of construction (August 1, 2014) and includes five successive options to extend the term by four years each. The Stadium Lease is divided into two seasons:

- the Tenant Season, which includes the NFL season (including preseason, regular season and postseason NFL games) and runs from August 1 through January 31; and
- the SCSA Season, which runs from February 1 through July 31.

Pursuant to the Stadium Lease, the SCSA and StadCo will be entitled to receive and collect separate revenues. Initially, rent payable by StadCo to the SCSA was \$24.5 million per year. This amount was established pursuant to the Stadium Lease in connection with the take-out financing, which occurred on June 19, 2013. The Stadium Lease allowed for one opportunity to adjust the rent if operating or debt service expenses are either more or less than projected in determining the initial rent. Based on the changes to the projected operating and debt service expenses, the provisions for a one-time rent adjustment were triggered. At the SCSA Board (Board) meeting held on March 22, 2016, the Board decided not to adjust the rent, and instead passed a motion to pursue the informal dispute resolution procedures and to proceed to the arbitration process if necessary. Thereafter, on May 3, 2016 StadCo filed for arbitration with the SCSA.

On June 18, 2018, the arbitrator entered an Arbitration Award in favor of the SCSA and against StadCo. This award adjusted the facility rent from \$24.5 million to \$24.76 million, an increase of \$262 thousand. This increase is retroactive to the first lease year resulting in a total amount owed to the SCSA of \$1.31 million for the first five lease years, through March 31, 2020. In addition to the adjustment to the facility rent, the SCSA was entitled to reimbursement of its legal fees, determined by the arbitrator to be \$2.28 million. The lease also provides for a fair market rent adjustment in year 33.

The SCSA received \$24.8 million in stadium rent from StadCo for the fiscal years ended March 31, 2024.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

The SCSA may elect to expand the Tenant Season to consist of the entire lease year, from April 1 through the next succeeding March 31 (Stadium Authority Put Right), by delivering written notice to StadCo. The SCSA Put Right may be exercised at any time during lease year 13, or at any time that the Management Company Revolving Loan balance exceeds \$20 million. The expansion of the Tenant Season will be effective as of the applicable Tenant Season Expansion Date as set forth in the Stadium Lease. Effective from and after the Tenant Season Expansion Date, and continuing through the remainder of the Stadium Lease term, the Tenant Season will consist of the entire lease year. Refer to the Stadium Authority Financial Statements, Note 10.

E. Prior Year Correction

During the financial reporting process for March 31, 2024, the Stadium Authority reviewed the accounting and reporting for the GASB 87, Leases, implementation for the ground lease and the stadium lease as of April 1, 2022 and identified errors related to the accumulated deferred rent liability and interest expense and interest revenue calculations as of March 31, 2023. The Stadium Authority determined these to be immaterial corrections of prior year errors and has revised the March 31, 2023 applicable accounts. The beginning net position for fiscal year 2023-24 was increased by \$8.7 million from \$111.5 million to \$120.3 million.

The statement of net position for fiscal year 2022-23 was adjusted as follows:

	FY 2023 previously reported	GASB 87 restatement	FY 2023 restated
Current assets:			
Accounts receivable	\$ 18,994,260	\$ 1,100,694	\$ 20,094,954
Total change in assets		<u>\$ 1,100,694</u>	
Current liabilities:			
Accrued liabilities	\$ 1,852,581	\$ (495,000)	1,357,581
Noncurrent liabilities:			
Long-term accrued liabilities	7,149,723	(7,149,723)	-
Total change in liabilities		<u>\$ (7,644,723)</u>	
Net position:			
Unrestricted deficit	(412,098,738)	8,745,417	(403,353,321)
Total changes in liabilities and net position		<u>1,100,694</u>	

The statement of revenues, expenses and changes in net position for fiscal year 2022-23 was adjusted as follows:

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

	FY 2023 previously reported	GASB 87 restatement	FY 2023 restated
Operating revenues:			
Rents, royalties and licesing	\$ 38,532,268	\$ (460,000)	\$ 38,072,268
Operating expenses:			
Materials, services, and supplies	<u>2,751,739</u>	<u>(979,044)</u>	<u>1,772,695</u>
Total change in operating income		<u>519,044</u>	
Nonoperating revenues (expenses):			
Interest revenue	<u>18,178,056</u>	<u>581,650</u>	<u>18,759,706</u>
Total change in net position		<u>1,100,694</u>	
Net position - beginning of period	<u>80,721,961</u>	<u>7,644,723</u>	<u>88,366,684</u>
Net position - end of period	<u>\$ 111,520,156</u>	<u>8,745,417</u>	<u>120,265,573</u>

F. Ground Lease Restatement

The SCSA implemented GASB 87, *Leases*, during the year ended March 31, 2023. The SCSA is a lessee for the Ground Lease with the City and is required to recognize the lease liability and intangible right-to-use lease asset in the statement of net position in its financial statements. For the year ended March 31, 2024, the SCSA recognized \$29.3 million in lease liability, \$27.1 million in intangible right-to-use lease asset and \$774 thousand in interest payable in the statement of net position, and \$495 thousand in leases expenses, \$798 thousand in depreciation expense and \$652 thousand in interest expense in the statements of revenues, expenses, and change in net position for the Ground Lease. The GASB 87 reporting requirement for the Ground Lease does not apply at the Citywide financial statements level. As a result, SCSA Enterprise Fund has been restated in the proprietary major fund statements. The right-to-use lease asset, lease liability and interest payable related to the Ground Lease were eliminated in statement of net position and the net impact in the unrestricted net position is \$3.0 million. The related lease revenue, depreciation expense and interest expense were also eliminated in the statements of revenues, expenses, and change in net position and the net impact in net position is \$955 thousand.

G. Subsequent Event

On May 23, 2024, the Stadium Authority, the City, StadCo, and ManagementCo entered into the 2024 Settlement Agreement that resolved pending arbitration and disputes regarding the complementary SBL buffet costs and NFL public safety cost arbitration, as well as other miscellaneous terms and matters. The 2024 Settlement Agreement includes amendments to the Ground Lease and Stadium Lease. Those lease amendments, which have already been signed and approved by Stadium Authority Board, City Council, StadCo, and ManagementCo, need to be approved by the NFL and the Lenders. Once the NFL and Lenders approve the lease amendments, the 2024 Settlement Agreement will have a Final Effective Date, and the settlement terms can be implemented. To date, the NFL has approved the lease amendments. As part of the settlement, the Stadium Authority agreed to recognize the \$902 thousand complimentary SBL buffet expense for fiscal year 2021-22 and \$14.7 million of NFL public safety costs over the threshold for fiscal years 2017-18 through 2023-24. The settlement of the NFL public safety cost disputes will also allow for the payment of

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 6 – SANTA CLARA STADIUM AUTHORITY (continued)

the performance-based rent from the Stadium Authority to the City in the amount of \$7.3 million for fiscal years 2022-23 and 2023-24 after the Final Effective Date of the 2024 Settlement Agreements.

NOTE 7 – CASH AND INVESTMENTS

A. Pooled Cash and Investments

The City pools cash from all sources and all funds except restricted cash and investments with fiscal agent. Allocable portions of the pooled portfolio for each fund type are reported under the captions “Pooled cash and investments” and “Restricted Cash”. Interest income earned on pooled cash and investments is allocated to various funds based on average cash balances of each fund unless there are specific legal or contractual requirements to do otherwise.

Total cash and investments of the City was \$1,383.3 million as of June 30, 2024. This amount includes the City’s pooled cash and cash investments of \$1,335.6 million, and cash and investments with fiscal agents of \$47.7 million.

Of the City's total cash and investments, the following shows the allocation as presented on the accompanying statements of net position:

Statement of Net Position	
Pooled cash and investments	\$ 1,197,588,786
Investments with fiscal agent - current	32,555,629
Restricted cash	126,058,194
Deposits	9,449,807
Investments with fiscal agent - noncurrent	12,281,776
Fiduciary Funds	
Pooled cash and investments	2,501,360
Investments with fiscal agent - current	2,902,022
Total Cash and Investments	<u><u>\$ 1,383,337,574</u></u>

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

The City’s cash and investments balances in Governmental Funds, Enterprise Funds, Internal Service Funds, Private Purpose Trust, and Fiduciary Funds were as follows:

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
Pooled cash and investments	\$ 358,495,510	\$ 787,298,523	\$ 51,794,753	\$ 2,501,360	\$ 1,200,090,146
Investments with fiscal agent - current	48,901	32,506,728	-	-	32,555,629
Restricted cash	31,763,107	94,295,087	-	-	126,058,194
Investments with fiscal agent - noncurrent	719,134	11,562,642	-	2,902,022	15,183,798
Deposits	-	9,449,807	-	-	9,449,807
Total cash and investments	<u>\$ 391,026,652</u>	<u>\$ 935,112,787</u>	<u>\$ 51,794,753</u>	<u>\$ 5,403,382</u>	<u>\$ 1,383,337,574</u>

B. Investments Authorized by the California Government Code and the City’s Investment Policy

The City’s investment strategy is to invest cash not required for current obligations in U.S. government securities, federal government agency securities, highly rated money market instruments and other investments in accordance with the City’s investment policy for a maximum term of five years for the General Fund portfolio. The City Council has authorized the purchase of securities with maturities greater than five years, specifically for the Electric Cost Reduction Account. This strategy allows the City to minimize its exposure to credit, market, and liquidity risk while maintaining a reasonable return on its portfolio.

The City’s investment policy, in compliance with the City of Santa Clara Charter, Article IX, Section 904 (d) and (h), and the California Government Code authorizes the City to invest in securities that are consistent with the City’s cash management strategy and long-term goals and objectives. The City is authorized to invest in the following types of instruments, and the table also identifies certain provisions of the California Government Code, or the City’s investment policy where it is more restrictive:

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	7 years	N/A	100%	100%
U.S. Agency Securities ^(A)	7 years	Top three ratings categories	80% ^(B)	40%
Negotiable Certificates of Deposit	5 years	A / A-1	30%	5%
Bankers Acceptances	180 days	N/A	25%	5%
Commercial Paper	270 days	A / A-1	25%	5% ^(C)
California Local Agency Investment Fund Repurchase Agreements	N/A	N/A	None	\$75M Per A/C
Reverse Repurchase Agreements	60 days	N/A	50%	20%
(requires City Council approval)	92 days	N/A	20%	10%
Municipal Obligations	7 years	A	20%	5%
Medium Term Corporate Notes	5 years	A/A-	25%	5% ^(C)
Mutual Funds / Money Market Funds	N/A	Top rating category	20%	10%
Joint Powers Authority Investment Pools	N/A	N/A	100%	100%
Supranational Obligations	5 years	AA	20%	10%
Asset-Backed Securities	5 years	AA	10%	5%
Non-Negotiable Certificates of Deposit	5 years	N/A	10%	5%
Mortgage-Backed Securities and Collateralized Mortgage Obligations	6-12 years ^(D)	AA	15%	5%

(A) Securities issued by the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC), local agencies and other U.S. government -sponsored enterprises.

(B) Callable securities are limited to 30% of the portfolio.

(C) No more than 10% of the outstanding commercial paper and medium term corporate notes of any single issuer.

(D) Maximum Weighted Average Life with Current Public Securities Association Assumptions =12 years at time of purchase for Mortgage-Backed Securities (MBS) and 6 years at time of purchase for collateralized mortgage obligations (CMO). Maximum Final Maturity for MBS's and CMOs = 30 years with balloon payments.

C. Investments with Fiscal Agents

The City invests bond proceeds restricted for construction in instruments that are stated in the Investment Policy and in various return-guaranteed investment agreements. These investments are invested in accordance

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

with bond indentures and the maturities of each investment should not exceed the final maturity of each bond. Bond proceeds investments are reported monthly to the City Council.

The City also maintains required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code 53601 (L) allows these funds to be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, other agreements, or certificates of participation in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

Electric Reserve Fund bond proceeds restricted for construction projects are invested and held by the trustee as fiscal agent investments. All funds have been invested as permitted under the Code. These investments are usually scheduled to mature when cash is needed to fulfill the requirements of the underlying bond and trust agreements.

The City also invests funds in the Bentzien Trust in accordance with the investment policy of the Trust that allows investment in cash and short-term investments (up to 20%), fixed income investments including U.S. Government, U.S. Government Agency, Asset and Mortgage Backed securities, debt issued by U.S. Corporations and fixed income mutual funds (30% to 60% of portfolio's aggregate fair value), and equity securities or mutual funds (40% to 70% of portfolio's aggregate fair value). Investments in U.S. Corporate debt shall be limited to an amount per issuer not to exceed 10% of the aggregate fair value of the portfolio, and upon initial purchase by the Adviser, must be of investment grade as rated by Moody's and/or Standard and Poor's rating services. The maximum maturity of an individual bond shall not exceed fifteen years and the average maturity shall not exceed ten years. Individual equity purchases shall have an equivalent securities rating of B- or better. Individual equity purchases shall not exceed five percent of the portfolio's aggregate fair value.

D. Pension Rate Stabilization Program

In February 2017, the City Council approved a Pension Rate Stabilization Program, (PRSP) Trust administered by Public Agency Retirement Services (PARS). The PRSP is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Pension Rate Stabilization Program (PRSP) are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with the Public Agency Retirement Services (PARS), rather than the general provisions of the California Government code or the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio' risk tolerance. The assets in this program will eventually be used to fund Pension Plan obligations.

E. Interest Rate, Credit Risks and Fair Value Measurement

Interest rate risk is the risk that an investment's value will be adversely affected by a change in interest rates. In general, the longer the time to maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To reduce interest rate risk, the City diversifies the portfolio into a wide range of investments with different maturities, and maintains a reasonable average maturity of less than three years. This approach significantly mitigates adverse market volatility and maximizes returns.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

The average maturity of the City's pooled investment portfolio at June 30, 2024 was approximately 2.13 years and the City has the ability to and generally intends to hold all investments to maturity. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided in the investment table that shows the distribution of the City's investments by maturity.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the actual rating as of June 30, 2024 for each investment type:

Type of Investment	Credit Rating	Maturity						Fair Value
		Under 180	181 - 365	1 - 3	3 - 5	Over 5		
		Days	Days	Years	Years	Years		
Cash and Investments - City Treasury:								
Cash	N/A	\$ 124,819,760	\$ -	\$ -	\$ -	\$ -	\$ 124,819,760	
US Treasury Notes	Aaa	17,541,803	14,942,542	161,806,789	293,388,379	-	487,679,513	
Federal Farm Credit Bank	Aaa	4,935,600	26,352,674	9,534,000	-	-	40,822,274	
Federal Home Loan Bank	Aaa	4,940,800	-	-	-	-	4,940,800	
Federal National Mortgage Association	Aaa	-	17,002,650	1,752,585	-	-	18,755,235	
Federal Home Loan Mortgage Corporation	Aaa	-	4,884,950	13,820,277	4,223,733	-	22,928,960	
Federal Home Loan Mortgage Corporation Mortgage-Backed Securities	Aaa	-	-	23,290,112	35,235,371	-	58,525,483	
Corporate Notes	Aaa	-	4,917,900	9,720,871	-	-	14,638,771	
Corporate Notes	Aa	-	15,467,849	29,524,919	3,259,824	-	48,252,592	
Corporate Notes	A	-	31,768,585	49,614,792	48,872,169	-	130,255,546	
Corporate Notes	BBB+ ^(A)	-	2,502,118	-	-	-	2,502,118	
Asset-Backed Securities	Aaa	-	-	11,958,835	51,598,372	-	63,557,207	
Certificates of Deposit	A & A+	7,269,709	-	7,574,175	-	-	14,843,884	
Money Market Funds (CAMP Pool)	AAAm	201,720,060	-	-	-	-	201,720,060	
Money Market Funds (CAMP Term)	AAAf	40,000,000	-	-	-	-	40,000,000	
Principal Public Deposit Sweep Program	Not Rated	211,384	-	-	-	-	211,384	
State Investment Pool (LAIF)	Not Rated	5,934,524	-	-	-	-	5,934,524	
Total Cash and Investments - City Treasury		407,373,640	117,839,268	318,597,355	436,577,848	-	1,280,388,111	
Cash and Investments - Other:								
Cash (Debt Fund)	N/A	6,414,375	-	-	-	-	6,414,375	
Cash (Pension Rate Stabilization Investment)	N/A	12,006	-	-	-	-	12,006	
U.S. Treasury Notes (Bentzien Trust)	Aaa	34,867	-	-	49,434	147,467	231,768	
Federal Home Loan Bank (Bentzien Trust)	Aaa	-	49,030	69,597	98,140	137,907	354,674	
Municipal Notes (Bentzien Trust)	Aaa	-	-	73,207	-	74,436	147,643	
Municipal Notes (Bentzien Trust)	Aa	49,925	-	36,252	31,893	69,497	187,567	
Municipal Notes (Bentzien Trust)	A	-	-	46,944	-	-	46,944	
Municipal Notes (Bentzien Trust)	BBB	-	-	9,009	-	-	9,009	
Corporate Notes (Bentzien Trust)	A	-	-	-	58,726	-	58,726	
Corporate Notes (Bentzien Trust)	BBB	34,971	-	34,367	35,309	-	104,647	
Corporate Stock (Bentzien Trust)	A & B	991,804	-	-	-	-	991,804	
Corporate Stock (Bentzien Trust)	C	7,360	-	-	-	-	7,360	

(continued)

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

Type of Investment	Credit Rating	Maturity					Fair Value
		Under 180 Days	181 - 365 Days	1 - 3 Years	3 - 5 Years	Over 5 Years	
Cash and Investments - Other: (continued)							
Mutual Fund - Dreyfus Money Market (Bond Proceeds)	Aaam	2,349,205	-	-	-	-	2,349,205
Mutual Fund - Blackrock Money Market (Debt Fund)	Aaam	768,035	-	-	-	-	768,035
Mutual Fund - JP Morgan Mutual Fund (Debt Fund)	Aaam	10,182,510	-	-	-	-	10,182,510
Mutual Fund - Money Market Funds (Debt Fund)	Aaam	26,407	-	-	-	-	26,407
Mutual Fund - International Equities (Bentzien Trust)	Not Rated	175,252	-	-	-	-	175,252
Mutual Fund - Fixed Income (Bentzien Trust)	Not Rated	637,559	-	-	-	-	637,559
Mutual Fund - Equities (Bentzien Trust)	Not Rated	158,612	-	-	-	-	158,612
Exchange Traded Funds (Bentzien Trust)	Not Rated	27,345	-	-	-	-	27,345
Mutual Fund- Money Market (Bentzien Trust)	Not Rated	337,527	-	-	-	-	337,527
Mutual Fund - Fidelity Treasury (SCSA Debt Fund)	Not Rated	11,536,236	-	-	-	-	11,536,236
Morgan Stanley Institutional Liquidity Treasury Securities (SCSA Debt Fund)	Not Rated	15,909,843	-	-	-	-	15,909,843
Pension Rate Stabilization Investment (Cash Equivalents))	Not Rated	1,764,531	-	-	-	-	1,764,531
Pension Rate Stabilization Investment (Mutual Funds-Equity)	Not Rated	12,902,121	-	-	-	-	12,902,121
Pension Rate Stabilization Investment (Mutual Funds-Fixed Income)	Not Rated	28,138,512	-	-	-	-	28,138,512
Real Estate Investment Trust (Bentzien Trust)	B++	19,438	-	-	-	-	19,438
Collateral Obligations (ADM & CAISO)	Not Rated ^(B)	9,449,807	-	-	-	-	9,449,807
Total Cash and Investments - Other		101,928,248	49,030	269,376	273,502	429,307	102,949,463
Total Cash and Investments		\$ 509,301,888	\$ 117,888,298	\$ 318,866,731	\$ 436,851,350	\$ 429,307	\$ 1,383,337,574

Note:

(A) The investment in the corporate notes were rated A+ and in compliance with the City's investment policy when purchased.

(B) Investments are not rated by S&P, but are rated by Moody's and Fitch, and have ratings in compliance with the City's investment policy.

The City accounts for investments in accordance with GAAP, which requires governmental entities to report certain investments at fair value based on quoted market information obtained from recognized sources. The City has reported its investments at fair value with the exception of its share of external investment pools and mutual funds, the carrying value of which approximates fair value. In determining the change in fair value of its investments, the City used an aggregate method of calculation.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation input used to measure the fair value of asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

	Fair Value Measurements Using			
	Investments and Derivative Instruments Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Exempt ⁽¹⁾
	6/30/2024	Level 1	Level 2	
Investments by Fair Value Level				
Short Term Investments				
U.S. Treasury Notes	\$ 487,679,513	\$ 487,679,513	\$ -	\$ -
Federal Farm Credit Bank	40,822,274	-	40,822,274	-
Federal Home Loan Bank	4,940,800	-	4,940,800	-
Federal National Mortgage Association	18,755,235	-	18,755,235	-
Federal Home Loan Mortgage Corporation	22,928,960	-	22,928,960	-
Federal Home Loan Mortgage Corporation Mortgage-Backed Securities	58,525,483	-	58,525,483	-
Corporate notes	195,649,027	-	195,649,027	-
Asset-Backed Securities	63,557,207	-	63,557,207	-
Certificates of Deposit	14,843,884	-	14,843,884	-
Money Market Funds (CAMP Pool)	201,720,060	-	-	201,720,060
Money Market Funds (CAMP Term)	40,000,000	-	-	40,000,000
Principal Public Deposit Sweep Program	211,384	-	-	211,384
Total Short Term Investments	1,149,633,827	487,679,513	420,022,870	241,931,444
Debt Securities and Other				
U.S. Treasury Notes (Bentzien Trust)	231,768	231,768	-	-
Federal Home Loan Bank (Bentzien Trust)	354,674	-	354,674	-
Municipal Notes (Bentzien Trust)	147,643	-	147,643	-
Municipal Notes (Bentzien Trust)	187,567	-	187,567	-
Municipal Notes (Bentzien Trust)	46,944	-	46,944	-
Municipal Notes (Bentzien Trust)	9,009	-	9,009	-
Corporate Notes (Bentzien Trust)	58,726	-	58,726	-
Corporate Notes (Bentzien Trust)	104,647	-	104,647	-
Mutual Fund - Dreyfus Money Market (Bond Proceeds)	2,349,205	-	-	2,349,205
Mutual Fund - Blackrock Money Market (Debt Fund)	768,035	-	-	768,035
Mutual Fund - JP Morgan Money Market Funds (Debt Fund)	10,182,510	-	-	10,182,510
Mutual Fund - Money Market Funds (Debt Fund)	26,407	-	-	26,407
				(continued)

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

	Fair Value Measurements Using			
	Investments and Derivative Instruments Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Exempt ⁽¹⁾
	6/30/2024	Level 1	Level 2	
Debt Securities and Other (continued)				
Mutual Fund - International Equities (Bentzien Trust)	175,252	175,252	-	-
Mutual Fund - Fixed Income (Bentzien Trust)	637,559	-	637,559	-
Mutual Fund - Equities (Bentzien Trust)	158,612	-	158,612	-
Mutual Fund- Money Market (Bentzien Trust)	337,527	-	-	337,527
Mutual Fund - Fidelity Treasury (SCSA Debt Fund)	11,536,236	-	-	11,536,236
Morgan Stanley Institutional Liquidity Treasury Securities (SCSA Debt Fund)	15,909,843	-	-	15,909,843
Pension Rate Stabilization Investment (Cash and Equivalents)	1,764,531	1,764,531	-	-
Pension Rate Stabilization Investment (Mutual Funds-Equity)	12,902,121	12,902,121	-	-
Pension Rate Stabilization Investment (Mutual Funds-Fixed Income)	28,138,512	28,138,512	-	-
Collateral Obligations (ADM & CAISO)	9,449,807	-	-	9,449,807
Total Debt Securities and Other	95,477,135	43,212,184	1,705,381	50,559,570
Equity Securities				
Corporate Stock (Bentzien Trust)	991,804	991,804	-	-
Corporate Stock (Bentzien Trust)	7,360	7,360	-	-
Exchange Traded Funds (Bentzien Trust)	27,345	27,345	-	-
Real Estate Investment Trust (Bentzien Trust)	19,438	19,438	-	-
Total Equity Securities	1,045,947	1,045,947	-	-
Total Investment by Fair Value Level	1,246,156,909	531,937,644	421,728,251	292,491,014
Investments Measured at fair value but not subject to fair value hierarchy:				
State Investment Pool (LAIF)	5,934,524	-	-	5,934,524
Total Investments	1,252,091,433	\$ 531,937,644	\$ 421,728,251	\$ 298,425,538
Cash in Banks	131,246,141			
Total Cash and Investments	<u>\$ 1,383,337,574</u>			
Investments Derivative Instruments				
Open contract power trading - Current Assets	\$ 673,783		673,783	
Open contract power trading - Current Liabilities	(7,708)		(7,708)	
Open contract gas trading - Current Assets	6,446,180		6,446,180	
Open contract gas trading - Non-current Assets	4,867,018		4,867,018	
Total Investment Derivative Instruments	<u>\$ 11,979,273</u>		<u>\$ 11,979,273</u>	

(1) Accounts in exempt column are Mutual Fund-Money Market, Collateral Obligations, CAMP investments and Deposit Sweep Program which are exempt from the fair value hierarchy, or reported at amortized cost.

The City utilizes a third party pricing service to determine fair market prices for its individually held investments. Evaluations are based on market information available at the time and generated using proprietary evaluated pricing models and methodologies.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

Bentzien Trust investment in stocks and U.S. Treasuries are valued using prices quoted in active markets for those securities. All other Bentzien Trust debt securities are valued using a Market Approach methodology by Standard & Poor's Securities Evaluation Inc. The Market Approach uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities or a group of assets and liabilities.

Level 1 investments are valued using a marketable actively traded assets closing price for identical assets. Level 2 investments are determined by using quoted prices for similar assets.

F. Concentration of Credit Risk

None of the investments in the securities of any individual issuers is greater than 5% of total Citywide investments.

G. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the City's cash on deposit. All of the City's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's Investment Policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City, including collateral for repurchase agreements, be conducted on a delivery-versus-payment basis. Securities are to be held by a third-party custodian.

H. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments that are highly sensitive to interest rate fluctuations to a greater degree than already disclosed in the Interest Rate Risk Section above.

I. Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF's investment portfolio mainly consists of Treasuries, loans, Federal Agency securities, and collateralized mortgage obligations. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to one time deposit with no cap and are set up with a monthly draw down schedule. The carrying value of LAIF approximates fair value.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 7 – CASH AND INVESTMENTS (continued)

J. California Asset Management Program

The City, as a CAMP shareholder, participates in both the CAMP Pool Portfolio and the CAMP Term Portfolio. The CAMP Pool is fully liquid, stable net asset value (NAV) investment option with a competitive yield, while the CAMP Term is a fixed-rate, fixed term investment option that offers securities with maturities ranging from 60 days to one year. Investment principal and interest in the CAMP Term account are paid at maturity, with an automatic sweep into the CAMP Pool account. The CAMP Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant NAV per share of \$1.00. The CAMP Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions. The CAMP Term investments are based on a pool of open-market securities similar to those in the CAMP Pool. The investments are matched to the amount invested and maturities selected by the Shareholder.

The City may withdraw all or any portion of the funds in the CAMP Pool account at any time by redeeming shares. The City may withdraw all or a portion of the funds in the CAMP Term account in \$10,000 increments prior to maturity, but there is a premature redemption penalty.

The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal. At June 30, 2024, the fair value approximated the City's cost. At June 30, 2024, the CAMP Pool investments had an average maturity of 38 days.

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES

A. Interfund Transfers

With Council approval, resources may be transferred from one City fund to another.

Transfers between funds during the fiscal year ended June 30, 2024 were as follows:

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES (continued)

Fund Receiving Transfers	Fund Making Transfers	Amount	
General Fund	Non-Major Governmental	\$ 2,069,172	A
	Internal Service Funds	442,638	B
	Electric Utility	349,749	C
Non-Major Governmental	General Fund	16,597,660	D
	Cemetery	822	E
	Sewer Utility	108,795	E
	Solid Waste	26,621	E
	Water Utility	484,215	E
	Electric Utility	1,363,648	E
	Non-Major Governmental	12,304,080	F
Internal Service Funds	General Fund	3,736,900	G
	Electric Utility	1,172,505	H
	Water Recycling Utility	9,140	I
	Water Utility	36,560	I
Cemetery	General Fund	796,000	J
Electric Utility	Water Utility	311,500	K
	Non-Major Governmental	65,000	K
Sewer Utility	Internal Service Funds	113,266	L
Solid Waste	General Fund	35,364	M
Water Utility	Sewer Utility	50,000	N
	Water Recycling Utility	168,118	N
Santa Clara Open Space Authority	General Fund	16,500	O
Total Interfund Transfers		<u>\$ 40,258,253</u>	

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES (continued)

The reasons for material transfers are set forth below:

- (A) Transfer Storm Drain Customer service Fee from Storm Drain Capital Improvement Fund to cover the storm drain maintenance and return of the savings from capital project and special revenue funds.
- (B) Return the savings from electric vehicle purchase in the Automotive Service fund and CIP Management Service Fee fund.
- (C) Transfer to general fund for the positions to support Electric Utility operation.
- (D) Transfer to fund various capital projects, maintenance district and to pay the debt.
- (E) Transfer to fund their respective share of financial, human resources software, utility billing, and other projects.
- (F) Transfer from Special Revenue fund to fund various street related and affordable housing related projects.
- (G) Transfer to acquire Citywide communication equipments and the replacement of ambulances for Fire department.
- (H) Transfer from electric Greenhouse Gas program to fund the vehicle revolving fund on the electric vehicle purchases.
- (I) Transfer to Automotive Services for replacement of utility crew trucks.
- (J) Transfer to Cemetery fund to subsidize the cemetery operation.
- (K) Transfer fund to the Electric Utility fiber project for the utility yard building and water ground improvement project.
- (L) Returning the savings from CIP Management Service Fee fund to the original funding source.
- (M) Transfer to Solid Waste to subsidize the rate assistance program.
- (N) Transfer to update the City's Water Supply Master Plan.
- (O) Transfer to Santa Clara Open Space Authority for the annual audit expenditures.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 8 – INTERFUND TRANSACTIONS AND BALANCES (continued)

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of interfund balances as of June 30, 2024.

Receivable Fund	Payable Fund	Amount
General Fund	Santa Clara Stadium Authority	\$ 223,091
	Receivable by Governmental Funds	223,091
Electric Utility	Internal Service Funds	4,017,195
Water Utility	Internal Service Funds	1,621,839
Sewer Utility	Internal Service Funds	1,126,387
Cemetery	Internal Service Funds	265,923
	Receivable by Enterprise Funds	7,031,344
Internal Service Funds	Internal Service Funds	41,213
	Receivable by Internal Service Funds	41,213
	Total	\$ 7,295,648

Note: The City uses due to/due from as a balancing mechanism in funds with negative cash balances.

C. Internal Balances

Internal balances represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental, successor agency and business-type activities. The negative \$250,038 net internal balance in the Statement of Net Position is due to the different fiscal year end dates between the City and the Santa Clara Stadium Authority (refer to Note 1D for more information).

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 9 – CAPITAL ASSETS

A. Capital Assets Summary

Capital Assets at June 30, 2024 are comprised of:

	Balance June 30, 2023	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2024
<i>Governmental Activities</i>					
Non Depreciable Assets:					
Land	\$ 124,518,835	\$ 5,400,270	\$ -	\$ -	\$ 129,919,105
Construction in progress	39,004,798	28,612,245	-	(8,979,387)	58,637,656
Total Non Depreciable Assets	163,523,633	34,012,515	-	(8,979,387)	188,556,761
Capital assets being depreciated:					
Land improvements	60,216,892	-	-	222,929	60,439,821
Buildings	217,442,023	-	-	-	217,442,023
Infrastructure	633,178,793	4,060,170	-	8,577,639	645,816,602
Machinery & equipment	87,265,574	4,091,704	(1,868,353)	178,819	89,667,744
Right-to-use leased equipment	676,479	-	-	-	676,479
Right-to-use subscription based IT arrangement	10,598,994	2,078,197	-	-	12,677,191
Total Capital assets being depreciated	1,009,378,755	10,230,071	(1,868,353)	8,979,387	1,026,719,860
Less accumulated depreciation for:					
Land improvements	(21,162,146)	(2,694,466)	-	-	(23,856,612)
Buildings	(82,478,453)	(4,234,694)	-	-	(86,713,147)
Infrastructure	(345,369,268)	(14,982,507)	-	-	(360,351,775)
Machinery & equipment	(69,701,701)	(3,471,490)	1,835,455	-	(71,337,736)
Right-to-use leased equipment	(424,872)	(212,435)	-	-	(637,307)
Right-to-use subscription based IT arrangement	(1,652,970)	(1,788,393)	-	-	(3,441,363)
Total accumulated depreciation	(520,789,410)	(27,383,985)	1,835,455	-	(546,337,940)
Net Depreciable Assets	488,589,345	(17,153,914)	(32,898)	8,979,387	480,381,920
Governmental Activity Net Capital Assets	\$ 652,112,978	\$ 16,858,601	\$ (32,898)	\$ -	\$ 668,938,681

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 9 – CAPITAL ASSETS (continued)

	Balance June 30, 2023	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2024
<i>Business-Type Activities</i>					
Non Depreciable Assets:					
Land	\$ 18,851,211	\$ -	\$ -	\$ -	\$ 18,851,211
Construction in progress	74,309,714	77,772,913	(4,922,358)	(54,518,606)	92,641,663
Total Non Depreciable Assets	93,160,925	77,772,913	(4,922,358)	(54,518,606)	111,492,874
Capital Assets being depreciated:					
Land Improvements	102,407	-	-	-	102,407
Buildings	918,503,578	3,963,548	-	-	922,467,126
Infrastructure	1,262,015,271	-	-	54,518,606	1,316,533,877
Machinery & equipment	28,405,915	1,643,239	(192,786)	-	29,856,368
Right-to-use leased equipment	2,916,623	-	-	-	2,916,623
Right-to-use Subscription based IT arrangement	3,108,024	729,014	-	-	3,837,038
Total Capital Assets being depreciated	2,215,051,818	6,335,801	(192,786)	54,518,606	2,275,713,439
Less accumulated depreciation for:					
Land Improvements	(82,267)	(2,571)	-	-	(84,838)
Buildings & improvements	(212,257,184)	(18,203,742)	-	-	(230,460,926)
Infrastructure	(603,912,806)	(29,686,319)	-	-	(633,599,125)
Machinery & equipment	(20,462,344)	(1,769,467)	192,786	-	(22,039,025)
Right-to-use leased equipment	(1,346,134)	(673,066)	-	-	(2,019,200)
Right-to-use Subscription based IT arrangement	(378,485)	(485,566)	-	-	(864,051)
Total accumulated depreciation	(838,439,220)	(50,820,731)	192,786	-	(889,067,165)
Net Depreciable Assets	1,376,612,598	(44,484,930)	-	54,518,606	1,386,646,274
Enterprise Activity Net Capital Assets	\$ 1,469,773,523	\$ 33,287,983	\$ (4,922,358)	\$ -	\$ 1,498,139,148

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 9 – CAPITAL ASSETS (continued)

B. Construction in Progress Summary

Construction in Progress for governmental activities as of June 30, 2024 consisted of the following projects:

<u>Governmental Projects</u>	<u>Authorized</u>	<u>Expended</u>	<u>Future Commitments</u>
Transportation Improvements	\$ 59,082,010	\$ 25,447,373	\$ 33,634,637
Parks and Recreation Improvements	27,863,854	19,797,751	8,066,103
City Building Improvements	23,996,321	13,392,532	10,603,789
Total	<u>\$ 110,942,185</u>	<u>\$ 58,637,656</u>	<u>\$ 52,304,529</u>

Construction in Progress for business-type activities as of June 30, 2024 consisted of the following:

<u>Enterprise Fund Projects</u>	<u>Authorized</u>	<u>Expended</u>	<u>Future Commitments</u>
Electric Projects	\$ 258,682,442	\$ 86,463,324	\$ 172,219,118
Water and Sewer Projects	6,972,068	532,368	6,439,700
Stadium Authority Projects	18,963,984	4,202,330	14,761,654
Santa Clara Convention Center Projects	3,166,791	1,443,641	1,723,150
Total	<u>\$ 287,785,285</u>	<u>\$ 92,641,663</u>	<u>\$ 195,143,622</u>

Details of these projects are available from the City on request.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets including the right-to-use leased assets. The amounts allocated to each function or program are as follows:

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 9- CAPITAL ASSETS (continued)

Governmental Activities:

General Administration	\$ 2,315,688
Finance	4,587
Public Works	15,531,219
Parks and Recreation	3,385,410
Public Safety	
Police	997,425
Fire	516,172
Planning and Inspection	4,316
Library	1,441,968
	<u>24,196,785</u>

Capital assets held by the City's Internal Service

Funds are charged to the various functions based on their usage of the assets	<u>3,187,200</u>
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Total Governmental Activities	<u><u>\$ 27,383,985</u></u>
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Business-Type Activities:

Utility Funds:

Electric Utility	\$ 28,480,948
Water Utility	1,927,329
Sewer Utility	1,382,392
Water Recycling Utility	25,141
Solid Waste	4,308
Cemetery	6,287
Santa Clara Convention Center	1,556,039
Santa Clara Stadium Authority	17,438,287
Total Business-Type Activities	<u><u>\$ 50,820,731</u></u>

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS

A. Summary of Long-Term Obligations

Type of Indebtedness	Issue Date	Final Maturity	Interest rate
Governmental Activity Debt:			
General Long-Term Debt:			
General obligation bonds			
2013 Refunding Certificates of Participation	3/28/2013	2/1/2032	2%-3.75%
Unamortized Premium/Discount			
Subtotal Government Activity Debt			
Business-Type Activity Debt:			
Electric Utility:			
2018 Series A Revenue Bonds	12/18/2018	7/1/2027	5.00%
Unamortized Premium/Discount			
Santa Clara Stadium Authority ⁽²⁾ :			
Term A loan	6/19/2013	4/1/2039	5.00%
Subtotal Business Activity Debt-Bonds and Loan			
Direct borrowing:			
Electric Utility:			
2020-1 Series Revenue Bonds	4/10/2020	7/1/2032	1.36%
2020-2 Series Revenue Bonds	4/10/2020	7/1/2028	1.02%
2020-3 Series Revenue Bonds	4/10/2020	7/1/2024	0.58%
Sewer Utility:			
2016 Trimble Road Loan	3/8/2016	2/1/2031	2.14%
2020 Sewer Installment Sale Agreement	6/11/2020	7/1/2024	Variable
2023 Wastewater Revenue Certificates of Participation	10/3/2023	2/1/2049	4.25%-5%
Unamortized Premium/Discount			
Santa Clara Stadium Authority ⁽²⁾ :			
StadCo CFD Advance ⁽¹⁾	4/1/2013	12/31/2054	5.73%
Subtotal Business Activity Debt from Direct Borrowing			
Subtotal Enterprise Activity Debt			
Total Long-Term Debt Obligations			

(1) Payments are made as the Mello-Roos tax is collected and transmitted to the Community Facilities District (CFD) by the hotels in the District.

(2) Stadium Authority's long-term obligations are based on a March 31 fiscal year end. (see Note 1D)

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Authorized	Outstanding as of June 30, 2023	Additions, Transfers, and Amort. of Discounts	Debt Retired / Defeased	Outstanding as of June 30, 2024	Current Portion
\$ 18,540,000	\$ 10,085,000	\$ -	\$ 1,030,000	\$ 9,055,000	\$ 1,085,000
	475,097	(54,297)	-	420,800	-
18,540,000	10,560,097	(54,297)	1,030,000	9,475,800	1,085,000
48,800,000	30,215,000	-	5,440,000	24,775,000	5,795,000
	3,012,932	(753,233)	-	2,259,699	-
282,794,108	215,415,240	-	15,459,000	199,956,240	7,299,896
331,594,108	248,643,172	(753,233)	20,899,000	226,990,939	13,094,896
52,985,000	52,985,000	-	-	52,985,000	-
34,315,000	34,315,000	-	5,755,000	28,560,000	5,695,000
16,720,000	7,915,000	-	3,945,000	3,970,000	3,970,000
12,000,000	6,859,162	-	794,893	6,064,269	811,995
50,000,000	20,000,000	-	20,000,000	-	-
34,585,000	-	34,585,000	-	34,585,000	735,000
1,390,789	-	1,367,609	-	1,367,609	-
38,000,000	29,859,497	-	1,147,911	28,711,586	-
239,995,789	151,933,659	35,952,609	31,642,804	156,243,464	11,211,995
571,589,897	400,576,831	35,199,376	52,541,804	383,234,403	24,306,891
\$ 590,129,897	\$ 411,136,928	\$ 35,145,079	\$ 53,571,804	\$ 392,710,203	\$ 25,391,891

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

B. City's Long-term Obligations

2013 Central Park Library Refunding Certificates of Participation (2013 COPs)

On March 28, 2013, the PFFC issued \$18.54 million to provide funds to refund outstanding 2002A COPs. The 2013 COPs mature annually beginning February 1, 2014 through February 1, 2032 and bear coupon rates ranging from 2% to 3.75%. Debt Service is secured by lease payments to be made by the City to the PFFC for use of the library. The PFFC assigns the lease payments to the certificate owners.

In the event of default there is no remedy of acceleration of the total lease payments nor the maturities of the Certificates. The City will be liable only for the lease payments on an annual basis, and in the event of default, the trustee would be required to seek a separate judgement each year for that year's defaulted lease payments.

Compliance

Various debt agreements governing the City's bonds contain a number of covenants, including continuing disclosure requirements. The City is in compliance with these specific covenants and all other material covenants governing the particular bond issues. No event of default, as defined in the bond indentures, has occurred or is occurring.

Various debt agreements governing the Enterprise Funds' revenue bonds contain a number of covenants, including those that require the City to maintain and preserve the respective enterprise in good repair and working order, to maintain certain levels of insurance and to fix and collect rates, fees and charges so as to maintain certain debt coverage ratios. The City is in compliance with these specific covenants and all other material covenants governing the particular revenue bond issues. No event of default as defined in the bond indentures has occurred or is occurring.

C. Enterprise Funds

Electric Utility

Electric Revenue Refunding Bonds, Series 2018A

On December 18, 2018, SVP issued \$48.8 million of Electric Revenue Refunding Bonds, Series 2018A (Electric 2018A Bonds) to refinance \$54.58 million outstanding principal amount of Variable Rate Demand Electric Revenue Refunding Bonds, Series 2008B and terminate a related swap agreement. The Electric 2018A Bonds bear 5% coupon rate, mature annually beginning on July 1, 2019 through July 1, 2027, and were sold at an All-In True Interest Cost of 2.32%. Debt service on the Electric 2018A Bonds is secured by a pledge of net revenues of SVP.

In the event of default, the City will transfer to the trustee all adjusted net revenues held by it and received thereafter and the Trustee will disburse all adjusted net revenues and any other funds then held or thereafter received by the trustee under the provisions of indenture. In the case of default, the trustee will be entitled to declare the bond obligation of all bonds then outstanding to be due and payable immediately.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Subordinate Electric Revenue Refunding Bonds, Series 2020-1

The City Council determined that it was in the best interests of the City to enter into a credit facility with a bank for the purpose of refunding all of the outstanding Electric 2011A Bonds; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the Bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

On April 10, 2020, the City entered into a loan agreement with Bank of America, N.A., (the “Loan Agreement”) and issued \$52.985 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-1 (Electric 2020-1 Bonds) to refinance \$54.830 million outstanding principal amount of Electric Series 2011A Bonds under a Taxable to Tax-Exempt Conversion structure. The Electric 2020-1 Bonds were originally issued as taxable bonds with coupon rates of 1.74% and were converted to a tax-exempt rate of 1.36% per annum effective April 2, 2021. The Electric 2020-1 Bonds mature annually beginning on July 1, 2028 through July 1, 2032 and were sold at a true interest cost of 1.43% with an average coupon rate of 1.40%. Debt service on the Electric 2020-1 Bonds is secured by a pledge of Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

Subordinate Electric Revenue Refunding Bonds, Series 2020-2

The City Council determined that it was in the best interests of the City to enter into a credit facility with a bank for the purpose of refunding a portion of the outstanding Electric 2013A Bonds; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the Bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

On April 10, 2020, the City entered into a loan agreement with Bank of America, N.A. and issued \$34.315 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-2 (Electric 2020-2 Bonds) to refinance \$30.725 million of the callable portion of the outstanding Electric Revenue Refunding Bonds, Series 2013 A. The Electric 2020-2 Bonds bear 1.31% coupon rates, mature annually beginning on July 1, 2023 through July 1, 2028, and were sold at a true interest cost of 1.21% with an average coupon rate of 1.15%. Electric 2020-2 Bonds were priced at taxable rates and were converted to tax-exempt basis on December 28, 2022, which now bear 1.02% coupon rates. Debt service on the Electric 2020-2 Bonds is secured by a pledge of Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

Subordinate Electric Revenue Refunding Bonds, Series 2020-3

The City Council determined that it was in the best interests of the City to enter into a credit facility with a bank for the purpose of refunding of the outstanding Electric Series 2014; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the Bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

On April 10, 2020, the City issued \$16.720 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-3 (Electric 2020-3 Bonds) to refinance \$19.413 million outstanding principal amount of Subordinated Electric Revenue Bonds, Series 2014. The Electric 2020-3 Bonds bear 0.58% coupon rates, mature annually beginning on July 1, 2020 through July 1, 2024, and were sold at a true interest cost of 0.70%. Debt service on the Electric 2020-3 Bonds is secured by a pledge of Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

In the event of default under the loan agreement for the 2020-1 bonds, 2020-2 bonds or 2020-3 bonds (including a failure by the City to pay principal or interest on the related bonds, a failure by the City to perform or observe its covenants, a default in other specified indebtedness or obligations of the City, certain acts of bankruptcy or insolvency, or other specified events of default), the Bank has the right, upon written notice to the City, to accelerate and declare the City's obligation to repay the related bonds and all other obligations of the City to the Bank under such loan agreement to be immediately due and payable.

Pledges of Future Electric Revenues

The pledge of future Electric Fund revenues ends upon repayment of all outstanding principal on bonds and loans, which is scheduled to occur in fiscal year 2032-33. For fiscal year 2023-24, Electric Fund revenues, including operating revenues and non-operating interest earnings, amounted to \$635.0 million and operating costs including operating expenses, but not interest, depreciation or amortization whole amounted to \$518.5 million. Net revenues available for debt service amounted to \$116.5 million which represented a coverage ratio of 6.69 on the \$17.4 million of debt service.

Subsequent Event

On October 23, 2024, City issued \$112,175,000 of Electric Revenue Bonds, Series 2024 A (Electric 2024A Bonds) to provide funding for several of its capital projects in the System Expansion Plan. These projects include Kifer Receiving Station (KRS) rebuild, Scott Receiving Station (SRS) rebuild, and Northern Receiving Station (NRS) upgrades and expansion. The Electric 2024A Bonds mature annually beginning on July 1, 2025 through July 1, 2044 and bear a coupon rate of 5%, with optional redemption for bonds with maturities after July 1, 2035. Debt service on the Electric 2024A Bonds is secured by a pledge of net revenues of SVP.

Sewer Utility

Installment Sale Agreement, Series 2016

On March 8, 2016, the City entered into an Installment Sale Agreement with the PFFC in order to provide funds for the Trimble Road Trunk Sanitary Sewer Improvement Project (the "Project"). The PFFC entered into a separate Assignment Agreement with the DNT Asset Trust, a wholly owned subsidiary of JP Morgan Chase National Association (the "Agreement"), to assign its rights under the Installment Sale Agreement to DNT Asset Trust. The Agreement, in the amount of \$12,000,000, carries an interest rate of 2.14% and the final payment is due February 1, 2031. Installment payments on the Agreement are secured by a pledge of net revenues of the Wastewater System.

In the event of default there is no remedy of acceleration of the total installment payments. The City will be liable only for the installment payments as they become due during the terms of the agreement. There are no significant finance-related consequences for termination.

Installment Sale Agreement, Series 2020

On June 11, 2020, the City entered into an Installment Sale Agreement (the "ISA") with the PFFC to provide funds for the San Jose/Santa Clara Regional Wastewater Facility Project (the "Project"). The PFFC entered into a separate Assignment Agreement with JPMorgan Chase Bank, N.A. (the "Assignment Agreement"), to assign its rights under the ISA to JPMorgan Chase Bank, N.A. The ISA in the amount of \$50,000,000 carries a variable rate of interest equal to 80% of 1-month LIBOR (reset daily), plus .95% per annum. The City may

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

draw on the Installment Sale Agreement as necessary with an initial \$20,000,000 drawn on the date of closing. Interest is due each January 1 and July 1, commencing January 1, 2021. Principal on outstanding advances was due on or before July 1, 2024. In addition, the PFFC shall pay an undrawn fee on any amount not yet drawn at a rate of .325% per annum on each interest payment date. Installment payments on the Agreement are secured by a pledge of net revenues of the Wastewater System on a subordinate basis to the Trimble Road Installment Payments.

In the event of default there is no remedy of acceleration of the total installment payments. The City will be liable only for the installment payments as they become due during the terms of the agreement. There are no significant finance-related consequences for termination.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this statement is to address accounting and financial reporting implication that results from the replacement of an IBOR. The City amended the ISA with JPMorgan Chase Bank, N.A. which replaced LIBOR with SOFR (Secured Overnight Financing Rate administered by the New York Federal Reserve Bank) as the benchmark. Effective April 2023, interest expense for the drawn amount is calculated using a variable rate of interest equal to 80% of 1-month adjusted SOFR (SOFR plus adjustment of .10% per annum) plus .95% per annum. The City fully refunded this loan in October 2023 with proceeds from the Wastewater Revenue Certificates of Participation, Series 2023.

Wastewater Revenue Certificates of Participation, Series 2023

On October 24, 2023, the PFFC issued \$34.59 million of Wastewater Revenue Certificates of Participation (2023 Wastewater COPs) to refund \$20.0 million outstanding Series 2020 ISA and fund an additional \$15.0 million of improvements for the San Jose/Santa Clara Regional Wastewater Facility Project (Project). The 2023 Wastewater COPs mature annually beginning February 1, 2025, through February 1, 2049 and bear coupon rates ranging from 4.25% to 5.00%. Debt Service is secured by a pledge of net revenues of the Wastewater System in installment payments to be made by the City to the PFFC for use of the Project. The PFFC assigns the lease payments to the certificate owners. This new issuance is on a parity with the obligations of the Series 2016 Trimble Road ISA.

Pledges of Future Sewer Revenues

The pledge of future Sewer Fund revenues ends upon repayment of all outstanding principal on bonds and loans, which is scheduled to occur in fiscal year 2048-49. For fiscal year 2023-24, Sewer Fund revenues, including operating revenues and non-operating interest earnings, amounted to \$50.0 million and operating costs including operating expenses, but not interest, depreciation or amortization whole amounted to \$32.1 million. Net revenues available for debt service amounted to \$17.9 million which represented a coverage ratio of 9.9 on the \$1.8 million of debt service.

Santa Clara Stadium Authority

Stadium Funding Trust Loan

The Restated Credit Agreement by and among FinanceCo, the SCSA and Goldman Sachs Bank was entered into on June 19, 2013. FinanceCo agreed to loan the SCSA up to \$450 million. Under the Restated Credit Agreement, the loan from FinanceCo consists of the Term A Loan and the Term B Loan. On March 31, 2016, the SCSA paid the remaining amount due on the Term B Loan.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Term A Loan

The Term A Loan was made in the amount of \$282.79 million. This loan bears interest at a fixed rate of 5.00%, payable semi-annually, with annual principal payments due beginning in April 2018. The Term A Loan has a maturity date of April 1, 2039 and is subject to certain prepayment premiums. The loan was fully drawn at closing. As of March 31, 2024, \$200.0 million was outstanding. Debt service on this loan is secured by a pledge of available SBL revenues of SCSA.

In the event of default under the loan agreement, FinanceCo has the right, upon written notice to the SCSA, to accelerate and declare the SCSA's obligation to repay the related loan to FinanceCo to be immediately due and payable.

StadCo CFD Advance

In May of 2010, the City of Santa Clara completed the proceedings to establish a Community Facilities District (CFD) for the purpose of financing certain publicly owned facilities and public services associated with Levi's Stadium.

On June 11, 2013, the CFD, the SCSA, and StadCo entered into a Reimbursement Agreement under which the CFD would agree to reimburse the SCSA for costs of certain publicly owned facilities and public services constructed for Levi's Stadium. The reimbursement can only be made from a special tax generated by the CFD, as and when received by the CFD.

StadCo has agreed to advance to the SCSA funds to pay for the CFD Infrastructure (StadCo CFD Advance). To evidence the SCSA's obligation to repay the StadCo CFD Advance, the SCSA and StadCo also executed a note on June 11, 2013. The StadCo CFD Advance has a maximum principal of \$38 million and an interest rate of 5.73%.

During the year ended March 31, 2024, as the special CFD tax was submitted to the SCSA, a number of payments were made on the StadCo CFD Advance. These payments were made mid-way through each quarter. The interest that accrued between the last StadCo CFD Advance payment and the end of the year is added to principal. These payments totaled \$1.7 million in interest and \$1.2 million in principal. As of March 31, 2024, \$28.7 million was outstanding.

StadCo Subordinated Loan

The Restated StadCo Obligations Agreement dated as of June 19, 2013 was entered into by and between StadCo and the Stadium Authority as part of the take out financing process. Under the Restated StadCo Obligations Agreement, StadCo will loan the Stadium Authority an amount not to exceed \$500 million with a fixed 5.50% interest rate. Required principal repayments started in March 2016 and the Stadium Authority may prepay the loan at any time. Debt service on this loan is secured by a pledge of available Stadium Authority revenues on a basis subordinate to outstanding senior loans, if any. As of March 31, 2024, there was no balance outstanding.

In the event of default under the loan agreement, StadCo has the right, upon written notice to the Stadium Authority, to accelerate and declare the Stadium Authority's obligation to repay the related loan to StadCo to be immediately due and payable.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Management Company Revolving Loan

The Management Company Revolving Loan dated as of March 28, 2012 was entered into by and between the Stadium Authority and ManagementCo. The Management Company Revolving Loan provides borrowing to the Stadium Authority in an amount not to exceed \$25 million through the earlier of the end of the term of the Stadium Lease or the expiration of the Stadium Management Agreement, with interest at the prime rate payable quarterly. The Management Company Revolving Loan may be used solely for the purpose of enabling the Stadium Authority to pay Covered Stadium Authority Operating Expenses (as defined in the agreement) to the extent, and only to the extent, that funds are not otherwise available. As of March 31, 2024, there was no balance outstanding.

Pledges of Future Stadium Revenues

The pledges of future revenues ends upon repayment of the \$200.0 million in outstanding principal on the Term A which is scheduled to occur in fiscal year 2039-40. For fiscal year 2023-24, revenues including operating revenues and nonoperating interest earnings amounted to \$99.9 million and operating costs including operating expenses, but not interest, depreciation, or amortization amounted to \$61.4 million. Net revenues available for debt service amounted to \$38.5 million, which represented a coverage ratio of 5.27 on the \$7.3 million of debt service.

D. Derivative Instruments

Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow hedge on the statement of net position. For the reporting period, all of SVP's derivatives meet the hedge effectiveness tests defined by GAAP.

Notional Amounts and Fair Values- SVP Future Derivative Instruments

SVP maintains a Market Risk Management Policy, which among other things, sets forth the guidelines for the purchase and sale of certain financial instruments defined as hedge instruments in support of market power purchase and sales transactions. The primary goal of these guidelines is to provide a framework for the operation of an energy price hedging program to better manage SVP's risk exposure in order to stabilize pricing and hedges costs for the benefit of SVP and its customers.

Consistent with hedge accounting treatment meeting effectiveness tests, changes in fair value are reported as deferred flows of resources on the statement of net position until the contract expiration that occurs in conjunction with the hedged expected energy purchase/sales transaction. When hedging contracts expire, at the time the purchase/sales transactions occur, the deferred balance is recorded as a component of Purchased Power. For energy derivatives, fair values are estimated by comparing contract prices to forward market prices quoted by third party market participants.

SVP had the following future derivative instruments outstanding at June 30, 2024 with Archer Daniels Midland Company to hedge cash flows on sales of excess resources in CAISO market in June and purchase of power from CAISO in the future months.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Notional Amount (MWh)		Effective Date	Maturity Date	Average Price	Fair Value		Change in Fair Value	
Long	Short				Classification	Amount	Classification	Amount
24,960		7/1/2023	7/31/2024	\$62.02	Derivative Instrument	\$ 144,019	Deferred inflow	\$ 144,019
25,920		8/1/2023	8/31/2024	67.70	Derivative Instrument	296,784	Deferred inflow	296,784
23,040		9/1/2023	9/30/2024	60.75	Derivative Instrument	103,680	Deferred inflow	103,680
16,400		6/1/2023	7/31/2024	47.28	Derivative Instrument	(7,708)	Deferred outflow	(7,708)
15,600		7/1/2023	8/31/2024	49.90	Derivative Instrument	33,540	Deferred inflow	33,540
16,800		8/1/2023	9/30/2024	53.45	Derivative Instrument	95,760	Deferred inflow	95,760
						<u>\$ 666,075</u>		<u>\$ 666,075</u>

Notional Amount (MMBtu)		Effective Date	Maturity Date	Average Price	Fair Value		Change in Fair Value	
Long	Short				Classification	Amount	Classification	Amount
2,590,000		7/1/2020	12/31/2025	\$2.42	Derivative Instrument	\$ 2,314,545	Deferred inflow	\$ 2,314,545
5,180,000		1/1/2022	12/31/2025	2.64	Derivative Instrument	3,489,490	Deferred inflow	3,489,490
2,745,000		1/1/2021	12/31/2025	0.56	Derivative Instrument	2,687,338	Deferred inflow	2,687,338
5,490,000		1/1/2022	12/31/2025	1.03	Derivative Instrument	2,821,825	Deferred inflow	2,821,825
						<u>\$ 11,313,198</u>		<u>\$ 11,313,198</u>
Grand Total						<u>\$ 11,979,273</u>		<u>\$ 11,979,273</u>

Credit risk

Credit risk is the risk of loss due to a counterparty defaulting on its obligations. SVP is exposed to credit risk if hedging instruments are in asset positions. In order to eliminate counterparty credit risk, SVP has transacted both long term power and gas contracts on the Futures market on Intercontinental Exchange (ICE). As of June 30, 2024, \$12.0 million of SVP's open derivative power and gas contracts were in an asset position, and the fair values of those open contracts were positive. \$8 thousand of SVP's open derivative power contracts were in a liability position, and the fair values of those open contracts were negative. The open contract was with ADM Investor Service, Inc., a clearing member of ICE and a company of Archer Daniels Midland Company who was rated A by Standard & Poor's as of June 30, 2024.

SVP's policy for requiring collateral on hedging instruments varies based on individual contracts and counterparty credit ratings. Under the brokerage agreements with Archer Daniels Midland Company, the accounts are prefunded by SVP. If the account value falls below zero, margin calls are invoked. At June 30,

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

2024, SVP had posted collateral of \$9,449,807 deposited with CAISO and Archer Daniels Midland Company for resource energy trading.

It is also SVP's policy to negotiate netting arrangements whenever it has entered into more than one bilateral transactions with counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, the non-defaulting party may accelerate and terminate all outstanding transactions and net their fair values so that a single amount will be owed by (or to) the non-defaulting party.

Termination Risk

SVP's futures contracts are traded over the counter and have no termination risk.

Price Risk

With respect to price risk under power Futures contracts, on purchase contracts (long positions), SVP receives the CAISO NP15 average daily rate at settlement and pays the fixed contracted rate entered into on the trade date; on sales contracts (short positions), SVP pays the CAISO NP15 average daily rate at settlement and receives the fixed contracted rate entered into on the trade date. With respect to price risk under gas Futures contracts, on purchase contracts (long positions), SVP receives PG&E Citygate average daily price at settlement and pays the fixed contracted rate entered into on the trade date; on sales contracts (short positions), SVP pays the PG&E Citygate average daily price at settlement and receives the fixed contracted rate entered into on the trade date. SVP is exposed to risk because the contract prices are different from the settlement prices.

E. Repayment Requirements

As of June 30, 2024, the debt service requirements to maturity for the City's long-term obligations, with determinable payment dates and the funds from which payment will be made are as follows:

For the Year Ending June 30	Government Activities		Business-Type Activities (excluding Santa Clara Stadium Authority)			
	Certificates of Participation		Bonds		Debt from direct borrowing	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,085,000	\$ 319,775	\$ 5,795,000	\$ 1,093,875	\$ 11,211,995	\$ 2,745,894
2026	1,120,000	285,869	6,005,000	798,875	7,509,465	2,620,975
2027	1,150,000	249,469	6,320,000	490,750	7,632,310	2,504,015
2028	1,195,000	209,219	6,655,000	166,375	7,765,540	2,383,959
2029	1,235,000	167,394	-	-	13,264,161	2,222,265
2030-2034	3,270,000	222,187	-	-	53,440,798	7,830,788
2035-2049	-	-	-	-	25,340,000	10,068,233
	<u>\$ 9,055,000</u>	<u>\$ 1,453,913</u>	<u>\$ 24,775,000</u>	<u>\$ 2,549,875</u>	<u>\$ 126,164,269</u>	<u>\$ 30,376,129</u>

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Reconciliation of Long-term Obligations	
Principal Outstanding as Reported in Government Activities	\$ 9,055,000
Principal Outstanding as Reported in Business Type Activities	150,939,269
Total Principal Outstanding as Reported	<u>159,994,269</u>
Principal Outstanding - Stadium Authority ⁽¹⁾	228,667,826
Unamortized Discount/Premium	4,048,108
Total Long-term Obligations	<u><u>\$ 392,710,203</u></u>

(1) The principal outstanding for Stadium Authority is as of March 31, 2024. Please refer to Santa Clara Stadium Authority's separately issued Financial Statements Note 5 for details.

F. Debt Limitations and Restrictions

The amounts of the City's legal debt limit and debt margin (as defined by Section 1309 of the City Charter) as of June 30, 2024, is \$9.1 billion. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations, covenants, and restrictions.

G. Arbitrage

According to the regulations set forth by the U. S. Treasury Department, for bond issues subject to arbitrage rebate, earnings in excess of the stated bond rate must be rebated to the federal government every five years. As of June 30, 2024, the City has nine outstanding bond issues that are subject to the arbitrage rebate regulations. The City monitors the earnings on each of these issues and records any accrued rebate liability at the end of each individual bond year.

H. Lease Liabilities

The City has recorded right to use leased assets as result of implementing GASB87. The assets are right to use assets for leased equipment in governmental activities and leased building in the business-type activities. The lease liabilities are amortized on a straight-line basis over the terms of the related leases.

A summary of governmental activities and business-type activities lease payable transactions for the fiscal year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Addition	Retirement	Balance June 30, 2024	Current portion
Governmental activities					
Lease liabilities	\$ 252,118	\$ -	\$ (212,705)	\$ 39,413	\$ 39,413
Business-type activities					
Lease liabilities	\$ 1,632,622	\$ -	\$ (681,617)	\$ 951,005	\$ 710,181
Total Lease liabilities	<u>\$ 1,884,740</u>	<u>\$ -</u>	<u>\$ (894,322)</u>	<u>\$ 990,418</u>	<u>\$ 749,594</u>

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

The future principal and interest lease payments as of June 30, 2024, are as follows:

For the Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2025	39,413	102	710,181	6,920
2026	-	-	240,824	553
Total	<u>\$ 39,413</u>	<u>\$ 102</u>	<u>\$ 951,005</u>	<u>\$ 7,473</u>

I. Subscription Based IT Arrangements and Liabilities

In fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. As of June 30, 2024, the City has recorded net intangible right-to-use subscription assets amounting to \$12,677,191 with accumulated amortization of \$3,441,363 in governmental activities and net intangible right-to-use subscription assets amounting to \$3,837,038 with accumulated amortization of \$864,051 in business-type activities. The subscription assets are offset with subscription liabilities.

A summary of governmental activities and business-type activities SBITA payable transactions for the fiscal year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
Governmental activities					
SBITA liabilities	\$ 8,917,804	\$ 2,078,197	\$ (1,792,058)	\$ 9,203,943	\$ 2,011,963
Business-type activities					
SBITA liabilities	\$ 2,718,009	\$ 729,014	\$ (470,555)	\$ 2,976,468	\$ 481,034
Total SBITA liabilities	<u>\$ 11,635,813</u>	<u>\$ 2,807,211</u>	<u>\$ (2,262,613)</u>	<u>\$ 12,180,411</u>	<u>\$ 2,492,997</u>

As of June 30, 2024, the value of the subscription liability was \$9,203,943 in governmental activities and \$2,976,468 in business-type activities. The City is required to make annual principal and interest payments throughout the life of each subscription. The interest rate of each subscription is based on the State of California incremental borrowing rate for GASB96 in the year contract is effective. As part of each subscription, the City has recorded an intangible right to use subscription asset and accumulated amortization as disclosed in Note 9A.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 10 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

The future principal and interest SBITA payments as of June 30, 2024, are as follows:

For the Year Ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2025	\$ 2,011,963	\$ 183,845	\$ 481,034	\$ 80,265
2026	2,013,008	187,444	503,819	67,315
2027	1,435,546	137,403	527,486	53,844
2028	907,479	101,338	552,141	39,762
2029	935,702	78,263	382,523	25,069
2030-2034	1,734,950	130,270	529,465	20,782
2035-2039	165,295	5,403	-	-
Total	<u>\$ 9,203,943</u>	<u>\$ 823,966</u>	<u>\$ 2,976,468</u>	<u>\$ 287,037</u>

NOTE 11 – SOLID WASTE LANDFILL CLOSURE

The City of Santa Clara All Purpose Landfill (Landfill) was closed in September 1993. Federal and state laws and regulations require closure activities such as removal of landfill structures, decommissioning of environmental control systems, site security, and final cover construction and postclosure care such as ongoing monitoring of environmental impact. The City's postclosure plan (Plan) accepted by the California Integrated Waste Management Board, which is now the California Department of Resources Recycling and Recovery (CalRecycle), addresses all the attendant issues. Based on the Plan and pertaining laws and regulations, an estimated Landfill Postclosure Care Cost Obligation is recorded and updated annually. The postclosure care liability is accrued in the Solid Waste Enterprise Fund in accordance with GAAP. This obligation is payable from solid waste user fees.

The City also has a Pledge of Revenue Agreement establishing financial assurance for postclosure maintenance of the Landfill with CalRecycle, which was adopted on October 12, 1999. Financial assurance in the amount of \$600,000 will be maintained in a separate account. In addition, the agreement requires funds to be pledged annually for post-closure maintenance and corrective action costs.

The City has pledged \$271,650 for postclosure maintenance expenses and \$537,133 for corrective action in 2024-25. These amounts are subject to annual inflation factors, as stipulated by CalRecycle.

At June 30, 2024, a liability in the amount of \$6,713,426 was reported based on the estimated remaining postclosure care costs to meet the regulatory requirements. During fiscal year 2024, the City incurred post-closure expenses of \$1,274,027 and increased the liability by \$1,855,417 based on revised estimates of future costs. The estimated liability is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2024. However, the actual cost of postclosure care and corrective action may be higher or lower due to inflation, changes in technology, or changes in landfill laws and regulations.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 12 – PARTICIPATION IN JOINT VENTURES

A. Investments in Joint Venture

The City participates in significant joint ventures: Northern California Power Agency (NCPA), the Transmission Agency of Northern California (TANC), San Jose-Santa Clara Water Pollution Control Plant and Clean Water Financing Authority (SJSC), M-S-R Energy Authority (MSR EA), M-S-R Public Power Agency (MSR PPA) and Silicon Valley Animal Control Authority (SVACA).

The separately issued financial statements of these joint ventures (as noted below) are available on request.

	Date of latest audited financial statement	Joint Venture's address
NCPA	6/30/2023	651 Commerce Dr. Roseville, CA 95678
TANC	6/30/2023	P.O. Box 15129 Sacramento, CA 95851
SJSC	6/30/2023	200 E. Santa Clara St. San Jose, CA 95113
MSR EA	12/31/2023	P.O. Box 4060 Modesto, CA 95352
MSR PPA	12/31/2023	P.O. Box 4060 Modesto, CA 95352
SVACA	6/30/2023	3370 Thomas Road Santa Clara, CA 95051

The City's basic financial statements reflect the following investments in joint ventures as of June 30, 2023 (latest information available):

	Participating percentage	Investment	Method of accounting
NCPA			
Geothermal	44.39%		
Hydroelectric	37.02%		
Combustion Turbine	41.67%	\$41,747,424	Equity
Lodi Energy Center	25.75%		
TANC	9.69%	9,136,635	Equity
SJSC ⁽¹⁾	19.74%	272,373,132	Equity
MSR EA	33.40%	-	Suspended
MSR PPA	35.00%	14,325,713	Equity
SVACA	56.50%	5,501,554	Equity
Total		<u>\$343,084,458</u>	

(1) The investment in San Jose/Santa Clara Regional Wastewater Facility includes the current year capital contribution.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

B. Contingent Liability

Under the terms of the various joint venture agreements, the City is contingently liable for a portion of the long-term debt of the entities under take-or-pay agreements, letters of credit, guarantees or other similar agreements. Sewer revenue bonds issued by the San Jose-Santa Clara Clean Water Financing Authority were no longer outstanding as they were fully redeemed on November 15, 2020. Based on the most recent audited financial statements of the individual joint ventures as of June 30, 2023, the City was contingently liable for long-term debt as follows (in thousands):

	Total Debt	Participating Share	Contingent Liability
NCPA	\$ 500,597	35.19%	\$ 176,168
TANC	165,500	9.65%	15,973
Total	\$ 666,097		\$ 192,141

In addition, the City would, under certain conditions, be liable to pay a portion of the costs associated with the operations of the entities. Under certain circumstances, such as default or bankruptcy of the other participants, the City may also be liable to pay a portion of the debt of these joint ventures on behalf of those participants and seek reimbursement from those participants.

Take-or-Pay commitments expire upon final maturity of outstanding debt for each project. Final fiscal year debt expirations as of June 30, 2023 are as follows:

Project	Debt Expiration	Entitlement Share %	Debt Service Share %
NCPA - Geothermal Project (NGP)	July-2024	44.3905%	44.3905%
NCPA - Hydroelectric Project (NHP)	July-2032	37.0200%	37.0200%
NCPA - Lodi Energy Center (NLEC) ⁽¹⁾	June-2040	25.7500%	34.5385%
TANC - CA-OR Transmission Project (COTP)	May-2039	9.6887%	9.6512%

(1) The SVP's debt service share in NLEC on issue one is 46.1588%, on issue two is 0%.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

A summary of the City’s “Take-or-Pay” contracts and related projects and its contingent liability for the debt service including principal and interest payments at June 30, 2023 is as follows (latest information available):

<u>Fiscal Year</u>	<u>NGP</u>	<u>NHP</u>	<u>NLEC</u>	<u>COTP</u>	<u>Total</u>
2024	\$ 1,541,819	\$ 13,733,507	\$ 7,565,130	\$ 1,348,027	\$ 24,188,483
2025	1,545,765	13,367,196	7,565,513	1,465,120	23,943,594
2026		6,817,614	7,581,031	1,464,903	15,863,548
2027		6,822,128	7,721,815	1,464,831	16,008,774
2028		6,684,294	7,723,465	1,464,806	16,072,565
2029-2033		35,672,566	38,619,608	7,324,611	81,616,785
2034-2038	-	-	38,618,066	7,324,419	45,942,485
2039-2041	-	-	22,527,489	1,465,338	23,992,827
Total	<u>\$ 3,087,584</u>	<u>\$ 83,297,305</u>	<u>\$ 137,922,117</u>	<u>\$ 23,322,055</u>	<u>\$ 247,629,061</u>

C. Northern California Power Agency (NCPA)

NCPA was formed in 1968 as a joint powers agency in the State of California. Its membership consists of sixteen public agencies. NCPA is generally empowered to sell, purchase, generate, transmit, manage electrical energy and provide regulatory and legislative advocacy. Members participate in the projects of NCPA on an elective basis. Therefore, the participation percentage varies for each project in which it participates.

A Commission comprised of one representative for each member governs NCPA. The Commission is responsible for the general management of the affairs, property, and business of NCPA. Under the direction of the General Manager, the staff of NCPA is responsible for providing various administrative, operating and planning services for NCPA and its associated power corporations.

Project Financing and Construction

NCPA’s project construction and development programs have been individually financed by project revenue bonds collateralized by NCPA’s assignment of all payments, revenues and proceeds associated with its interest in each project. Each project participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason. Certain of the revenue bonds are additionally supported by municipal bond insurance credit enhancements.

Hydroelectric Project

NCPA is contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District (CCWD). In exchange, NCPA has the right to the electric output of the project for 50 years from February 1982. NCPA also has an option to purchase power from the project in excess of the CCWD’s requirements for the subsequent 50 years, subject to regulatory approval.

Geothermal Project

The NCPA Geothermal Plants have historically experienced greater than anticipated declines in steam production from the existing geothermal wells. Although initially operated as baseload generation projects at

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

full capability (238MW), NCPA changed its steam field production from baseload to load-following and reduced average annual steam production. Along with other steam field operators in the area, the Agency began implementing various operating strategies to further reduce the rate of decline in steam production. The Agency has modified both steam turbine units and the associated steam collection system to enable generation with lower pressure steam at higher mass-flow rates to optimize the utilization of the available steam resource. In fiscal year 2019-20, NCPA began a well-workover program to restore underperforming wells.

Based upon current operation protocols and forecasted operations, NCPA expects average annual generation and peak capacity to decrease further, reaching approximately 68 MW by the year 2040.

Combustion Turbine Project No. 1

NCPA originally owned five combustion turbine units, each of which is nominally rated at 25 MW, which are collectively known as the Combustion Turbine Project No. 1. These units were completed in 1986 and are designed to provide peak power and reserve requirements and emergency support. Effective September 1, 2010, two units located in the city of Roseville was sold to the City of Roseville. NCPA still owns and operates two units in the city of Alameda and one unit in the City of Lodi. Each purchaser is responsible under its power sales contract for paying an entitlement share in Combustion Turbine Project No. 1 of all NCPA's costs of such project.

Lodi Energy Center

On May 24, 2010, SVP entered into an agreement with NCPA for a 25.75% interest in the Lodi Energy Center, a 280 MW combined cycle natural gas fired power plant, located in Lodi, California. The project received approval from the California Energy Commission in April 2010 and was placed into operation in November 2012. In January 2020, the Lodi Energy Center suffered a catastrophic turbine failure. NCPA replaced the turbine with a newer state-of-the-art turbine which could use hydrogen as a cleaner fuel source. The majority of the replacement cost was covered by NCPA's insurance resulting in relatively minimal financial impact to project participants.

D. Transmission Agency of Northern California (TANC)

TANC was organized under the California Government Code pursuant to a joint powers agreement entered into by 15 Northern California utilities. The purpose of TANC is to provide electric transmission and other facilities for the use of its members through its authority to plan, acquire, construct, finance, operate and maintain facilities for electric power transmission. The joint powers agreement provides that the costs of TANC's activities can be financed or recovered through assessment of its members or from user charges through transmission contracts with its members. Each TANC member has agreed to pay a pro-rata share of the costs to operate TANC and for payment of debt service, and has the right to participate in future project agreements.

The joint powers agreement remains in effect until all debt obligations and interest thereon have been paid, unless otherwise extended by the members.

California-Oregon Transmission Project

TANC is a participant and also the Project Manager of the California-Oregon Transmission Project (Project), a 340-mile long, 500-kilovolt alternating current transmission project between Southern Oregon and Central

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

California. As Project Manager, TANC is responsible for the overall direction and coordination of all Project operations and maintenance, additions and betterments, and for general and administrative support.

The Project was declared commercially operable on March 24, 1993, with a rated transfer capability of 1,600 megawatts and provides a third transmission path between the electric systems of the Pacific Northwest and those in California. The Project has successfully met and completed the major environmental requirements. As of June 30, 2023, the most recent data available, TANC's investment in the Project was \$545.2 million, less accumulated depreciation and amortization of \$267.8 million.

In connection with its participation in the Project, TANC has an entitlement balance of the Project's transfer capability of approximately 1,362 megawatts and is obligated to pay an average of approximately 80% of the operating costs associated with the Project. TANC incurred and initially capitalized all costs for project construction since they were expected to be recovered through reimbursement from Project participants and from the successful operations of the Project's transmission lines. The Project agreement among the participating members provides that each member agrees to make payments, from its revenues, to TANC for project costs incurred and for payment of debt service.

Santa Clara has historically been obligated to pay 20.47% of TANC's COTP operating and maintenance expenses and 20.70% of TANC's COTP debt service and 22.16% of the Vernon acquisition debt. Santa Clara has also been entitled to 20.4745% of TANC's share of COTP transfer capability (approximately 278 MW net of third party layoffs of TANC) on an unconditional take-or-pay basis. Starting on July 1, 2014 Santa Clara laid-off 147 MWs of this entitlement to other TANC members under a 25 year agreement. During the term of this agreement the parties taking on the entitlement will pay all associated debt service, operations and maintenance costs, and all administrative and general costs. Santa Clara's portion of the operating and maintenance expenses and the COTP debt service is 10.004 %.

E. San Jose/Santa Clara Regional Wastewater Facility and Clean Water Financing Authority (SJSC)

The City and the City of San Jose jointly own the San Jose/Santa Clara Regional Wastewater Facility, (RWF). The RWF provides wastewater treatment services to Santa Clara, San Jose, and seven other tributary agencies. The City of San Jose is the administering agency for the RWF. The San Jose/Santa Clara Clean Water Financing Authority (Authority) was created in 1981 to provide financing for capital improvements at the RWF.

In 1959, the City and the City of San Jose entered into an agreement to construct and operate the RWF, (formerly referred to as the San Jose/Santa Clara Water Pollution Control Plant). Under the terms of the agreement, the cities own an undivided interest in the RWF and share in the capital and operating costs on a pro rata basis, determined by the ratio of each city's assessed valuation to the sum of both cities assessed valuations. Such percentages are determined annually and applied to the capital and operating costs of the RWF, determined on an accrual basis. For the fiscal year ended June 30, 2023, the City's portion of the plant capacity was approximately 19.741%, which is also its interest in the net position of the RWF.

Zero Waste Energy Development Company Ground Lease

On June 21, 2011, the San Jose City Council approved a ground lease with Zero Waste Energy Development Company (ZWED) to lease a portion of the former Nine Par landfill, which is a part of the San Jose/Santa

CITY OF SANTA CLARA
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NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

Clara Regional Wastewater Facility lands. ZWED would lease the property in three phases. Under the terms of the proposed lease, ZWED will lease 40.7 acres from the City of San Jose for an initial term of seven years from the date of execution for all three leaseholds. The base rent for the initial phase (Phase 1) of the property would be payable as a proportional credit against the expenditure of site development costs estimated at \$11.8 million or as a payment of \$850,000 per year. Rent for the subsequent phases will be based on the amount of organic waste processed at the facility. Over the 30-year life of the lease, the estimate payment is a minimum of \$16.5 million. The incoming revenue will be distributed between the City of Santa Clara, City of San Jose, and the tributary agencies to the RWF based on the master agreements with each agency.

South Bay Water Recycling Program

The South Bay Water Recycling Program (SBWR), a regional water reclamation program, is part of an action plan adopted by the Regional Water Quality Control Board (RWQCB) which limits the RWF on the amount of effluent discharged into San Francisco Bay in order to prevent conversion of salt marsh and destruction of endangered species habitat. Flow limits are not included in the current five year permit from the RWQCB. SBWR has a master plan to guide the continued operation and potential expansion of the SBWR in the absence of the previous regulatory drivers. The master plan was completed in December of 2014 and accepted by the City of San Jose and the Santa Clara Valley Water District during fiscal year 2014-15.

Under the previously approved action plan, SBWR was required to reclaim 21.1 million gallons per day (MGD) of plant effluent for nonpotable use by November 1, 1997, (Phase 1) and an additional 24.30 MGD by December 31, 2000 (Phase 2). The action plan also requires assessment of alternatives for potable reuse, including a potable pilot plant to be coordinated with the Santa Clara Valley Water District. In addition to habitat preservation, the project reduces the mass trace contaminants discharged to the San Francisco Bay and provides a reliable source of water to offset potable water demands. The current master plan recognizes that primary drivers for the continued operation and expansion of the recycled water system are based in the need for water supply, rather than wastewater discharge reduction.

When first built, the SBWR distribution system included approximately 67 miles of pipe, a four million gallon reservoir, a transmission pump station, and two booster pump stations. These facilities were constructed between 1996 and 1998 at a capital cost of approximately \$140 million funded by the tributary agencies, grants and bond proceeds. Santa Clara's share of Phase 1 costs was approximately \$20.07 million. Within Santa Clara, seven miles of distribution mains were added to the system in 2010 and 2011 and the entire SBWR distribution system now consists of over 140 miles of pipeline.

Proceeds from the City of San Jose 1995 Series A and B Bonds and other funds were used to pay for the City of San Jose's share of Phase 1. The City contributed existing capital reserves, existing recycled water distribution system, and additional construction of system extensions. Other sources for funding of Phase 1 include U.S. Bureau of Reclamation grants, State of California Revolving Fund loans, \$6.45 million transferred in fiscal year 1995 from the Clean Water Financing Authority to the City of San Jose Wastewater Treatment Plant Capital Fund, and cash contributions from other participating agencies. The 2010 and 2011 extensions of the distribution system were funded in part by a combination of grants from the American Recovery and Reinvestment Act of 2009 (ARRA) and the United State Bureau of Reclamation totaling \$10.4 million.

In June 1997, the RWQCB approved the Proposed Revision to the South Bay Action Plan (the Plan), which describes the projects necessary to reduce average dry weather effluent flow from the RWF to below 120 MGD and protect salt marsh habitat for endangered species in the South Bay as required by RWQCB Order 94-117. These projects include expanding the Phase 1 nonpotable water distribution system by extending additional

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NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

pipings, placing greater emphasis on water conservation programs, reducing infiltration inflow, augmenting stream flow, and creating wetlands. The estimated costs of \$127.5 million has been funded through a combination of State Revolving Fund loans, Equipment Replacement Reserves, Sewage Treatment Plant Connection Fees, federal grants, in-kind services and cash contributions.

F. M-S-R Public Power Agency (MSR PPA)

MSR PPA is a joint power agency formed in 1980 by the Modesto Irrigation District, the City and the City of Redding, California, to develop or acquire and manage electric power resources for the benefit of the members. The personnel of its members and contract professional staff perform the administrative and management functions of MSR PPA. The member's income and expense sharing ratio is as follows: Modesto Irrigation District – 50%; City of Santa Clara – 35%; and City of Redding – 15%.

Prior to fiscal year ended December 31, 2020, SVP's equity in MSR PPA's net losses exceeds its investments and, therefore, the equity method of accounting for the investment was suspended. As of December 31, 2023, the date of the latest available audited financial statements, SVP was in a positive equity position of \$14.3 million. The equity method of accounting of SVP's investment in MSR PPA was applied. Under the joint exercise of power agreement, which formed MSR PPA, the City is responsible for funding up to 35 percent of MSR PPA's operating cost, to the extent such funding is necessary. During the year ended June 30, 2024, the City funded its share of operating costs in the Electric Utility Enterprise Fund expenses.

MSR PPA's principal activity is a 28.8% ownership interest in a 507-megawatt unit of a coal-fired electricity generating plant located in New Mexico (San Juan Plant). The San Juan plant was jointly owned by the Public Service Company of New Mexico (PNM) (38.5%), MSR PPA (28.8%) and other municipal power entities (32.7%). On December 31, 2017, MSR PPA divested its ownership interest in the San Juan plant and no longer receives electric energy or capacity from the San Juan Generating Station.

In 2006, MSR PPA entered into a Wholesale Purchase and Sale Agreement and a Shaping and Firming Agreement with Avangrid Renewables, Inc. to provide renewable wind energy to the Members from the Big Horn I Wind Energy Project (Big Horn I Project) with a nominal installed capacity of approximately 199.5 MW. The City receives the power purchased by MSR PPA from the Big Horn I Project. The City's share equates to approximately a 105 MW share of the output. Power deliveries commenced on October 1, 2006 and will continue through September 30, 2026. Through an amendment of the original agreements MSR PPA has an obligation to continue to take the same output through September 30, 2031, or if the Big Horn Project is repowered MSR PPA will have a right of first offer to negotiate a long-term power purchase for such repowered project. The participation in this project is as follows: Modesto Irrigation District – 12.5%; City of Santa Clara – 52.5%; and City of Redding – 35%.

In 2009, MSR PPA entered into a Power Purchase Agreement and Redelivery Agreement with Avangrid Renewables Inc. to purchase additional wind power energy from the same site, called Big Horn II, with a nominal installed capacity of 50 MW for a twenty-year period. Deliveries of energy under this project began on November 1, 2010. The participation in this project is as follows: Modesto Irrigation District – 65%; City of Santa Clara – 35%.

M-S-R PPA San Juan

In 2015, the MSR PPA Commission approved a number of agreements (the "San Juan Restructuring Agreements") to provide for the interests of MSR PPA and certain other San Juan Participants (the "exiting

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For the year ended June 30, 2024

NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

participants”) in the San Juan Generation Station to be transferred to the remaining San Juan Participants effective December 31, 2017. In addition to the ownership divestiture, the San Juan Restructuring Agreements provide for, among other things, the allocation of ongoing responsibility for decommissioning costs, mine reclamation costs and any environmental remediation obligations among the exiting participants and the remaining San Juan Participants, and the establishment and funding of mine reclamation and plant decommissioning trust funds. The San Juan Restructuring Agreements were subsequently executed by all nine San Juan Generation Station owners and PNM Resources Development Company (a non-utility affiliate of PNM) and, following receipt of regulatory approvals, became effective on January 31, 2016. Various other implementing agreements and amendments to existing San Juan project agreements to effect the restructuring have also been executed. Closing of the ownership restructuring of the San Juan Generation Station and the divestiture of MSR PPA’s interests in San Juan Unit No. 4 was completed on schedule on December 31, 2017.

G. M-S-R Energy Authority (MSR EA)

MSR EA is a joint power agency formed in 2008 by the Modesto Irrigation District, the City of Santa Clara, and the City of Redding, California, to develop or acquire and manage natural gas resources for the benefit of the members. The personnel of its members and contract professional staff perform the administrative and management functions of MSR EA. The member’s income and expense sharing ratio is as follows: Modesto Irrigation District – 33.3%; City of Santa Clara – 33.4%; and City of Redding – 33.3%.

The City’s equity in MSR EA’s net losses exceeds its investment and, therefore, the equity method of accounting for the investment has been suspended. As of December 31, 2023, the date of the latest available audited financial statements, the City’s unrecognized share of member’s deficit of MSR EA was \$27.2 million. Under the joint exercise of power agreement, which formed MSR EA, the City is responsible for funding up to 33.4% of MSR EA’s operating cost, to the extent such funding is necessary. During the year ended June 30, 2024, the City funded its share of operating in the Electric Utility Enterprise Fund expenses.

In 2009, the City of Santa Clara, along with the Cities of Modesto and Redding participated in the M-S-R Energy Authority Gas Prepay Project. The Gas Prepay Project provides the City of Santa Clara, through a Gas Supply Agreement with MSR EA dated September 10, 2009, a secure and long-term supply of natural gas of 7,500 MM Btu (Million British thermal unit) daily or 2,730,500 MM Btu annually through December 31, 2012, and 12,500 MM Btu daily, or 4,562,500 MM Btu annually thereafter until September 30, 2039. The agreement provides this supply at a discounted price below the spot market price (the Pacific Gas & Electric City gate index) over the next 30 years. As of December 31, 2023, bonds issued by MSR EA to finance the City’s share of the Gas Prepay Project were outstanding in the principal amount of \$482,400,000. These bonds were initially sold on August 27, 2009. Under the Gas Supply Agreement, MSR EA will bill the City for actual quantities of natural gas delivered each month on a “take-and-pay” basis. MSR EA has contracted with Citigroup Energy, Inc. (“CEI”) to use the proceeds of the Gas Prepay bond issue to prepay CEI for natural gas. CEI has guaranteed repayment of the bonds, and responsibility for bond repayment is non-recourse to the City of Santa Clara. Moreover, any default by the other Gas Prepay Project participants is also non-recourse to the City.

H. Silicon Valley Animal Control Authority

The City is a member of the Silicon Valley Animal Control Authority, (SVACA), established in 2000 to deliver animal control and sheltering services to three communities: the cities of Santa Clara, Campbell, and Monte Sereno. SVACA provides field and shelter services and staffing to support adoption and spay/neuter programs. SVACA purchased and retrofitted an existing cold-shell office building in Santa Clara that became a fully

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NOTE 12 – PARTICIPATION IN JOINT VENTURES (continued)

operating animal shelter. The shelter opened in the third quarter of 2006. SVACA is governed by a Board of Directors comprised of one appointed Councilmember from each of the four member cities.

During the fiscal year ended June 30, 2024, the City of Santa Clara contributed \$1,143,543 to SVACA. The City's equity interest in SVACA was \$5,501,554 at June 30, 2023 (the most recent audited information available). Audited financial statements are available from SVACA, located at 3370 Thomas Road, Santa Clara, CA 95051.

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit plan, which is a public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS offers a menu of benefit provisions and other requirements that are established by State statutes within the Public Employee Retirement law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate Annual Comprehensive Financial Report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS website at www.calpers.ca.gov.

The City's defined benefit pension plans for Miscellaneous and Safety employees with CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. All permanent (full-time and part-time) and eligible "as-needed" hourly City employees are required to participate in CalPERS. Employees fall under two categories, Classic and PEPRA. Employees hired on or before December 31, 2012, are considered Classic PERS members. Employees hired on or after January 1, 2013, fall into the PEPRA PERS members.

B. Pension Plan Benefits

On September 12, 2012, the State of California passed Assembly Bill (AB) 340, which created the Public Employees' Pension Reform Act (PEPRA). PEPRA implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of new member under PEPRA. Please refer to the Pension Reform section of the CalPERS website for more information regarding when an employee will be considered a new member under PEPRA.

Benefits for employees in the Miscellaneous Plan and Safety Plan vest after five years of CalPERS credited service. The retirement benefits are based on the retiree's age, years of CalPERS credited service, and benefit factor of 2.7% at 55 for the Classic Miscellaneous Plan members and 3% at 50 for the Classic Safety Plan members. For members under PEPRA, the benefit factor is reduced to 2% at 62 for the Miscellaneous Plan and 2.7% at 57 for the Safety Plan.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

Miscellaneous Plan

Participants in this plan are eligible for service retirement and receive graduated benefits upon attaining the age of 50 and with at least five years of credited service with a CalPERS employer. The service retirement benefit is a monthly allowance equal to the product of the benefit factor (2.7% at 55 for Classic members or 2% at 62 for PEPRA members), years of service, and final compensation (monthly average of member's highest 12 or 36 (for new members) consecutive months full-time equivalent monthly pay). The service retirement benefit for this group is not capped. The compensation limit for Classic members for the 2024 calendar year is \$345,000. Employees with membership dates prior to July 1, 1996, are not impacted by this limit. The compensation limit for PEPRA for calendar year 2024 is \$151,446 for employees covered by Social Security and is adjusted annually with the CPI for all Urban Consumers.

Safety Plan

Participants in this plan are eligible for service retirement upon attaining the age of 50 and with at least five years of credited service with a CalPERS employer. The service retirement benefit is a monthly allowance equal to the product of the benefit factor (3% at 50 for Classic members or 2.7% at 57 for new members), years of service, and final compensation. For Classic Fire Safety employees, the final compensation is the monthly average of member's highest 36 consecutive months full-time equivalent monthly pay for both Classic and new members, and for Classic Police Safety employees, it is the monthly average of the member's highest 12 or 36 (for new members) consecutive months full-time equivalent monthly.

The service retirement benefit for the Safety Plan group is capped at 90% of final compensation for the Classic members. PEPRA members have an annual compensation limit on reportable earnings. The compensation limit for calendar year 2024 is \$181,734 for employees not covered by Social Security and is adjusted annually with the CPI for all Urban Consumers.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

The Plans provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Miscellaneous		Safety	
Hire date	Prior to January 1, 2013	On or After January 1, 2013	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50	50 - 57
Monthly benefits, as a % of eligible compensation	2.00% - 2.70%	1.00% - 2.50%	3.00%	2.00% - 2.70%
Required employee contribution rates	8.00%	7.00%		
Public Safety - Fire			9.00%	11.75%
Public Safety - Police			9.00%	11.75%
Required employer contribution rates	11.83%	11.83%	23.05%	23.05%
Required unfunded liability contribution	\$26,529,833		\$23,198,740	

Beginning in fiscal year 2015-16, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis or the City can elect a discounted lump sum payment option, which the City elected to do in fiscal year 2023-24. The City's required contribution for the miscellaneous plan's unfunded liability was \$26,529,833 in fiscal year 2023-24. The City's required contribution for the safety plan's unfunded liability was \$23,198,740 in fiscal year 2023-24.

Employees Covered

At the valuation date, June 30, 2022, and measurement date June 30, 2023, the following employees were covered by the benefits terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	1,075	513
Inactive employees entitled to but not yet receiving benefits	582	89
Active employees	717	272
Total	2,374	874

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For the year ended June 30, 2024

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

C. Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2024, the City's contributions to the miscellaneous and safety plans were \$37,993,602 and \$37,050,903, respectively.

D. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

	All Plans
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry-Age and Service
Investment Rate of Return ⁽¹⁾	6.90%
Post Retirement Benefit Increase	The lesser of Contract COLA or 2.3% until Purchasing Power applies, 2.3% thereafter
Mortality ⁽²⁾	Derived using CalPERS' membership data for all funds

(1) Net of pension plan investment and administrative expenses; including inflation

(2) The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS' November 2021 experience study report available on CalPERS' website.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at the statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all period of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' assets classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The table below reflects the real rates of return by asset class.

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return (1)&(2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

E. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 measurement date	\$ 872,811,236	\$ 545,286,347	\$ 327,524,889
Changes in the year:			
Service cost	16,468,193	-	16,468,193
Interest on the total pension liability	59,622,333	-	59,622,333
Changes of benefit terms	643,992	-	643,992
Differences between expected and actual experience	7,491,260	-	7,491,260
Contributions - employer	-	36,574,733	(36,574,733)
Contributions - employees	-	6,418,087	(6,418,087)
Net investment income	-	34,061,981	(34,061,981)
Benefit payments, including refunds of employee contributions	(50,177,599)	(50,177,599)	-
Administrative expense	-	(400,978)	400,978
Net changes	34,048,179	26,476,224	7,571,955
Balance at June 30, 2023 measurement date	\$ 906,859,415	\$ 571,762,571	\$ 335,096,844

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

Safety Plan:

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022 measurement date	\$ 923,607,390	\$ 589,494,676	\$ 334,112,714
Changes in the year:			
Service cost	17,572,981	-	17,572,981
Interest on the total pension liability	63,455,937	-	63,455,937
Changes of benefit terms	261,381	-	261,381
Differences between expected and actual experience	12,903,735	-	12,903,735
Contributions - employer	-	34,987,003	(34,987,003)
Contributions - employees	-	6,145,378	(6,145,378)
Net investment income	-	36,533,713	(36,533,713)
Benefit payments, including refunds of employee contributions	(51,815,487)	(51,815,487)	-
Administrative expense	-	(433,487)	433,487
Net changes	42,378,547	25,417,120	16,961,427
Balance at June 30, 2023 measurement date	\$ 965,985,937	\$ 614,911,796	\$ 351,074,141
Combined Total	\$ 1,872,845,352	\$ 1,186,674,367	\$ 686,170,985

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 448,628,717	\$ 479,585,017
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 335,096,844	\$ 351,074,141
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 240,809,716	\$ 245,627,700

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

F. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$48,466,316 for the Miscellaneous Plan and \$55,294,482 for the Safety Plan, for total pension expense of \$103,760,798.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 37,993,602	\$ -
Changes of assumptions	10,004,809	-
Differences between expected and actual experience	5,377,517	(1,482,816)
Net differences between projected and actual earnings on pension plan investments	25,549,781	-
Total	<u>\$ 78,925,709</u>	<u>\$ (1,482,816)</u>

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 37,050,903	\$ -
Changes of assumptions	13,398,400	-
Differences between expected and actual experience	12,212,911	(1,751,797)
Net differences between projected and actual earnings on pension plan investments	27,859,885	-
Total	<u>\$ 90,522,099</u>	<u>\$ (1,751,797)</u>
Combined Total	<u>\$ 169,447,808</u>	<u>\$ (3,234,613)</u>

The reported \$37,993,602 for the Miscellaneous Plan and \$37,050,903 for the Safety Plan deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 13 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Measurement Period Ended June 30	Miscellaneous Plan Annual Amortization	Safety Plan Annual Amortization
2024	\$ 12,946,100	\$ 16,953,916
2025	7,161,326	12,066,097
2026	18,686,917	21,958,301
2027	654,948	741,085

NOTE 14 – RETIREMENT PLAN - DEFINED CONTRIBUTION PLAN

The City's Public Agency Retirement System Plan (PARS Plan) is a compulsory retirement plan that qualifies under Section 401 of the Internal Revenue Code covering City employees who are not members of CalPERS. Under the provisions of the PARS Plan, the City makes no contributions; however, all administrative costs of the plan are funded by the City. The PARS Plan administrator is Phase II Systems. The total assets of the PARS Plan are held in trust for the employees and are not included in the City's assets or equity.

NOTE 15 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Internal Revenue Service.

The Plan is part of the public agency agent multiple-employer defined contribution plan that is administered by Nationwide. Benefit provisions under the Plan are established by City Resolution.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

The City has no liability for any losses incurred by the Plan and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Nationwide to manage and invest the assets of the Plan. The administrator pools the assets of the Plan with those of other participants and does not make separate investments for the City. The assets in the Plan are the sole property of the participants or their beneficiaries. Since the assets held under the Plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plan requires investments to be stated at fair market value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

Under the terms of the Memorandum of Understanding (MOU) with the Police Officers Association Unit 2, Police Officers Association Recruits Unit 2R, the Engineers of the City Unit 4, the Unclassified Police

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 15 – DEFERRED COMPENSATION PLAN (continued)

Management Association Unit 9A, the Unclassified Fire Management Employees Unit 9B, and the Public Safety Non-Sworn Employees Association Unit 10, the City is required to make a monthly contribution to each employee who is enrolled in the City's Section 457 deferred compensation plan.

Under the terms of the MOU with the City's Employees Association Unit 578, the City has exercised its discretion to provide a one-time discretionary cash payment equivalent to approximately 1.0% of the employee's base pay for regular employees (pro-rated for part-time employees) in the bargaining unit. The one-time discretionary cash payment was paid on June 28, 2024. Employees were provided the option to receive the one-time discretionary payment as cash or as a contribution to the employee's deferred compensation account.

The City's required contributions for the year ended June 30, 2024 totaled \$656,195.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City's agent multiple-employer defined benefit Other Post Employment Benefit (OPEB) Plan, which was established by City Council in fiscal year 2007-08 in accordance with GAAP, provides reimbursements to retirees for qualified expenses. Employees who have retired from the City with at least ten years of service and meet certain criterion based upon retirement date, household income in the most recent calendar year and age are entitled to reimbursements for qualified expenses. Annual maximum reimbursement amounts differ depending on when an employee retired from City service. The majority of retirees may be eligible for a maximum of \$4,932 in annual reimbursements. Amendments to benefit provisions are negotiated by the various bargaining units at the City and must be approved by Council. In fiscal year 2007-08, the City established an irrevocable exclusive agent multiple-employer defined benefit trust which is administered by Public Agency Retirement Services (PARS). The City is the Plan administrator, and PARS administers the investment trust for the City's Plan. The trust is used to accumulate and invest assets necessary to reimburse retirees. Separate financial reports are issued by PARS for the OPEB Plan Trust. The report can be obtained by writing to PARS at 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660, or by calling 1-800-540-6369.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to and deduction from the OPEB's fiduciary net position have been determined on the same bases. For this purpose OPEB benefit payments are recognized when currently due and payable in accordance with the benefits terms. Investments are report at fair value.

Generally accepted accounting principles require that the reporting results must pertain to liability and asset information within certain defined timeframes. For the fiscal year 2023-24, the following time frames were used.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024
Actuarial valuation date ⁽¹⁾	June 30, 2022

(1) Update procedures were used to roll forward the Total OPEB liability from the valuation date to the measurement date.

B. Plan Membership

As of June 30, 2024, membership in the plan consisted of the following:

	Number of Covered Employees
Inactive employees currently receiving benefits	641
Inactive employees entitled to but not yet receiving benefit payments	254
Active employees	1,011
Total	<u>1,906</u>

C. Contributions

The OPEB Plan trust annual contributions are based upon actuarial determine contributions. The contribution requirements are established and may be amended by the City Council. Plan members do not make contributions to the plan; the plan is funded entirely by employer contributions. For the fiscal year ending June 30, 2024 the City's cash contributions were \$4,175,000 in payments to the trust, \$19,208 in administrative expenses paid outside of the trust, and the estimated implied subsidy was \$1,054,000, for total contributions of \$5,248,208.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

D. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation dated June 30, 2022, rolled forward to June 30, 2024 using standard actuarial methods, based on the following actuarial methods and assumptions:

Actuarial Assumptions

Significant Actuarial Assumptions Used in Total OPEB Liability	
Actuarial Assumption	June 30, 2024 Measurement Date
Actuarial valuation date	June 30, 2022
Discount rate	4.50% at June 30, 2024
	Crossover analysis showed benefit payments always fully funded by plan assets
Inflation	2.50%
Salary increases	Aggregate 2.75%
Investment rate of return	4.50% at June 30, 2024
Funding policy	Full pre-funding to PARS trust
	PARS portfolio: Moderately Conservative
Mortality, Disability, Termination, and Retirement	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Healthcare cost trend rates	Non-Medicare - 8.5% for 2024, scaling down to 3.45% in year 2076
	Medicare (Non-Kaiser) - 7.5% for 2024, scaling down to 3.45% in year 2076
	Medicare (Kaiser) - 6.25% for 2024, scaling down to 3.45% in year 2076
Healthcare participation for future retirees - Cash subsidy	PEMHCA minimum only: Currently covered: 50%, Waived: 25%
	Other plans: : Currently covered: 80%, Waived: 40%
Healthcare participation for future retirees - PEMHCA implied subsidy	PEMHCA minimum only: Currently covered: 50%, Waived: 25%
	Other plans: : Currently covered: 80%, Waived: 25%

E. Discount Rate

The discount rates used to measure the total OPEB liability was 4.50% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rate equal to the actuarially determined contributions rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	30%	4.56%
Mutual Funds - Fixed Income	65%	0.78%
Cash and equivalent	5%	-0.50%
	<u>100%</u>	
Expected Inflation		2.50%
Discount Rate		4.50%

F. Changes in the OPEB Liability

The changes in the Net OPEB liability and Fiduciary Net Position are as follows:

	Net OPEB Liability (In Thousands)	
	2024	2023
Total OPEB Liability	\$ 69,211	\$ 67,386
Fiduciary Net Position	(33,513)	(29,668)
Net OPEB Liability	<u>\$ 35,698</u>	<u>\$ 37,718</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	48.4%	44.0%

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

The changes in Net OPEB details as follow:

Changes in Net OPEB Liability (In Thousands)			
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2023 measurement date	\$ 67,386	\$ 29,668	\$ 37,718
Changes in the year:			
Service cost	2,303	-	2,303
Interest	3,056	-	3,056
Contributions - employer ⁽¹⁾	-	5,248	(5,248)
Net investment income	-	2,249	(2,249)
Benefit payments	(3,535)	(3,535)	-
Administrative expense	-	(118)	118
Net changes	1,824	3,844	(2,020)
Balance at June 30, 2024 measurement date	\$ 69,210	\$ 33,512	\$ 35,698

(1) Includes implied subsidy of \$1,054 thousand

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net OPEB liability of the Plan as of June 30, 2024, calculated using the discount rate of 4.50%, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate.

Sensitivity of Net OPEB Liability to Changes in Discount Rate (In Thousands)			
	1% Decrease (3.50%)	Current Rate (4.50%)	1% Increase (5.50%)
Net OPEB Liability	\$ 44,519	\$ 35,698	\$ 28,394

H. Sensitivity of the Net OPEB Liability to Healthcare Cost Trend Rates

The following table presents the net OPEB liability of the City, as of June 30, 2024, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current rate.

Sensitivity of Net OPEB Liability to Changes in Healthcare Care Trend Rates (In Thousands)			
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 26,317	\$ 35,698	\$ 47,353

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

I. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense as follows:

OPEB Expense (In Thousands)	
	2024
Fund level expense	\$ 4,194
Actuarial Expense	(1,037)
OPEB Expense	<u>\$ 3,157</u>

As of fiscal year ended June 30, 2024, the City reported deferred outflows as of resources related to OPEB from the following sources.

Deferred Outflows and Inflows Balance (In Thousands)		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 624	\$ 697
Differences between expected and actual experience	-	1,283
Net differences between projected and actual earnings on OPEB plan investments	986	-
Total	<u>\$ 1,610</u>	<u>\$ 1,980</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense (In Thousands)	
For the Year ending June 30	Amount
2025	\$ 66
2026	627
2027	(454)
2028	(569)
2029	(40)

NOTE 17 – ELECTRIC UTILITY - SILICON VALLEY POWER (SVP)

The City's Electric Utility Department provides electricity to City residents and businesses under the name Silicon Valley Power (SVP).

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 17 – ELECTRIC UTILITY – SILICON VALLEY POWER (SVP) (continued)

A. Long-term Power Purchase Contracts

The City purchases wholesale electric power from various participants of the Western Systems Power Pool (WSPP), NCPA, MSR Public Power Agency (Note 12), Western Area Power Administration, and other sources to supply the power requirements of the City's electric utility customers under long-term power purchase agreements (PPAs). The City actively manages the financial risks inherent in these PPAs, including the risks arising from the changing spot market prices that move above and below the contract prices and from contract disputes that may arise from time to time. The proceeds and costs related to generation, either owned or under PPAs, except ancillary services are included in enterprise fund materials, services and supplies expense and excluded from wholesale resources purchase.

B. Restructuring of the California Electric Industry

Deregulation Legislation and Direct Access

The passage of AB1890 in 1998 triggered fundamental changes in the structure of the electric industry in California. Generally, AB1890 provided for creation of the California Power Exchange (Cal PX), which was to be a clearinghouse for energy transactions among investor-owned utilities, independent generators and power marketers, who in turn would serve so called direct-access customers. AB1890 also created the California Independent System Operator (CAISO), which was to manage the state's bulk transmission grid.

However, in 2000 and 2001, the price of electricity at the Cal PX became extremely high, and investor-owned utilities were unable to pay for the energy that they needed from the Cal PX. Eventually the Cal PX filed for bankruptcy and was dismantled. Investor-owned utility PG&E and several energy marketers would also file for bankruptcy and over a decade of litigation ensued.

The CAISO, however, continues to manage the state's bulk electric system and the day-ahead and day-of markets, and it has implemented various price controls and tariffs in an effort to avoid repeating the mistakes of 2000 and 2001. Along with balancing control area responsibility, the CAISO has also announced that it will take on the role of reliability coordinator for the region.

Energy Wholesale Trading and Risk Management

SVP participates in the wholesale gas and power market and the CAISO's centralized market. Since CAISO's Market Redesign and Technology Upgrade (MRTU), CAISO has become the ultimate buyer and seller in the California day ahead market. Therefore, SVP engages in the trading of commodity forward contracts (gas and electric energy contracts) to secure fuel supply and hedge daily power purchase/sales from/to CAISO. The primary type of forward contracts SVP currently engages in is the Futures contracts SVP transacts on Intercontinental Exchange (ICE). The Futures transactions for both natural gas and power are recorded on cash basis under Wholesale Trading activities starting fiscal year 2022-23. Activities during the fiscal year were substantially considered hedging transactions and, as such, have been accounted for using the settlement method of accounting. Accordingly, related gross sales and purchases totaling \$11.5 million and \$9.8 million, respectively, for fiscal year ended June 30, 2024, have been separately reported on the statement of revenues, expenses and changes in net position.

The restructured electric wholesale market exposes SVP to various risks including market, credit and operational risks. Active and effective management of these risks associated with the power trading activity

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 17 – ELECTRIC UTILITY – SILICON VALLEY POWER (SVP) (continued)

is critical to its continued success and contribution to the entire utility. A Risk Management Committee, separate from the units that create the risk exposures, overseen by a Risk Oversight Committee that reports ultimately to the City Council, administers and monitors compliance with the risk policies and procedures on a regular basis. The City and SVP believe that it has the resource commitment, and effective policies and procedures, and is continuing to improve the control structure and oversight for evaluating and controlling the market and credit risks to which it is exposed.

Credit Arrangements

The City of Santa Clara electric utility maintains credit policies, procedures, and systems that help mitigate credit risk and minimize overall credit risk exposure. The policies include transacting only with investment grade counterparties, evaluating potential counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. Additionally, SVP is a signatory to the WSPP netting agreement supplement and otherwise, enters into master netting arrangements whenever possible and, where appropriate, obtains collateral prior to trade execution. Master netting agreements incorporate rights of setoff that provide for the net settlement of subject contracts with the same counterparty in the event of default.

NOTE 18 – NET POSITION/FUND EQUITY

Net Position is measured on the full accrual basis and presented in the Government-wide Financial Statements, while Fund Balance is measured on the modified accrual basis and presented in the Governmental Funds Financial Statements.

A. Government-wide Financial Statements - Net Position

Net Position is the excess of all the City's assets and deferred outflow of resources over all its liabilities and deferred inflow of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the government-wide level, and are described below:

Net investment in capital assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate-income purposes.

Unrestricted describes the portion of Net Position which is not restricted as to use.

B. Governmental Fund Financial Statements - Fund Balances

The City categorizes fund balance in accordance with GAAP. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 18 – NET POSITION/FUND EQUITY (continued)

Nonspendable Fund Balance

Amounts that cannot be spent either because they are in a nonspendable form or are required to be maintained intact.

Restricted Fund Balance

Amounts that are constrained to specific purposes by federal, state, county, local laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council, the City's highest level of decision-making authority, through resolutions. These committed amounts cannot be used for any other purpose unless the Council removes or changes the specific uses through the same type of formal action taken to establish the commitment. These Council actions must occur prior to June 30th of the applicable fiscal year.

Assigned Fund Balance

Amounts that are constrained by the City's intent are to be used for specific purposes, but are neither restricted nor committed. The City Council delegated the authority to assign amounts to be used for specific purposes to the City Manager per Ordinance 1784, September 16, 2003.

Unassigned Fund Balance

These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories in the General Fund, or negative balances in all other funds. The Unassigned Fund Balance includes the Budget Stabilization (Emergency) and Capital Projects Reserves, and other undesignated fund balances. The balances in these accounts are \$56.6 million, \$24.8 million, and \$27.8 million, respectively. Additional information is described in the Stabilization Arrangement section of this note.

Under the City's encumbrance system of accounting, a portion of fund balance that has been encumbered for a specific future use is classified in the appropriate fund balance component based on the nature of the encumbrance.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 18 – NET POSITION/FUND EQUITY (continued)

Fund Balance Classification

	Major Funds		Non-Major	Fund Balance
	General	Santa Clara	Governmental	June 30,
	Fund	Housing Successor	Funds	2023
Nonspendable:				
Receivables, inventory & prepaid	\$ 36,917	\$ -	\$ -	\$ 36,917
Leases	5,843,134	-	-	5,843,134
Total Nonspendable	5,880,051	-	-	5,880,051
Restricted For:				
Gas tax programs	-	-	4,889,228	4,889,228
Housing & Community Development	-	5,868,807	19,167,638	25,036,445
Maintenance districts	-	-	2,474,601	2,474,601
Operating grants	-	-	4,928,385	4,928,385
Debt service	-	-	785,417	785,417
Environmental enforcements	580,761	-	-	580,761
Parks & recreation	-	-	47,280,005	47,280,005
Streets and highway	-	-	46,297,616	46,297,616
Public safety	831,708	-	-	831,708
Library	19,488	-	-	19,488
Public facilities	261,272	-	3,197,254	3,458,526
Donations	921,185	-	434,784	1,355,969
Pension rate stabilization program	29,226,846	-	-	29,226,846
Storm drain	-	-	300,760	300,760
Total Restricted	31,841,260	5,868,807	129,755,688	167,465,755
Committed to:				
Housing programs	-	-	1,217,992	1,217,992
Parks & recreation	-	-	1,115,843	1,115,843
Streets and highway	-	-	14,678,115	14,678,115
Storm drain	-	-	4,574,099	4,574,099
Public safety	-	-	1,264,005	1,264,005
Library	-	-	261,531	261,531
Public facilities	-	-	23,160,518	23,160,518
Building inspection	-	-	37,356,871	37,356,871
Land investment	18,481,037	-	-	18,481,037
Historical preservation	96,105	-	-	96,105
Total Committed	18,577,142	-	83,628,974	102,206,116
Assigned to:				
General Government	15,652,776	-	-	15,652,776
Other purposes	103,480	-	-	103,480
Total Assigned	15,756,256	-	-	15,756,256
Unassigned:	109,264,743	-	-	109,264,743
Total Fund Balances	\$ 181,319,452	\$ 5,868,807	\$ 213,384,662	\$ 400,572,921

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 18 – NET POSITION/FUND EQUITY (continued)

C. Fund Balance Policy

When both restricted and unrestricted funds are available for expenditure, the City's Fund Balance Policy reduces all Governmental Funds Balances in the following order: Restricted, Committed, Assigned, and Unassigned fund balances unless disallowed by City Council or legal requirements.

Stabilization Arrangement

Maintaining financial stabilization is a necessity for sound financial management and fiscal accountability. Its purpose is to ensure funds are available to cover occasional budgetary shortfalls (i.e., when general unrestricted revenues decline) or other unexpected urgent events. The City's Budget Stabilization Reserves (Emergency) and Capital Projects Reserves are maintained for these purposes. As of June 30, 2024, the Budget Stabilization and Capital Projects Reserves were \$56.6 million and \$24.8 million, respectively, and are a component of the General Fund's Unassigned Fund Balance.

In 1985-86, the City Council established a policy regarding the City's General Contingency Reserve, under which two separate reserves were established.

- The Budget Stabilization Reserve is set aside primarily for weathering economic downturns, emergency financial crisis, or disaster situations. The reserve target is equal to the cost of the City's General Fund operations for three months (90-days or 25% General Fund operating budget). Given the significant impacts of COVID-19 on the City's budget, the City Council Adopted the FY2021-22 budget principles that allow this reserve to drop to 15% of budgeted expenditures.
- The Capital Projects Reserve, earmarks funds for a five-year capital improvement program. The minimum target for this reserve is \$5 million.

One of the strategic objectives on the 2017-18 Council Goals and Strategic Objectives list is to continue to replenish City reserves and maintain strong, fiscally-sound management policies of City revenues with long term goals in mind.

Pension Rate Stabilization Program Trust

In fiscal year 2016-17, the City established an irrevocable trust account with PARS to pre-fund retirement plan obligations. The contributions placed in the trust will reduce the City's net pension liability for financial purposes as required by GAAP. As of June 30, 2024, the balances in the pension rate stabilization program trust for the General Fund and Enterprise Funds are listed as follows:

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 18 – NET POSITION/FUND EQUITY (continued)

Fund Name	Pension Rate Stabilization Balances
General Fund:	\$ 29,226,846
Enterprise Funds:	
Electric Utility	10,065,874
Water Utility	1,927,637
Sewer Utility	958,752
Water Recycling	168,123
Solid Waste	469,938
	\$ 42,817,170

D. Net Position/Fund Balance Deficits

The funds listed below had an accumulated deficit as of June 30, 2024:

Fund Name	Accumulated Deficit
Internal Service Funds:	
Information Technology Services	\$ 601,769
Workers' Compensation Insurance Claims	\$ 10,518,154

The Information Technology Service and Workers Compensation Insurance Claims' Internal Service Fund accumulated deficits are expected to be offset by future charges to the General Fund and the enterprise funds.

NOTE 19 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, errors and omissions, general liability, injuries to employees and unemployment claims. The City currently reports all of its risk management activities in its Internal Service Funds. Claims, expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated using actuarial methods or other estimating techniques.

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims and workers' compensation claims. The estimated liabilities for general liability and workers' compensation claims are based on case reserves and include amounts for claims incurred but not reported (IBNR). At June 30, 2024, the estimated claims payable of \$29,496,000, consisting of reserves for both reported and IBNR losses, as well as, allocated loss adjustment expenses, have been recorded in the Special

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 19 – RISK MANAGEMENT (continued)

Liability and Workers' Compensation Internal Service Funds, respectively. The claims payable are reported at their present value using expected future investment yield assumptions of 2.5%, and the undiscounted claims at June 30, 2024, totaled \$9,271,000 and \$23,574,000 for general liability and workers' compensation claims, respectively.

The estimate of claims due in one year is the City's best estimate based upon available information which is included in accrued liabilities.

Changes in the reported liability since June 30, 2022 resulted from the following:

	<u>Special Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Liability as of June 30, 2022	\$ 10,057,000	\$ 20,971,000	\$ 31,028,000
Claims and changes in estimates during fiscal 2023	4,786,243	4,529,170	9,315,413
Claim payments	(7,026,243)	(5,197,170)	(12,223,413)
Liability as of June 30, 2023	\$ 7,817,000	\$ 20,303,000	\$ 28,120,000
Claims and changes in estimates during fiscal 2024	6,284,583	6,231,024	12,515,607
Claim payments	(5,415,583)	(5,724,024)	(11,139,607)
Liability as of June 30, 2024	<u>\$ 8,686,000</u>	<u>\$ 20,810,000</u>	<u>\$ 29,496,000</u>
Current Claims Payable	\$ 2,630,000	\$ 4,110,000	\$ 6,740,000
Long Term Claims Payable	6,056,000	16,700,000	22,756,000
Liability as of June 30, 2024	<u>\$ 8,686,000</u>	<u>\$ 20,810,000</u>	<u>\$ 29,496,000</u>

With respect to the Special Liability accrual of \$8.6 million, the City has numerous unsettled lawsuits filed or claims asserted against it as of June 30, 2024. The City has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate of the amount or ranges of potential loss to the City. As a result of such review, the City has categorized the various claims and lawsuits as "probable," "reasonably possible," and "remote" loss contingencies, as defined by current accounting standards.

The City has determined that the City's probable loss contingencies, which are accrued for as the estimated special liability for claims and lawsuits as of June 30, 2024, are approximately \$9 million. The final outcome of claims and lawsuits, which have been categorized as reasonably possible loss contingencies, is not presently determinable and any associated potential loss cannot be estimated. Accordingly, no provision has been made in the accompanying basic financial statements relative to the potential outcome of such claims and lawsuits. However, the ultimate resolution of such claims and lawsuits is not expected to have a material effect on the accompanying basic financial statements.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 20 – COMMITMENTS AND CONTINGENCIES

A. Electricity Purchase Contracts

The City has future commitments under electricity purchase contracts as discussed in Note 17A, and is contingently liable under joint venture agreements discussed in Note 12B.

B. Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

C. Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executory contracts; and open purchase orders). Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities but, rather, as restricted or committed governmental fund balance. As of June 30, 2024, total governmental fund encumbrance balances for the City are as follows:

General Fund	\$	6,162,368
Santa Clara Housing Successor		110,010
Nonmajor Governmental Funds		43,401,659
Total Governmental Funds	\$	<u>49,674,037</u>

D. Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge

The City contracts with the City and County of San Francisco for the purchase of water from the Hetch Hetchy System operated by the San Francisco Public Utilities Commission (SFPUC). The City is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) which represents the interests of all the 24 cities and water districts, as well as two private utilities, that purchase wholesale water from the SFPUC.

In 2009 the City entered into a new 25 year agreement with the SFPUC. One of the ways that the new agreement differs from the old is in how facilities constructed by the SFPUC that benefit the regional customers are treated from a rate and financial perspective. Under the old agreement, facilities were built, capitalized, and added to the rate base with a rate of return (interest), and then paid for over their useful lives through wholesale rates. Under the new agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds.

During the transition from the old to the new contracts, one of the issues addressed was how to deal with the \$370 million in assets that were still being paid for by the wholesale customers under the old agreement. The assets were transferred to the new agreement, assigned a life with an agreed upon rate of return of 5.13%. Also negotiated was a provision to allow the wholesale customers to prepay any remaining existing assets' unpaid principal balance without penalty or premium. This prepayment was executed through the issuance of bonds by BAWSCA which provide a better interest rate given the favorable rate environment.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 20 – COMMITMENTS AND CONTINGENCIES (continued)

BAWSCA issued Revenue Bonds in the principal amount of \$335,780,000 in January 2013 to prepay the capital cost recovery payment obligation and fund a stabilization fund. The Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members. The Bonds are not a debt obligation of any member, and BAWSCA's failure to pay its Bonds would not constitute a default by any participating member.

Should any participating member fail to pay its share, BAWSCA will rely on the stabilization fund and will pursue all legal remedies to collect the shortfall from the delinquent member. In the interim, other participating members may have their portion adjusted to insure the continued payment of the debt service surcharge.

The risk of bearing the debt service expense of a defaulting member is not significantly different than the risk each member assumes currently for fluctuations in water purchase charges. Under the Bond indenture, BAWSCA maintains a stabilization fund. If surcharge revenues collected are less than needed (due to a member's failure to pay timely), BAWSCA uses the stabilization fund to fund the debt service deficiency, and increases the surcharge in the subsequent year to make up for the prior year shortfall and reimburse the stabilization fund account. Also, given that each participating agency's governing body adopted a Resolution to participate in the Bond issue, Management believes that default is generally very unlikely.

The annual debt service surcharges are a fixed amount for each participant and are calculated by taking the subsequent fiscal year's debt service, multiplied by each participant's actual water purchase as a percent of total wholesale customer water purchases from the prior fiscal year. One-twelfth of the annual surcharge is included in the monthly bill from SFPUC. Because each participant's share of the debt service surcharge is proportional to the amount of water purchased during the prior fiscal year, the City's share of the debt service will fluctuate from year to year.

The City paid its surcharge of \$533,964 during fiscal year 2023-24, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2024-25 is estimated to be \$531,588.

E. Santa Clara Stadium Authority and Litigation

Asset Retirement Obligation

Pursuant to the Ground Lease, the SCSA may be required to demolish the Stadium and other improvements at the end of the lease term, upon written notice from the City. Pursuant to the Stadium Lease, the SCSA will establish reserves to fund the cost of demolishing the stadium at the end of the lease term. While such reserves are projected to cover the entire demolition cost, StadCo will be responsible for funding any shortfall.

Historical SBL Buffet Costs

On April 30, 2020, the SCSA received an invoice in the amount of \$4.4 million for previously un-billed "complimentary" buffet costs associated with certain SBL holders for the NFL seasons from 2014 through 2018. On May 13, 2020, the SCSA issued a response letter disputing the newly-billed costs citing that the costs were not presented in a reasonable manner relative to the financial planning and reporting requirements of the Lease Agreement and Stadium Management Agreement and there was no justification for delaying presentment and demand for payment. The invoices presented also lack sufficient supporting documentations in order to confirm the validity of the costs and charges under the Lease Agreement terms. StadCo and ManagementCo initiated arbitration proceedings to dispute the SCSA's position and SCSA filed cross-claims.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 20 – COMMITMENTS AND CONTINGENCIES (continued)

In fiscal year 2021-22, ManagementCo invoiced an additional \$902 thousand in new buffet costs to the SCSA through the fiscal year 2021-22 Non-NFL events' net loss. ManagementCo also issued a certificate of loan to the SCSA under the Management Company Revolving Loan for the buffet amount and subsequently paid off the loan through the year-end excess cash distribution. SCSA objected to and disputed ManagementCo's unauthorized payment of these buffet costs through the Revolving Loan, and also the payment of that loan through year-end excess cash. Pursuant to the parties' August 31, 2022 settlement agreement and stipulation, ManagementCo's draw under the Revolving Loan will be treated as a timely SCSA payment, under protest, and with a full reservation of SCSA's rights and claims. The SCSA recorded a receivable from ManagementCo for the loan draw on the buffet costs as of March 31, 2023.

ManagementCo also reported \$1.2 million and \$1.3 million in buffet costs to be charged to the SCSA for the 2022-23 and 2023-24 respectively. The SCSA had not recorded a liability for this cost because the dispute was outstanding and in pending arbitration.

The parties' 2024 Settlement Agreement resolved the buffet arbitration (note 6G). Upon the Final Effective Date of the May 2024 Settlement Agreement, first, the parties agreed that the \$902 thousand that was drawn from the Management Company Revolving Loan for fiscal year 2021-22 buffet costs would be treated as Stadium Authority's reimbursement of those costs. Therefore, the Stadium Authority reversed the corresponding receivable from Management Co and recorded a \$902 thousand complementary buffet operating expense in fiscal year ended March 31, 2024. Second, StadCo waived all other buffet expenses from fiscal year 2014-15 through 2023-24, and the parties confirmed that those were no longer an obligation of the Stadium Authority and that the reimbursement of those expenses was deemed fully satisfied for said lease years.

Public Safety Costs

In June 2019, StadCo filed an Arbitration Demand regarding alleged amounts due from the SCSA under the public safety costs terms of the Stadium Lease, for fiscal year 2017-18. According to the Stadium Lease, StadCo is required to reimburse the City for the costs incurred for providing public safety services for NFL events that exceed the revenue from off-site parking permit fees. The Stadium Lease contains a provision that creates a "threshold" on the amount of public safety costs that StadCo must pay for each of the NFL seasons. If the total public safety costs exceed the threshold, then the Stadium Lease requires the SCSA to reimburse or credit to StadCo the costs above the threshold in the form of rent credits. The Stadium Lease includes an obligation for StadCo to negotiate a threshold increase in good faith if the total costs are over the threshold for three consecutive years. The SCSA invoked the good faith negotiation process after costs exceeded the threshold for three seasons, which was in advance of the incurred public safety costs for fiscal year 2017-18. StadCo filed several amended Arbitration Demands or formal demand letters for public safety costs damages for the subsequent NFL seasons and fiscal years 2019-20, 2021-22, 2022-23, and 2023-24 and SCSA filed related response cross-claims in that arbitration.

The Ground Lease contains provisions that provide, in the event that public safety costs exceed the threshold and those amounts are not paid by SCSA's Discretionary Fund, SCSA is entitled to deduct credits from SCSA's performance-based rent payments to the City. Both the performance-based rent credit from the City and rent credit from the SCSA expire in the next five succeeding years if not used within the year incurred. The public safety costs, threshold amount and calculations, and credits were part of the Public Safety Cost arbitration with StadCo.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 20 – COMMITMENTS AND CONTINGENCIES (continued)

The 2024 Settlement Agreement will resolve the public safety cost arbitration (Note 6G). Upon the Final Effective Date, the parties agreed that approximately \$14.8 million of NFL public safety costs over the threshold are owed to StadCo by the Stadium Authority related to fiscal years 2017-18 through 2023-24. This number was approximate in the 2024 Settlement Agreement because, at the time that settlement was signed, the final FY 2023-24 actual NFL public safety costs had not been finalized. Per the 2024 Settlement Agreement, this specific past-due amount of public safety costs will be paid over time and it will not be considered or treated as “Credited Public Safety Costs” that affect performance-based rent and rent calculations going forward. This allows the Stadium Authority to pay the City the full performance-based rent owed for fiscal years 2022-23 and 2023-24. Now that the FY 2023-24 NFL public safety costs have been finalized, the Stadium Authority has recorded a \$14.7 million “Public Safety Cost 2024 Outstanding Balance” payable and operating expense as of March 31, 2024.

NOTE 21 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Defeased Bonds

Bayshore North Project 2011 Tax Allocation Bonds

On May 11, 2011, the former RDA issued \$31.41 million of Bayshore North Project 2011 Tax Allocation Bonds (RDA 2011 Bonds) with an interest rate ranging from 2% to 7.86%, and a final maturity of 2026, to finance various redevelopment activities associated with the former RDA’s Bayshore North Project Area. The 2011 Bonds were defeased on June 1, 2017.

The following schedule summarizes the defeased 2011 Tax Allocation Bonds:

2011 Series	Principal Issued	Date Issued	Principal Defeased	Maturities Defeased	Redemption Date
Current Interest Bonds	\$ 11,440,000	May 18, 2011	\$ 11,315,000	June 1, 2026	June 1, 2021
Capital Appreciation Bonds	19,971,295	May 18, 2011	10,643,264	From June 1, 2022 to June 1, 2026	June 1, 2021
	<u>\$ 31,411,295</u>		<u>\$ 21,958,264</u>		

NOTE 22 – SUCCESSOR AGENCY LEASE AGREEMENTS

On January 8, 2016 the City executed the Settlement Agreement for Sharma vs Successor Agency to Redevelopment Agency of the City of Santa Clara. This Settlement Agreement calls for the City to return to the Successor Agency certain properties that the former Redevelopment Agency transferred to the City prior to dissolution. The properties transferred are as follows: the Great America Theme Park Property (not

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 22 – SUCCESSOR AGENCY LEASE AGREEMENTS (continued)

including the parking lot, see Note 4B), the Hilton Hotel Property, the North/South Parking Lots, the Gateway Parcel 2 Property, the Hyatt Hotel Property (not including the ballroom, see Note 4B), the Techmart Property, and the Martinson Childcare Center Property. All the properties, other than the Martinson Childcare Center Property will be sold by the Successor Agency. Until the properties are sold the rent revenues will be used to pay the Successor Agency's enforceable obligations. The Settlement Agreement requires the City to forego the long term lease revenues generated by the properties.

A. Techmart Office Building Ground Lease

In May 1998, the former RDA entered into a long-term ground lease of the Techmart parcel with CarrAmerica. The lease has a 55 year term with options for two additional ten-year terms. The former RDA received \$1 million annual rent for each of the first ten years of the lease, which lease revenues were paid by the former RDA to the City pursuant to the First Amended Cooperation Agreement. Rent increases are scheduled as follows: 10% in the eleventh year and every five years thereafter during the initial term and 15% in the first and sixth year of each option term. Under the terms of the lease, CarrAmerica assumed responsibility for all taxes and assessments levied against the Techmart parcel and the Lessor's interest in the ground lease is unsubordinated to any other financing. On July 13, 2006, CarrAmerica merged with Nantucket Acquisition, Inc., a wholly owned subsidiary of The Blackstone Group; the terms and conditions of the lease agreement remain in effect.

Lease revenues collected from July 1, 2012 to June 30, 2024 in the amount of \$5,421,450 were passed on to the Successor Agency. For the fiscal year ended June 30, 2024, the Successor Agency recognized \$1,268,251 in lease revenue and \$897,434 in interest revenue. As of June 30, 2024, the Successor Agency's receivable for lease payments was \$38,988,260 and the balance of the deferred inflow of resources was \$36,673,598.

B. Hyatt Regency Hotel Ground Lease and Ballroom Lease

In April 1985, the former RDA entered into a long-term ground lease with SCCC Associates (Lessee) for the development of a certain portion of that piece of land – the Bayshore North Redevelopment Project Area, and eventual operation of a high quality hotel and related facilities, amenities and improvements including one of the Ballrooms in the Convention Center. The lease is for an initial term of 50 years. The Lessee has options to renew the lease for four additional periods of ten years each and one additional period of nine years. In 2005, SHC New Santa Clara, LLC, the successor-in-interest to SCCC Associates at that time, sold the interest to Hyatt Equities, LLC. In 2013, Hyatt Equities, LLC. sold its interest to Inland American Lodging Acquisitions, Inc.; the terms and conditions of the lease agreements remain in effect. Under the terms of the lease, the former RDA is entitled to receive a specified amount of minimum rent subject to adjustment at times specified in the lease. Lessee may also have an obligation for additional rent calculated as a predetermined percentage of the hotel gross revenues which exceed the amount specified in the lease.

The Settlement Agreement states that a portion of the ground lease payments from the Hyatt Hotel are derived from the Convention Center Ballroom space rental and are not related to the Hyatt Hotel ground lease. The Settlement Agreement states the City shall retain all revenues generated from the Ballroom Agreement starting July 1, 2015. Lease revenues collected from July 1, 2012 to June 30, 2015 in the amount of \$921,270 were passed on to the Successor Agency. Additional information concerning the Ballroom Lease can be found in Note 4B.

CITY OF SANTA CLARA
NOTES TO BASIC FINANCIAL STATEMENTS
For the year ended June 30, 2024

NOTE 22 – SUCCESSOR AGENCY LEASE AGREEMENTS (continued)

Lease revenues collected from Hyatt from July 1, 2012 to June 30, 2024 in the amount of \$17,816,569 were passed on to the Successor Agency. For the fiscal year ended June 30, 2024, the Successor Agency recognized \$343,385 in lease revenue and \$90,985 in interest revenue. As of June 30, 2024, the Successor Agency's receivable for lease payments was \$3,816,110 and the balance of the deferred inflow of resources was \$3,720,003.

C. Schedule of the Future Lease Payments

As of June 30, 2024, the future lease payments to be received by the Successor Agency for the above leases are as follows:

For the Year Ending June 30	Lease Receivable	
	Principal	Interest
2025	\$ 896,947	\$ 967,153
2026	917,614	946,486
2027	938,757	925,343
2028	970,110	906,191
2029	1,130,686	879,824
2030-2034	6,230,614	3,996,408
2035-2039	6,105,653	3,277,404
2040-2044	7,428,380	2,526,317
2045-2049	9,379,036	1,571,131
2050-2054	8,826,573	408,723
	<u>\$ 42,824,370</u>	<u>\$ 16,404,980</u>

Required Supplementary Information

<p style="text-align: center;">CITY OF SANTA CLARA REQUIRED SUPPLEMENTARY INFORMATION</p>

This part of the City of Santa Clara's Annual Comprehensive Report provides detailed information to better understand the data presented within the financial statements and note disclosures.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Discloses the changes and components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percentage of covered payroll.

SCHEDULE OF PLAN CONTRIBUTIONS - PENSION PLAN

Contains information of the employer's contractually required contribution rates, contributions to the pension plan and related ratios.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Discloses the changes and components of the net OPEB liability and related ratios, including OPEB's Plan Trust Fund net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered employee payroll.

SCHEDULE OF PLAN CONTRIBUTIONS - OPEB PLAN

Contains information of the employer's contractually required contribution rates, contributions to the OPEB Plan and related ratios.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Presents the accompanying budget and actual comparison schedules in accordance with the budgetary process.

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30

Miscellaneous Plan

	2023	2022	2021
Total Pension Liability			
Service cost	\$ 16,468,193	\$ 16,172,784	\$ 15,428,984
Interest	59,622,333	57,377,858	56,183,036
Changes of benefit terms	643,992	-	-
Changes of assumptions	-	24,297,391	-
Differences between expected and actual experience	7,491,260	(3,601,124)	1,328,853
Benefit payments, including refunds of employee contributions	(50,177,599)	(48,432,370)	(45,355,148)
Net change in total pension liability	34,048,179	45,814,539	27,585,725
Total pension liability - beginning	872,811,236	826,996,697	799,410,972
Total pension liability - ending	\$ 906,859,415	\$ 872,811,236	\$ 826,996,697
Plan Fiduciary Net Position			
Contributions - employer	\$ 36,574,733	\$ 34,036,195	\$ 31,272,528
Contributions - employee	6,418,087	6,369,047	6,333,120
Net investment income	34,061,981	(45,722,450)	112,780,714
Benefit payments, including refunds of employee contributions	(50,177,599)	(48,432,370)	(45,355,148)
Plan to plan resource movement	-	-	-
Administrative expense	(400,978)	(373,396)	(494,347)
Other Misc Income/(Expense) ⁽¹⁾	-	-	-
Net change in plan fiduciary net position	26,476,224	(54,122,974)	104,536,867
Plan fiduciary net position - beginning ⁽²⁾	545,286,347	599,409,321	494,872,454
Plan fiduciary net position - ending	\$ 571,762,571	\$ 545,286,347	\$ 599,409,321
Net Pension Liability - ending	\$ 335,096,844	\$ 327,524,889	\$ 227,587,376
Plan fiduciary net position as a percentage of the total pension liability	63.05%	62.47%	72.48%
Covered payroll	\$ 100,304,469	\$ 92,642,754	\$ 89,321,766
Net pension liability as percentage of covered payroll	334.03%	353.54%	254.79%

Notes to schedule:

(1) During fiscal year 2017-18, as a result of GASB No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB No. 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pension.

(2) Includes any beginning of year adjustment.

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30

2020	2019	2018	2017	2016	2015	2014
\$ 15,079,332	\$ 14,448,007	\$ 13,159,021	\$ 11,975,850	\$ 10,415,730	\$ 9,909,421	\$ 10,345,749
54,277,035	51,858,572	49,394,806	47,384,580	46,283,869	44,755,550	42,969,016
-	-	-	-	-	-	-
-	-	(5,067,759)	37,018,109	-	(10,233,178)	-
9,229,485	10,888,358	10,229,369	(2,176,270)	(2,265,081)	108,957	-
(43,050,194)	(41,003,947)	(38,252,869)	(35,744,281)	(33,491,738)	(31,858,297)	(29,847,146)
35,535,658	36,190,990	29,462,568	58,457,988	20,942,780	12,682,453	23,467,619
763,875,314	727,684,324	698,221,756	639,763,768	618,820,988	606,138,535	582,670,916
<u>\$ 799,410,972</u>	<u>\$ 763,875,314</u>	<u>\$ 727,684,324</u>	<u>\$ 698,221,756</u>	<u>\$ 639,763,768</u>	<u>\$ 618,820,988</u>	<u>\$ 606,138,535</u>
\$ 28,827,466	\$ 25,715,248	\$ 22,508,822	\$ 22,015,885	\$ 18,464,042	\$ 15,625,285	\$ 14,887,751
6,650,350	6,182,683	5,957,917	5,247,078	5,151,548	4,755,791	5,439,513
24,008,623	30,342,401	36,908,188	44,308,442	2,186,435	9,037,882	61,358,126
(43,050,194)	(41,003,947)	(38,252,869)	(35,744,281)	(33,491,738)	(31,858,297)	(29,847,146)
-	-	(1,065)	-	(788)	(368)	-
(675,430)	(326,982)	(674,790)	(587,320)	(247,274)	(457,051)	-
-	1,065	(1,281,438)	-	-	-	-
15,760,815	20,910,468	25,164,765	35,239,804	(7,937,775)	(2,896,758)	51,838,244
479,111,639	458,201,171	433,036,406	397,796,602	405,734,377	408,631,135	356,792,891
<u>\$ 494,872,454</u>	<u>\$ 479,111,639</u>	<u>\$ 458,201,171</u>	<u>\$ 433,036,406</u>	<u>\$ 397,796,602</u>	<u>\$ 405,734,377</u>	<u>\$ 408,631,135</u>
<u>\$ 304,538,518</u>	<u>\$ 284,763,675</u>	<u>\$ 269,483,153</u>	<u>\$ 265,185,350</u>	<u>\$ 241,967,166</u>	<u>\$ 213,086,611</u>	<u>\$ 197,507,400</u>
61.90%	62.72%	62.97%	62.02%	62.18%	65.57%	67.42%
\$ 89,410,939	\$ 81,872,333	\$ 75,515,390	\$ 71,285,526	\$ 61,942,363	\$ 58,051,406	\$ 58,020,890
340.61%	347.76%	356.81%	371.95%	390.63%	367.07%	340.41%

Changes in assumptions: The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes in 2023. Effective with June 30, 2021 valuation date (2022 measurement date), the discount rate was reduced from 7.15% to 6.90%. The accounting discount rate was 7.15% for measurement dates 2017 through 2021. In 2015 and 2016, the discount rate was 7.65% to reflect an adjustment of administrative expense. In 2014, amounts reported were based on the 7.5% discount rate.

CITY OF SANTA CLARA
SCHEDULE OF PLAN CONTRIBUTIONS
MISCELLANEOUS PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years Ended June 30

Miscellaneous Plan	2024	2023	2022	2021
Actuarially determined contribution	\$ 37,993,602	\$ 36,763,759	\$ 34,126,897	\$ 31,035,143
Contributions in relation to the actuarially determined contributions	(37,993,602)	(36,763,759)	(34,126,897)	(31,035,143)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 102,818,912	\$ 100,304,469	\$ 92,642,754	\$ 89,321,766
Contributions as a percentage of covered payroll	36.95%	36.65%	36.84%	34.75%
Notes to schedule				
Valuation date	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years as of valuation date
Asset valuation method	Fair value of assets
Inflation	2.75% for 2015 to 2019, 2.675% for 2020 and 2.50% for 2021 through 2022, 2.30% for 2023 and 2024
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375%, for 2019, 7.25% for 2020, and 7.0% for 2021 through 2022, 6.8% for 2023 and 2024, net of pension plan investment expense, including inflation
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale, MP-2016 published by the Society of Actuaries.

CITY OF SANTA CLARA
SCHEDULE OF PLAN CONTRIBUTIONS
MISCELLANEOUS PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years Ended June 30

2020	2019	2018	2017	2016	2015
\$ 28,987,800	\$ 23,615,964	\$ 25,256,224	\$ 21,613,984	\$ 18,543,534	\$ 15,257,771
(28,987,800)	(23,615,964)	(25,256,224)	(21,613,984)	(18,543,534)	(15,257,771)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 89,410,939	\$ 81,872,333	\$ 75,515,390	\$ 71,285,526	\$ 61,942,363	\$ 58,051,406
32.42%	28.84%	33.45%	30.32%	29.94%	26.28%
6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SAFETY PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30 ⁽¹⁾

Safety Plan

	2023	2022	2021
Total Pension Liability			
Service cost	\$ 17,572,981	\$ 17,072,526	\$ 15,750,690
Interest	63,455,937	60,648,121	59,165,587
Changes of benefit terms	261,381	-	-
Changes of assumptions	-	27,501,978	-
Differences between expected and actual experience	12,903,735	(3,595,795)	7,316,002
Benefit payments, including refunds of employee contributions	(51,815,487)	(49,070,549)	(46,961,121)
Net change in total pension liability	42,378,547	52,556,281	35,271,158
Total pension liability - beginning	923,607,390	871,051,109	835,779,951
Total pension liability - ending	\$ 965,985,937	\$ 923,607,390	\$ 871,051,109
Plan Fiduciary Net Position			
Contributions - employer	\$ 34,987,003	\$ 31,703,230	\$ 29,084,516
Contributions - employee	6,145,378	5,872,012	5,742,937
Net investment income	36,533,713	(49,438,525)	122,207,114
Benefit payments, including refunds of employee contributions	(51,815,487)	(49,070,549)	(46,961,121)
Plan to plan resource movement	-	-	-
Administrative expense	(433,487)	(405,431)	(540,727)
Other Misc Income/(Expense) ⁽²⁾	-	-	-
Net change in plan fiduciary net position	25,417,120	(61,339,263)	109,532,719
Plan fiduciary net position - beginning	589,494,676	650,833,939	541,301,220
Plan fiduciary net position - ending	\$ 614,911,796	\$ 589,494,676	\$ 650,833,939
Net Pension Liability - ending	\$ 351,074,141	\$ 334,112,714	\$ 220,217,170
Plan fiduciary net position as a percentage of the total pension	63.66%	63.83%	74.72%
Covered payroll	\$ 62,842,726	\$ 57,190,646	\$ 54,912,443
Net pension liability as percentage of covered payroll	558.66%	584.21%	401.03%

Notes to schedule:

(1) During fiscal year 2017-18, as a result of GASB No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB No. 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during fiscal year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pension.

(2) Includes any beginning of year adjustment.

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SAFETY PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30 ⁽¹⁾

2020	2019	2018	2017	2016	2015	2014
\$ 15,518,467	\$ 14,861,460	\$ 13,999,625	\$ 13,111,358	\$ 10,985,005	\$ 10,678,931	\$ 10,748,085
56,740,930	54,154,256	51,713,042	49,741,737	48,410,844	46,944,730	45,454,864
-	-	-	-	-	-	-
-	-	(3,333,870)	40,842,398	-	(11,249,844)	-
10,124,845	8,480,853	5,782,119	(1,814,831)	(3,491,487)	(3,604,245)	-
(44,599,326)	(41,984,265)	(38,978,890)	(37,370,686)	(35,868,203)	(34,372,454)	(33,072,631)
37,784,916	35,512,304	29,182,026	64,509,976	20,036,159	8,397,118	23,130,318
797,995,035	762,482,731	733,300,705	668,790,729	648,754,570	640,357,452	617,227,134
<u>\$ 835,779,951</u>	<u>\$ 797,995,035</u>	<u>\$ 762,482,731</u>	<u>\$ 733,300,705</u>	<u>\$ 668,790,729</u>	<u>\$ 648,754,570</u>	<u>\$ 640,357,452</u>
\$ 26,654,865	\$ 23,458,623	\$ 20,510,633	\$ 19,580,881	\$ 16,679,012	\$ 14,692,277	\$ 12,839,821
5,589,396	5,781,715	5,395,755	4,913,868	4,376,079	4,079,023	4,866,079
26,348,251	33,408,137	40,902,179	49,621,113	2,362,110	10,236,992	70,347,760
(44,599,326)	(41,984,265)	(38,978,890)	(37,370,686)	(35,868,203)	(34,372,454)	(33,072,631)
-	-	(1,182)	-	788	-	-
(744,424)	(362,341)	(751,243)	(658,507)	(279,579)	(516,273)	-
-	1,182	(1,426,623)	-	-	-	-
13,248,762	20,303,051	25,650,629	36,086,669	(12,729,793)	(5,880,435)	54,981,029
528,052,458	507,749,407	482,098,778	446,012,109	458,741,902	464,622,337	409,641,308
<u>\$ 541,301,220</u>	<u>\$ 528,052,458</u>	<u>\$ 507,749,407</u>	<u>\$ 482,098,778</u>	<u>\$ 446,012,109</u>	<u>\$ 458,741,902</u>	<u>\$ 464,622,337</u>
<u>\$ 294,478,731</u>	<u>\$ 269,942,577</u>	<u>\$ 254,733,324</u>	<u>\$ 251,201,927</u>	<u>\$ 222,778,620</u>	<u>\$ 190,012,668</u>	<u>\$ 175,735,115</u>
64.77%	66.17%	66.59%	65.74%	66.69%	70.71%	72.56%
\$ 53,564,578	\$ 50,808,770	\$ 47,569,993	\$ 47,064,869	\$ 41,116,053	\$ 38,909,866	\$ 38,845,554
549.76%	531.29%	535.49%	533.74%	541.83%	488.34%	452.39%

Changes in assumptions: The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes in 2023. Effective with June 30, 2021 valuation date (2022 measurement date), the discount rate was reduced from 7.15% to 6.90%. The accounting discount rate was 7.15% for measurement dates 2017 through 2021. In 2015 and 2016, the discount rate was 7.65% to reflect an adjustment of administrative expense. In 2014, amounts reported were based on the 7.5% discount rate.

CITY OF SANTA CLARA
SCHEDULE OF PLAN CONTRIBUTIONS
SAFETY PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years Ended June 30

Safety Plan				
	2024	2023	2022	2021
Actuarially determined contribution	\$ 37,050,903	\$ 35,094,101	\$ 32,084,531	\$ 29,295,456
Contributions in relation to the actuarially determined contributions	(37,050,903)	(35,094,101)	(32,084,531)	(29,295,456)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 65,868,106	\$ 62,842,726	\$ 57,190,646	\$ 54,912,443
Contributions as a percentage of covered payroll	56.25%	55.84%	56.10%	53.35%
Notes to schedule				
Valuation date	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years as of valuation date
Asset valuation method	Fair value of asset
Inflation	2.75% for 2015 to 2019, 2.675% for 2020 and 2.50% for 2021 through 2022, 2.30% for 2023 and 2024
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375%, for 2019, 7.25% for 2020, and 7.0% for 2021 through 2022, 6.8% for 2023 and 2024, net of pension plan investment expense, including inflation
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale. MP-2016 published by the Society of Actuaries.

(1) Fiscal year 2014-15 was the first year of implementation.

CITY OF SANTA CLARA
SCHEDULE OF PLAN CONTRIBUTIONS
SAFETY PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
Last Ten Fiscal Years Ended June 30

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 27,099,469	\$ 23,484,760	\$ 22,002,506	\$ 19,735,867	\$ 17,365,058	\$ 14,776,850
<u>(27,099,469)</u>	<u>(23,484,760)</u>	<u>(22,002,506)</u>	<u>(19,735,867)</u>	<u>(17,365,058)</u>	<u>(14,776,850)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 53,564,578	\$ 50,808,770	\$ 47,569,993	\$ 47,064,869	\$ 41,116,053	\$ 38,909,866
50.59%	46.22%	46.25%	41.93%	42.23%	37.98%
6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

CITY OF SANTA CLARA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PLAN
Last Ten Fiscal Years for the Measurement Periods Ended June 30 ⁽¹⁾
(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 2,303	\$ 2,415	\$ 2,344	\$ 2,091	\$ 2,030	\$ 2,264	\$ 2,198	\$ 2,134
Interest	3,057	3,244	3,145	3,292	3,200	3,478	3,343	3,194
Differences between expected and actual experience		(1,652)	-	(326)	-	(1,644)	-	-
Changes of assumptions		(760)	-	1,709	-	(5,838)	-	-
Benefit payments including refunds	(3,535)	(3,499)	(3,437)	(3,592)	(3,498)	(3,096)	(3,036)	(2,034)
Net change in total OPEB liability	1,825	(252)	2,052	3,174	1,732	(4,836)	2,505	3,294
Total OPEB liability - beginning	67,386	67,638	65,586	62,412	60,680	65,516	63,011	59,717
Total OPEB liability - ending	\$ 69,211	\$ 67,386	\$ 67,638	\$ 65,586	\$ 62,412	\$ 60,680	\$ 65,516	\$ 63,011
Plan Fiduciary Net Position								
Contributions - employer	\$ 5,248	\$ 4,915	\$ 5,068	\$ 4,535	\$ 4,696	\$ 5,366	\$ 6,300	\$ 2,733
Net investment income	2,249	1,094	(3,222)	2,957	1,403	1,410	524	738
Benefit payments including refunds	(3,535)	(3,499)	(3,437)	(3,592)	(3,498)	(3,096)	(3,036)	(2,034)
Administrative expense	(118)	(65)	(62)	(59)	(100)	(91)	(71)	(73)
Net change in plan fiduciary net position	3,844	2,445	(1,653)	3,841	2,501	3,589	3,717	1,364
Plan fiduciary net position - beginning	29,669	27,223	28,876	25,035	22,534	18,945	15,228	13,864
Plan fiduciary net position - ending	\$ 33,513	\$ 29,668	\$ 27,223	\$ 28,876	\$ 25,035	\$ 22,534	\$ 18,945	\$ 15,228
Net OPEB Liability - ending	\$ 35,698	\$ 37,718	\$ 40,415	\$ 36,710	\$ 37,377	\$ 38,146	\$ 46,571	\$ 47,783
Plan fiduciary net position as a percentage of the total OPEB liability	48.4%	44.0%	40.2%	44.0%	40.1%	37.1%	28.9%	24.2%
Covered payroll	\$ 193,597	\$ 180,100	\$ 169,613	\$ 163,594	\$ 164,431	\$ 151,453	\$ 135,297	\$ 102,468
Net OPEB liability as percentage of covered payroll	18.4%	20.9%	23.8%	22.4%	22.7%	25.2%	34.4%	46.6%
Notes to schedule:								

(1) Fiscal year 2016-17 was the first year of implementation.

CITY OF SANTA CLARA
SCHEDULE OF PLAN CONTRIBUTIONS
OPEB PLAN, AN AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PLAN
Last Ten Fiscal Years Ended June 30⁽¹⁾
(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 5,229	\$ 4,896	\$ 4,748	\$ 4,826	\$ 4,681	\$ 5,306	\$ 5,466	\$ 2,981
Contributions in relation to the actuarially determined contributions	5,248	4,914	5,068	4,535	4,696	5,366	6,300	2,981
Contribution deficiency (excess)	<u>\$ (19)</u>	<u>\$ (18)</u>	<u>\$ (320)</u>	<u>\$ 291</u>	<u>\$ (15)</u>	<u>\$ (60)</u>	<u>\$ (834)</u>	<u>\$ -</u>
Covered payroll	193,597	180,100	169,613	163,594	164,431	151,453	\$ 135,297	\$ 102,468
Contributions as a percentage of covered payroll	2.70%	2.72%	2.99%	2.77%	2.86%	3.54%	4.66%	2.91%

Notes to schedule:

(1) Fiscal year 2016-17 was the first year of implementation.

CITY OF SANTA CLARA

Notes to Schedule of Employer Contribution (OPEB Plan)

Methods and Assumptions for 2023-24 Actuarially Determine Contributions	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Amortization method	Level percent of payroll
Unfunded liability amortization	30 years (closed period) for initial UAAL (16 Years remaining on June 30, 2023) 20 years (closed period) for implied subsidy on 06/30/2019 (16 years remaining on June 30, 2023) 15 years (open period) for method, assumption, plan changes, and gains and losses Maximum 30-year combined period
Asset valuation method	Investment gains and losses spread over a 5-year rolling period. Not less than 80% nor greater than 120% of fair value
Discount rate	4.50%
General inflation	2.50%
Healthcare trend	Non-Medicare -8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser)- 7.50% for 2024 decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser)- 6.25% for 2024 decreasing to an ultimate rate of 3.45% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2021

CITY OF SANTA CLARA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
For the year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes:				
Sales	\$ 60,524,000	\$ 60,524,000	\$ 61,776,044	\$ 1,252,044
Ad valorem	85,800,000	87,143,000	90,710,410	3,567,410
Transient occupancy	21,275,000	21,275,000	22,347,394	1,072,394
Other	6,750,000	6,750,000	6,741,057	(8,943)
Licenses, permits, fines and penalties	9,819,000	11,097,589	11,355,736	258,147
Intergovernmental	520,000	651,026	808,452	157,426
Charges for services	38,067,896	41,696,818	44,403,128	2,706,310
Contributions in-lieu of taxes	32,000,000	33,000,000	33,143,505	143,505
Interest and rents	17,127,660	18,161,960	21,754,989	3,593,029
Other	180,000	380,000	986,626	606,626
Total Revenues	272,063,556	280,679,393	294,027,341	13,347,948
EXPENDITURES				
General Government:				
General Administration	31,035,349	34,253,176	29,944,640	4,308,536
City Clerk	1,947,261	1,746,564	1,643,960	102,604
City Attorney	3,076,516	3,076,516	2,812,947	263,569
Human Resources	4,300,090	4,300,090	3,527,357	772,733
Finance	19,140,702	19,390,702	18,022,041	1,368,661
Total General Government	59,499,918	62,767,048	55,950,945	6,816,103
Public Works	24,857,521	24,952,681	24,825,311	127,370
Parks and Recreation	21,933,152	22,164,117	20,589,041	1,575,076
Public Safety:				
Police	85,598,562	85,598,562	84,449,337	1,149,225
Fire	62,616,032	64,879,059	65,070,114	(191,055)
Total Public Safety	148,214,594	150,477,621	149,519,451	958,170
Planning and Inspection	4,509,275	4,509,275	4,337,124	172,151
Library	11,135,937	11,135,937	10,824,942	310,995
Total Expenditures	270,150,397	276,006,679	266,046,814	9,959,865

CITY OF SANTA CLARA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
For the year ended June 30, 2024
(continued)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
				Positive
				(Negative)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,913,159	4,672,714	27,980,527	23,307,813
OTHER FINANCING SOURCES (USES)				
Transfers in	2,200,044	2,856,324	2,855,987	(337)
Transfers (out)	(11,645,161)	(21,141,424)	(21,141,424)	-
Total Other Financing Sources (Uses)	(9,445,117)	(18,285,100)	(18,285,437)	(337)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - BUDGETARY BASIS	\$ (7,531,958)	\$ (13,612,386)	\$ 9,695,090	\$ 23,307,476
ADJUSTMENTS TO BUDGETARY BASIS:				
Prior year encumbrances recognized on the GAAP basis			(4,761,429)	
Current year encumbrances recognized on the budgetary basis			6,162,368	
Net change in receivables recognized on the GAAP basis			16,735,441	
Net change in accrued liabilities recognized on the GAAP basis			(129,226)	
Net change in funds for GAAP Basis not included in annual budget			301,233	
Beginning Fund balance			153,315,975	
Ending Fund balance			\$ 181,319,452	

CITY OF SANTA CLARA
SANTA CLARA HOUSING SUCCESSOR
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
For the year ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Positive (Negative)</u>
REVENUES				
Charges for services	\$ -	\$ -	\$ 15,648	\$ 15,648
Interest and rents	186,771	186,771	77,056	(109,715)
Other	1,119,555	1,119,555	862,868	(256,687)
Total Revenues	1,306,326	1,306,326	955,572	(350,754)
EXPENDITURES				
Total General Administration	873,227	873,227	395,926	477,301
Total Expenditures	873,227	873,227	395,926	477,301
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	433,099	433,099	559,646	126,547
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 433,099</u>	<u>\$ 433,099</u>	559,646	<u>\$ 126,547</u>
ADJUSTMENTS TO BUDGETARY BASIS:				
Expenditures of prior year encumbrances recognized on the GAAP basis			(343,660)	
Current year encumbrances recognized on the budgetary basis			110,010	
Net change in accrued liabilities recognized on the GAAP basis			44,460	
Net change in land held for development recognized on the GAAP basis			(5,400,270)	
Beginning Fund balance			10,898,621	
Ending Fund balance			<u>\$ 5,868,807</u>	

CITY OF SANTA CLARA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE 1 – REQUIRED SUPPLEMENTARY INFORMATION

A. BUDGETS AND BUDGETARY ACCOUNTING

The results of operations are presented in the budget and actual comparison statement in accordance with the budgetary process (budgetary basis) to provide a meaningful comparison with the budget.

The major differences between the budgetary basis actual and GAAP basis actual are as follows:

- Year-end encumbrances are recognized as the equivalent of expenditures in the budgetary basis financial statements, while encumbered amounts are not recognized as expenditures on the GAAP basis until the liability is incurred.
- Expenditures of prior year encumbrances are recognized on the GAAP basis in the current year, while on the budgetary basis prior year encumbrances were recognized in the prior year.
- Accrued liabilities and compensated absences are recognized on the GAAP basis, while the budgetary basis does not recognize accrued liabilities.
- Revenues considered susceptible to accrual on the GAAP basis are not recognized on the budgetary basis until received.
- Special item resulted from dissolution of the Agency are included in the City's GAAP basis financial statements. However, formal budgets are not prepared for non-cash transactions, and as such are excluded from the budgetary basis financial schedules.
- Increases to certain GAAP basis advances to other funds are treated as expenditures for budgetary basis financial statements.

Supplementary Information

<p style="text-align: center;">CITY OF SANTA CLARA NON-MAJOR GOVERNMENTAL FUNDS</p>

SPECIAL REVENUE FUNDS

GAS TAX

The fund accounts for revenues and expenditures received from the State under Street and Highways Codes Sections 2105 (Gas Tax 2105), 2106 (Collier-Unruh) and 2107 (Special Gas Tax) and from the State under the Road Repair and Accountability Act of 2017 under the Streets and Highways Code Section 2030. The allocations must be spent for street maintenance or construction and a limited amount for engineering.

HUD PROGRAMS

This fund accounts for grant funds received from other governmental agencies for the purpose of developing viable urban communities.

CITY AFFORDABLE HOUSING

This fund accounts for the City's Below Market Housing Program for low and moderate income residents.

SANTA CLARA HOUSING AUTHORITY FUND

On February 22, 2011, the Santa Clara Housing Authority (SCHA), a special revenue fund, was established to account for housing loans to assist in providing affordable housing. On March 8, 2011, the City, former RDA, and the SCHA executed an assignment and assumption agreement whereby the SCHA assumed responsibility for housing loans for qualifying individuals and groups. Loans assigned were made under various programs; substantially all are long-term in nature.

MAINTENANCE

This fund accounts for the maintenance of the Lawrence Station Community Facility District and two Parking Districts located near the City's Convention Center and the downtown area. Funds are received by means of a Special Benefit Assessment levied against the property owners in the respective districts.

OPERATING GRANTS FUND

This fund accounts for grant funds received from other governmental agencies for various operating activities.

NEW DEVELOPMENT SERVICE FEE

This fund accounts for the revenues and expenditures from the new development-related fees that are imposed upon new development projects in the City.

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<p style="text-align: center;">CITY OF SANTA CLARA NON-MAJOR GOVERNMENTAL FUNDS (continued)</p>

DEBT SERVICE FUNDS

PUBLIC FACILITIES FINANCING CORPORATION (PFFC)

This fund accumulates monies for the repayment of Certificates of Participation, which are financed by lease payments made by the City's General Fund to the PFFC for use of the Police Administration Building and Library sites.

CAPITAL PROJECTS FUNDS

PARKS AND RECREATION FACILITIES

This fund was established to account for revenues, contributions and reimbursements received and costs incurred in connection with the acquisition and construction of the City parks.

STREETS AND HIGHWAYS IMPROVEMENT

This fund is used to account for revenues and expenditures related to road construction and traffic improvements.

STORM DRAIN IMPROVEMENT

This fund is used to account for revenues and expenditures related to the construction or modification of the City's storm drainage system.

FIRE DEPARTMENT IMPROVEMENT

This fund is used to account for revenues and expenditures related to the construction or modification of City fire stations.

LIBRARY DEPARTMENT IMPROVEMENT

This fund is used to account for revenues and expenditures related to the construction or modification of the City's library facilities.

PUBLIC FACILITIES

This fund is used to account for revenues and expenditures related to the construction, acquisition or modification of public improvements not accounted for in another Capital Projects Fund.

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	SPECIAL REVENUE FUNDS		
	Gas Tax	HUD Programs	City Affordable Housing
ASSETS			
Cash and investments:			
Pooled cash and investments	\$ 3,983,157	\$ 1,078,830	\$ 18,184,913
Investments with fiscal agent - current	-	-	-
Restricted cash	-	-	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Loans	-	10,785,814	61,760,818
Intergovernmental	906,071	310,704	-
Investments with fiscal agent - noncurrent	-	-	-
Total Assets	<u>\$ 4,889,228</u>	<u>\$ 12,175,348</u>	<u>\$ 79,945,731</u>
LIABILITIES			
Accrued liabilities	\$ -	\$ 295,634	\$ 111,175
Total Liabilities	<u>-</u>	<u>295,634</u>	<u>111,175</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Loans	-	10,785,814	61,760,818
Total Deferred Inflows of Resources	<u>-</u>	<u>10,785,814</u>	<u>61,760,818</u>
FUND BALANCES			
Restricted	4,889,228	1,093,900	18,073,738
Committed	-	-	-
Total Fund Balances	<u>4,889,228</u>	<u>1,093,900</u>	<u>18,073,738</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,889,228</u>	<u>\$ 12,175,348</u>	<u>\$ 79,945,731</u>

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024

SPECIAL REVENUE FUNDS				DEBT SERVICE FUND
Santa Clara Housing Authority	Maintenance	Operating Grants Fund	New Development Service Fee	Public Facilities Financing Corp.
\$ 1,217,992	\$ 2,306,655	\$ 2,500,572	\$ 38,351,954	\$ 17,382
-	-	-	-	48,901
-	187,056	-	-	-
-	-	40,691	-	-
6,221,249	-	-	-	-
-	513	2,474,604	-	-
-	-	-	-	719,134
<u>\$ 7,439,241</u>	<u>\$ 2,494,224</u>	<u>\$ 5,015,867</u>	<u>\$ 38,351,954</u>	<u>\$ 785,417</u>
<u>\$ -</u>	<u>\$ 19,623</u>	<u>\$ 87,482</u>	<u>\$ 560,299</u>	<u>\$ -</u>
<u>-</u>	<u>19,623</u>	<u>87,482</u>	<u>560,299</u>	<u>-</u>
<u>6,221,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>6,221,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	2,474,601	4,928,385	434,784	785,417
<u>1,217,992</u>	<u>-</u>	<u>-</u>	<u>37,356,871</u>	<u>-</u>
<u>1,217,992</u>	<u>2,474,601</u>	<u>4,928,385</u>	<u>37,791,655</u>	<u>785,417</u>
<u>\$ 7,439,241</u>	<u>\$ 2,494,224</u>	<u>\$ 5,015,867</u>	<u>\$ 38,351,954</u>	<u>\$ 785,417</u>

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024 (continued)

	CAPITAL PROJECTS FUNDS		
	Parks and Recreation Facilities	Streets and Highways Improvement	Storm Drain Improvement
ASSETS			
Cash and investments:			
Pooled cash and investments	\$ 49,867,749	\$ 58,939,342	\$ 5,229,240
Investments with fiscal agent - current	-	-	-
Restricted cash	-	2,349,205	-
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	132,108
Loans	-	-	-
Intergovernmental	-	3,174,087	-
Investments with fiscal agent - noncurrent	-	-	-
Total Assets	<u>\$ 49,867,749</u>	<u>\$ 64,462,634</u>	<u>\$ 5,361,348</u>
LIABILITIES			
Accrued liabilities	\$ 1,471,901	\$ 3,486,903	\$ 486,489
Total Liabilities	<u>1,471,901</u>	<u>3,486,903</u>	<u>486,489</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Loans	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	47,280,005	46,297,616	300,760
Committed	<u>1,115,843</u>	<u>14,678,115</u>	<u>4,574,099</u>
Total Fund Balances	<u>48,395,848</u>	<u>60,975,731</u>	<u>4,874,859</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 49,867,749</u>	<u>\$ 64,462,634</u>	<u>\$ 5,361,348</u>

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024 (continued)

CAPITAL PROJECTS FUNDS

Fire Department Improvement	Library Department Improvement	Public Facilities	Total Non-Major Governmental Funds
\$ 1,403,868	\$ 265,270	\$ 26,980,826	\$ 210,327,750
-	-	-	48,901
-	-	-	2,536,261
-	-	216,719	389,518
-	-	-	78,767,881
-	-	-	6,865,979
-	-	-	719,134
<u>\$ 1,403,868</u>	<u>\$ 265,270</u>	<u>\$ 27,197,545</u>	<u>\$ 299,655,424</u>
<u>\$ 139,863</u>	<u>\$ 3,739</u>	<u>\$ 839,773</u>	<u>\$ 7,502,881</u>
<u>139,863</u>	<u>3,739</u>	<u>839,773</u>	<u>7,502,881</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>78,767,881</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>78,767,881</u>
-	-	3,197,254	129,755,688
<u>1,264,005</u>	<u>261,531</u>	<u>23,160,518</u>	<u>83,628,974</u>
<u>1,264,005</u>	<u>261,531</u>	<u>26,357,772</u>	<u>213,384,662</u>
<u>\$ 1,403,868</u>	<u>\$ 265,270</u>	<u>\$ 27,197,545</u>	<u>\$ 299,655,424</u>

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024

	SPECIAL REVENUE FUNDS		
	Gas Tax	HUD Programs	City Affordable Housing
REVENUES			
Taxes:			
Other	\$ -	\$ -	\$ -
Licenses, permits, fines, and penalties	-	-	-
Intergovernmental	7,003,071	987,910	3,130
Charges for services	-	-	57,539
Interest and rents	456,745	2,339	371,084
Other	-	376,846	539,302
Total Revenues	<u>7,459,816</u>	<u>1,367,095</u>	<u>971,055</u>
EXPENDITURES			
Current:			
General Administration	-	1,183,637	3,277,157
Public Works	-	-	-
Parks and Recreation	-	-	-
Public Safety:			
Police	-	-	-
Fire	-	-	-
Planning and Inspection	-	-	-
Library	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal payments	-	-	-
Interest and fiscal fees	-	-	-
Total Expenditures	<u>-</u>	<u>1,183,637</u>	<u>3,277,157</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,459,816</u>	<u>183,458</u>	<u>(2,306,102)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	747,880	-	3,524,369
Transfers (out)	<u>(7,150,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,402,120)</u>	<u>-</u>	<u>3,524,369</u>
NET CHANGE IN FUND BALANCE	1,057,696	183,458	1,218,267
Fund balances - beginning	3,831,532	910,442	16,855,471
Fund balances - ending	<u>\$ 4,889,228</u>	<u>\$ 1,093,900</u>	<u>\$ 18,073,738</u>

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024

SPECIAL REVENUE FUNDS				DEBT SERVICE FUND
Santa Clara Housing Authority	Maintenance	Operating Grants Fund	New Development Service Fee	Public Facilities Financing Corp.
\$ -	\$ 374,769	\$ -	\$ -	\$ -
-	-	-	8,540,817	-
-	-	7,911,575	-	-
-	980,639	218,622	10,837,722	-
26,615	15,740	5,835	726,991	39,938
373,717	-	4,350	73,778	-
<u>400,332</u>	<u>1,371,148</u>	<u>8,140,382</u>	<u>20,179,308</u>	<u>39,938</u>
105,956	-	-	-	-
-	1,632,506	-	-	-
-	23,433	188,138	-	-
-	94,760	486,530	-	-
-	-	3,557,069	3,118,129	-
-	-	145,289	14,324,935	-
-	-	184,802	-	-
-	-	293,586	-	-
-	-	-	-	1,030,000
-	-	-	-	372,385
<u>105,956</u>	<u>1,750,699</u>	<u>4,855,414</u>	<u>17,443,064</u>	<u>1,402,385</u>
<u>294,376</u>	<u>(379,551)</u>	<u>3,284,968</u>	<u>2,736,244</u>	<u>(1,362,447)</u>
-	942,413	694,445	1,847,578	1,402,440
(3,524,369)	-	(308,967)	(1,064,556)	-
<u>(3,524,369)</u>	<u>942,413</u>	<u>385,478</u>	<u>783,022</u>	<u>1,402,440</u>
(3,229,993)	562,862	3,670,446	3,519,266	39,993
4,447,985	1,911,739	1,257,939	34,272,389	745,424
<u>\$ 1,217,992</u>	<u>\$ 2,474,601</u>	<u>\$ 4,928,385</u>	<u>\$ 37,791,655</u>	<u>\$ 785,417</u>

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024 (continued)

	CAPITAL PROJECTS FUNDS		
	Parks and Recreation Facilities	Streets and Highways Improvement	Storm Drain Improvement
REVENUES			
Taxes:			
Other	\$ -	\$ -	\$ -
Licenses, permits, fines, and penalties	-	-	-
Intergovernmental	-	13,934,502	-
Charges for services	-	26,203	1,460,194
Interest and rents	1,004,848	384,378	5,874
Other	2,654,076	1,363,451	-
Total Revenues	<u>3,658,924</u>	<u>15,708,534</u>	<u>1,466,068</u>
EXPENDITURES			
Current:			
General Administration	-	-	-
Public Works	-	4,802,568	720,094
Parks and Recreation	2,487,754	-	-
Public Safety:			
Police	-	-	-
Fire	-	-	-
Planning and Inspection	-	-	-
Library	-	-	-
Capital outlay	9,419,860	16,608,466	859,616
Debt service:			
Principal payments	-	-	-
Interest and fiscal fees	-	-	-
Total Expenditures	<u>11,907,614</u>	<u>21,411,034</u>	<u>1,579,710</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(8,248,690)</u>	<u>(5,702,500)</u>	<u>(113,642)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,058,941	12,025,347	1,617,838
Transfers (out)	(10,066)	(747,880)	(1,519,920)
Total Other Financing Sources (Uses)	<u>1,048,875</u>	<u>11,277,467</u>	<u>97,918</u>
NET CHANGE IN FUND BALANCE	<u>(7,199,815)</u>	<u>5,574,967</u>	<u>(15,724)</u>
Fund balances - beginning	55,595,663	55,400,764	4,890,583
Fund balances - ending	<u>\$ 48,395,848</u>	<u>\$ 60,975,731</u>	<u>\$ 4,874,859</u>

CITY OF SANTA CLARA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2024 (continued)

CAPITAL PROJECTS FUNDS			Total
Fire Department Improvement	Library Department Improvement	Public Facilities	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 374,769
-	-	-	8,540,817
-	-	-	29,840,188
-	-	-	13,580,919
-	-	118,993	3,159,380
-	-	1,414,969	6,800,489
-	-	1,533,962	62,296,562
-	-	2,749,255	7,316,005
-	-	30,526	7,185,694
-	-	-	2,699,325
-	-	-	581,290
369,857	-	-	7,045,055
-	-	-	14,470,224
-	3,041	-	187,843
300,394	36,532	1,472,541	28,990,995
-	-	116,047	1,146,047
-	-	54,652	427,037
670,251	39,573	4,423,021	70,049,515
(670,251)	(39,573)	(2,889,059)	(7,752,953)
627,374	-	6,397,216	30,885,841
(42)	-	(112,452)	(14,438,252)
627,332	-	6,284,764	16,447,589
(42,919)	(39,573)	3,395,705	8,694,636
1,306,924	301,104	22,962,067	204,690,026
\$ 1,264,005	\$ 261,531	\$ 26,357,772	\$ 213,384,662

CITY OF SANTA CLARA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP LEGAL BASIS)
For the year ended June 30, 2024

	Maintenance		
	Budget	Actual Amount Budgetary Basis	Variance Positive (Negative)
REVENUES			
Taxes-Other	\$ 377,955	\$ 374,769	\$ (3,186)
Charges for services	1,373,759	1,373,643	(116)
Interest and rents	2,181	15,740	13,559
Total Revenues	1,753,895	1,764,152	10,257
EXPENDITURES			
Current:			
Total Public Works	2,188,431	1,650,588	537,843
Total Parks and Recreation	241,292	(98,582)	339,874
Total Police	94,760	94,760	-
Total Expenditures	2,524,483	1,646,766	877,717
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(770,588)	117,386	887,974
OTHER FINANCING SOURCES (USES)			
Transfers in	942,413	942,413	-
Total Other Financing Sources (Uses)	942,413	942,413	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 171,825	1,059,799	\$ 887,974
ADJUSTMENTS TO BUDGETARY BASIS:			
Expenditures of prior year encumbrances recognized on the GAAP basis		(308,276)	
Current year encumbrances recognized on the budgetary basis		223,880	
Net change in receivables recognized on the GAAP basis		(393,004)	
Beginning Fund balance		1,911,739	
Ending Fund balance		\$ 2,474,601	

<p style="text-align: center;">CITY OF SANTA CLARA NON-MAJOR ENTERPRISE FUNDS</p>

Non-Major Enterprise Funds are used to finance and account for operations and activities performed by designated departments in the City or through third party agreements.

SOLID WASTE FUND

This fund accounts for the administration of the City's garbage and rubbish collection service.

CEMETERY FUND

This fund accounts for the activities of the Mission City Memorial Park.

SANTA CLARA CONVENTION CENTER FUND

The Santa Clara Convention Center Fund was established in 1984 to account for the operations of the City's Convention Center or through third party agreements.

SPORTS AND OPEN SPACE AUTHORITY FUND (SOSA)

SOSA was created by the City Council in 1974 for the acquisition and development of open space within the City and the development of local sports activities.

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	<u>Solid Waste</u>	<u>Cemetery</u>
ASSETS		
Current assets:		
Cash and investments:		
Pooled cash and investments	\$ 9,086,672	\$ 3,830,325
Receivables (net of allowance for uncollectible):		
Accounts	6,740,671	-
Due from other funds	-	265,923
Total current assets	<u>15,827,343</u>	<u>4,096,248</u>
Noncurrent assets:		
Restricted cash	1,607,071	-
Capital assets:		
Land	-	1,096,874
Construction in progress	-	-
Buildings, infrastructure and land improvements	127,362	1,280,641
Equipment	37,170	12,150
	<u>164,532</u>	<u>2,389,665</u>
Less accumulated depreciation	91,932	1,149,169
Net capital assets	<u>72,600</u>	<u>1,240,496</u>
Total noncurrent assets	<u>1,679,671</u>	<u>1,240,496</u>
Total assets	<u>17,507,014</u>	<u>5,336,744</u>
DEFERRED OUTFLOWS OF RESOURCES		
OPEB related items	9,645	7,251
Pension related items	945,359	333,458
Total deferred outflows of resources	<u>955,004</u>	<u>340,709</u>

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
\$ 12,809,383	\$ 6,661	\$ 25,733,041
693,962	-	7,434,633
-	-	265,923
<u>13,503,345</u>	<u>6,661</u>	<u>33,433,597</u>
691,517	-	2,298,588
-	1,995,998	3,092,872
1,443,641	-	1,443,641
78,803,728	-	80,211,731
<u>2,957,268</u>	<u>-</u>	<u>3,006,588</u>
83,204,637	1,995,998	87,754,832
<u>63,386,218</u>	<u>-</u>	<u>64,627,319</u>
<u>19,818,419</u>	<u>1,995,998</u>	<u>23,127,513</u>
<u>20,509,936</u>	<u>1,995,998</u>	<u>25,426,101</u>
<u>34,013,281</u>	<u>2,002,659</u>	<u>58,859,698</u>
-	-	16,896
<u>-</u>	<u>-</u>	<u>1,278,817</u>
<u>-</u>	<u>-</u>	<u>1,295,713</u>
		(continued)

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Solid Waste	Cemetery
LIABILITIES		
Current liabilities:		
Accrued liabilities	3,658,754	40,579
Unearned revenue	-	-
Accrued compensated absences	15,139	4,969
Current portion of landfill closure liability	788,000	-
Total current liabilities	<u>4,461,893</u>	<u>45,548</u>
Noncurrent liabilities:		
Long-term compensated absences	206,348	67,733
Landfill closure liability	5,925,426	-
Net OPEB liability	213,886	160,803
Net pension liability	5,059,962	2,010,581
Total noncurrent liabilities	<u>11,405,622</u>	<u>2,239,117</u>
Total liabilities	<u>15,867,515</u>	<u>2,284,665</u>
DEFERRED INFLOWS OF RESOURCES		
OPEB related items	11,863	8,919
Pension related items	22,391	8,897
Total deferred inflows of resources	<u>34,254</u>	<u>17,816</u>
NET POSITION		
Net investment in capital assets	72,600	1,240,496
Restricted for capital projects and other agreements	1,607,071	2,588,291
Unrestricted	880,578	(453,815)
Total net position (deficit)	<u>\$ 2,560,249</u>	<u>\$ 3,374,972</u>

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
1,232,567	-	4,931,900
5,538,559	-	5,538,559
-	-	20,108
-	-	788,000
<u>6,771,126</u>	<u>-</u>	<u>11,278,567</u>
-	-	274,081
-	-	5,925,426
-	-	374,689
-	-	7,070,543
<u>-</u>	<u>-</u>	<u>13,644,739</u>
<u>6,771,126</u>	<u>-</u>	<u>24,923,306</u>
-	-	20,782
-	-	31,288
<u>-</u>	<u>-</u>	<u>52,070</u>
19,818,419	1,995,998	23,127,513
691,517	-	4,886,879
<u>6,732,219</u>	<u>6,661</u>	<u>7,165,643</u>
<u>\$ 27,242,155</u>	<u>\$ 2,002,659</u>	<u>\$ 35,180,035</u>

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

	<u>Solid Waste</u>	<u>Cemetery</u>
Operating revenues:		
Charges for services	\$ 38,715,157	\$ 773,803
Other	560,272	840
Total operating revenues	<u>39,275,429</u>	<u>774,643</u>
Operating expenses:		
Salaries and benefits	1,891,373	596,740
Materials, services and supplies	35,941,919	613,860
Depreciation	4,308	6,287
Total operating expenses	<u>37,837,600</u>	<u>1,216,887</u>
Operating income (loss)	<u>1,437,829</u>	<u>(442,244)</u>
Nonoperating revenues (expenses):		
Interest revenue	25,955	49,619
Rents and royalties	11,466	-
Total nonoperating revenues (expenses)	<u>37,421</u>	<u>49,619</u>
Income (loss) before contributions and transfers	1,475,250	(392,625)
Transfers in	35,364	796,000
Transfers (out)	<u>(26,621)</u>	<u>(822)</u>
Change in net position	1,483,993	402,553
Total net position - beginning	1,076,256	2,972,419
Total net position - ending	<u><u>\$ 2,560,249</u></u>	<u><u>\$ 3,374,972</u></u>

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
\$ 19,670,945	\$ -	\$ 59,159,905
-	-	561,112
19,670,945	-	59,721,017
181,391	6,427	2,675,931
17,123,973	4,071	53,683,823
1,556,039	-	1,566,634
18,861,403	10,498	57,926,388
809,542	(10,498)	1,794,629
157,260	158	232,992
-	-	11,466
157,260	158	244,458
966,802	(10,340)	2,039,087
-	16,500	847,864
-	-	(27,443)
966,802	6,160	2,859,508
26,275,353	1,996,499	32,320,527
\$ 27,242,155	\$ 2,002,659	\$ 35,180,035

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Solid Waste	Cemetery
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 37,895,428	\$ 774,643
Payments to suppliers	(34,547,196)	(574,840)
Payments to employees for salaries and benefits	(1,568,299)	(444,565)
Rents and royalties received	11,466	-
Net cash provided (used) by operating activities	<u>2,351,671</u>	<u>(244,762)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Decrease in due from other funds	-	39,778
Transfers in	35,364	796,000
Transfers (out)	<u>(26,621)</u>	<u>(822)</u>
Cash Flows from Noncapital Financing Activities	<u>8,743</u>	<u>834,956</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets, net	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>25,955</u>	<u>49,619</u>
Cash Flows from Investing Activities	<u>25,955</u>	<u>49,619</u>
Net increase (decrease) in cash and cash equivalents	2,386,369	639,813
Cash and cash equivalents at beginning of period	<u>8,307,374</u>	<u>3,190,512</u>
Cash and cash equivalents at end of period	<u><u>\$ 10,693,743</u></u>	<u><u>\$ 3,830,325</u></u>
Cash and cash equivalents:		
Pooled cash and investments	\$ 9,086,672	\$ 3,830,325
Restricted cash	<u>1,607,071</u>	<u>-</u>
Total cash and cash equivalents	<u><u>\$ 10,693,743</u></u>	<u><u>\$ 3,830,325</u></u>

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Santa Clara Convention Center	Sports and Open Space Authority	TOTAL Non-Major Enterprise Funds
\$ 19,196,477	\$ -	\$ 57,866,548
(17,108,852)	(4,071)	(52,234,959)
(181,391)	(6,427)	(2,200,682)
-	-	11,466
<u>1,906,234</u>	<u>(10,498)</u>	<u>4,002,645</u>
-	-	39,778
-	16,500	847,864
-	-	(27,443)
<u>-</u>	<u>16,500</u>	<u>860,199</u>
<u>(735,235)</u>	<u>-</u>	<u>(735,235)</u>
<u>(735,235)</u>	<u>-</u>	<u>(735,235)</u>
<u>157,260</u>	<u>158</u>	<u>232,992</u>
<u>157,260</u>	<u>158</u>	<u>232,992</u>
1,328,259	6,160	4,360,601
<u>12,172,641</u>	<u>501</u>	<u>23,671,028</u>
<u>\$ 13,500,900</u>	<u>\$ 6,661</u>	<u>\$ 28,031,629</u>
\$ 12,809,383	\$ 6,661	\$ 25,733,041
691,517	-	2,298,588
<u>\$ 13,500,900</u>	<u>\$ 6,661</u>	<u>\$ 28,031,629</u>
(continued)		

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	<u>Solid Waste</u>	<u>Cemetery</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 1,437,829	\$ (442,244)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Decrease) Increase in due to OPEB system	(12,530)	(9,420)
(Decrease) Increase in due to retirement system	144,320	182,828
Depreciation	4,308	6,287
Change in assets and liabilities:		
Receivables, net	(819,729)	-
Accrued liabilities	1,394,723	39,020
Compensated absences	191,284	(21,233)
Unearned revenue	-	-
Other receipts	11,466	-
Net cash provided (used) by operating activities	<u>\$ 2,351,671</u>	<u>\$ (244,762)</u>

CITY OF SANTA CLARA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

<u>Santa Clara Convention Center</u>	<u>Sports and Open Space Authority</u>	<u>TOTAL Non-Major Enterprise Funds</u>
\$ 809,542	\$ (10,498)	\$ 1,794,629
-	-	(21,950)
-	-	327,148
1,556,039	-	1,566,634
455,337	-	(364,392)
15,121	-	1,448,864
-	-	170,051
(929,805)	-	(929,805)
-	-	11,466
<u>\$ 1,906,234</u>	<u>\$ (10,498)</u>	<u>\$ 4,002,645</u>

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CITY OF SANTA CLARA INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. For the Statement of Activities, the net revenues or expenses of each internal service fund are eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

AUTOMOTIVE SERVICES

This fund accounts for the maintenance and replacement of vehicles and equipment used by all City departments. The source of revenue for this fund is rental fees charged to the various departments.

TECHNICAL EQUIPMENT SERVICES

This fund accounts for the maintenance and replacement of communication and computer equipment used by City departments. The source of revenue for this fund is rental fees charged to the various departments.

PUBLIC WORKS CAPITAL PROJECTS MANAGEMENT

This fund accounts for the Public Works staff time and non-personnel costs utilized to manage and work on specific capital improvement programs of the City. The source of revenue for this fund is fees charged to the departments requiring Public Works capital project services.

INFORMATION TECHNOLOGY SERVICES

This fund accounts for citywide cost associated with computer and telephone equipment replacement as well as other services including new or upgraded software, additional licenses for new users, and general information technology services provided to all City departments. The source of revenue for this fund is fees charged to the departments that require information technology services.

SPECIAL LIABILITY INSURANCE CLAIMS

This fund was established to account for the cost of claims and administrative costs for the City's self-insured general liability program.

WORKERS' COMPENSATION INSURANCE CLAIMS

This fund is used to account for the cost of claims for service connected with injuries and illnesses sustained by members of the City's work force.

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
ASSETS			
Current assets:			
Cash and investments:			
Pooled cash and investments	\$ 16,894,892	\$ 8,220,635	\$ 992,337
Receivables (net of allowance for uncollectible):			
Accounts	11,941	-	-
Due from other funds	41,213	-	-
Materials, supplies and prepaids	2,453,887	-	-
Total current assets	<u>19,401,933</u>	<u>8,220,635</u>	<u>992,337</u>
Noncurrent assets:			
Capital assets:			
Equipment	41,702,492	3,379,177	-
Right-to-use leased assets	-	-	-
Right-to-use SBITA	-	-	-
Total capital assets	41,702,492	3,379,177	-
Less accumulated depreciation	29,298,320	3,379,177	-
Net capital assets	<u>12,404,172</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>12,404,172</u>	<u>-</u>	<u>-</u>
Total assets	<u>31,806,105</u>	<u>8,220,635</u>	<u>992,337</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related items	21,390	-	-
Pension related items	1,350,468	-	-
Total deferred outflows of resources	<u>1,371,858</u>	<u>-</u>	<u>-</u>

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
\$ 2,860,532	\$ 12,796,323	\$ 10,030,034	\$ 51,794,753
26,663	3,977	431,512	474,093
-	-	-	41,213
-	-	27,785	2,481,672
<u>2,887,195</u>	<u>12,800,300</u>	<u>10,489,331</u>	<u>54,791,731</u>
6,040	-	-	45,087,709
34,655	-	-	34,655
<u>1,386,483</u>	<u>-</u>	<u>-</u>	<u>1,386,483</u>
1,427,178	-	-	46,508,847
<u>5,939</u>	<u>-</u>	<u>-</u>	<u>32,683,436</u>
<u>1,421,239</u>	<u>-</u>	<u>-</u>	<u>13,825,411</u>
<u>1,421,239</u>	<u>-</u>	<u>-</u>	<u>13,825,411</u>
<u>4,308,434</u>	<u>12,800,300</u>	<u>10,489,331</u>	<u>68,617,142</u>
8,701	-	-	30,091
<u>798,950</u>	<u>-</u>	<u>-</u>	<u>2,149,418</u>
<u>807,651</u>	<u>-</u>	<u>-</u>	<u>2,179,509</u>
			(continued)

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
LIABILITIES			
Current liabilities:			
Accrued liabilities	201,457	-	23,382
Interest payable	-	-	-
Due to other funds	5,851,954	1,220,603	-
Accrued compensated absences	21,365	-	-
Current portion of lease obligation	-	-	-
Current portion of SBITA	-	-	-
Total current liabilities	<u>6,074,776</u>	<u>1,220,603</u>	<u>23,382</u>
Noncurrent liabilities:			
Long-term portion estimated claims	-	-	-
Long-term compensated absences	291,213	-	-
Long-term lease obligation	-	-	-
Long-term SBITA	-	-	-
OPEB pension liability	474,366	-	-
Net pension liability	<u>6,299,821</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	7,065,400	-	-
Total liabilities	<u>13,140,176</u>	<u>1,220,603</u>	<u>23,382</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related items	26,310	-	-
Pension related items	<u>27,877</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>54,187</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	12,404,172	-	-
Unrestricted	<u>7,579,428</u>	<u>7,000,032</u>	<u>968,955</u>
Total net position (deficit)	<u>\$ 19,983,600</u>	<u>\$ 7,000,032</u>	<u>\$ 968,955</u>

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
911,436	2,686,198	4,307,485	8,129,958
7,304	-	-	7,304
-	-	-	7,072,557
30,493	-	-	51,858
34,720	-	-	34,720
602,683	-	-	602,683
<u>1,586,636</u>	<u>2,686,198</u>	<u>4,307,485</u>	<u>15,899,080</u>
-	6,056,000	16,700,000	22,756,000
415,637	-	-	706,850
-	-	-	-
617,329	-	-	617,329
192,965	-	-	667,331
2,881,833	-	-	9,181,654
<u>4,107,764</u>	<u>6,056,000</u>	<u>16,700,000</u>	<u>33,929,164</u>
<u>5,694,400</u>	<u>8,742,198</u>	<u>21,007,485</u>	<u>49,828,244</u>
10,702	-	-	37,012
12,752	-	-	40,629
<u>23,454</u>	<u>-</u>	<u>-</u>	<u>77,641</u>
166,507	-	-	12,570,679
<u>(768,276)</u>	<u>4,058,102</u>	<u>(10,518,154)</u>	<u>8,320,087</u>
<u>\$ (601,769)</u>	<u>\$ 4,058,102</u>	<u>\$ (10,518,154)</u>	<u>\$ 20,890,766</u>

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
Operating revenues:			
Charges for services	\$ 8,943,898	\$ 805,515	\$ 4,113,199
Insurance refunds and other	-	-	-
Total operating revenues	<u>8,943,898</u>	<u>805,515</u>	<u>4,113,199</u>
Operating expenses:			
Salaries and benefits	2,730,951	-	3,397,922
Materials, services and supplies	2,931,608	311,831	336,519
General and administrative	-	-	-
Amortization - Right to use assets	-	-	-
Depreciation	2,419,223	53,476	-
Total operating expenses	<u>8,081,782</u>	<u>365,307</u>	<u>3,734,441</u>
Operating income (loss)	<u>862,116</u>	<u>440,208</u>	<u>378,758</u>
Nonoperating revenues (expenses):			
Other revenue	286,276	1,750,000	-
Interest expense	-	-	-
Gain (loss) on retirement of assets	(30,107)	-	-
Total nonoperating revenues (expenses)	<u>256,169</u>	<u>1,750,000</u>	<u>-</u>
Income (loss) before contributions and transfers	1,118,285	2,190,208	378,758
Transfers in	1,455,105	3,500,000	-
Transfers (out)	(149,600)	-	(406,304)
Change in net position	<u>2,423,790</u>	<u>5,690,208</u>	<u>(27,546)</u>
Total net position - beginning	17,559,810	1,309,824	996,501
Total net position - ending	<u>\$ 19,983,600</u>	<u>\$ 7,000,032</u>	<u>\$ 968,955</u>

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the year ended June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
\$ 13,108,551	\$ 6,210,606	\$ 6,097,000	\$ 39,278,769
-	-	193,973	193,973
13,108,551	6,210,606	6,290,973	39,472,742
2,267,870	-	-	8,396,743
10,056,315	-	-	13,636,273
-	6,325,653	6,464,165	12,789,818
713,293	-	-	713,293
1,208	-	-	2,473,907
13,038,686	6,325,653	6,464,165	38,010,034
69,865	(115,047)	(173,192)	1,462,708
-	-	-	2,036,276
(40,662)	-	-	(40,662)
-	-	-	(30,107)
(40,662)	-	-	1,965,507
29,203	(115,047)	(173,192)	3,428,215
-	-	-	4,955,105
-	-	-	(555,904)
29,203	(115,047)	(173,192)	7,827,416
(630,972)	4,173,149	(10,344,962)	13,063,350
\$ (601,769)	\$ 4,058,102	\$ (10,518,154)	\$ 20,890,766

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 8,994,698	\$ 805,515	\$ 4,113,199
Payments to suppliers	(4,454,358)	(311,831)	(123,694)
Payments to employees for salaries and benefits	(2,576,924)	-	(3,397,922)
Internal activity - payments to other funds	(172,073)	-	(231,771)
Claims paid	-	-	-
Other receipts	286,276	1,750,000	-
	<u>2,077,619</u>	<u>2,243,684</u>	<u>359,812</u>
Net cash provided (used) by operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
(Increase) in due from other funds	(3,644)	-	-
Increase in due to other funds	1,086,169	189,717	-
Transfers in	1,455,105	3,500,000	-
Transfers (out)	(149,600)	-	(406,304)
	<u>2,388,030</u>	<u>3,689,717</u>	<u>(406,304)</u>
Cash Flows from Noncapital Financing Activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets, net	(3,681,678)	-	-
Principal payment on capital debt	-	-	-
Interest paid on capital debt	-	-	-
	<u>(3,681,678)</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Net increase (decrease) in cash and cash equivalents	783,971	5,933,401	(46,492)
Cash and investments at beginning of period	16,110,921	2,287,234	1,038,829
Cash and investments at end of period	<u>\$ 16,894,892</u>	<u>\$ 8,220,635</u>	<u>\$ 992,337</u>
Cash and cash equivalents:			
Pooled cash and investments	\$ 16,894,892	\$ 8,220,635	\$ 992,337
Total cash and cash equivalents	<u>\$ 16,894,892</u>	<u>\$ 8,220,635</u>	<u>\$ 992,337</u>

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
\$ 13,081,890	\$ 6,210,606	\$ 6,116,369	\$ 39,322,277
(9,939,724)	-	-	(14,829,607)
(2,120,685)	-	-	(8,095,531)
(1,460)	-	-	(405,304)
-	(5,415,583)	(5,724,024)	(11,139,607)
-	-	-	2,036,276
<u>1,020,021</u>	<u>795,023</u>	<u>392,345</u>	<u>6,888,504</u>
-	-	-	(3,644)
-	-	-	1,275,886
-	-	-	4,955,105
-	-	-	(555,904)
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,671,443</u>
-	-	-	(3,681,678)
(800,003)	-	-	(800,003)
(40,662)	-	-	(40,662)
<u>(840,665)</u>	<u>-</u>	<u>-</u>	<u>(4,522,343)</u>
179,356	795,023	392,345	8,037,604
<u>2,681,176</u>	<u>12,001,300</u>	<u>9,637,689</u>	<u>43,757,149</u>
<u>\$ 2,860,532</u>	<u>\$ 12,796,323</u>	<u>\$ 10,030,034</u>	<u>\$ 51,794,753</u>
<u>\$ 2,860,532</u>	<u>\$ 12,796,323</u>	<u>\$ 10,030,034</u>	<u>\$ 51,794,753</u>
<u>\$ 2,860,532</u>	<u>\$ 12,796,323</u>	<u>\$ 10,030,034</u>	<u>\$ 51,794,753</u>
(continued)			

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

	Automotive Services	Technical Equipment Services	PW Capital Projects Management
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 862,116	\$ 440,208	\$ 378,758
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Decrease) Increase in lease and SBITA obligation	-	-	-
(Decrease) Increase in due to OPEB system	(27,791)	-	-
(Decrease) Increase in due to retirement system	167,754	-	-
Depreciation	2,419,223	53,476	-
Change in assets and liabilities:			
Receivables, net	50,800	-	-
Inventory	(1,474,154)	-	-
Accrued liabilities	(220,669)	-	(18,946)
Long-term portion estimated claims	-	-	-
Compensated absences	14,064	-	-
Other receipts	286,276	1,750,000	-
Net cash provided (used) by operating activities	<u>\$ 2,077,619</u>	<u>\$ 2,243,684</u>	<u>\$ 359,812</u>

CITY OF SANTA CLARA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the year ended June 30, 2024

Information Technology Services	Special Liability Insurance Claims	Workers' Compensation Insurance Claims	TOTAL
\$ 69,865	\$ (115,047)	\$ (173,192)	\$ 1,462,708
713,294	-	-	713,294
(11,304)	-	-	(39,095)
95,222	-	-	262,976
1,208	-	-	2,473,907
(26,663)	(3,977)	19,369	39,529
-	-	(27,785)	(1,501,939)
115,132	273,047	173,953	322,517
-	641,000	400,000	1,041,000
63,267	-	-	77,331
-	-	-	2,036,276
<u>\$ 1,020,021</u>	<u>\$ 795,023</u>	<u>\$ 392,345</u>	<u>\$ 6,888,504</u>

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<p style="text-align: center;">CITY OF SANTA CLARA COMBINING FIDUCIARY FUNDS</p>
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PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments. The Private Purpose Trust Funds are described below:

CHARITABLE TRUST

This fund accounts for the various gifts, donations and bequests received by the City for distribution to various nonprofit organizations as determined by the Mission City Community Fund.

SUCCESSOR AGENCY

California State laws ABx1 26 and AB 1484 provided for the dissolution of California Redevelopment Agencies effective January 31, 2012 and the transfer of all non-housing Agency assets to the Successor Agency Redevelopment Obligation Retirement Fund.

CUSTODIAL FUNDS

Custodial Funds are presented separately from the Government-wide and Fund financial statements.

Custodial Funds account for assets held by the City as an agent for individuals, governmental entities, and non-public organizations. These funds include the following:

EMPLOYEE CONTRIBUTED EMERGENCY PAID LEAVE POOL FUND

This fund is used to account for monies collected and disbursed for the employees paid leave program that is administered by respective bargaining units. The City does not make contribution to this fund.

SPECIAL ASSESSMENTS

This fund accounts for monies collected and disbursed from special assessment districts where the City is not obligated for the outstanding debt payments.

CUSTODIAL DEPOSITS

This fund accounts for various miscellaneous deposits for other entities.

CITY OF SANTA CLARA
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Charitable Trust	Successor Agency	Total Private Purpose Trust
ASSETS			
Current assets			
Cash and investments:			
Pooled cash and investments	\$ 809,186	\$ 746,871	\$ 1,556,057
Receivables (net of allowance for uncollectibles):			
Interest and rent	10,606	185,369	195,975
Leases receivable	-	896,947	896,947
Total current assets	<u>819,792</u>	<u>1,829,187</u>	<u>2,648,979</u>
Noncurrent assets			
Leases receivable- noncurrent	-	41,927,423	41,927,423
Investment with fiscal agent-noncurrent	2,902,022	-	2,902,022
Land held for resale	-	532,542	532,542
Total noncurrent assets	<u>2,902,022</u>	<u>42,459,965</u>	<u>45,361,987</u>
Total Assets	<u>3,721,814</u>	<u>44,289,152</u>	<u>48,010,966</u>
LIABILITIES			
Unearned revenues	-	122,008	122,008
Due to other agencies	-	740,000	740,000
Total Liabilities	<u>-</u>	<u>862,008</u>	<u>862,008</u>
DEFERRED INFLOWS OF RESOURCES			
Leases related	-	40,393,601	40,393,601
Total deferred inflows of resources	<u>-</u>	<u>40,393,601</u>	<u>40,393,601</u>
NET POSITION			
Held in trust for private purpose	3,721,814	-	3,721,814
Restricted for individuals, organization and other governments	-	3,033,543	3,033,543
Total Net Position	<u>\$ 3,721,814</u>	<u>\$ 3,033,543</u>	<u>\$ 6,755,357</u>

**CITY OF SANTA CLARA
PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended June 30, 2024**

	Charitable Trust	Successor Agency	Total Private Purpose Trust
	<hr/>	<hr/>	<hr/>
ADDITIONS			
Investment income:			
Net change in fair value of investments	\$ 129,146	\$ -	\$ 129,146
Interest and rents	112,432	3,612,705	3,725,137
Net investment income	<hr/> 241,578	<hr/> 3,612,705	<hr/> 3,854,283
Total additions	<hr/> 241,578	<hr/> 3,612,705	<hr/> 3,854,283
	<hr/>	<hr/>	<hr/>
DEDUCTIONS			
General and administrative	108,492	972	109,464
Pass through to the County of Santa Clara	-	2,920,000	2,920,000
Total deductions	<hr/> 108,492	<hr/> 2,920,972	<hr/> 3,029,464
Net increase (decrease) in fiduciary net position	133,086	691,733	824,819
Net position - beginning	3,588,728	2,341,810	5,930,538
Net position - ending	<hr/> <hr/> \$ 3,721,814	<hr/> <hr/> \$ 3,033,543	<hr/> <hr/> \$ 6,755,357

**CITY OF SANTA CLARA
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024**

	Employee Contributed Emergency Paid Leave Pool	Special Assessments	Custodial Deposits	Total Custodial Funds
ASSETS				
Cash and investments:				
Pooled cash and investments	\$ 417,818	\$ 505,773	\$ 21,712	\$ 945,303
Total cash	417,818	505,773	21,712	945,303
Total Assets	417,818	505,773	21,712	945,303
LIABILITIES				
Accrued liabilities	-	-	1,100	1,100
Total Liabilities	-	-	1,100	1,100
NET POSITION				
Restricted for individuals, organization and other governments	417,818	505,773	20,612	944,203
Total Net Position	\$ 417,818	\$ 505,773	\$ 20,612	\$ 944,203

**CITY OF SANTA CLARA
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended June 30, 2024**

	Employee Contributed Emergency Paid Leave Pool	Special Assessments	Custodial Deposits	Total Custodial Funds
ADDITIONS				
Contributions:				
Employee contributions	\$ 63,557	\$ -	\$ -	\$ 63,557
Other plans	-	3,281,253	-	3,281,253
Gifts and bequest	-	-	1,740	1,740
Total contributions	<u>63,557</u>	<u>3,281,253</u>	<u>1,740</u>	<u>3,346,550</u>
Investment income:				
Interest and rents	<u>8,012</u>	<u>-</u>	<u>-</u>	<u>8,012</u>
Net investment income	<u>8,012</u>	<u>-</u>	<u>-</u>	<u>8,012</u>
Total additions	<u>71,569</u>	<u>3,281,253</u>	<u>1,740</u>	<u>3,354,562</u>
DEDUCTIONS				
General and administrative	-	80,000	3,063	83,063
Benefits paid	56,059	-	-	56,059
Pass through to the Stadium Authority	-	3,105,273	-	3,105,273
Total deductions	<u>56,059</u>	<u>3,185,273</u>	<u>3,063</u>	<u>3,244,395</u>
Net increase (decrease) in fiduciary net position	<u>15,510</u>	<u>95,980</u>	<u>(1,323)</u>	<u>110,167</u>
Net position - beginning	<u>402,308</u>	<u>409,793</u>	<u>21,935</u>	<u>834,036</u>
Net position - ending	<u>\$ 417,818</u>	<u>\$ 505,773</u>	<u>\$ 20,612</u>	<u>\$ 944,203</u>

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Statistical Section (Unaudited)

CITY OF SANTA CLARA STATISTICAL SECTION
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This part of the City of Santa Clara's Annual Comprehensive Report provides detailed information to better understand the data presented within the financial statements, note disclosures, and required supplementary information.

TABLES

FINANCIAL TRENDS

1 - 4

Contains trend information to help the reader understand how the City's financial performance has changed over time.

REVENUE CAPACITY

5 - 10

Contains information to help the reader assess the City's most significant local revenue sources, the property taxes and electric utility charges.

DEBT CAPACITY

11 - 15

Presents information to assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

16 - 17

Offers information to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

18 - 21

Contains service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.

CITY OF SANTA CLARA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

Table 1

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015 ⁽¹⁾
Governmental Activities:										
Net Investment in Capital Assets	\$ 650,220	\$ 632,383	\$ 625,872	\$ 626,115	\$ 613,187	\$ 585,201	\$ 553,135	\$ 532,255	\$ 507,390	\$ 524,645
Restricted	353,262	342,466	317,290	275,653	260,872	244,775	246,048	242,393	207,996	198,316
Unrestricted	<u>(281,658)</u>	<u>(286,878)</u>	<u>(283,492)</u>	<u>(289,637)</u>	<u>(224,176)</u>	<u>(169,513)</u>	<u>(180,368)</u>	<u>(135,818)</u>	<u>(125,913)</u>	<u>(186,423)</u>
Total Governmental Activities										
Net Assets:	<u>\$ 721,824</u>	<u>\$ 687,971</u>	<u>\$ 659,670</u>	<u>\$ 612,131</u>	<u>\$ 649,883</u>	<u>\$ 660,463</u>	<u>\$ 618,815</u>	<u>\$ 638,830</u>	<u>\$ 589,473</u>	<u>\$ 536,538</u>
Business - Type Activities:										
Net Investment in Capital Assets	\$ 1,145,344	\$ 1,088,899	\$ 1,079,607	\$ 1,042,058	\$ 974,612	\$ 953,098	\$ 917,738	\$ 882,187	\$ 844,911	\$ 760,150
Restricted	384,617	332,074	333,069	234,289	249,516	185,267	174,595	142,459	133,718	93,891
Unrestricted	<u>389,118</u>	<u>218,381</u>	<u>112,922</u>	<u>100,116</u>	<u>80,997</u>	<u>31,258</u>	<u>(24,141)</u>	<u>(13,132)</u>	<u>(61,843)</u>	<u>(1,573)</u>
Total Business - Type Activities										
Net Position	<u>\$ 1,919,079</u>	<u>\$ 1,639,354</u>	<u>\$ 1,525,598</u>	<u>\$ 1,376,463</u>	<u>\$ 1,305,125</u>	<u>\$ 1,169,623</u>	<u>\$ 1,068,192</u>	<u>\$ 1,011,514</u>	<u>\$ 916,786</u>	<u>\$ 852,468</u>
Primary Government										
Net Investment in Capital Assets	\$ 1,795,564	\$ 1,721,282	\$ 1,705,479	\$ 1,668,173	\$ 1,587,799	\$ 1,538,299	\$ 1,470,873	\$ 1,414,442	\$ 1,352,301	\$ 1,284,795
Restricted	737,879	674,540	650,359	509,942	510,388	430,042	420,643	384,852	341,714	292,207
Unrestricted	<u>107,460</u>	<u>(68,497)</u>	<u>(170,570)</u>	<u>(189,521)</u>	<u>(143,179)</u>	<u>(138,255)</u>	<u>(204,509)</u>	<u>(148,950)</u>	<u>(187,756)</u>	<u>(187,996)</u>
Total Primary Government										
Net Position	<u>\$ 2,640,903</u>	<u>\$ 2,327,325</u>	<u>\$ 2,185,268</u>	<u>\$ 1,988,594</u>	<u>\$ 1,955,008</u>	<u>\$ 1,830,086</u>	<u>\$ 1,687,007</u>	<u>\$ 1,650,344</u>	<u>\$ 1,506,259</u>	<u>\$ 1,389,006</u>

Note:

(1) Certain amounts cannot be compared to fiscal year 2015 due to the implementation of GASB Staetment No. 68.

Source: Finance Office, City of Santa Clara.

CITY OF SANTA CLARA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental Activities:										
General Administration	\$ 33,144	\$ 32,353	\$ 37,676	\$ 33,671	\$ 26,436	\$ 30,328	\$ 25,467	\$ 20,636	\$ 22,692	\$ 18,310
City Clerk	1,209	1,329	1,171	1,414	1,292	1,263	864	1,020	309	389
City Attorney	2,319	2,529	2,079	1,890	1,945	1,700	1,000	860	270	194
Human Resources	1,890	2,039	2,136	1,616	2,751	2,011	1,886	1,675	748	654
Finance	8,824	10,031	10,325	10,188	10,497	7,111	6,253	5,323	1,633	1,357
Public Works	46,164	44,839	38,837	41,951	46,176	45,725	38,276	34,314	30,365	29,713
Parks and Recreation	27,659	25,907	20,520	20,266	27,491	23,285	21,369	18,616	17,106	16,135
Public Safety:										
Police	97,507	88,389	71,575	87,563	89,477	72,449	76,742	63,612	58,599	54,252
Fire	79,840	73,154	58,117	71,025	67,767	58,120	55,372	43,384	37,120	35,341
Planning and Inspection	18,724	19,218	15,487	15,537	16,281	12,879	10,614	9,162	7,855	7,593
Library	13,056	12,766	10,925	10,864	13,773	12,687	12,302	10,553	10,718	8,851
Interest on long term debt	546	349	408	487	560	630	695	749	803	853
Total Governmental Activities Expenses (Net)	330,882	312,903	269,256	296,472	304,446	268,188	250,840	209,904	188,218	173,642
Business-Type Activities:										
Utilities:										
Electric	584,073	658,600	552,552	454,503	453,112	408,812	437,419	402,977	386,239	377,017
Water	58,039	49,010	45,578	45,353	43,196	46,067	41,777	35,649	32,254	29,482
Sewer	36,162	86,208	30,523	30,103	28,614	29,462	25,689	23,047	19,081	17,981
Water Recycling	8,995	6,605	5,700	5,844	6,344	5,909	4,972	4,858	2,672	2,902
Solid Waste	37,809	34,196	32,997	29,769	25,567	25,393	23,363	26,621	20,142	19,717
Cemetery	1,228	1,395	1,350	1,359	1,659	1,257	1,174	820	781	676
Sports and Open Space Authority	10	10	9	8	10	9	10	53	102	97
Santa Clara Golf and Tennis Club	-	-	-	-	1,675	2,837	2,951	2,772	2,777	2,754
Santa Clara Convention Center	18,926	16,530	11,829	4,667	16,738	12,967	8,423	8,478	9,075	9,006
Santa Clara Stadium Authority	91,047	61,818	65,308	41,181	79,539	103,899	111,210	105,593	147,435	98,363
Total Business-Type Activities Expenses	836,289	745,846	612,787	656,454	636,612	656,988	610,868	620,558	557,995	462,899
Total Primary Expenses	\$ 1,167,171	\$ 1,015,102	\$ 909,259	\$ 960,900	\$ 904,800	\$ 907,828	\$ 820,772	\$ 808,776	\$ 731,637	\$ 623,356

Source: Finance Office, City of Santa Clara

CITY OF SANTA CLARA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)
(continued)

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Administration	\$ 21,733	\$ 14,252	\$ 9,592	\$ 3,475	\$ 8,837	\$ 7,904	\$ 398	\$ 1,651	\$ 1,247	\$ 416
Parks and Recreation	3,589	3,225	2,049	891	1,495	3,431	3,126	3,169	3,114	4,207
Planning and Inspection	18,953	21,755	21,274	16,470	15,564	19,048	12,837	13,658	15,065	13,944
Other Programs	19,205	17,368	15,282	12,604	15,057	17,476	21,303	19,658	23,022	16,281
Operating Grants and Contributions	23,117	6,651	34,060	17,053	9,455	8,457	7,172	4,723	5,809	8,240
Capital Gains and Contributions	11,267	8,534	6,072	11,598	29,619	23,634	20,273	14,280	12,100	5,848
Total Governmental Activities Program Revenues	97,864	71,785	88,329	62,091	80,027	79,950	65,109	57,139	60,357	48,936
Business-Type Activities:										
Utilities:										
Electric	784,316	751,409	611,549	526,710	507,494	460,263	475,434	459,849	412,441	381,858
Equity in income (losses) of joint ventures ⁽¹⁾	-	-	-	-	-	-	-	-	-	(4,719)
Water	57,514	50,519	51,606	52,530	51,373	47,017	46,685	39,953	31,955	31,462
Sewer	48,791	57,998	116,443	16,587	71,041	44,763	50,942	43,176	41,659	43,400
Equity in income (losses) of joint ventures ⁽¹⁾	19,191	-	-	-	-	-	-	-	-	(10,036)
Water Recycling	8,797	6,395	6,072	6,182	6,304	6,299	5,479	4,834	3,841	3,381
Solid Waste	39,287	35,944	34,851	26,603	26,645	25,983	23,544	22,585	21,854	20,404
Cemetery	775	932	1,024	844	585	634	666	799	693	649
Sports and Open Space Authority	-	-	-	-	-	-	-	58	72	66
Santa Clara Golf and Tennis Club	-	-	-	-	674	2,001	1,991	1,780	1,666	2,207
Santa Clara Convention Center	19,671	17,429	8,527	1,221	14,252	12,734	9,061	9,581	7,399	7,112
Santa Clara Stadium Authority	84,575	74,438	59,528	38,682	87,976	112,550	112,039	110,059	146,619	102,908
Total Business-Type Activities Program Revenues	1,062,917	995,064	889,600	669,359	766,344	712,244	725,841	692,674	668,199	578,692
Total Primary Government Program Revenues	1,160,781	1,066,849	977,929	731,450	846,371	792,194	790,950	749,813	728,556	627,628
Net (Expense) Revenues:										
Governmental Activities	(233,018)	(241,118)	(180,927)	(234,381)	(224,419)	(188,238)	(185,731)	(152,765)	(127,861)	(124,706)
Business-Type Activities	207,437	80,691	143,754	56,572	109,890	75,632	68,853	81,806	47,641	20,697
Total Primary Government Net (Expense) Revenues	\$ (25,581)	\$ (160,426)	\$ (37,173)	\$ (177,809)	\$ (114,529)	\$ (112,606)	\$ (116,878)	\$ (70,959)	\$ (80,220)	\$ (104,009)

Note:

(1) Equity in income (losses) of joint ventures were included in the Electric and Sewer Business-Type Activities beginning in fiscal year 2016

Source: Finance Office, City of Santa Clara

CITY OF SANTA CLARA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(In Thousands)
(continued)

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenue and other changes in Net Position										
Governmental Activities:										
Taxes:										
Sales	\$ 61,776	\$ 64,498	\$ 56,902	\$ 56,178	\$ 55,270	\$ 65,036	\$ 56,320	\$ 55,751	\$ 57,797	\$ 49,648
Ad Valorem Property	90,176	84,047	74,188	68,358	65,132	58,502	54,965	50,943	45,627	37,574
Transient occupancy	22,347	18,989	10,812	2,949	15,994	23,229	20,580	20,484	20,557	18,186
Other	7,116	6,738	7,317	6,019	5,967	5,955	6,392	5,671	5,510	5,173
Internal Governmental, unrestricted:										
Motor Vehicle in-lieu	-	-	-	-	-	-	-	55	49	50
Contribution in-lieu of taxes	33,144	29,584	27,259	24,548	22,710	21,304	21,986	21,117	19,057	17,493
Investment earnings	17,939	13,299	5,709	6,451	8,700	6,990	4,600	3,466	2,178	1,702
Net increase (decrease) in the fair value of investments	9,969	(5,788)	(13,688)	(5,207)	6,531	8,082	(2,452)	(3,217)	1,049	496
Equity in income (losses) of joint ventures	-	-	-	-	95	28	25	49	44	(40)
Rents and royalties	9,754	10,030	7,205	9,852	9,032	9,762	10,494	11,410	13,642	11,189
Other	12,125	43,058	58,511	24,590	22,513	30,257	16,243	39,956	8,551	12,154
Special item	-	-	-	-	-	-	-	-	(24,451)	(9,224)
Total Government General Revenue and Special Item	264,346	264,455	234,215	193,738	211,944	229,145	189,153	205,685	149,610	144,401
Business-Type Activities: ⁽²⁾										
Investment earnings	35,799	28,656	11,587	13,569	16,709	16,618	15,755	13,031	16,894	15,602
Net increase (decrease) in the fair value of investments	11,712	(3,863)	(26,594)	(6,246)	10,798	9,921	(3,584)	(3,672)	1,218	544
Equity in gains of joint venture	18,556	8,533	14,639	-	-	-	-	-	-	-
Gain (loss) on retirement of assets	1	-	-	1,678	-	-	-	-	29,751	64
Total Business-Type General Revenue	66,068	33,326	(368)	9,001	27,507	26,539	12,171	9,359	47,863	16,210
Total Primary Government General Revenue	330,414	297,781	233,847	202,739	239,451	255,684	201,324	215,044	197,473	160,611
Change in Net Position - Total Primary Government	304,833	137,355	196,674	24,930	124,922	143,078	84,446	144,085	117,253	56,602
Net Position - Beginning of Year (2015 Adjusted)	2,327,325	2,185,268	1,988,594	1,955,007	1,830,085	1,687,007	1,650,344	1,506,259	1,389,006	1,738,140
GASB68 Implementation	-	-	-	-	-	-	-	-	-	(405,736)
GASB75 Implementation	-	-	-	-	-	-	(47,783)	-	-	-
GASB84 Implementation	-	-	-	8,657	-	-	-	-	-	-
GASB87 Implementation	8,745	4,702	-	-	-	-	-	-	-	-
Net Position - End of Year - Total Primary Government	\$ 2,640,903	\$ 2,327,325	\$ 2,185,268	\$ 1,988,594	\$ 1,955,007	\$ 1,830,085	\$ 1,687,007	\$ 1,650,344	\$ 1,506,259	\$ 1,389,006

CITY OF SANTA CLARA
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

Table 3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	\$ 5,880	\$ 3,396	\$ 7,244	\$ 13,767	\$ 24,260	\$ 24,421	\$ 25,002	\$ 13,837	\$ 13,517	\$ 13,247
Restricted	31,841	24,689	23,291	25,943	28,507	17,652	13,585	7,083	11,865	9,546
Committed	18,577	18,575	23,985	40,280	36,978	30,902	41,914	58,580	64,111	55,121
Assigned	15,756	13,863	9,844	7,131	5,861	7,879	7,473	4,639	4,875	6,761
Unassigned	109,265	92,793	76,751	90,681	122,969	147,739	107,801	107,404	103,430	58,946
Total General Fund	<u>181,319</u>	<u>153,316</u>	<u>141,115</u>	<u>177,802</u>	<u>218,575</u>	<u>228,593</u>	<u>195,775</u>	<u>191,543</u>	<u>197,798</u>	<u>143,621</u>
All other Governmental Funds:										
Restricted	135,624	137,384	110,448	88,486	89,256	86,802	91,290	89,818	67,612	76,848
Committed	83,629	78,205	73,821	50,558	44,757	45,345	40,473	44,936	38,953	20,237
Total All Other Governmental Funds	<u>219,253</u>	<u>215,589</u>	<u>184,269</u>	<u>139,044</u>	<u>134,013</u>	<u>132,147</u>	<u>131,763</u>	<u>134,754</u>	<u>106,565</u>	<u>97,085</u>
Total Governmental Funds	<u>\$ 400,572</u>	<u>\$ 368,905</u>	<u>\$ 325,384</u>	<u>\$ 316,846</u>	<u>\$ 352,588</u>	<u>\$ 360,740</u>	<u>\$ 327,538</u>	<u>\$ 326,297</u>	<u>\$ 304,363</u>	<u>\$ 240,706</u>

CITY OF SANTA CLARA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)

Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES:										
Taxes:										
Sales	\$ 61,776	\$ 64,498	\$ 56,902	\$ 56,178	\$ 55,270	\$ 65,036	\$ 56,321	\$ 55,750	\$ 57,796	\$ 49,649
Ad valorem property	90,710	84,599	74,630	68,773	65,498	58,502	54,965	50,943	45,627	37,574
Transient occupancy	22,347	18,989	10,812	2,949	15,994	23,229	20,580	20,484	20,557	18,186
Other	7,116	6,738	7,317	5,824	5,967	5,955	6,392	5,671	5,510	5,173
Licenses, permits, fees and penalties	20,151	18,390	16,182	12,568	11,476	16,478	8,665	10,536	11,530	9,508
Intergovernmental	30,730	13,299	39,929	22,589	19,905	29,685	13,920	15,269	8,570	13,766
Charges for services	59,312	51,976	47,194	38,171	44,029	49,067	45,237	42,941	46,938	39,012
Contribution in-lieu of taxes	33,143	29,584	27,259	24,548	22,710	21,304	21,986	21,117	19,057	17,493
Interest and rents	30,430	26,065	13,220	16,161	17,673	16,927	15,223	14,636	15,617	10,692
Net increase (decrease) in the fair value of investments	9,969	(5,788)	(13,688)	(5,207)	6,531	8,082	(2,452)	(3,217)	1,049	496
Other	8,860	56,381	42,033	17,161	17,955	15,021	11,957	32,209	9,578	13,792
TOTAL REVENUES	\$ 374,544	\$ 364,731	\$ 321,790	\$ 259,715	\$ 283,008	\$ 309,286	\$ 252,794	\$ 266,339	\$ 241,829	\$ 215,341

Source: Finance Office, City of Santa Clara.

CITY OF SANTA CLARA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(In Thousands)
(continued)

Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENDITURES										
Current:										
General Administration	\$ 41,322	\$ 36,303	\$ 42,252	\$ 37,273	\$ 28,927	\$ 36,093	\$ 28,997	\$ 24,265	\$ 23,743	\$ 18,684
City Clerk	1,747	1,793	1,618	1,697	1,429	1,440	1,361	1,594	1,007	1,060
City Attorney	2,835	3,062	2,681	2,330	2,154	2,006	1,690	1,658	1,500	1,329
Human Resources	3,521	3,698	3,837	3,201	3,876	3,151	3,175	2,993	2,616	2,322
Finance	18,081	18,111	16,576	15,852	14,924	11,697	10,484	9,725	9,319	8,455
Public Works	31,700	30,175	28,158	28,443	28,186	31,595	25,595	24,018	20,088	18,424
Parks and Recreation	23,218	22,511	19,890	17,822	22,551	20,026	18,882	17,364	16,162	14,506
Public Safety:										
Police	84,981	81,136	77,590	74,918	74,168	62,799	67,841	62,290	61,015	54,344
Fire	72,078	68,137	62,203	59,799	56,421	50,975	49,043	42,550	39,129	35,144
Planning and Inspection	18,879	19,106	16,174	14,712	13,534	11,521	9,896	9,156	8,231	7,620
Library	10,759	10,732	10,011	8,879	10,392	10,234	10,426	9,113	9,479	7,611
Capital Outlay	31,100	34,798	19,261	30,514	24,021	30,382	19,933	29,329	13,434	10,730
Debt Service:										
Principal payments	2,238	2,077	2,009	1,930	1,859	1,786	1,731	1,674	1,620	1,576
Interest and fiscal fees	622	504	498	572	644	712	767	825	879	925
Bond issuance cost	-	-	-	-	-	-	7	2	1	2
TOTAL EXPENDITURES	343,081	332,143	302,758	297,942	283,086	274,417	249,828	236,556	208,223	182,732
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	31,463	32,588	19,032	(38,227)	(78)	34,869	2,966	29,783	33,606	32,609
OTHER FINANCING SOURCES (USES):										
SBITA liabilities issued	2,078	8,202	-	-	-	-	-	-	-	-
Lease liabilities issued	-	-	18	-	-	-	-	-	-	-
Transfers in	33,747	27,001	56,105	49,402	29,003	43,334	21,381	44,983	58,473	14,152
Transfers out	(35,620)	(24,270)	(66,617)	(55,575)	(37,076)	(45,001)	(23,106)	(52,832)	(27,581)	(12,295)
TOTAL OTHER FINANCING SOURCES (USES)	205	10,933	(10,494)	(6,173)	(8,073)	(1,667)	(1,725)	(7,849)	30,892	1,857
NET CHANGE IN FUND BALANCES BEFORE SPECIAL ITEM	\$ 31,668	\$ 43,521	\$ 8,538	\$ (44,400)	\$ (8,151)	\$ 33,202	\$ 1,241	\$ 21,934	\$ 64,498	\$ 34,466
SPECIAL ITEM-ASSET TRANSFERRED TO LIABILITIES ASSUMED BY SUCCESSOR AGENCY	-	-	-	-	-	-	-	-	(842)	(9,224)
NET CHANGE IN FUND BALANCES AFTER SPECIAL ITEM	\$ 31,668	\$ 43,521	\$ 8,538	\$ (44,400)	\$ (8,151)	\$ 33,202	\$ 1,241	\$ 21,934	\$ 63,656	\$ 25,242
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

Source: Finance Office, City of Santa Clara.

CITY OF SANTA CLARA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(In Thousands)

Table 5

Fiscal Year Ending June 30	Net Local Secured Roll ⁽¹⁾	State Assessed Valuation	Net Unsecured Roll	Net Assessed Valuation	Total Assessed Valuation	Ratio of Net Assessed Valuation To Total Assessed Valuation	% Growth of Assessed Valuation	Total Direct Tax Rate
2014 / 15	\$ 24,294,056	\$ 4,183	\$ 4,352,204	\$28,650,443	\$ 28,758,679	99.62%	6.50%	1.13%
2015 / 16	27,659,960	4,183	5,157,346	32,821,489	32,927,777	99.68%	14.56%	1.16%
2016 / 17	30,672,596	4,183	5,856,885	36,533,664	36,638,297	99.71%	11.31%	1.15%
2017 / 18	33,449,607	3,896	6,553,560	40,007,063	40,109,539	99.74%	9.51%	1.16%
2018 / 19	36,596,483	354	7,266,592	43,863,429	43,964,914	99.77%	9.64%	1.13%
2019 / 20	38,502,828	870	7,629,244	46,132,942	46,232,453	99.78%	5.17%	1.20%
2020 / 21	42,047,766	870	7,972,493	50,021,129	50,118,954	99.80%	8.43%	1.18%
2021 / 22	44,162,052	870	8,007,077	52,170,000	52,264,729	99.82%	4.30%	1.19%
2022 / 23	48,144,003	870	8,668,804	56,833,678	56,926,788	99.84%	8.94%	1.17%
2023 / 24	52,144,207	1,074	8,829,840	60,975,121	61,070,198	99.84%	7.29%	1.17%

Note:

(1) Net of Home Owner Property Tax Relief.

Source: County of Santa Clara, Department of Finance

**CITY OF SANTA CLARA
PROPERTY TAX RATES
(Per \$100 Assessed Valuation)
Direct and Overlapping Governments
Last Ten Fiscal Years**

Table 6

Fiscal Year Ending June 30	Santa Clara County	School Districts	Special Districts	Total
2014 / 15	1.0388%	0.0824%	0.0065%	1.1277%
2015 / 16	1.0388%	0.1174%	0.0057%	1.1619%
2016 / 17	1.0388%	0.1014%	0.0086%	1.1488%
2017 / 18	1.0388%	0.1028%	0.0062%	1.1478%
2018 / 19	1.0388%	0.0905%	0.0042%	1.1335%
2019 / 20	1.0388%	0.1472%	0.0041%	1.1901%
2020 / 21	1.0388%	0.1356%	0.0037%	1.1781%
2021 / 22	1.0388%	0.1318%	0.0051%	1.1757%
2022 / 23	1.0388%	0.1150%	0.0044%	1.1582%
2023 / 24	1.0388%	0.1147%	0.0041%	1.1576%
<p>Tax rate limit: A state constitutional amendment (Proposition 13) commencing with fiscal 1979 provided that the tax rate was limited to 1% of full cash value, levied only by the County and shared with all other jurisdictions. All jurisdictions may levy a tax rate for voter approved debt.</p> <p>Due date for current taxes: First installment - November 1; second installment - February 1.</p> <p>Penalties for delinquency: 10% and 1.5% of tax per month after date taxes become delinquent.</p> <p>Collected by government unit: County of Santa Clara.</p> <p>Basis upon which collections are distributed: Taxing jurisdictions assessed valuations and tax rates for voter approved debt to taxing jurisdictions, County rate (1% of full cash value) shared by all jurisdictions.</p> <p>Compensation paid to collecting government unit for fiscal year 2023-24 is \$534,134</p>				

Note: Tax rates stated are the rates applicable to the tax rate area 7-000 as typical tax rate area within the City. Rates are based on \$100 assessed valuation.

Source: County of Santa Clara, Department of Finance

**CITY OF SANTA CLARA
PRINCIPAL PROPERTY TAX PAYERS
2023-24 AND 2014-15 COMPARISON FOR GENERAL FUND
(In Thousands)**

Table 7

Taxpayers	2023-24		2014-15	
	Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
Intel Corporation	\$ 2,342,413	3.84%	\$ 1,291,429	4.49%
Santa Clara Square Office IIA LLC	1,779,263	2.91%	-	-
Nvidia Corporation (formerly Nvidia Land Development LLC)	1,768,796	2.90%	380,258	1.32%
Vantage Data Centers LLC	1,183,601	1.94%	-	-
SI LLC	1,136,588	1.86%	-	-
Microsoft Corporation	1,070,483	1.75%	266,324	0.93%
Forty Niners SC Stadium Company LLC	811,430	1.33%	-	-
Apple Inc	751,663	1.23%	-	-
Santa Clara Phase III EFH LLC	727,178	1.19%	-	-
Coresite Real Estate	575,460	0.94%	-	-
Sobrato Interest	-	-	686,692	2.39%
Oracle America Inc (formerly Sun Microsystems)	-	-	325,152	1.13%
Xeres Ventures LLC	-	-	262,736	0.91%
M West Propco LLC	-	-	254,714	0.89%
Agilent Technologies Inc	-	-	244,671	0.85%
Marvell Semiconductor Inc	-	-	208,024	0.72%
Texas Instruments Inc	-	-	188,723	0.66%
Top Ten Total	\$ 12,146,875	19.89%	\$ 4,108,723	14.29%
City Total	<u>\$ 61,070,198</u>		<u>\$ 28,758,679</u>	

Sources: Santa Clara County Assessor 2023-24 and 2014-15 Combined Tax Rolls through HdL Coren & Cone.

CITY OF SANTA CLARA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(In Thousands)

Table 8

Fiscal Year Ending June 30	Gross Tax Levy	Current Tax Collections	Percentage of Current Levy Collected	Delinquent Tax Collected	Total Collections	Percentage of Total Levy Collected
2014 / 15	\$ 25,550	\$ 25,550	100.00%	-	\$ 25,550	100.00%
2015 / 16	27,603	27,603	100.00%	-	27,603	100.00%
2016 / 17	30,605	30,605	100.00%	-	30,605	100.00%
2017 / 18	33,312	33,312	100.00%	-	33,312	100.00%
2018 / 19	37,374	37,374	100.00%	-	37,374	100.00%
2019 / 20	40,288	40,288	100.00%	-	40,288	100.00%
2020 / 21	43,680	43,680	100.00%	-	43,680	100.00%
2021 / 22	45,539	45,539	100.00%	-	45,539	100.00%
2022 / 23	57,619	57,619	100.00%	-	57,619	100.00%
2023 / 24	61,986	61,986	100.00%	-	61,986	100.00%

Sources: City of Santa Clara and County of Santa Clara, Department of Finance

**CITY OF SANTA CLARA
PRINCIPAL SALE/USE TAX CONTRIBUTORS
June 30, 2024**

Table 9

This list is in alphabetical order and represents sales from July 2023 to June 2024

The Top 25 Sales / Use Tax contributors generate 41.4% of Santa Clara's total sales and use tax revenue

AG Electronic Materials	One Workplace
Applied Materials	Pivot Interiors
Arista Networks	Porsche Stevens Creek
Bell Electrical Supply	Shockwave Medical
Costco Wholesale	Stevens Creek Auto Imports
Frontier Ford	Stevens Creek BMW
Home Depot	Stevens Creek Hyundai
Intel Corporation	Target Stores
Keysight Technologies	Vantage Data Centers Procurement
Levi's Stadium	Wiwynn International
Lexus of Stevens Creek	World Wide Technology
Norman S. Wright Mechanical Equipment Corp	ZT Systems
NVIDIA Corporation	

Sources: From Muni Services Sales Tax Digest Summary.

CITY OF SANTA CLARA
Electric Utility Charge For Services by Source
Last Ten Fiscal Years
(In Thousands)

Table 10

Fiscal Year Ending June 30	Residential	Commercial	Industrial	Other	Total
2014 / 15	\$ 27,139	\$ 13,783	\$ 277,079	\$ 14,936	\$ 332,938
2015 / 16	27,789	15,409	321,491	7,112	371,801
2016 / 17	28,007	15,855	341,865	4,682	390,410
2017 / 18	29,082	15,774	355,279	3,562	403,698
2018 / 19	29,734	15,378	359,407	2,428	406,947
2019 / 20	31,867	15,472	383,704	2,815	433,858
2020 / 21	35,440	16,489	399,940	1,394	453,264
2021 / 22	33,275	16,395	448,257	4,447	502,373
2022 / 23	38,021	17,991	500,189	2,964	559,165
2023 / 24	41,676	22,584	584,360	7,527	656,147

Sources: City of Santa Clara

CITY OF SANTA CLARA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(In Thousands)

Table 11

Fiscal Year Ending June 30	Governmental Activities			Business Activities			Santa Clara Stadium Authority	Total Primary Government	Population	Debt per Capita	Total Personal Income (\$000)	Debt/ Income Ratio
	Certificates of Participation	Lease Liabilities	SBITA Liabilities	Revenue Bonds	Lease Liabilities	SBITA Liabilities	Revenue Bonds					
2014 / 15	\$ 24,579	\$ -	\$ -	\$ 226,828	\$ -	\$ -	\$ 561,556	\$ 812,963	120,973	\$ 6,720	\$ 4,952,711	16.41%
2015 / 16	22,905	-	-	229,719	-	-	464,720	717,344	123,752	5,797	5,194,006	13.81%
2016 / 17	21,177	-	-	220,800	-	-	429,773	671,750	123,983	5,418	5,454,137	12.32%
2017 / 18	19,392	-	-	208,117	-	-	394,827	622,336	129,604	4,802	6,064,143	10.26%
2018 / 19	17,551	-	-	189,158	-	-	340,217	546,926	128,717	4,249	6,121,909	8.93%
2019 / 20	15,638	-	-	196,012	-	-	325,265	536,915	129,104	4,159	6,180,008	8.69%
2020 / 21	13,654	676	-	184,933	2,917	-	296,796	498,976	130,746	3,816	6,596,037	7.56%
2021 / 22	11,594	464	2,397	170,413	2,287	1,437	280,314	468,906	130,127	3,603	7,540,481	6.12%
2022 / 23	10,560	252	8,918	155,302	1,633	2,718	245,275	424,658	132,476	3,206	8,953,977	4.74%
2023 / 24	9,476	39	9,204	154,567	951	2,976	228,668	405,881	132,048	3,074	9,985,016	4.06%

Sources: Finance Office, City of Santa Clara and MuniServices LLC.

CITY OF SANTA CLARA
POPULATION AND ASSESSED VALUATION
Last Ten Fiscal Years
(In Thousands)

Table 12

Fiscal Year Ending June 30	Population	Total Assessed Valuation
2014 / 15	121.0	\$ 28,758,679
2015 / 16	123.8	32,927,777
2016 / 17	123.9	36,638,297
2017 / 18	129.6	40,109,539
2018 / 19	128.7	43,964,914
2019 / 20	129.1	46,232,453
2020 / 21	130.7	50,118,954
2021 / 22	130.1	52,264,729
2022 / 23	132.5	56,926,788
2023 / 24	132.0	61,070,198

Sources: State of California, Department of Finance
County of Santa Clara, Department of Finance

CITY OF SANTA CLARA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2024

Table 13

Description	% Applicable	Debt
<u>Direct Debt:</u>		
2013 Refunding Certificates of Participation	100%	\$ 9,055,000
Total Gross Direct Debt		9,055,000
Unamortized Premium/Discount	100%	420,800
Total Net Direct Debt		9,475,800
<u>Overlapping Debt:</u>		
Santa Clara County General Fund Obligations		97,859,277
Santa Clara County Pension Fund Obligations		29,951,831
Santa Clara Valley Water District Benefit Assessment District		2,704,822
Santa Clara County Board of Education Certificates of Participation		1,117,003
San Jose-Evergreen Community College District OPEB Obligations		23,957
West Valley-Mission Community College District General Fund Obligations		774,900
Foothill-DeAnza Community College District		7,778,180
San Jose-Evergreen Community College District		500,889
West Valley Community College District		203,884,800
Fremont Union High School District		19,983,597
Campbell Union High School District General Fund Obligations		297,810
Campbell Union School District		11,704,464
Campbell Union High School District		7,416,241
Campbell Union School District General Fund Obligations		57,515
El Camino Hospital District		1,886,371
San Jose Unified School District		623,979
Cupertino Union School District		11,824,830
Santa Clara Unified School District		657,939,886
San Jose Unified School District General Fund Obligations		4,648
Santa Clara County		88,520,360
Cupertino Union School District General Fund Obligations		2,016,898
Santa Clara Unified School District Certificates of Participation		7,343,695
Santa Clara County Vector Control District Certificates of Participation		87,431
Total Overlapping Debt		1,154,303,384
Total Gross Direct and Overlapping Bonded Debt ⁽¹⁾		1,163,358,384
Direct Unamortized Premium/Discount		-
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$ 1,163,358,384
2023 / 24 Assessed Value	\$ 61,070,198,224	
<u>Ratios to Assessed Valuation:</u>		
Direct Debt	\$ 9,475,800	0.010%
Total Gross Debt		1.900%
Total Net Debt		1.900%

Note: (1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds.

Source: California Municipal Statistics, Inc.

CITY OF SANTA CLARA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(In Thousands)

Table 14

Fiscal Year Ending June 30	Net Assessed Valuation	Debt Limit- 15% of Assessed Valuation ⁽¹⁾	Debt Applicable to Limit	Legal Debt Margin
2014 / 15	\$ 28,650,443	\$ 4,297,566	-	\$ 4,297,566
2015 / 16	32,821,489	4,923,223	-	4,923,223
2016 / 17	36,533,664	5,480,050	-	5,480,050
2017 / 18	40,007,063	6,001,059	-	6,001,059
2018 / 19	43,863,429	6,579,514	-	6,579,514
2019 / 20	46,132,942	6,919,941	-	6,919,941
2020 / 21	50,021,129	7,503,169	-	7,503,169
2021 / 22	52,170,000	7,825,500	-	7,825,500
2022 / 23	56,833,678	8,525,052	-	8,525,052
2023 / 24	60,975,121	9,146,268	-	9,146,268

Note:

(1) Section 1309 of the City Charter of the City states: "Bonded Debt Limit. The bonded indebtedness of the City may not in the aggregate exceed the sum of fifteen percent (15%) of the total assessed valuation of property within the City, exclusive of revenue bonds or any indebtedness that has been or may hereafter be incurred for the purposes of acquiring, constructing, extending, or maintaining municipally owned utilities for which purposes a further indebtedness may be incurred by the issuance of bonds, subject only to the provisions of the State Constitution and this Charter."

Sources: County of Santa Clara, Department of Finance and City of Santa Clara

**CITY OF SANTA CLARA
PLEDGED REVENUE COVERAGE
ELECTRIC REVENUE BOND
Last Ten Fiscal Years
(In Thousands)**

Table 15

Fiscal Year Ending June 30	Gross Revenue	Less Operating Expense	Net Revenue Available For Debt Service	Principal	Interest	Letter Of Credit Fees	Total	Coverage ⁽¹⁾
2014 / 15	\$ 332,178	\$ 297,846	\$ 34,332	\$ 6,485	\$ 7,990	\$ 459	\$ 14,934	2.30
2015 / 16	359,084	316,578	42,506	8,958	8,348	358	17,664	2.41
2016 / 17	352,828	317,237	35,591	7,640	8,434	335	16,409	2.17
2017 / 18	383,662	346,825	36,837	11,416	6,594	302	18,312	2.01
2018 / 19	414,975	331,141	83,834	11,897	11,565	607	24,069	3.48
2019 / 20	445,142	368,162	76,980	11,700	6,787	316	18,803	4.09
2020 / 21	465,675	407,627	58,048	9,580	3,862	349	13,791	4.21
2021 / 22	550,445	493,302	57,143	13,005	3,232	8	16,245	3.52
2022 / 23	635,066	602,370	32,696	13,580	2,696	15	16,291	2.01
2023 / 24	635,038	518,547	116,491	15,140	2,254	6	17,400	6.69

Notes:

(1) The required coverage is 1.00.

Source: City of Santa Clara

**CITY OF SANTA CLARA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years**

Table 16

Year	Population	Personal Income (\$000)	Per Capita Buying Income	Median Age	Public School Enrollment	County Unemployment Rate	City Unemployment Rate
2014 / 15	120,973	\$ 4,952,711	\$ 40,941	34.4	15,169	3.9%	3.6%
2015 / 16	123,752	5,194,006	41,971	34.3	15,388	4.2%	3.7%
2016 / 17	123,983	5,454,137	43,991	34.3	15,409	3.8%	3.4%
2017 / 18	129,604	6,064,143	46,790	34.3	15,509	2.9%	2.7%
2018 / 19	128,717	6,121,909	47,561	33.9	15,387	2.1%	1.9%
2019 / 20	129,104	6,180,008	47,868	34.2	15,306	11.0%	9.0%
2020 / 21	130,746	6,596,037	50,449	33.9	14,808	7.0%	5.9%
2021 / 22	130,127	7,540,481	57,947	34.0	14,028	1.8%	1.6%
2022 / 23	132,476	8,953,977	67,589	34.5	13,919	3.2%	2.9%
2023 / 24	132,048	9,985,016	75,617	34.8	14,236	3.4%	3.2%

Sources: MuniServices, LLC \ Avenu Insights & Analytics

(1) Population data by the California Department of Finance Projections.

(2) The California Department of Finance demographics estimates now incorporate 2010 Census counts as a benchmark.

(3) Unemployment and Total Employment Data are provided by the EDD's Bureau of Labor Statistics Department.

(4) Student Enrollment reflects the total number of students enrolled in the Santa Clara Unified School District.

Other school districts within the City are not accounted for in this report.

**CITY OF SANTA CLARA
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago**

Table 17

Company	2024		2015	
	Number of Employees	Percentage of Total City Employment	Number of Employees	Percentage of Total City Employment
Applied Materials, Inc.	8,500	21.1%	8,500	18.1%
Intel Corporation	7,801	19.4%	10,801	23.1%
Advanced Micro Devices Inc.	3,000	7.4%		
Kaiser Foundation Health Plan	2,600	6.4%		
Nvidia	2,500	6.2%		
California's Great America	2,500	6.2%	2,500	5.3%
Dell	2,088	5.2%		
Santa Clara University	2,000	5.0%	1,200	2.6%
City of Santa Clara	1,704	4.2%	1,588	3.4%
Macy's	1,200	3.0%	1,200	2.6%
Avaya Inc.	-	-	2,000	4.3%
EMC Corporation	-	-	1,338	2.9%
ON Semiconductor Corporation	-	-	1,100	2.3%
Texas Instruments	-	-	3,500	7.5%
Total Top Ten	33,893	84.1%	33,727	72.1%
All Others	6,422	15.9%	13,124	27.9%
Total Employment	40,315	100%	46,851	100%

Sources: Fiscal year 2023: Reference Solutions database, Infogroup, Inc., Papillion, Nebraska

Sources: Fiscal year 2014: ReferenceUSA database, infogroup, Inc., Papillion, Nebraska

CITY OF SANTA CLARA
FULL-TIME EQUIVALENT BUDGETED CITY EMPLOYEES BY PROGRAM/FUNCTION
Last Ten Fiscal Years

Table 18

	Fiscal Year Ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City Council	10.00	9.00	9.00	9.00	10.00	10.00	11.00	10.00	9.00	8.50
City Clerk	7.00	7.00	6.00	7.00	5.00	6.00	7.00	7.00	5.00	5.00
City Attorney	7.00	8.00	8.00	8.00	7.00	7.00	6.00	6.00	6.00	6.00
City Auditor	2.00	3.00	3.00	3.00	3.00	-	-	-	-	-
City Manager	11.30	19.00	19.00	13.00	13.00	13.00	14.00	13.00	16.00	9.00
Information Technology	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	5.00	5.00
Human Resources	15.00	15.00	14.00	15.75	15.75	15.00	15.00	15.00	14.50	14.50
Finance	70.75	69.75	68.75	69.75	61.75	61.00	61.00	61.75	60.25	58.25
Parks & Recreation	77.75	77.75	77.75	82.75	82.75	80.75	80.75	79.00	82.75	82.75
Library	42.75	42.50	42.50	46.75	46.75	46.75	45.50	45.50	47.00	46.50
Community Development	75.00	73.00	72.00	68.75	66.00	65.00	64.00	56.00	42.00	44.00
Engineering	36.25	40.25	39.25	42.25	39.25	39.92	40.92	39.25	38.25	38.00
Building Maintenance	13.00	13.00	13.00	13.00	13.00	13.23	13.23	12.90	10.90	11.40
Street	55.60	55.60	55.50	60.60	60.60	58.60	58.60	59.60	65.35	63.10
Automotive Services	14.65	14.65	14.75	15.65	15.65	15.75	15.75	15.75	15.00	15.00
Police	231.00	231.00	221.00	239.00	239.00	239.00	239.00	231.00	222.00	219.00
Fire	173.50	155.50	154.50	168.25	167.25	167.25	167.50	166.50	179.50	179.50
Non-Departmental	5.70	-	-	11.00	9.00	4.00	-	-	-	-
Electric Utility	222.00	214.00	198.00	198.00	197.00	189.00	186.00	179.00	166.00	156.00
Water Utility	50.55	50.55	50.55	50.80	50.80	50.35	50.85	52.70	50.10	47.10
Sewer Utility	22.45	22.45	22.45	22.20	22.20	22.65	22.15	21.30	19.90	17.90
TOTAL	1,149.25	1,127.00	1,095.00	1,151.00	1,131.75	1,111.25	1,105.25	1,078.25	1,054.50	1,026.50

Source: City of Santa Clara Annual Budget

CITY OF SANTA CLARA
OPERATING INDICATORS BY FUNCTION/ACTIVITY
Last Ten Fiscal Years

Table 19

	Fiscal Year Ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Culture and Recreation:										
Number of library items circulated	2,060,389	2,152,877	1,268,965	736,301	1,598,171	2,509,201	2,612,102	2,700,315	2,479,126	2,491,553
Fire Protection:										
Number of calls answered	10,949	10,688	10,391	8,853	9,339	9,456	8,849	8,850	8,933	8,403
Number of inspections conducted	8,801		10,143	4,004	4,303	6,404	8,470	9,696	8,260	8,067
Police Protection:										
Number of calls for service ⁽¹⁾	47,828	43,306	61,421	67,211	63,860	58,912	53,865	50,429	51,853	60,208
Electric System:										
Maximum annual demand (MW)	669.2	693.9	649.4	590.6	579.3	587.8	586.6	568.1	526.4	491.1
Total annual energy (Mwh)	4,657,586	4,568,293	4,361,658	3,956,474	3,773,864	3,693,251	3,733,800	3,628,200	3,488,004	3,238,372
Sewer System:										
Number of service connections	25,312	26,105	25,682	25,948	25,359	25,481	26,236	26,162	25,744	25,656
Peak flow (5-day average, WPCP) (MG)	110	110	110	110	110	110	110	110	110	121
Maximum daily capacity of treatment plant (WPCP) (MGD)	167	167	167	167	167	167	167	167	167	167
Peak flow (5-day average, City) (MGD)	16	16	16	16	16	16	16	16	16	16
Water System:										
Number of service accounts	24,903	25,894	25,371	25,592	24,904	25,293	25,670	25,714	25,716	25,656
Daily Average consumption (MG)	15	14	13	16	16	16	15	15	15	16.8
Maximum daily capacity of plant:										
Potable Water (MGD)	80	80	80	80	80	80	80	80	96	87
Recycled Water (MGD)	15	15	15	15	15	15	15	30	14	15

Note: (1) Data Based on Calendar Year

Source: City of Santa Clara

CITY OF SANTA CLARA
CAPITAL ASSETS STATISTICS BY FUNCTION
Last Ten Fiscal Years

Table 20

	Fiscal Year Ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Culture and Recreation:										
Number of community centers	4	4	4	4	4	4	4	4	4	4
Number of parks	44	44	44	44	44	39	39	35	34	34
Park acreage	353	353	367	367	353	254	311	330	274	273
Number of golf courses	-	-	-	-	-	1	1	1	1	1
Number of swimming pools	11	11	11	11	11	11	11	11	5	5
Number of tennis courts	28	27	27	27	27	28	28	28	28	28
Number of lawn bowling greens	1	1	1	1	1	1	1	1	1	1
Number of lighted soccer fields	7	7	7	7	7	3	3	3	3	3
Number of lighted softball fields	4	4	4	4	4	7	7	7	7	7
Number of neighborhood park buildings	11	10	10	10	10	8	8	8	8	8
Number of gymnastic centers	1	1	1	1	1	1	1	1	1	1
Number of skate parks	1	1	1	1	1	1	1	1	1	1
Number of community theaters	1	1	1	1	1	1	1	1	1	1
Number of libraries	3	3	3	3	3	3	3	3	3	2
Cemetery	2	2	2	2	2	2	2	2	2	2
Fire Protection:										
Number of stations	9	10	10	9	10	10	10	10	10	10
Police Protection:										
Number of stations	1	1	1	1	2	2	2	2	2	2
Electric System:										
Number of meters	60,795	59,297	59,227	58,230	57,066	55,971	55,139	54,942	53,824	53,360
Miles of high voltage lines	631	631	622	618	616	613	612	608	605	591
Number of substations	29	31	29	29	29	28	27	27	27	27
Sewerage and Storm Drain System:										
Miles of sanitary sewers	288	288	288	288	288	288	288	288	288	288
Number of sanitary sewer pump stations	6	6	6	6	6	6	6	6	6	6
Miles of storm sewers	194	194	194	196	195	195	195	195	195	195
Number of treatment plants	1	1	1	1	1 Tertiary	1 Tertiary	1 Tertiary	1 Tertiary	1 Tertiary	1 Tertiary
Number of storm drain pump stations	22	22	22	22	22	22	22	22	22	22
Water System:										
Miles of water mains	306	306	306	306	306	335	335	335	310	335
Number of fire hydrants	3,648	3,437	3,437	3,248	3,429	3,404	3,382	3,501	3,383	3,315
Miles of recycled water mains	34	34	34	34	34	33	33	33	33	33
Streets:										
Miles of Streets	252	252	252	252	252	252	252	252	252	252
Number of Street Lights	8,431	8,431	8,429	8,404	8,235	8,187	8,118	8,112	8,103	8,097
Number of Traffic Signals	160	157	186	183	182	207	207	207	206	200

Source: City of Santa Clara

CITY OF SANTA CLARA
STATEMENT OF INSURANCE COVERAGE
June 30, 2024

Table 21

TYPE OF POLICY	INSURANCE COMPANY	LIMITS ⁽¹⁾	ANNUAL PREMIUM ⁽³⁾	TERM YEARS	EXPIRATION DATE ⁽²⁾
<u>Liability</u>					
Comprehensive General	Self-insured (Since 1987)	\$3 million	n/a	-	Ongoing
Excess Liability	PRISM and various other carriers	\$50 million	\$2,244,248	1	7/1/2024
Workers' Compensation	Self-insured (since 1973)	\$750 thousand	n/a	-	Ongoing
Excess Workers' Compensation	PRISM and various other carriers	\$5 million	\$999,843	1	7/1/2024
<u>Property Coverage</u>					
All Risks, including flood, excluding earthquake	Alliant Property Insurance Program (APIP) Various excess carriers	\$1 billion	\$1,955,842	1	7/1/2024
Boiler and Machinery	Alliant Property Insurance Program (APIP) Various excess carriers	\$100 million	\$14,403	1	7/1/2024
<u>Financial Loss Bonds</u>					
Crime Coverage Bond	PRISM	\$10 million	\$14,959	1	6/30/2024

Notes:

(1) Limits are per occurrence

(2) All policies have been renewed

Source: City of Santa Clara

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SUCCESSOR AGENCY CITY OF SANTA CLARA STATISTICAL SECTION

This part of the City of Santa Clara’s Annual Comprehensive Report provides detailed information to better understand the data presented within the financial statements, note disclosures, and required supplementary information.

TABLES

REVENUE CAPACITY

1 - 3

Contains information to help the reader assess the Successor Agency’s most significant local revenue source, the property tax.

DEBT CAPACITY

4

Presents information to assess the affordability of the Successor Agency’s current levels of outstanding debts.

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**SUCCESSOR AGENCY OF THE CITY OF SANTA CLARA
BAYSHORE NORTH PROJECT AREA
HISTORICAL TAX INCREMENT
Last Ten Fiscal Years
(In Thousands)**

Table 1

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Real Property Value	\$ 6,573,299	\$ 5,996,569	\$ 5,790,301	\$ 5,708,617	\$ 5,372,322	\$ 6,024,538	\$ 6,136,642	\$ 5,710,559	\$ 4,474,495	\$ 2,504,578
Other Property Value	32,851	26,855	33,102	28,733	25,324	22,913	25,857	27,877	796,082	551,425
Total Project Value	<u>6,606,150</u>	<u>6,023,424</u>	<u>5,823,403</u>	<u>5,737,350</u>	<u>5,397,646</u>	<u>6,047,451</u>	<u>6,162,499</u>	<u>5,738,436</u>	<u>5,270,577</u>	<u>3,056,003</u>
Less Base Value	(8,838)	(8,838)	(8,838)	(8,838)	(8,838)	(8,838)	(8,838)	49,632	49,322	(8,829)
Increment Over Base Value	6,597,312	6,014,586	5,814,565	5,728,512	5,388,808	6,038,613	6,153,661	5,788,068	5,319,899	3,047,174
Redevelopment Property Tax Trust Fund (RPTTF) ⁽¹⁾	-	-	-	-	-	-	-	-	5,697	9,365
Total Tax Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,697</u>	<u>\$ 9,365</u>

Notes:

(1) With the State dissolving all RDAs on 02/01/2012, the structure of Tax Increment Revenue has changed. Starting in fiscal year 2012-13, the County's property tax distribution to the Successor Agency was changed to the Redevelopment Property Tax Trust Fund (RPTTF). The RPTTF reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.

Source: City of Santa Clara / Santa Clara County Auditor

**SUCCESSOR AGENCY OF THE CITY OF SANTA CLARA
BAYSHORE NORTH PROJECT AREA
TEN LARGEST ASSESSEES - TAXABLE VALUE
June 30, 2024**

Table 2

	ASSESSEE	ASSESSED PROPERTY USE	ASSESSED PROPERTY VALUATION	PERCENT OF TOTAL
1	Forty Niners SC Stadium Company LLC	Commercial Office Building	\$ 811,430,125	12.28%
2	SI LLC	Commercial Office Building	592,670,967	8.97%
3	Exchange Santa Clara	Commercial Office Building	316,200,000	4.79%
4	Innovation Commons Owner LLC	Commercial Office Building	290,034,923	4.39%
5	The Irvine Company	Commercial Office Building	240,463,423	3.64%
6	Apple Inc	Commercial Office Building	229,758,745	3.48%
7	PC Santa Clara Gateway 2 LLC	Commercial Office Building	222,711,871	3.37%
8	SCT Owner LLC	Commercial Office Building	205,645,889	3.11%
9	STC Venture LLC	Commercial Office Building	188,867,860	2.86%
10	PRII Towers at Great America Owner LLC	Commercial Office Building	183,302,957	2.77%
		TOTAL	\$ 3,281,086,760	49.66%
		TOTAL AGENCY ASSESSED VALUE	\$ 6,606,149,941	

Source: HDL Coren & Cone

**SUCCESSOR AGENCY OF THE CITY OF SANTA CLARA
BAYSHORE NORTH PROJECT AREA
ASSESSMENT APPEAL ACTIVITY OF TOP 20 ASSESSEES
2023-24 Impacts**

Table 3

TAX ROLL		ASSESSED		S/U ⁽¹⁾	HEARING		APPLICANT'S	
NUMBER	ASSESSEE	VALUATION/ORIGINAL			NUMBER	DATE DEADLINE STATUS	VALUATION	OPINION LAND USE
984-92-103	FORTY NINERS	\$ 555,214,000	S		15.0278		\$ 88,000,000	Commerical
984-92-104	FORTY NINERS	555,214,000	S		15.0279		88,000,000	Commerical
984-92-103	FORTY NINERS	555,214,000	S		15.028		88,000,000	Commerical
984-92-104	FORTY NINERS	555,214,000	S		15.0281		88,000,000	Commerical
984-92-103	FORTY NINERS	554,267,314	S		17.0232		140,000,000	Commerical
984-92-104	FORTY NINERS	554,267,314	S		17.0233		140,000,000	Commerical
984-92-104	FORTY NINERS	548,980,708	S		16.0256		100,000,000	Commerical
984-92-103	FORTY NINERS	548,980,708	S		16.0257		100,000,000	Commerical
984-92-103	FORTY NINERS	253,784,158	S		18.1918		250,500,000	Commerical
22-0125223	APPLE INC	160,776,054	U		22.1293		50,100,000	N/A
21-0811071	CEDAR FAIR S	93,154,425	U		21.3482		46,577,214	N/A
21-0811089	CEDAR FAIR S	86,769,758	U		21.3483		42,989,135	N/A
21-0811097	CEDAR FAIR S	62,482,975	U		21.3484		35,620,612	N/A
21-0811105	CEDAR FAIR S	59,777,200	U		21.3485		29,888,601	N/A
17-018611	CEDAR FAIR S	59,280,246	U		17.1041		58,852,511	N/A
18-018278	CEDAR FAIR S	58,493,748	U		18.0594		50,547,232	N/A
18-0429201	CYXTERA COMM	46,130,484	U		22.416		16,130,000	N/A
104-50-025	COHERENT INC	46,023,273	S		15.0256		15,251,322	Commerical
10-037856	SAVVIS COMMU	45,935,890	U		10.5814		40,000,000	N/A
14-032002	SAVVIS COMMU	44,195,581	U		14.171		22,000,000	N/A
		\$ 5,444,155,836					\$ 1,490,456,627	

Note:

(1) S=secured roll, U=unsecured roll

Source: Santa Clara County Assessor's Office

**SUCCESSOR AGENCY OF THE CITY OF SANTA CLARA
BAYSHORE NORTH PROJECT AREA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2024**

Table 4

2023-24 Assessed Valuation:	\$ 6,606,149,941		
Base Year Valuation:	(8,837,956)		
Incremental Valuation:	\$ 6,597,311,985		
		Total Debt	Project Area's Share of
		6/30/2024	% Applicable ⁽¹⁾ Debt 6/30/24
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Santa Clara Unified School District	\$ 1,003,615,000	7.645%	\$ 76,726,367
West Valley-Mission Community College District	663,040,000	3.495%	23,173,248
Santa Clara County	956,770,000	1.001%	9,577,268
Santa Clara Valley Water District Benefit Assessment District	29,235,000	1.001%	292,642
El Camino Hospital District	102,186,937	0.007%	7,153
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 109,776,678
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Santa Clara County General Fund Obligations	\$ 1,057,709,440	1.001%	\$ 10,587,671
Santa Clara County Pension Obligations	323,733,582	1.001%	3,240,573
Santa Clara County Board of Education Certificates of Participation	12,073,098	1.001%	120,852
West Valley-Mission Community College District General Fund Obligations	2,520,000	3.495%	88,074
Santa Clara Unified School District Certificates of Participation	11,202,000	7.645%	856,393
City of Santa Clara General Fund Obligations	9,055,000	10.817%	979,479
Santa Clara County Vector Control District Certificates of Participation	945,000	1.001%	9,459
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 15,882,501
Less: Santa Clara County supported obligations			(26,627)
COMBINED TOTAL DIRECT AND OVERLAPPING DEBT			\$ 125,659,179 ⁽²⁾
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT			\$ 125,632,552
(1) Percentage of overlapping agency's assessed valuation located within boundaries of the project area			
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations			
<u>Ratios to 2023-24 Assessed Valuation:</u>			
Combined Total Direct and Overlapping Debt	1.90%		
Net Combined Total Direct and Overlapping Debt	1.90%		

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Powering The Center of What's Possible

Electric Utility Enterprise Fund (Silicon Valley Power) Financial Statements

For the year ended June 30, 2024 with
comparative totals as of June 30, 2023

City of Santa Clara, California
1500 Warburton Avenue
Santa Clara, CA 95050-3796



**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Santa Clara, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Santa Clara Electrical Utility Enterprise Fund (Silicon Valley Power) of the City of Santa Clara, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Silicon Valley Power's basic financial statements as listed in the Table of Contents. We did not audit the financial statements of Northern California Power Agency (NCPA), Transmission Agency of Northern California (TANC), M-S-R Energy Authority (MSR EA) and M-S-R Public Power Agency (MSR PPA) as of and for the year ended June 30, 2023, related to the calculation of the Investments in Joint Ventures. At June 30, 2024, the Investment in these Joint Ventures collectively represents 4.2%, 5.0% and 0%, respectively, of total assets, net position and revenues of Silicon Valley Power. The financial statements of the NCPA, TANC, MSR EA and MSR PPA were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the calculation of the Investments in Joint Ventures, is based solely on the reports of the other auditors.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Silicon Valley Power as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Silicon Valley Power, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Silicon Valley Power's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Silicon Valley Power's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Silicon Valley Power's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Silicon Valley Power's June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2023. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 1, the financial statements present only Silicon Valley Power and do not purport to, and do not present fairly the financial position of the City as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the City of Santa Clara's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Santa Clara's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Santa Clara's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Mary & Associates".

Pleasant Hill, California
November 21, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of Silicon Valley Power (SVP) offers a comprehensive overview of SVP's financial activities during the fiscal years concluding on June 30, 2024 and 2023. The purpose of this MD&A is to provide a holistic assessment of SVP's financial performance. To gain a deeper insight into SVP's financial performance, readers are encouraged to examine this MD&A alongside the Basic Financial Statements and their accompanying notes. This combined approach will enhance their comprehension of SVP's financial performance.

SVP, a distinct enterprise fund under the jurisdiction of the City of Santa Clara (City), was created to manage and report on the City's electric power operations. SVP holds ownership of power generation facilities, maintains investments in joint ventures engaged in electricity production, and actively participates in power trading on the open market. These activities are undertaken with the primary objective of ensuring that SVP's retail customers, including the residents, institutions, and businesses within the City, have access to a dependable source of electric power at affordable rates.

The operations of SVP have been significantly influenced by the deregulation of the electric power industry in California, a topic elaborated upon in Note 9 within the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2024 are summarized as follows:

- The total assets and deferred outflows of resources surpassed the liabilities and deferred inflows of resources by \$1,292.8 million, representing a notable increase of \$221.5 million or 20.7% compared to the previous fiscal year's position of \$1,071.3 million. This growth is primarily attributed to a \$48.7 million expansion in the net investment of capital assets, a \$3.7 million increase in pension stabilization reserve, and a \$169.1 million increase in unrestricted net position.
- Operating revenues exhibited an increase of \$54.3 million or 7.9%, climbing from the previous fiscal year of \$687.1 million to \$741.5 million. This growth can be chiefly attributed to heightened retail sales, the result of the implementation of a 5% rate increase in July 2023 and a 10% rate increase in January 2024.
- Operating expenses declined by \$75.1 million or -11.5% from the previous fiscal year, descending from \$655.1 million to \$580.0 million in the fiscal year 2023-24. This decrease is primarily the result of lower resource purchase costs and lower generation production costs compared to the previous fiscal year.
- SVP's total outstanding long-term debt saw a reduction of \$15.9 million, declining from \$128.4 million in the previous fiscal year to \$112.5 million during the current fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

OVERVIEW OF SVP'S BASIC FINANCIAL STATEMENTS

This annual report comprises a series of financial statements and their accompanying notes, organized to provide readers with a comprehensive understanding of SVP's financial position. The Basic Financial Statements consist of two key components:

1. Management's Discussion and Analysis (this part),
2. The Basic Financial Statements, in conjunction with the Notes to these Basic Financial Statements.

The Basic Financial Statements offer insights into both the short-term and long-term financial aspects of SVP.

These statements include:

- Statements of Net Position: These statements present a comprehensive overview of SVP's financial position, encompassing all long-term liabilities on a full accrual basis.
- Statements of Revenues, Expenses, and Changes in Net Position: These statements provide detailed information on all of SVP's revenues and expenses, also on a full accrual basis, with a focus on measuring the net revenues and expenses of the program.
- Statements of Cash Flows: These statements offer information about cash activities during the fiscal year.

FISCAL YEAR 2023-24 FINANCIAL HIGHLIGHTS

Below is a summary of financial information extracted from the Statements of Net Position (Table 1) and the Statements of Revenues, Expenses, and Changes in Net Position (Table 2).

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Table 1
Net Position
June 30, 2024, 2023, and 2022
(in millions)

<u>Description</u>	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>		<u>2022 *</u>
			<u>Amount</u>	<u>%</u>	
Pooled cash and investments	\$ 609.0	\$ 461.1	\$ 147.9	32.1%	\$ 417.6
Other assets	265.6	238.1	27.5	11.5%	263.4
Capital assets	688.8	655.8	33.0	5.0%	635.3
Total Assets	1,563.4	1,355.0	208.4	15.4%	1,316.3
Deferred outflows on derivative instruments	-	0.8	(0.8)	N/A	0.2
Deferred outflows on refunding	4.5	5.3	(0.8)	-15.1%	6.2
Deferred outflows on pension and OPEB related items	25.4	26.8	(1.4)	-5.2%	14.2
Total Deferred Outflows of Resources	29.9	32.9	(3.0)	-9.1%	20.6
Long-term Debt Outstanding	112.5	128.4	(15.9)	-12.4%	142.8
Right-to-use liabilities	2.7	4.4	(1.7)	-38.6%	3.7
Net OPEB liability	6.9	7.3	(0.4)	-5.5%	13.1
Net pension liabilities	108.3	105.8	2.5	2.4%	73.5
Other liabilities	54.2	42.2	12.0	28.4%	67.4
Total Liabilities	284.6	288.1	(3.5)	-1.2%	300.5
Deferred inflows on derivative instruments	12.0	23.4	(11.4)	-48.7%	42.2
Deferred inflows on refunding	1.0	1.3	(0.3)	-23.1%	1.5
Deferred inflows on lease revenue	2.0	2.3	(0.3)	-13.0%	2.6
Deferred inflows on pension related items	0.5	0.8	(0.3)	-37.5%	18.4
Deferred inflows on OPEB related items	0.4	0.7	(0.3)	-42.9%	0.9
Total Deferred Inflows of Resources	15.9	28.5	(12.6)	-44.2%	65.6
Net Position:					
Net investment in capital assets	575.8	527.1	48.7	9.2%	494.9
Restricted for contractual obligation	10.0	6.3	3.7	58.7%	6.2
Unrestricted	707.0	537.9	169.1	31.4%	469.7
Total Net Position	\$ 1,292.8	\$ 1,071.3	\$ 221.5	20.7%	\$ 970.8

* Net Investment in Capital Assets were restated to exclude leases receivable and re-categorize it to unrestricted net position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Table 2
Revenues, Expenses, and Changes in Net Position
For the years ended June 30, 2024, 2023 and 2022
(in millions)

<u>Description</u>	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>		<u>2022</u>
			<u>Amount</u>	<u>%</u>	
Revenues:					
Retail	\$ 648.6	\$ 556.2	\$ 92.4	16.6%	\$ 497.9
Wholesale	11.5	85.0	(73.5)	-86.5%	50.0
Interest Revenue	13.9	8.4	5.5	65.5%	6.1
Net increase (decrease) in fair value of investments	8.7	(2.8)	11.5	410.7%	(21.0)
Rents and royalties	3.5	3.8	(0.3)	-7.9%	3.9
Renewable energy credits	10.5	3.9	6.6	169.2%	2.0
Mandated program receipts	20.1	15.9	4.2	26.4%	14.2
Other	89.4	95.0	(5.6)	-5.9%	72.0
Total Revenues	806.2	765.4	40.8	5.3%	625.1
Expenses:					
Retail	564.0	631.0	(67.0)	-10.6%	540.5
Wholesale	9.8	19.4	(9.6)	-49.5%	18.3
Interest on long term debt and swap termination payment	2.2	2.7	(0.5)	-18.5%	3.1
Mandated program disbursement	6.2	4.5	1.7	37.8%	5.5
Other	-	3.8	(3.8)	-100.0%	-
Total Expenses	582.2	661.4	(79.2)	-12.0%	567.4
Increase (decrease) in net position before transfers	224.0	104.0	120.0	115.4%	57.7
Transfers in (out)	(2.5)	(3.5)	1.0	28.6%	(2.3)
Increase (decrease) in net position	221.5	100.5	121.0	120.4%	55.4
Net Position - July 1	1,071.3	970.8	100.5	10.4%	915.4
Net Position - June 30	<u>\$ 1,292.8</u>	<u>\$ 1,071.3</u>	<u>\$ 221.5</u>	<u>20.7%</u>	<u>\$ 970.8</u>

In fiscal year 2023-24, SVP's retail revenues reached \$648.6 million, showing substantial growth from \$556.2 million in fiscal year 2022-23 and \$497.9 million in fiscal year 2021-22. These figures represent significant year over year growth of 16.6% in fiscal year 2023-24 compared to the preceding fiscal year (2022-23) and 11.7% growth in fiscal year 2022-23 compared to the fiscal year before that (2021-22). The primary driver behind the growth in fiscal year 2023-24 was the implementation of a 5% rate increase effective July 1, 2023 and a 10% rate increase effective January 1, 2024, coupled with a moderate load growth in the fiscal year 2023-24.

In fiscal year 2023-24, SVP's retail operating expenses amounted to \$564.0 million, declining from \$631.0 million in fiscal year 2022-23 and increasing from \$540.5 million in fiscal year 2021-22. These numbers indicate a decrease of \$67.0 million or 10.6% in the fiscal year 2023-24

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

compared to the preceding fiscal year (2022-23), and an increase of \$90.5 million or 16.7% in the fiscal year 2022-23 compared to the fiscal year before that (2021-22). The lower operating expenses for the fiscal year 2023-24 were primarily driven by the lower resource purchase costs and lower generation production costs compared to the fiscal year 2022-23.

In fiscal year 2023-24, revenues generated from wholesale resources sales, which encompass both gas and power, was \$11.5 million. This figure represents a substantial decrease compared to the \$85.0 million in fiscal year 2022-23 and the \$50.0 million reported as reclassified in fiscal year 2021-22. Simultaneously, the wholesale resources purchase was \$9.8 million in fiscal year 2023-24, \$19.4 million in fiscal year 2022-23, and \$18.3 million in fiscal year 2021-22. The \$73.5 million decrease in wholesale resource sales during the fiscal year 2023-2024 was primary attributed to significant decrease in wholesale futures trading profit compared to the previous fiscal year due to sharp declined prices in overall resource market. The \$35 million surge in wholesale resource sales during the fiscal year 2022-2023 was attributed to the recognition of a \$60 million gain in wholesale futures trading in the year when the resource market experienced unprecedented price spikes. Likewise, the decrease in wholesale resources purchase during this fiscal year was primarily due to the lower prices prevailing in the resource market.

Interest income for fiscal year 2023-24 amounted to \$13.9 million, an increase from \$8.4 million reported in fiscal year 2022-23, and the \$6.1 million recorded in fiscal year 2022-23. This increase in the most recent fiscal year can be primarily attributed to the higher interest rate environment. Conversely, interest expense for fiscal year 2023-24 was \$2.2 million, which is a decrease from the \$2.7 million in fiscal year 2022-23 and the \$3.1 million in fiscal year 2021-22. For more detailed information regarding interest income and expense, please refer to Note 5 in the financial statements.

As of June 30, 2024, SVP's net position stood at \$1,292.8 million, reflecting a \$221.5 million increase from the preceding fiscal year. Within this total, there was a \$48.7 million increase in the net investment in capital assets, a \$3.7 million increase in the amount restricted for contractual obligations, and a \$169.1 million increase in unrestricted net position.

CAPITAL ASSETS

As of the end of fiscal year 2023-24, SVP had invested \$688.8 million in capital assets, net of depreciation. Most of this investment was allocated to power generation facilities, with the remaining portion distributed across transmission and distribution assets, right-to-use buildings, and subscriptions for information technology arrangements.

As of June 30, 2024, SVP had several projects that were either completed or in progress. In the fiscal year 2023-24, the Capital Improvement Projects Budget included appropriations for significant investments in substation improvements for the upcoming years.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

For more comprehensive information regarding SVP's capital assets, please refer to Note 4 in the financial statements.

DEBT ADMINISTRATION

SVP's debt portfolio and its individual components are comprehensively outlined in Note 5 within the financial statements. As of June 30, 2024, SVP's outstanding debt consists of one issue of Revenue Bonds and three issues of Subordinate Revenue Bonds, amounting to a total of \$112.5 million. These bonds are backed by the net electric revenues generated by SVP and have maturity dates spanning from fiscal years 2025 through 2033.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

For detailed information regarding the economic outlook and major initiatives of the City, as well as what is planned for the upcoming year, please refer to the Letter of Transmittal Section of the City's Annual Comprehensive Financial Report for the fiscal year concluding on June 30, 2024. This section provides an in-depth analysis and insight into the City's economic prospects and its key initiatives moving forward.

CONTACTING SVP'S FINANCIAL MANAGEMENT

These Basic Financial Statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of SVP's finances. Questions about these Basic Financial Statements should be directed to the City of Santa Clara Finance Department, 1500 Warburton Avenue, Santa Clara, CA 95050-3796.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
STATEMENTS OF NET POSITION**

**June 30, 2024
with Comparative Totals as of June 30, 2023**

ASSETS	2024	2023
Current Assets:		
Pooled cash and investments (Note 3)	\$ 609,040,674	\$ 461,055,857
Investments with fiscal agent (Note 3)	16,596,885	16,197,916
Leases Receivable (Note 2R)	259,985	249,167
Receivables (net of allowances)		
Accounts	122,946,617	91,998,401
Interest	3,761,308	1,768,781
Derivative instrument (Note 5G)	7,119,963	8,294,280
Due from the City of Santa Clara (Note 2E)	4,017,195	3,209,849
Inventory of materials and supplies (Note 2F)	19,366,588	15,827,132
Total Current Assets	<u>783,109,215</u>	<u>598,601,383</u>
Noncurrent Assets:		
Capital assets (Note 4)		
Land	14,371,743	14,371,743
Construction in progress	86,463,324	71,262,465
Buildings, improvements and infrastructure	1,147,187,859	1,101,647,613
Equipment	10,212,515	10,297,966
Right-to-use leased assets	2,916,623	2,916,623
Right-to-use SBITA	3,837,038	3,108,024
Accumulated depreciation	<u>(576,144,800)</u>	<u>(547,761,849)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>688,844,302</u>	<u>655,842,585</u>
Other Noncurrent Assets:		
Restricted investments (Note 3)	10,065,874	6,324,045
Derivative instrument (Note 5G)	4,867,018	15,163,920
Investments in joint ventures (Note 6)	65,209,772	65,844,941
Deposits (Note 3)	9,449,807	11,127,179
Leases receivable (Note 2R)	1,852,925	2,112,910
Total Other Noncurrent Assets	<u>91,445,396</u>	<u>100,572,995</u>
Total Noncurrent Assets	<u>780,289,698</u>	<u>756,415,580</u>
Total Assets	<u>1,563,398,913</u>	<u>1,355,016,963</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in fair value of hedging instruments (Note 5G)	7,708	783,790
Deferred outflow on refunding of debt	4,474,983	5,333,697
Deferred outflows on OPEB related items (Note 8)	311,077	616,793
Deferred outflows on pension related items (Note 7)	25,096,908	26,223,040
Total Deferred Outflows of Resources	<u>29,890,676</u>	<u>32,957,320</u>

See accompanying notes to financial statements

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
STATEMENTS OF NET POSITION**

June 30, 2024

with Comparative Totals as of June 30, 2023

LIABILITIES	2024	2023
Current Liabilities:		
Accrued liabilities	44,808,600	33,601,331
Interest payable	1,190,753	1,389,163
Accrued compensated absences	472,381	566,004
Current portion of long-term debt (Note 5)	15,460,000	15,140,000
Current portion derivative financial instruments (Note 5G)	7,708	783,790
Current portion of leases obligation (Note 5J)	710,181	681,619
Current portion of SBITA (Note 5K)	481,034	392,381
Total Current Liabilities	<u>63,130,657</u>	<u>52,554,288</u>
Noncurrent Liabilities:		
Long-term portion accrued compensated absences	6,438,722	5,888,451
Net pension liability (Note 7)	108,269,790	105,823,291
Net OPEB liability (Note 8)	6,898,479	7,288,705
Long-term leases obligation (Note 5J)	240,824	951,003
Long-term SBITA (Note 5K)	2,495,433	2,325,628
Long-term debt (Note 5)	97,089,699	113,302,932
Total Noncurrent Liabilities	<u>221,432,947</u>	<u>235,580,010</u>
Total Liabilities	<u>284,563,604</u>	<u>288,134,298</u>
 DEFERRED INFLOWS OF RESOURCES		
Accumulated increase in fair value of hedging instruments (Note 5G)	11,986,981	23,458,200
Deferred inflow on refunding of debt	1,024,530	1,280,797
Deferred inflow - leases related (Note 2R)	1,997,165	2,282,329
Deferred inflows pension related items (Note 7)	479,098	821,311
Deferred inflows OPEB related items (Note 8)	382,621	702,262
Total Deferred Inflows of Resources	<u>15,870,395</u>	<u>28,544,899</u>
 NET POSITION		
Net investment in capital assets, restated (Note 12)	575,817,583	527,101,920
Restricted	10,065,874	6,324,045
Unrestricted restated (Note 12)	706,972,133	537,869,121
Total Net Position	<u><u>1,292,855,590</u></u>	<u><u>\$ 1,071,295,086</u></u>

See accompanying notes to financial statements

CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2024
with Comparative Totals for the Year Ended June 30, 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Residential sales	\$ 41,675,989	\$ 38,021,218
Commercial sales	22,584,103	17,991,071
Industrial sales	584,360,495	500,189,088
Renewable energy credits	10,502,295	3,916,420
Wholesale resource sales (Note 9)	11,470,683	85,035,267
Mandated program receipts	20,120,470	15,926,482
Other operating revenues	50,751,706	26,084,529
Total Operating Revenues	<u>741,465,741</u>	<u>687,164,075</u>
Operating Expenses:		
Operations	111,613,480	92,744,945
Maintenance	29,090,846	31,152,357
Purchased resource	394,828,371	480,208,227
Wholesale resource purchases (Note 9)	9,785,427	19,474,055
Mandated program disbursement	6,179,170	4,541,142
Amortization (Note 4)	1,158,632	1,051,552
Depreciation (Note 4)	27,322,314	25,934,672
Total Operating Expenses	<u>579,978,240</u>	<u>655,106,950</u>
Operating Income	<u>161,487,501</u>	<u>32,057,125</u>
Nonoperating Revenues (Expenses):		
Interest revenue	13,871,450	8,392,327
Net changes in the fair value of investments	8,702,128	(2,841,392)
Interest expense	(2,206,422)	(2,659,346)
Equity in income (losses) of joint ventures	(635,169)	8,532,699
Rents and royalties	3,484,588	3,845,365
Other revenues	39,365,830	60,399,404
Other expenses	-	(3,763,379)
Total Nonoperating Revenues, net	<u>62,582,405</u>	<u>71,905,678</u>
Income Before Transfers	224,069,906	103,962,803
Transfers from the City of Santa Clara	376,500	208,290
Transfers to the City of Santa Clara	<u>(2,885,902)</u>	<u>(3,706,812)</u>
Net Income	221,560,504	100,464,281
Net Position, Beginning of Year	<u>1,071,295,086</u>	<u>970,830,805</u>
Net Position, End of Year	<u>\$ 1,292,855,590</u>	<u>\$ 1,071,295,086</u>

See accompanying notes to financial statements

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2024
with Comparative Totals for the Year Ended June 30, 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 668,767,150	\$ 587,190,157
Payments to suppliers	(465,537,231)	(583,494,659)
Payments to employees for salaries and benefits	(56,790,537)	(52,546,917)
Rents and royalties received	4,543,348	3,774,218
Resource energy trading escrow	1,677,372	8,391,775
Wholesale resource sales	11,470,683	85,035,267
Wholesale resource purchases	(9,785,427)	(19,474,055)
Renewable energy credits	10,502,295	3,916,420
Other receipts	48,902,208	69,427,502
Net Cash provided by Operating Activities	<u>213,749,861</u>	<u>102,219,708</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase (decrease) in due from other funds	(807,346)	(522,955)
Changes in restricted investments	3,741,829	177,687
Transfers in	376,500	208,290
Transfers out	<u>(2,885,902)</u>	<u>(3,706,812)</u>
Net Cash (used in) Noncapital Financing Activities	<u>425,081</u>	<u>(3,843,790)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets, net	(63,780,946)	(45,362,719)
Principal payments on debt	(16,292,174)	(14,573,440)
Interest paid on debt	<u>(2,555,620)</u>	<u>(3,089,729)</u>
Net Cash (used in) Capital and Related Financing Activities	<u>(82,628,740)</u>	<u>(63,025,888)</u>

See accompanying notes to financial statements

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)**

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2024

with Comparative Totals for the Year Ended June 30, 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	11,877,286	8,236,726
Net increase (decrease) in the fair value of investments	8,702,128	(2,841,392)
Payments made by fiscal agent	17,593,392	16,555,791
Deposits made with fiscal agent	(17,992,362)	(13,650,909)
Net Cash (used in) Investing Activities	20,180,444	8,300,216
Net Increase (Decrease) in Cash and Cash Equivalents	151,726,646	43,650,246
Cash and cash equivalent at Beginning of Period	467,379,902	423,729,656
Cash and cash equivalent at End of Period	<u>\$ 619,106,548</u>	<u>\$ 467,379,902</u>
 Reconciliation of Operating Gain (Loss) to Net Cash Provided (Used) by Operating activities:		
Operating income	\$ 161,487,501	\$ 32,057,125
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
(Decrease) Increase due to OPEB system	(404,151)	(5,395,611)
(Decrease) Increase due to retirement system	3,230,418	1,566,196
(Decrease) Increase due to lease and SBITA Obligation	(34,360)	(44,658)
Depreciation and amortization	28,480,946	26,986,224
Change in assets and liabilities:		
Receivable, net	(30,948,216)	6,417,073
Inventory	(3,539,456)	(2,022,294)
Accrued liabilities	14,234,570	(25,723,647)
Restricted cash	(3,741,829)	(177,687)
Compensated absences	456,648	(316,178)
Other receipts	42,850,418	64,244,769
Other expenses	-	(3,763,379)
Resource trading escrow	1,677,372	8,391,775
Net Cash Provided by Operating Activities	<u>\$ 213,749,861</u>	<u>\$ 102,219,708</u>
 NONCASH TRANSACTIONS:		
Joint Ventures		
Nonoperating Income (Expense)	<u>\$ (635,169)</u>	<u>\$ 8,532,699</u>
Issuance of SBITA Liability	<u>\$ (729,014)</u>	<u>\$ (1,670,794)</u>
Addition of SBITA Asset	<u>\$ 729,014</u>	<u>\$ 1,670,794</u>

See accompanying notes to financial statements

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 1 – DEFINITION OF THE REPORTING ENTITY

The City of Santa Clara (the City), California's Electric Utility Enterprise Fund, which began operating as Silicon Valley Power (SVP) in 1997, commenced operations over 100 years ago in 1896. Originally, SVP constructed a lighting plant consisting of forty-six 2000 candlepower direct current lamps and a dynamo (a type of electric generator) which entered into service in October 1896. In late 1903, SVP invested \$5,000 to convert the system to alternating current and abandoned the small generating plant. Wholesale power was purchased from United Gas and Electric Company of San Jose.

Between 1903 and 1965, SVP purchased all of its electric power requirements from investor-owned utilities. In 1965, it received an allocation of power from the Federal Central Valley Project and began to diversify its resources. SVP became a charter member of the Northern California Power Agency (NCPA) in June 1968. Throughout the 1970's, SVP and NCPA worked on behalf of all municipal electric utilities in Northern California to gain access to wholesale transmission markets and to jointly develop cost-effective electric generation resources.

In 1980, SVP became a generating utility for the first time in 73 years with the start of operations of the 6-Megawatt Cogen No. 1 power plant. In 1983, the 110 Megawatt NCPA Geothermal Project, the first municipally owned and operated geothermal power plant in the United States, entered service with SVP as lead partner holding a 55% participation share. Subsequently, SVP participated in further jointly owned power generation projects including hydroelectric, natural gas and coal fired generation. In 2005, SVP placed the 147 Megawatt Don Von Raesfeld Power Plant into service.

Today, SVP has grown to approximately 8,431 streetlights and serves approximately 60,346 electric customers. As SVP looks to the future, it continues to be responsive to the electric market development by increasing its renewable power resources, reducing its greenhouse gas (GHG) footprint, and working with its customers to enhance the value they receive from municipal ownership of their electric utility.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

SVP's Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. The electric enterprise fund is included in the City's Annual Comprehensive Financial Report, and therefore, these financial statements do not purport to represent the financial position and changes in financial position of the City.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting

SVP reports its activities as a proprietary fund type (Enterprise Fund) which is maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned regardless of whether they are received, and expenses are recognized in the period in which the related liabilities are incurred. Certain indirect costs are included in program expenses reported for individual functions and activities.

During the year ended June 30, 2023, SVP implemented the following GASB Statement:

The GASB issued Statement No. 91 “Conduit Debt Obligation.” The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practices. This statement becomes effective for periods beginning after December 15, 2021. The implementation had no effect on the financial statements.

The GASB issued Statement No. 92 “Omnibus 2020.” The objective of this statement is to enhance comparability in reporting and improve the consistency of authoritative literature by addressing practice issues identified during implantation of certain GASB statements. This statement becomes effective upon issuance for requirements related to GASB 87. For GASB 73, GASB 74, and GASB 84 as well as measurement of liabilities associated with asset retirement obligations, the requirements become effective for reporting periods beginning after June 15, 2021. The implementation had no effect on the financial statements.

The GASB issued Statement No. 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements.” The objective of this statement is to address issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. This statement becomes effective for periods beginning after June 15, 2022. The implementation had no effect on the financial statements.

The GASB issued Statement No. 96 “Subscription-Based Information Technology Arrangements.” The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement becomes effective for periods beginning after June 15, 2022. The provisions of this State were implemented during the fiscal year 2022-23.

As a result, the balances of the SBITA payable and intangible right-to-use SBITA asset were \$1,437,230 as of July 1, 2022. SVP restated and increased the balances in that amount, and the net effect on beginning net position and fund balance was zero. See the disclosure in Note 5.

During the year ended June 30, 2024, SVP implemented the following GASB Statement:

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
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NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The GASB issued Statement No. 100 “Accounting Changes and Errors Corrections.” The objective of this statement is to establish accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements. This statement becomes effective for periods beginning after June 15, 2023. The provision of this statement were implemented during fiscal year 2024. The implementation had no effect on the financial statement.

SVP is analyzing the effects of the following pronouncements and plans to adopt them by the effective dates:

The GASB issued Statement No. 101 “Compensated Absences.” The objective of this statement is to amend the existing requirements for the recognition of compensated absences liability. This statement becomes effective for periods beginning after December 15, 2023. SVP is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 102 “Certain Risk Disclosures.” The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This statement is effective for fiscal years beginning after June 15, 2024. SVP is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 103, “Financial Reporting Model Improvements.” The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement is effective for fiscal years beginning after June 15, 2025. SVP is currently evaluating the impact on the financial statements.

The GASB issued Statement No. 104, “Disclosure of Certain Capital Assets.” The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement is effective for fiscal years beginning after June 15, 2025. SVP is currently evaluating the impact on the financial statements.

C. Measurement Focus

Enterprise funds are accounted for on a cost of services or economic resources measurement focus, which means that all liabilities associated with the activity are included on their Statement of Net Position. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories – net investment in capital assets, restricted, and unrestricted.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Investments

SVP's cash and investments pool is maintained by the City except for fiscal agent cash and investments.

While maintaining safety and liquidity, the City maximizes investment return by pooling its available cash for investment purposes. Unless there are specific legal or contractual requirements to do otherwise, interest earnings are apportioned among funds according to average monthly cash and investment balances. It is generally the City's intention to hold investments until maturity. City investments are stated at fair value (see Note 3).

Cash and cash equivalents for purposes of the statement of cash flows include pooled cash and investments and cash designated for construction. Transactions with City-wide cash management pools are similar to those with external investment pools; therefore, since pooled cash and investments have the same characteristics as demand deposits in that the City's individual funds and component units may withdraw additional monies at any time without prior notice or penalty, pooled cash and investments are considered essentially demand deposit accounts.

Cash and investments with fiscal agent, a bond reserve investment pool, and amounts classified as deposits are not considered cash and cash equivalents.

E. Due from City of Santa Clara

During the course of operations, transactions occur between SVP and the City for goods provided or services rendered. The related receivables, net, are classified as "Due from the City of Santa Clara" on the accompanying statement of net position.

F. Inventory of Materials and Supplies

Inventory of materials and supplies is accounted for using the consumption method and is stated at average cost. Inventory consists of expendable supplies held for consumption by the electric utility.

G. Capital Assets

All capital equipment and right-to-use equipment with a value of \$5,000 or more, buildings, improvements and infrastructure, right-to-use building with costs exceeding \$20,000 or more, and the right-to-use SBITA with a value of \$400,000 or more, with useful lives exceeding two years are capitalized. These assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for intangible right -to-use assets, the measurement of which discussed in Note 2R and 2S below. Contributed capital assets are valued at their

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
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NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

estimated acquisition value on the date contributed. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets (buildings and improvements: 20 to 50 years; equipment: 3 to 25 years; and right-to-use SBITA assets: 3-25 years) and is charged as an expense against operations. Accumulated depreciation is reported on the statement of net position.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets and the related obligations under lease/purchase agreements are capitalized and accounted for in accordance with Accounting Standards Codification (ASC) Topic 842. Interest is capitalized on construction in progress in accordance with ASC Topic 835, Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings, and Certain Gifts and Grants. Accordingly, interest capitalized is the total interest cost for the date of the borrowings net of any interest earned on temporary investments of the borrowed proceeds until the specified asset is ready for its intended use. There was no interest capitalized for the fiscal years ended June 30, 2023 or 2024.

H. Joint Ventures

SVP participates in several joint ventures in accordance with GAAP. If SVP's equity in net losses of a joint venture exceeds its investments, use of the equity method is suspended except to the extent that SVP is obligated to provide further support or has guaranteed obligations of the joint venture.

SVP advances funds to certain of its joint ventures in the form of refundable advances, project advances, and operating and maintenance advances. Refundable advances accrue interest at rates stated in the related agreements. Operating, maintenance, and project advances are charged to operations when incurred.

Capitalized project costs are charged to operations in the event that a project is determined to be not economically feasible.

I. Compensated Absences

Amounts of vested or accumulated vacation leave and certain benefits that are not expected to be liquidated with expendable available financial resources are reported in the SVP financial statements as an expense and liability.

In accordance with GAAP, Accounting for Compensated Absences, a liability for sick leave and benefits is accrued using the vesting method. The vesting method provides that a governmental

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
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NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

entity estimate its accrued sick leave liability based on the sick leave accumulated at the statement of net position date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. Estimated sick leave payments are recorded as an expense and liability by SVP.

J. Risk Management

SVP is covered under the City's self-insurance programs via Internal Service Funds. There were no significant reductions in insurance coverage from the prior year by major categories of risk and the amount of settlements did not exceed insurance coverage for the past four fiscal years. Additional information with respect to the City's self-insurance programs can be found in the City's Annual Comprehensive Financial Report.

In addition, SVP has property coverage specific to the power plants with a policy limit of \$250 million.

K. Electric Resource Purchased

SVP purchases power from various suppliers and agencies (including joint powers agencies) for resale to its customers (see Note 10). SVP also engages in numerous resource energy transactions with the objective of reducing its overall cost of resource energy. Gross resource energy sales and resource energy purchases are recorded as operating revenue and expense, respectively (see Note 9).

L. Bond Discounts/Issuance Costs

Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recognized in the current period.

M. Revenue Recognition

Operating revenues are recognized based on cycle billings periodically rendered to customers. Operating revenues for services provided, but not billed at the end of the fiscal year, are recognized and accrued based on estimated consumption. Operating revenues primarily include the sales of electric power to residential, commercial, industrial, and municipal customers.

Non-operating revenues primarily represent interest income, grants, rents, and other non-recurring miscellaneous income.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Taxes on Income

As an agency of the City, SVP falls under the review of the Internal Revenue Code Section 115 and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to federal income or state franchise taxes.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. SVP has four items that qualify for reporting in this category: deferred outflows related to the derivative instruments, refunding of debt, pension, and OPEB.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. SVP reports deferred amounts related to derivative instruments, debt refunding, leases and deferred amounts related to pension and OPEB.

P. Net Position and Fund Equity

SVP may fund certain programs with a combination of restricted and unrestricted net position. The policy is to first apply restricted net position followed by unrestricted net position if necessary.

Q. Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

R. Lease Agreements

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lessee - SVP is a lessee for noncancellable lease of buildings. SVP recognizes a lease liability with an initial, and individual value of \$100,000 and an intangible right-to-use lease asset (lease asset) in the statement of net position financial statements.

At the commencement of a lease, SVP initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how SVP determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- SVP uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, SVP generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that SVP is reasonably certain to exercise.

SVP monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. Additional information can be found in Notes 4 and 5J.

Lessor - SVP is a lessor for noncancellable leases of land, equipment, and fiber infrastructure. SVP recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, SVP initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Key estimates and judgments include how SVP determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- SVP uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

SVP monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. SVP has not engaged in any sublease transactions, sale-leaseback arrangements, or lease-leaseback agreements.

The balances related to the leases receivable and deferred inflow of resources as of June 30, 2023 were \$2,362,077 and \$2,282,329 respectively. SVP recognized \$284,929 in lease revenue and \$63,636 in interest revenue during the fiscal year 2022-23 related to these leases. The leases receivable and deferred inflow of resources as of June 30, 2024 were \$2,112,910 and \$1,997,165 respectively. SVP recognized \$285,164 in lease revenue and \$58,002 in interest revenue during the fiscal year 2023-24 related to these leases.

S. Subscription-Based Information Technology Arrangements (SBITAs) Accounting

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of a SBITA, SVP initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over shorter of the subscription term or the useful life of the underlying IT assets. SVP recognizes SBITA liabilities with an initial, individual value of \$400,000 or more for all funds based on the future SBITA payments remaining at the start of the contract.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Key estimates and judgments related to SBITAs include how SVP determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- SVP uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, SVP uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that SVP is reasonably certain to exercise.

SVP monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with liabilities on the statement of net position. Additional information can be found in Notes 4 and 5K.

T. Prior Year Summarized Comparative Information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the SVP's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

NOTE 3 – CASH AND INVESTMENTS

SVP's cash and investments pool is maintained by the City except for fiscal agent cash and investments. A full description of the City's cash and investment policy is in Note 7 of its Annual Comprehensive Financial Report.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

A. Investments Authorized by the California Government Code and the City’s Investment Policy

The City’s Investment Policy and the California Government Code allow the City to invest in certain types of investments, provided the credit ratings of the issuers are acceptable to the City. The table below also identifies certain provisions of the City’s Investment Policy and the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
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NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage or Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	7 years	N/A	100%	100%
U.S. Agency Securities ⁽¹⁾	7 years	Top three ratings categories	80% ⁽²⁾	40%
Negotiable Certificates of Deposit	5 years	A / A-1	30%	5%
Bankers Acceptances	180 days	N/A	25%	5%
Commercial Paper	270 days	A / A-1	25%	5% ⁽³⁾
California Local Agency Investment Fund	N/A	N/A	None	\$75M Per A/C
Repurchase Agreements	60 days	N/A	50%	20%
Reverse Repurchase Agreements (requires City Council approval)	92 days	N/A	20%	10%
Municipal Obligations	7 years	A	20%	5%
Medium Term Corporate Notes	5 years	A/A-	25%	5% ⁽³⁾
Mutual Funds / Money Market Funds	N/A	Top rating category	20%	10%
Joint Powers Authority Investment	N/A	N/A	100%	100%
Supranational Obligations	5 years	AA	20%	10%
Asset-Backed Securities	5 years	AA	10%	5%
Non-Negotiable Certificates of Deposit	5 years	N/A	10%	5%
Mortgage-Backed Securities and Collateralized Mortgage Obligations	6-12 years ⁽⁴⁾	AA	15%	5%

⁽¹⁾ Securities issued by the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), local agencies and other U.S. government sponsored enterprises.

⁽²⁾ Callable securities are limited to 30% of the portfolio.

⁽³⁾ No more than 10% of the outstanding commercial paper and medium term corporate notes of any single issuer.

⁽⁴⁾ Maximum Weighted Average Life with Current Public Securities Association Assumptions = 12 years at time of purchase for Mortgage-Backed Securities (MBS). Maximum Final Maturity for MBS's and CMOs = 30 years with balloon payments.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

B. Investments Authorized by Debt Agreements

The City invests bond proceeds restricted for construction in instruments that are stated in the Investment Policy and in various return-guaranteed investment agreements. These investments are invested in accordance with bond indentures and the maturities of each investment should not exceed the final maturity of each bond. Bond proceed investments are reported monthly to the City Council.

SVP also maintains required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if SVP fails to meet its obligations under these debt issues. The California Government Code 53601 (L) allows these funds to be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, other agreements, or certificates of participation in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

C. Pension Rate Stabilization Program

In February 2017, the City Council approved a Pension Rate Stabilization Program, (PRSP) Trust administered by Public Agency Retirement Services (PARS). The PRSP is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Pension Rate Stabilization Program (PRSP) are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with the Public Agency Retirement Services (PARS), rather than the general provisions of the California Government code or the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio' risk tolerance. The assets in this program will eventually be used to fund Pension Plan obligations.

As part of the year-end process for fiscal year 2016-17, the City Council approved SVP to designate and make an initial deposit of \$3.5 million in fiscal year 2018 towards pre-funding the City's pension obligations. As of June 30, 2024, the balance in the pension rate stabilization program trust was \$10.1 million.

D. Credit and Interest Rate Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is the greater the sensitivity of its fair value to changes in market interest rates to be.

Information about the sensitivity of the fair values of SVP's investments to market interest rate fluctuations is provided by the following table that shows the distribution to SVP's investment by maturity.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

Type of Investment	Credit Rating	Maturity				2024	2023
		Under 180 Days	181 - 365 Days	1 - 3 Years	3 - 5 Years	Fair Value	Fair Value
Cash and Investments							
- City Treasury:							
Cash	N/A	\$ 59,372,862	\$ -	\$ -	\$ -	\$ 59,372,862	\$ 46,773,624
US Treasury Notes	AA+	8,344,088	7,107,701	76,966,441	139,555,698	231,973,928	175,578,523
Federal Farm Credit Bank	AA+	2,347,711	12,535,145	4,535,026	-	19,417,882	21,362,478
Federal Home Loan Bank	AA+	2,350,184	-	-	-	2,350,184	8,533,545
Federal National Mortgage Association Federal Home Loan Mortgage Corporation	AA+	-	8,087,630	833,650	-	8,921,280	16,389,831
Federal Home Loan Mortgage Corporation Mortgage-Backed Securities	AA+	-	2,323,618	6,573,875	2,009,098	10,906,591	7,885,349
Corporate Notes	AAA	-	-	11,078,380	16,760,367	27,838,747	2,217,115
Corporate Notes	Aa	-	2,339,292	4,623,915	-	6,963,207	6,229,168
Corporate Notes	A	-	7,357,573	14,044,083	1,550,597	22,952,253	21,071,405
Corporate Notes	BBB ⁽¹⁾	-	15,111,325	23,600,208	23,246,966	61,958,499	50,093,597
Corporate Notes	BBB ⁽¹⁾	-	1,190,179	-	-	1,190,179	-
Supranational Notes	Aaa	-	-	-	-	-	4,540,810
Asset-Backed Securities	Aaa	-	-	5,688,445	24,543,736	30,232,181	4,126,694
Municipal Notes	Aaa	-	-	-	-	-	1,697,579
Certificates of Deposit	A+	-	-	3,602,799	-	3,602,799	3,165,831
Certificates of Deposit	A	3,457,974	-	-	-	3,457,974	-
Money Market Funds (CAMP Pool)	AAAam	95,951,939	-	-	-	95,951,939	88,900,304
Money Market Funds (CAMP Term)	AAAf	19,026,752	-	-	-	19,026,752	-
Principal Public Deposit Sweep Program	Not Rated	100,549	-	-	-	100,549	-
State Investment Pool (LAIF)	Not Rated	2,822,868	-	-	-	2,822,868	2,490,004
Cash and Investments - City Treasury		193,774,927	56,052,463	151,546,822	207,666,462	609,040,674	461,055,857
Cash and Investments							
- Other:							
Cash (Debt Fund)	N/A	6,414,375	-	-	-	6,414,375	6,195,375
Cash (Pension Rate Stabilization Investment)	N/A	2,823	-	-	-	2,823	4,289
Mutual Fund - JP Morgan - Money Market Funds (Debt Funds)	Aaam	10,182,510	-	-	-	10,182,510	10,002,541
Pension Rate Stabilization Investment (Cash and Equivalents)	Not Rated	414,823	-	-	-	414,823	280,435
Pension Rate Stabilization Investment (Mutual Fund - Equity)	Not Rated	3,033,155	-	-	-	3,033,155	1,823,569
Pension Rate Stabilization Investment (Mutual Fund - Fixed Income)	Not Rated	6,615,073	-	-	-	6,615,073	4,215,752
Collateral Obligations (Archer Daniels Midland and CAISO)	Not Rated	9,449,807	-	-	-	9,449,807	11,127,179
Investments - Other		36,112,566	-	-	-	36,112,566	33,649,140
Total Cash and Investments		\$ 229,887,493	\$ 56,052,463	\$ 151,546,822	\$ 207,666,462	\$ 645,153,240	\$ 494,704,997

(1) The investments in the corporate notes were rated A+ when purchased.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

The City is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF's investment portfolio mainly consists of Treasuries, loans, Federal Agency securities, and collateralized mortgage obligations. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to one time deposit with no cap and are set up with a monthly draw down schedule. The carrying value of LAIF approximates fair value.

The City, as a CAMP shareholder, participates in both the CAMP Pool Portfolio and the CAMP Term Portfolio. The CAMP Pool is fully liquid, stable net asset value (NAV) investment option with a competitive yield, while the CAMP Term is a fixed-rate, fixed term investment option that offers securities with maturities ranging from 60 days to one year. Investment principal and interest in the CAMP Term account are paid at maturity, with an automatic sweep into the CAMP Pool account.

The CAMP Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant NAV per share of \$1.00. The CAMP Pool invests in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions. The CAMP Term investments are based on a pool of open-market securities similar to those in the CAMP Pool. The investments are matched to the amount invested and maturities selected by the Shareholder.

The City may withdraw all or any portion of the funds in the CAMP Pool account at any time by redeeming shares. The City may withdraw all or a portion of the funds in the CAMP Term account in \$10,000 increments prior to maturity, but there is a premature redemption penalty.

The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal. At June 30, 2024, the fair value approximated the City's cost. At June 30, 2024, the CAMP Pool investments had an average maturity of 38 days.

Mutual funds are available for withdrawal on demand. See City's Annual Financial Report Note 7 to the financial statements for additional detail on the fiscal year 2023-24 investment portfolio.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the City's cash on deposit. All of the City's deposits are either insured by the Federal Depositary Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's Investment Policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City, including collateral for repurchase agreements, be conducted on a delivery-versus-payment basis. Securities are to be held by a third party custodian.

F. Fair Value Hierarchy

SVP categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation input used to measure the fair value of asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See City's Annual Comprehensive Financial Report Note 7 to the financial statements for more detailed information.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

	Fair Value Measurements Using			
	Investments and Derivative Instruments Measured at Fair Value 6/30/2024	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Exempt ⁽¹⁾
Investments by Fair Value Level				
Short Term Investments				
US Treasury Notes	\$ 231,973,928	\$ 231,973,928	\$ -	\$ -
Federal Farm Credit Bank	19,417,882	-	19,417,882	-
Federal Home Loan Bank	2,350,184	-	2,350,184	-
Federal National Mortgage Association	8,921,280	-	8,921,280	-
Federal Home Loan Mortgage Corp	10,906,591	-	10,906,591	-
Federal Home Loan Mortgage Corporation Mortgage-Backed Securities	27,838,747	-	27,838,747	-
Corporate notes	93,064,138	-	93,064,138	-
Asset-Backed Securities	30,232,181	-	30,232,181	-
Certificates of Deposit	7,060,773	-	7,060,773	-
Money Market Fund (CAMP Pool and Term)	114,978,691	-	-	114,978,691
Principal Public Deposit Sweep Program	100,549	-	-	100,549
Total Short Term Investments	546,844,944	231,973,928	199,791,776	115,079,240
Debt Securities and Other				
Mutual Fund - JP Morgan - Money Market Funds (Debt Funds)	10,182,510	-	-	10,182,510
Pension Rate Stabilization Investment (Cash and Equivalents)	414,823	414,823	-	-
Pension Rate Stabilization Investment (Mutual Fund - Equity)	3,033,155	3,033,155	-	-
Pension Rate Stabilization Investment (Mutual Collateral Obligations (Archer Daniels Midland and CAISO)	6,615,073	6,615,073	-	-
	9,449,807	-	-	9,449,807
Total Debt Securities and Other	29,695,368	10,063,051	-	19,632,317
Total Investment by Fair Value Level	\$ 576,540,312	\$ 242,036,979	\$ 199,791,776	\$ 134,711,557
Investments Measured at fair value, but not subject to fair value hierarchy:				
State Investment Pool (LAIF)	2,822,868	-	-	2,822,868
Total Investments	579,363,180	\$ 242,036,979	\$ 199,791,776	\$ 137,534,425
Cash in Banks	65,790,060			
Total Cash and Investment	\$ 645,153,240			
Investments Derivative Instruments				
Open contract power trading - current assets	\$ 673,783		\$ 673,783	
Open contract power trading - current liabilities	(7,708)		(7,708)	
Open contract gas trading - current assets	6,446,180		6,446,180	
Open contract gas trading - non-current assets	4,867,018		4,867,018	
Total Investment Derivative Instruments	\$ 11,979,273		\$ 11,979,273	

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND INVESTMENTS (continued)

The City utilizes a third party pricing service to determine fair market prices for its individually held investments. Evaluations are based on market information available at the time and generated using proprietary evaluated pricing models and methodologies.

Level 1 investments are valued using a marketable actively traded assets closing price for identical assets. Level 2 investments are determined by using quoted prices for similar assets.

NOTE 4 – CAPITAL ASSETS

A. Capital Assets Summary

Capital asset activity for the years ended June 30, 2024 and 2023 is as follows:

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 4 – CAPITAL ASSETS (continued)

	Balance				Balance
	June 30, 2023	Additions	Retirements	Transfers	June 30, 2024
Non Depreciable Assets:					
Land	\$ 14,371,743	\$ -	\$ -	\$ -	\$ 14,371,743
Construction In Progress	71,262,465	60,741,105	-	(45,540,246)	86,463,324
Total Non Depreciable Assets	85,634,208	60,741,105	-	(45,540,246)	100,835,067
Capital assets being depreciated:					
Buildings and Improvements	1,101,647,613	-	-	45,540,246	1,147,187,859
Right-to-use leased building	2,916,623	-	-	-	2,916,623
Right-to-use SBITA	3,108,024	729,014	-	-	3,837,038
Machinery & Equipment	10,297,966	12,544	(97,995)	-	10,212,515
Total capital assets being depreciated	1,117,970,226	741,558	(97,995)	45,540,246	1,164,154,035
Less accumulated depreciation for:					
Buildings and Improvements	(537,222,730)	(27,026,175)	-	-	(564,248,905)
Right-to-use leased building	(1,346,134)	(673,066)	-	-	(2,019,200)
Right-to-use SBITA	(378,485)	(485,566)	-	-	(864,051)
Machinery & Equipment	(8,814,500)	(296,139)	97,995	-	(9,012,644)
Total accumulated depreciation	(547,761,849)	(28,480,946)	97,995	-	(576,144,800)
Net Depreciable Assets	570,208,377	(27,739,388)	-	45,540,246	588,009,235
Enterprise Activity Capital Assets, Net	\$ 655,842,585	\$ 33,001,717	\$ -	\$ -	\$ 688,844,302

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 4 – CAPITAL ASSETS (continued)

	Balance June 30, 2022 (as restated)	Additions	Retirements	Transfers	Balance 6/30/2023
Non Depreciable Assets:					
Land	\$ 14,371,743	\$ -	\$ -	\$ -	\$ 14,371,743
Construction In Progress	63,161,131	43,810,104	-	(35,708,770)	71,262,465
Total Non Depreciable Assets	<u>77,532,874</u>	<u>43,810,104</u>	<u>-</u>	<u>(35,708,770)</u>	<u>85,634,208</u>
Capital assets being depreciated:					
Buildings and Improvements	1,065,938,843	-	-	35,708,770	1,101,647,613
Right-to-use leased building	2,916,623	-	-	-	2,916,623
Right-to-use SBITA	1,437,230	1,670,794	-	-	3,108,024
Machinery & Equipment	9,941,798	570,680	(214,512)	-	10,297,966
Total capital assets being depreciated	<u>1,080,234,494</u>	<u>2,241,474</u>	<u>(214,512)</u>	<u>35,708,770</u>	<u>1,117,970,226</u>
Less accumulated depreciation for:					
Buildings and Improvements	(511,596,415)	(25,626,315)	-	-	(537,222,730)
Right-to-use leased building	(673,067)	(673,067)	-	-	(1,346,134)
Right-to-use SBITA	-	(378,485)	-	-	(378,485)
Machinery & Equipment	(8,720,654)	(308,358)	214,512	-	(8,814,500)
Total accumulated depreciation	<u>(520,990,136)</u>	<u>(26,986,225)</u>	<u>214,512</u>	<u>-</u>	<u>(547,761,849)</u>
Net Depreciable Assets	<u>559,244,358</u>	<u>(24,744,751)</u>	<u>-</u>	<u>35,708,770</u>	<u>570,208,377</u>
Enterprise Activity Capital Assets, Net	<u>\$ 636,777,232</u>	<u>\$ 19,065,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655,842,585</u>

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 4 – CAPITAL ASSETS (continued)

B. Construction in Progress

Construction in progress as of June 30, 2024 and 2023 consisted of the following in SVP Projects.

Projects as of June 30 , 2024	Authorized	Expended	Commitments
Implementation of Advanced Met	\$ 28,089,215	\$ 28,024,202	\$ 65,013
Grizzly Tap Line Repairs	21,999,893	14,113,347	7,886,546
NRS Transformer Replacement	15,900,020	5,998,030	9,901,990
System Capacity Expansion	10,973,778	4,954,305	6,019,473
Memorex Junction Substation	11,739,354	3,649,556	8,089,798
KRS Rebuild and Replacement	14,211,430	3,317,073	10,894,357
SRS Rebuild and Replacement	13,956,517	2,973,236	10,983,281
Freedom Circle Junction Substn	5,350,106	2,682,803	2,667,303
Replace Bal Plant Contr Sy(DCS	5,559,127	2,540,683	3,018,444
San Tomas Junction	5,570,131	2,394,995	3,175,136
Electric Vehicle (EV) Charging	4,563,033	1,769,817	2,793,216
Stender Way Jcnctn Substation	8,697,335	1,767,424	6,929,911
NRS-KRS 115kV Line	11,644,882	1,317,608	10,327,273
Bower Avenue Junction	3,882,492	1,122,084	2,760,408
Street Light Improvement	2,813,495	1,015,901	1,797,594
Other Projects	93,731,632	8,822,259	84,909,374
Total	<u>\$ 258,682,442</u>	<u>\$ 86,463,324</u>	<u>\$ 172,219,118</u>

Projects as of June 30 , 2023	Authorized	Expended	Commitments
Replace NRS 115/60KV Transformers	\$ 10,035,632	\$ 3,439,488	\$ 6,596,144
Sierra Substation	15,954,547	15,695,343	259,204
Implementation Advanced Meter Infrastructure	28,132,392	27,844,679	287,713
Bucks Creek Relicensing	6,447,846	6,318,577	129,269
Electric Vehicle Charging	3,570,049	1,524,954	2,045,095
San Tomas Junction	5,162,977	1,264,724	3,898,253
Memorex Junction Substation	7,969,006	1,239,162	6,729,844
Street Light Improvement	2,884,102	1,015,901	1,868,201
Other Projects	106,544,628	11,890,193	94,654,435
Total	<u>\$ 190,726,842</u>	<u>\$ 71,262,465</u>	<u>\$ 119,464,377</u>

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS

Changes in long-term debt for the year ended June 30, 2024, consisted of the following:

Type of Indebtedness Rate, Issue Date and Maturity	Outstanding as of June 30, 2023	Debt Retired / Defeased	Additions and Amortization of Discounts	Outstanding as of June 30, 2024	Current Portion
Obligation Bonds:					
2018 Series A Refunding Revenue Bonds, 5%, 12/18/18 - 07/01/27	\$ 30,215,000	\$ 5,440,000	\$ -	\$ 24,775,000	\$ 5,795,000
Unamortized Discount/Premium	3,012,932	-	(753,233)	2,259,699	-
Subtotal Electric Utility Revenue Bonds	<u>33,227,932</u>	<u>5,440,000</u>	<u>(753,233)</u>	<u>27,034,699</u>	<u>5,795,000</u>
Direct Placement:					
Series 2020-1 Revenue Refunding Bonds, 1.74%, 04/10/2020 - 07/01/2032	52,985,000	-	-	52,985,000	-
Series 2020-2 Revenue Refunding Bonds, 1.31%, 04/10/2020 - 07/01/2028	34,315,000	5,755,000	-	28,560,000	5,695,000
Series 2020-3 Revenue Refunding Bonds, 0.58% 04/10/2020 - 07/01/2024	7,915,000	3,945,000	-	3,970,000	3,970,000
Subtotal Electric Utility Revenue Bonds	<u>95,215,000</u>	<u>9,700,000</u>	<u>-</u>	<u>85,515,000</u>	<u>9,665,000</u>
Total Electric Utility Activities - Bonds and Notes from Direct Borrowing	<u>\$ 128,442,932</u>	<u>\$ 15,140,000</u>	<u>\$ (753,233)</u>	<u>\$ 112,549,699</u>	<u>\$ 15,460,000</u>

A. Electric Revenue Refunding Bonds, Series 2018A

On December 18, 2018, SVP issued \$48.8 million of Electric Revenue Refunding Bonds, Series 2018A (Electric 2018A Bonds) to refinance \$54.58 million outstanding principal amount of Variable Rate Demand Electric Revenue Refunding Bonds, Series 2008B and terminate a related swap agreement. The Electric 2018A Bonds bear a 5% coupon rate, mature annually beginning on July 1, 2019 through July 1, 2027, and were sold at an All-In True Interest Cost of 2.32%. Debt service on the Electric 2018A Bonds is secured by a pledge of net revenues of SVP.

In the event of default, SVP will transfer to the trustee all adjusted net revenues held by it and received thereafter and the trustee will disburse all adjusted net revenues and any other funds then held or thereafter received by the trustee under the provisions of indenture. In the case of default, the trustee will be entitled to declare the bond obligation of all bonds then outstanding to be due and payable immediately.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

B. Subordinate Electric Revenue Refunding Bonds, Series 2020-1

As of April 1, 2020, all \$54.830 million of the Electric 2011 A Bonds were outstanding and callable at par beginning July 1, 2021. The passage of the Tax Cuts and Jobs Act on December 22, 2017 eliminated tax-exempt advance refunding of tax-exempt bonds beginning January 1, 2018, and therefore tax-exempt advance refunding is no longer a refinancing option.

The City Council determined that it was in the best interests of the City to enter into a credit facility with a bank for the purpose of refunding all outstanding Electric 2011A Bonds; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

On April 10, 2020, the City entered into a loan agreement with Bank of America, N.A. (the “Bank”) and issued \$52.985 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-1 (Electric 2020-1 Bonds) to refinance \$54.830 million outstanding principal amount of Electric Series 2011A Bonds under a Taxable to Tax-Exempt Conversion structure. The Electric 2020-1 Bonds bear 1.74% coupon rates, mature annually beginning on July 1, 2028 through July 1, 2032 and were sold at a true interest cost of 1.43% with an average coupon rate of 1.40%. Electric 2020-1 Bonds were priced at taxable rates and was converted to tax-exempt on April 2, 2021. Both the taxable rate and tax-exempt rate after conversion were fixed at time of issuance. Starting April 2, 2021, the Bonds will bear interest at the tax exempt rate of 1.360% per annum. Debt service on the Electric 2020-1 Bonds is secured by a pledge of Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

In the event of default under the loan agreement for the 2020-1 bonds (including a failure by the City to pay principal or interest on the related bonds, a failure by the City to perform or observe its covenants, a default in other specified indebtedness or obligations of the City, certain acts of bankruptcy or insolvency, or other specified events of default), the Bank has the right, upon written notice to the City, to accelerate and declare the City’s obligation to repay the related bonds and all other obligations of the City to the Bank under such loan agreement to be immediately due and payable.

C. Subordinate Electric Revenue Refunding Bonds, Series 2020-2

The City Council determined that it was in the best interests of the City to enter into a credit facility with a bank for the purpose of refunding a portion of the outstanding Electric 2013A Bonds; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the Bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

On April 10, 2020, the City entered into a loan agreement with Bank of America, N.A. (the “Bank”) and issued \$34.315 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-2 (Electric 2020-2 Bonds) to refinance \$30.725 million of the callable portion of the outstanding Electric Revenue Refunding Bonds, Series 2013 A under a Taxable to Tax-Exempt Conversion structure. The Electric 2020-2 Bonds bear 1.31% coupon rates, mature annually beginning on July 1, 2023 through July 1, 2028 and were sold at a true interest cost of 1.21% with an average coupon rate of 1.15%. Electric 2020-2 Bonds were priced at taxable rates and were convert to tax-exempt basis on December 28, 2022, which now bear 1.02% coupon rates. Debt service on the Electric 2020-2 Bonds is secured by a pledge of Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

In the event of default under the loan agreement for the 2020-2 Bonds (including a failure by the City to pay principal or interest on the related bonds, a failure by the City to perform or observe its covenants, a default in other specified indebtedness or obligations of the City, certain acts of bankruptcy or insolvency, or other specified events of default), the Bank has the right, upon written notice to the City, to accelerate and declare the City’s obligation to repay the related bonds and all other obligations of the City to the Bank under such loan agreement to be immediately due and payable.

D. Subordinate Electric Revenue Refunding Bonds, Series 2020-3

On June 16, 2014, the City entered into a Tax-Exempt Multiple Draw Term Loan with the Bank of America Preferred Funding Corporation (the “Electric 2014 Loan Agreement”) to fund the phase-shifting transformer project and the acquisition of property for future utility use. The indebtedness created under such credit facility was evidenced by a subordinate electric revenue bond issued by the City - Subordinated Electric Revenue Bond, Series 2014. As of April 1, 2020, \$19.413 million principal amount was outstanding and unpaid.

The City Council determined that it was in the best interests of the City to continue the credit facility with the bank for the purpose of refunding of the outstanding Electric 2014 Loan Agreement at lower interest rate; and for the indebtedness created under such credit facility to be evidenced by a subordinate electric revenue bond to be issued by the City and delivered to the Bank as authorized by Resolution No. 20-8834 adopted by the City Council on April 7, 2020.

On April 10, 2020, the City entered into a loan agreement with Bank of America, N.A. (the “Bank”) and issued \$16.720 million of Subordinate Electric Revenue Refunding Bonds, Series 2020-3 (Electric 2020-3 Bonds) to refinance \$19.413 million outstanding principal amount of Subordinated Electric Revenue Bonds, Series 2014. The Electric 2020-3 Bonds bear 0.58% coupon rates mature annually beginning on July 1, 2020 through July 1, 2024 and were sold at a true interest cost of 0.70%. Debt service on the Electric 2020-3 Bonds is secured by a pledge of

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
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For the years ended June 30, 2024 and 2023

NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Available Electric Revenues of SVP on a basis subordinate to outstanding Senior Electric Revenue Bonds, if any.

In the event of default under the loan agreement for the 2020-3 bonds (including a failure by the City to pay principal or interest on the related bonds, a failure by the City to perform or observe its covenants, a default in other specified indebtedness or obligations of the City, certain acts of bankruptcy or insolvency, or other specified events of default), the Bank has the right, upon written notice to the City, to accelerate and declare the City's obligation to repay the related bonds and all other obligations of the City to the Bank under such loan agreement to be immediately due and payable.

E. Pledge of Future Electric Revenues

The pledge of future Electric Fund revenues ends upon repayment of the \$110.3 million in outstanding principal on the bonds which is scheduled to occur in fiscal year 2032-33. For fiscal year 2023-24, Electric Fund revenues including operating revenues and non-operating interest earnings amounted to \$635.0 million and operating costs including operating expenses, but not interest, depreciation or amortization amounted to \$518.5 million. Net revenues available for debt service amounted to \$116.5 million which represented a coverage ratio of 6.69 on the \$17.4 million of debt service.

F. Subsequent Event

On October 23, 2024, City issued \$112,175,000 of Electric Revenue Bonds, Series 2024 A (Electric 2024A Bonds) to provide funding for several of its capital projects in the System Expansion Plan. These projects include Kifer Receiving Station (KRS) rebuild, Scott Receiving Station (SRS) rebuild, and Northern Receiving Station (NRS) upgrades and expansion. The Electric 2024A Bonds mature annually beginning on July 1, 2025 through July 1, 2044 and bear a coupon rate of 5%, with optional redemption for bonds with maturities on or after July 1, 2035. Debt service on the Electric 2024A Bonds is secured by a pledge of net revenues of the Electric Utility Enterprise Fund.

G. Derivative Instruments

In fiscal year 2009-10, SVP implemented GAAP, which addresses recognition, measurement and disclosures related to derivative instruments to determine whether they meet the definition of derivative instruments, and if so, whether they effectively hedge the expected cash flows associated with the interest rate and energy exposures. Under hedge accounting, the increase (decrease) in the fair value of a hedge is reported as a deferred cash flow hedge on the statement of net position.

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NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Notional Amounts and Fair Values – Future Derivative Instruments

SVP maintains a Market Risk Management Policy, which among other things, sets forth the guidelines for the purchase and sale of certain financial instruments defined as hedge instruments in support of market power purchase and sales transactions. The primary goal of these guidelines is to provide a framework for the operation of an energy price hedging program to better manage SVP's risk exposure in order to utilize resources, stabilize pricing and hedge costs for the benefit of SVP and its customers.

Consistent with hedge accounting treatment meeting effectiveness tests, changes in fair value are reported as deferred flows of resources on the statement of net position until the contract expiration that occurs in conjunction with the hedged expected energy purchase/sales transaction. When hedging contracts expire, at the time the purchase/sales transactions occur, the deferred balance is recorded as a component of Purchased Power. For energy derivatives, fair values are estimated by comparing contract prices to forward market prices quoted by third party market participants.

SVP had the following future derivative instruments outstanding at June 30, 2024 with Archer Daniels Midland Company to hedge cash flows on sales of excess resources in CAISO market in June and purchase of power from CAISO in the future months.

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NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

<u>Notional Amount (MWh)</u>		Effective Date	Maturity Date	Average Price	<u>Fair Value</u>		<u>Change in Fair Value</u>	
Long	Short				Classification	Amount	Classification	Amount
24,960		7/1/2023	7/31/2024	\$62.02	Derivative Instrument	\$ 144,019	Deferred inflow	\$ 144,019
25,920		8/1/2023	8/31/2024	67.70	Derivative Instrument	296,784	Deferred inflow	296,784
23,040		9/1/2023	9/30/2024	60.75	Derivative Instrument	103,680	Deferred inflow	103,680
16,400		6/1/2023	7/31/2024	47.28	Derivative Instrument	(7,708)	Deferred outflow	(7,708)
15,600		7/1/2023	8/31/2024	49.90	Derivative Instrument	33,540	Deferred inflow	33,540
16,800		8/1/2023	9/30/2024	53.45	Derivative Instrument	95,760	Deferred inflow	95,760
						<u>\$ 666,075</u>		<u>\$ 666,075</u>

<u>Notional Amount (MMBtu)</u>		Effective Date	Maturity Date	Average Price	<u>Fair Value</u>		<u>Change in Fair Value</u>	
Long	Short				Classification	Amount	Classification	Amount
2,590,000		7/1/2020	12/31/2025	\$2.42	Derivative Instrument	\$ 2,314,545	Deferred inflow	\$ 2,314,545
5,180,000		1/1/2022	12/31/2025	2.64	Derivative Instrument	3,489,490	Deferred inflow	3,489,490
2,745,000		1/1/2021	12/31/2025	0.56	Derivative Instrument	2,687,338	Deferred inflow	2,687,338
5,490,000		1/1/2022	12/31/2025	1.03	Derivative Instrument	2,821,825	Deferred inflow	2,821,825
						<u>\$ 11,313,198</u>		<u>\$ 11,313,198</u>
						<u>\$ 11,979,273</u>		<u>\$ 11,979,273</u>
						Grand Total		

Credit Risk

Credit risk is the risk of loss due to a counterparty defaulting on its obligations. SVP is exposed to credit risk if hedging instruments are in asset positions. To eliminate counterparty credit risk, SVP has transacted both long term power and gas contracts on the Futures market on Intercontinental Exchange (ICE). As of June 30, 2024, SVP's open derivative power and gas contracts were in an asset position, reflecting with a positive \$12.0 million of Mark-to-Market value. The open contract was with ADM Investor Service, Inc., a clearing member of ICE and a subsidiary of Archer Daniels Midland Company who was rated A by Standard & Poor's as of June 30, 2024.

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NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

SVP's policy for requiring collateral on hedging instruments varies based on individual contracts and counterparty credit ratings. Under the brokerage agreements with Archer Daniels Midland Company, the accounts are prefunded by SVP. If the account value falls below zero, margin calls are invoked.

It is also SVP's policy to negotiate netting arrangements whenever it has entered into more than one bilateral transactions with counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, the non-defaulting party may accelerate and terminate all outstanding transactions and net their fair values so that a single amount will be owed by (or to) the non-defaulting party.

Termination Risk

SVP's futures contracts are traded over the counter and have no termination risk.

Price Risk

With respect to price risk under power Futures contracts, on purchase contracts (long positions), SVP receives the CAISO NP15 average daily rate at settlement and pays the fixed contracted rate entered into on the trade date; on sales contracts (short positions), SVP pays the CAISO NP15 average daily rate at settlement and receives the fixed contracted rate entered into on the trade date. With respect to price risk under gas Futures contracts, on purchase contracts (long positions), SVP receives PG&E Citygate average daily price at settlement and pays the fixed contracted rate entered into on the trade date; on sales contracts (short positions), SVP pays the PG&E Citygate average daily price at settlement and receives the fixed contracted rate entered into on the trade date. SVP is exposed to risk because the contract prices are different from the settlement prices.

H. Other

Various debt agreements governing SVP's revenue bonds contain a number of covenants including those that require SVP to maintain and preserve the enterprise in good repair and working order, to maintain certain levels of insurance, and to fix and collect rates, fees, and charges so as to maintain certain debt coverage ratios. SVP is in compliance with these specific covenants and all other material covenants governing the particular revenue bond issues. No event of default as defined in the bond indentures has occurred or was occurring as of the date of this report.

I. Repayment Requirements

As of June 30, 2024, the debt service requirements to maturity for SVP's long-term debt are as follows:

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
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NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

Year Ending	Long-term Debt					
	Future Debt Service Requirements					
	Senior Revenue Bonds			Subordinate Revenue Bonds from		
				Direct Placement		
June 30	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 5,795,000	\$ 1,093,875	\$ 6,888,875	\$ 9,665,000	\$ 994,377	\$ 10,659,377
2026	6,005,000	798,875	6,803,875	5,910,000	923,678	6,833,678
2027	6,320,000	490,750	6,810,750	5,975,000	863,065	6,838,065
2028	6,655,000	166,375	6,821,375	6,050,000	801,737	6,851,737
2029	-	-	-	11,485,000	701,165	12,186,165
2030-2033	-	-	-	46,430,000	1,159,875	47,589,875
	<u>\$ 24,775,000</u>	<u>\$ 2,549,875</u>	<u>\$ 27,324,875</u>	<u>\$ 85,515,000</u>	<u>\$ 5,443,897</u>	<u>\$90,958,897</u>

Reconciliation of Long-term Debt:

Principal Outstanding as of June 30, 2024	\$ 110,290,000
Unamortized Discount/Premium - Electric Revenue Bonds	2,259,699
Total Long-term Debt	<u>\$ 112,549,699</u>

J. Lease Liabilities

SVP entered into a five-year lease agreement as lessee for the use of office space in November 2015 and the lease was extended to October 2025. SVP is required to make monthly principal and interest payments and common area operating expenses with 3% annual escalation. The lease agreement qualifies as other than short-term leases under GASB87 and therefore, has been recorded at the present value of the future minimum lease payment as of the date of June 30, 2021. The lease liability is measured at a discount rate of 1.10% based on Applicable Federal Rates for real estate as of July 2021.

A summary of the SVP's lease transactions for the fiscal year ended June 30, 2024 and 2023 are as follows:

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For the years ended June 30, 2024 and 2023

NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

	Balance June 30, 2022	Addition	Retirement	Balance June 30, 2023	Current portion
Lease liabilities	\$ 2,286,666	\$ -	\$ (654,044)	\$ 1,632,622	\$ 681,619
	Balance June 30, 2023	Addition	Retirement	Balance June 30, 2024	Current portion
Lease liabilities	\$ 1,632,622	\$ -	\$ (681,617)	\$ 951,005	\$ 710,181

The future principal and interest lease payments as of June 30, 2024, are as follows:

For the Year Ending June 30	Principal	Interest	Total
2025	\$ 710,181	\$ 6,920	\$ 717,101
2026	240,824	553	241,377
Total	<u>\$ 951,005</u>	<u>\$ 7,473</u>	<u>\$ 958,478</u>

K. Subscription-Based IT Arrangements and Liabilities

In fiscal year 2022-23, SVP implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which required the SVP to record an intangible right-to-use subscription asset. As a result, a right-to-use subscription asset was recorded in the amount of \$3,108,024. As of June 30, 2023, SVP recorded a net intangible right-to use subscription asset amounting to \$2,729,539, with accumulated amortization of \$378,485. As of June 30, 2024, SVP has recorded a net intangible right-to use subscription asset amounting to \$2,972,987, with accumulated amortization of \$864,051. The subscription assets are offset with subscription liabilities. A summary of the SVP's SBITA transactions for the fiscal year ended June 30, 2023 and 2024 are as follows:

	Balance June 30, 2022 (As restated)	Addition	Retirement	Balance June 30, 2023	Current portion
SBITA liabilities	\$ 1,437,230	\$ 1,670,794	\$ (390,015)	\$ 2,718,009	\$ 392,381
	Balance June 30, 2023	Addition	Retirement	Balance June 30, 2024	Current portion
SBITA liabilities	\$ 2,718,009	\$ 729,014	\$ (470,556)	\$ 2,976,467	\$ 481,034

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NOTE 5 – LONG-TERM DEBT AND DERIVATIVE INSTRUMENTS (continued)

The future principal and interest SBITA payments as of June 30, 2024, are as follows:

For the Year Ending June 30	Principal	Interest	Total
2025	\$ 481,034	\$ 80,265	\$ 561,299
2026	503,819	67,315	571,134
2027	527,486	53,844	581,330
2028	552,141	39,762	591,903
2029	382,523	25,069	407,592
2030-2034	529,464	20,782	550,246
Total	<u>\$ 2,976,467</u>	<u>\$ 287,037</u>	<u>\$ 3,263,504</u>

NOTE 6 – PARTICIPATION IN JOINT VENTURES

A. Investment in Joint Ventures

SVP (through the City) participates in significant joint ventures: Northern California Power Agency (NCPA), Transmission Agency of Northern California (TANC), M-S-R Public Power Agency (MSR PPA), M-S-R Energy Authority (MSR EA).

The separately issued financial statements of these joint ventures (as noted below) are available on request.

	Date of latest audited financial statement	Joint venture's address
NCPA	6/30/2023	651 Commerce Dr. Roseville, CA 95678
TANC	6/30/2023	P.O. Box 15129 Sacramento, CA 95851
MSR EA	12/31/2023	P.O. Box 4060 Modesto, CA 95352
MSR PPA	12/31/2023	P.O. Box 4060 Modesto, CA 95352

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For the years ended June 30, 2024 and 2023

NOTE 6 – PARTICIPATION IN JOINT VENTURES (continued)

As described in paragraph (E) below, the carrying value of SVP's investment in MSR EA is \$0. SVP's financial statements as of June 30, 2024 and 2023 reflect the following investments in joint ventures:

	June 30, 2024		June 30, 2023		Method of accounting
	Participating percentage	Investment	Participating percentage	Investment	
NCPA		\$41,747,424		\$44,467,652	
Geothermal	44.39%		44.39%		Equity
Hydroelectric	37.02%		37.02%		
Combustion Turbine	41.67%		41.67%		
Lodi Energy Center	25.75%		25.75%		
TANC	9.69%	9,136,635	9.65%	7,631,453	Equity
MSR EA	33.40%	-	33.40%	-	Suspended
MSR PPA	35.00%	14,325,713	35.00%	13,745,836	Equity *
Total		<u>\$65,209,772</u>		<u>\$65,844,941</u>	

* The equity method of accounting for investment in MSR PPA was suspended prior to fiscal year ended June 30, 2021. Starting in fiscal year 2022, equity method was used for SVP's investment with MSR PPA.

B. Northern California Power Agency (NCPA)

NCPA was formed in 1968 as a joint powers agency in the State of California. Its membership consists of sixteen public agencies. NCPA is generally empowered to sell, purchase, generate, transmit, manage electrical energy and provide regulatory and legislative advocacy. Members participate in the projects of NCPA on an elective basis. Therefore, the participation percentage varies for each project in which it participates.

A Commission comprised of one representative from each joint venture member governs NCPA. The Commission is responsible for the general management of the affairs, property, and business of NCPA. Under the direction of the General Manager, the staff of NCPA is responsible for providing various administrative, operating and planning services for NCPA and its associated power corporations.

Project Financing and Construction

NCPA's project construction and development programs have been individually financed by project revenue bonds collateralized by NCPA's assignment of all payments, revenues and

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NOTE 6 – PARTICIPATION IN JOINT VENTURES (continued)

proceeds associated with its interest in each project. Each project participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason. Certain of the revenue bonds are additionally supported by municipal bond insurance credit enhancements.

Hydroelectric Project

NCPA contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District (CCWD). In exchange, NCPA has the right to the electric output of the project for 50 years from February 1982. NCPA also has an option to purchase power from the project in excess of the CCWD's requirements for the subsequent 50 years, subject to regulatory approval.

Geothermal Project

The NCPA Geothermal Plants have historically experienced greater than anticipated declines in steam production from the existing geothermal wells. Although initially operated as baseload generation projects at full capability (238MW), NCPA changed its steam field production from baseload to load-following and reduced average annual steam production. Along with other steam field operators in the area, the Agency began implementing various operating strategies to further reduce the rate of decline in steam production. The Agency has modified both steam turbine units and the associated steam collection system to enable generation with lower pressure steam at higher mass-flow rates to optimize the utilization of the available steam resource. In FY 19-20, NCPA began a well-workover program to restore underperforming wells.

Based upon current operation protocols and forecasted operations, NCPA expects average annual generation and peak capacity to decrease further, reaching approximately 68 MW by the year 2040.

Combustion Turbine Project No. 1

NCPA originally owned five combustion turbine units, each of which is nominally rated at 25 MW, which are collectively known as the Combustion Turbine Project No. 1. These units were completed in 1986 and are designed to provide peak power and reserve requirements and emergency support. Effective September 1, 2010, two units located in the City of Roseville was sold to the City of Roseville. NCPA still owns and operates two units in the City of Alameda and one unit in the City of Lodi. Each purchaser is responsible under its power sales contract for paying entitlement share in Combustion Turbine Project No. 1 of all NCPA's costs of such project.

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NOTE 6 – PARTICIPATION IN JOINT VENTURES (continued)

Lodi Energy Center

On May 24, 2010, SVP entered into an agreement with NCPA for a 25.75% interest in the Lodi Energy Center, a 280 MW combined cycle natural gas fired power plant, located in Lodi, California. The project received approval from the California Energy Commission in April 2010 and was placed into operation in November 2012. In January 2020, the Lodi Energy Center suffered a catastrophic turbine failure. NCPA replaced the turbine with a newer state-of-the-art turbine which could use hydrogen as a cleaner fuel source. The majority of the replacement cost was covered by NCPA's insurance resulting in relatively minimal financial impact to project participants.

C. Transmission Agency of Northern California (TANC)

TANC was organized under the California Government Code pursuant to a joint powers agreement entered into by 15 Northern California utilities. The purpose of TANC is to provide electric transmission and other facilities for the use of its members through its authority to plan, acquire, construct, finance, operate and maintain facilities for electric power transmission. The joint powers agreement provides that the costs of TANC's activities can be financed or recovered through assessment of its members or from user charges through transmission contracts with its members. Each TANC member has agreed to pay a pro-rata share of the costs to operate TANC and for payment of debt service, and has the right to participate in future project agreements.

The joint powers agreement remains in effect until all debt obligations and interest thereon have been paid, unless otherwise extended by the members.

California-Oregon Transmission Project

TANC is a participant and also the Project Manager of the California-Oregon Transmission Project (Project), a 340 mile long, 500 kilovolt alternating current transmission project between Southern Oregon and Central California. As Project Manager, TANC is responsible for the overall direction and coordination of all Project operations and maintenance, additions and betterments, and for general and administrative support.

The Project was declared commercially operable on March 24, 1993, with a rated transfer capability of 1,600 megawatts and provides a third transmission path between the electric systems of the Pacific Northwest and those in California. The Project has successfully met and completed all major environmental requirements. As of June 30, 2023, the most recent data available, TANC's investment in the Project was \$545.2 million, less accumulated depreciation and amortization of \$267.8 million.

In connection with its participation in the Project, TANC has an entitlement balance of the Project's transfer capability of approximately 1,362 megawatts and is obligated to pay an

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NOTE 6 – PARTICIPATION IN JOINT VENTURES (continued)

average of approximately 80 percent of the operating costs associated with the Project. TANC incurred and initially capitalized all costs for project construction since they were expected to be recovered through reimbursement from Project participants and from the successful operations of the Project transmission lines. The Project agreement among the participating members provides that each member agrees to make payments, from its revenues, to TANC for project costs incurred and for payment of debt service.

SVP has historically been obligated to pay 20.47% of TANC's COTP operating and maintenance expenses and 20.70% of TANC's COTP debt service and 22.16% of the Vernon acquisition debt. SVP has also been entitled to 20.4745% of TANC's share of COTP transfer capability (approximately 278 MW net of third party layoffs of TANC) on an unconditional take-or-pay basis. Starting on July 1, 2014, SVP laid-off 147 MWs of this entitlement to other TANC members under a 25 year agreement. During the term of this agreement the parties taking on the entitlement will pay all associated debt service, operations and maintenance costs, and all administrative and general costs. SVP's portion of the operating and maintenance expenses and the COTP debt service is 10.004 %.

D. M-S-R Public Power Agency (MSR PPA)

MSR PPA is a joint power agency formed in 1980 by the Modesto Irrigation District, the City of Santa Clara, and the City of Redding, California, to develop or acquire and manage electric power resources for the benefit of the members. The personnel of its members and contract professional staff perform the administrative and management functions of MSR PPA. The member's income and expenses sharing ratio is as follows: Modesto Irrigation District – 50 percent, City of Santa Clara – 35 percent, and City of Redding – 15 percent.

Prior to fiscal year ended December 31, 2020, SVP's equity in MSR PPA's net losses exceeds its investments and, therefore, the equity method of accounting for the investment was suspended. As of December 31, 2023, the date of the latest available audited financial statements, SVP was in a positive equity position of \$14.3 million. The equity method of accounting of SVP's investment in MSR PPA was applied. Under the joint exercise of power agreement, which formed MSR PPA, SVP is responsible for funding up to 35 percent of MSR PPA's operating cost, to the extent such funding is necessary. During the years ended June 30, 2024 and 2023, SVP funded its share of operating costs in SVP's expenses.

MSR PPA's principal activity is a 28.8% ownership interest in a 507-megawatt unit of a coal-fired electricity generating plant located in New Mexico (San Juan Plant). The San Juan plant was jointly owned by the Public Service Company of New Mexico (PNM) (38.5%), MSR PPA (28.8%) and other municipal power entities (32.7%). On December 31, 2017, MSR PPA divested its ownership interest in the San Juan plant and no longer receives electric energy or capacity from the San Juan Generating Station.

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NOTE 6 – PARTICIPATION IN JOINT VENTURES (continued)

In 2006, MSR PPA entered into a Wholesale Purchase and Sale Agreement and a Shaping and Firming Agreement with Avangrid Renewables, Inc. to provide renewable wind energy to the Members from the Big Horn I Wind Energy Project (Big Horn I Project) with a nominal installed capacity of approximately 199.5 MW. SVP receives the power purchased by MSR PPA from the Big Horn I Project. SVP's share equates to approximately a 105 MW share of the output. Power deliveries commenced on October 1, 2006 and will continue through September 30, 2026. Through an amendment of the original agreements MSR PPA has an obligation to continue to take the same output through September 30, 2031, or if the Big Horn Project is repowered MSR PPA will have a right of first offer to negotiate a long-term power purchase for such repowered project. The participation in this project is as follows:

Modesto Irrigation District	12.5%
City of Santa Clara	52.5%
City of Redding	35.0%

In 2009, MSR PPA entered into a Power Purchase Agreement and Redelivery Agreement with Avangrid Renewables Inc. to purchase additional wind power energy from the same site, called Big Horn II, with a nominal installed capacity of 50 MW for a twenty-year period. Deliveries of energy under this project began on November 1, 2010. The participation in this project is as follows: Modesto Irrigation District – 65%; City of Santa Clara – 35%.

MSR PPA San Juan

In 2015, the MSR PPA Commission approved a number of agreements (the “San Juan Restructuring Agreements”) to provide for the interests of MSR PPA and certain other San Juan Participants (the “exiting participants”) in the San Juan Generation Station to be transferred to the remaining San Juan Participants effective December 31, 2017. In addition to the ownership divestiture, the San Juan Restructuring Agreements provide for, among other things, the allocation of ongoing responsibility for decommissioning costs, mine reclamation costs and any environmental remediation obligations among the exiting participants and the remaining San Juan Participants, and the establishment and funding of mine reclamation and plant decommissioning trust funds. The San Juan Restructuring Agreements were subsequently executed by all nine San Juan Generation Station owners and PNM Resources Development Company (a non-utility affiliate of PNM) and, following receipt of regulatory approvals, became effective on January 31, 2016. Various other implementing agreements and amendments to existing San Juan project agreements to effect the restructuring have also been executed. Closing of the ownership restructuring of the San Juan Generation Station and the divestiture of M-S-R PPA's interests in San Juan Unit No. 4 was completed on schedule on December 31, 2017.

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NOTE 6 – PARTICIPATION IN JOINT VENTURES (continued)

E. M-S-R Energy Authority (MSR EA)

MSR EA is a joint power agency formed in 2008 by the Modesto Irrigation District, the City of Santa Clara, and the City of Redding, California, to develop or acquire and manage natural gas resources for the benefit of the members. The personnel of its members and contract professional staff perform the administrative and management functions of MSR EA. Each member's income and expense sharing ratio is as follows: Modesto Irrigation District – 33.3%; City of Santa Clara – 33.4%; and City of Redding – 33.3%.

SVP's equity in MSR EA's net losses exceeds its investment and, therefore, the equity method of accounting for the investment has been suspended. As of December 31, 2023, the date of the latest available audited financial statements, SVP's unrecognized share of member's deficit of MSR EA was \$27.2 million. Under the joint exercise of power agreement, which formed MSR EA, SVP is responsible for funding up to 33.4% of MSR EA's operating cost, to the extent such funding is necessary. During the years ended June 30, 2024 and 2023, SVP funded its share of operating costs in SVP's expenses.

In 2009, the City of Santa Clara, along with the Cities of Modesto and Redding participated in the M-S-R Energy Authority Gas Prepay Project. The Gas Prepay Project provides the City, through a Gas Supply Agreement with MSR EA dated September 10, 2009, a secure and long-term supply of natural gas of 7,500 MM Btu (Million British thermal unit) daily or 2,730,500 MM Btu annually through December 31, 2012, and 12,500 MM Btu daily, or 4,562,500 MM Btu annually thereafter until September 30, 2039. The agreement provides this supply at a discounted price below the spot market price (the Pacific Gas & Electric City gate index) over the next 30 years. As of December 31, 2023, bonds issued by MSR EA to finance the City's share of the Gas Prepay Project were outstanding in the principal amount of \$482,400,000. These bonds were initially sold on August 27, 2009. Under the Gas Supply Agreement, MSR EA will bill the City for actual quantities of natural gas delivered each month on a "take-and-pay" basis. MSR EA has contracted with Citigroup Energy, Inc. ("CEI") to use the proceeds of the Gas Prepay bond issue to prepay CEI for natural gas. CEI has guaranteed repayment of the bonds, and responsibility for bond repayment is non-recourse to the City. Moreover, any default by the other Gas Prepay Project participants is also non-recourse to the City.

F. Contingent Liability

Under the terms of the various joint venture agreements, SVP is contingently liable for a portion of the long-term debt of the entities under take-or-pay agreements, letters of credit, guarantees or other similar agreements.

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NOTE 6 – PARTICIPATION IN JOINT VENTURES (continued)

Based on the most recent audited financial statements of the individual joint ventures, SVP was contingently liable for long-term debt as of June 30, 2023 as follows:

Agreements	Total Debt (Principal)	Silicon Valley Power's Debt Share	Silicon Valley Power's Contingent Liability
NCPA 06/30/23	\$ 500,597,477	35.19%	\$ 176,167,851
TANC 06/30/23	165,500,000	9.65%	15,972,687
TOTAL	\$ 666,097,477		\$ 192,140,538

In addition, SVP would be, under certain conditions, liable to pay a portion of costs associated with the operations of the entities. Under certain circumstances, such as default or bankruptcy of the other participants, SVP may also be liable to pay a portion of the debt of these joint ventures on behalf of those participants and seek reimbursement from those participants.

Take-or-Pay commitments expire upon final maturity of outstanding debt for each project. Final fiscal year debt expirations as of June 30, 2023 are as follows:

Project	Debt Expiration	Entitlement Share %	Debt Service Share %
NCPA - Geothermal Project (NGP)	July-2024	44.3905%	44.3905%
NCPA - Hydroelectric Project (NHP)	July-2032	37.0200%	37.0200%
NCPA - Lodi Energy Center (NLEC)**	June-2040	25.7500%	34.5385%
TANC - CA-OR Transmission Project (COTP)	May-2039	9.6887%	9.6512%
MSR PPA -San Juan Plant	July-2022	35.0000%	35.0000%

** The SVP's debt service share in NLEC on issue one is 46.1588%, on issue two is 0%.

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NOTE 6 – PARTICIPATION IN JOINT VENTURES (continued)

A summary of SVP’s “Take-or-Pay” contracts and related projects and its contingent liability for the debt service including principal and interest payments at June 30, 2023 is as follows:

Fiscal Year	NGP	NHP	NLEC	COTP	Total
2024	\$ 1,541,819	\$ 13,733,507	\$ 7,565,130	\$ 1,348,027	\$ 24,188,483
2025	1,545,765	13,367,196	7,565,513	1,465,120	23,943,594
2026		6,817,614	7,581,031	1,464,903	15,863,548
2027		6,822,128	7,721,815	1,464,831	16,008,774
2028		6,884,294	7,723,465	1,464,806	16,072,565
2029-2033		35,672,566	38,619,608	7,324,611	81,616,785
2034-2038	-	-	38,618,066	7,324,419	45,942,485
2039-2041	-	-	22,527,489	1,465,338	23,992,827
Total	<u>\$ 3,087,584</u>	<u>\$ 83,297,305</u>	<u>\$ 137,922,117</u>	<u>\$ 23,322,055</u>	<u>\$ 247,629,061</u>

NOTE 7 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Pension Plan

Plan Descriptions

All qualified regular and probationary employees are required to participate in the City’s Miscellaneous Agent Multiple-Employer defined benefit plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues a publicly available report that include a full description of the pension plan regarding benefit provisions, assumptions and membership information and can be found on the CalPERS website.

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NOTE 7 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees or beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The pre-retirement death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2023 and June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.00 - 2.70%	1.00 - 2.50%
Required employee contribution rates	8.00%	7.00%
Required employer contribution rates	11.160%	11.160%
	June 30, 2024	June 30, 2023
Required unfunded liability contribution	\$8,571,789	\$8,696,424

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SVP is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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NOTE 7 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

The contributions to the Plan were as follows:

	Miscellaneous	
	June 30, 2024	June 30, 2023
Contributions - employer	\$11,871,745	\$11,321,067

B. Net Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

SVP reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability	
	June 30, 2024	June 30, 2023
Miscellaneous \$	108,269,790	\$ 105,823,291

SVP's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. SVP's proportion of the net pension liability was based on a projection of SVP's long-term share of contributions to the pension plan relative to the projected contributions of all funds of the City. SVP's proportionate share of the net pension liability for the Plan as of June 30, 2024 and 2023 was 32.31%.

For the years ended June 30, 2024 and 2023, SVP recognized pension expense of \$15,598,392 and \$12,887,264 respectively. At June 30, 2024 and 2023, SVP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 11,871,745	\$ -
Differences between expected and actual experience	1,737,475	(479,098)
Changes in assumptions	3,232,554	-
Net differences between projected and actual earnings on plan investments	8,255,134	-
Total	<u>\$ 25,096,908</u>	<u>\$ (479,098)</u>

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For the years ended June 30, 2024 and 2023

NOTE 7 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

<u>June 30, 2023</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 11,321,067	\$ -
Differences between expected and actual experience	602,798	(821,311)
Net differences between projected and actual earnings on plan investments	8,757,655	-
Total	<u>\$ 26,223,040</u>	<u>\$ (821,311)</u>

\$11,871,745 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>2024</u>		<u>2023</u>	
<u>Measurement Period Ended June 30</u>	<u>Annual Amortization</u>	<u>Measurement Period Ended June 30</u>	<u>Annual Amortization</u>
2024	\$ 4,182,884	2023	\$ 3,868,013
2025	2,313,824	2024	3,237,809
2026	6,037,743	2025	1,368,749
2027	211,614	2026	5,606,091

C. Actuarial Assumptions

For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2024 total pension liability was based on the following actuarial methods and assumptions:

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For the years ended June 30, 2024 and 2023

NOTE 7 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry-Age and Service
Investment Rate of Return	6.90% ⁽¹⁾
Post Retirement Benefit Increase	The lesser of Contract COLA or 2.3% until Purchasing Power Protection applies, 2.3% thereafter
Mortality ⁽²⁾	Derived using CalPERS' Membership Data for all Funds

⁽¹⁾ Net of pension plan investment and administrative expenses; including inflation.

⁽²⁾ The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS' November 2021 experience study report available on CalPERS' website.

The underlying mortality assumptions and all other actual assumptions used in the June 30, 2021 valuation were based on the results of a December 2021 actuarial experience study for the period 2000 to 2019. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
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For the years ended June 30, 2024 and 2023

NOTE 7 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

return on plan investments was applied to all period of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' assets classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class.

Asset Class ^(a)	Assumed Asset Allocation	Real Return ^{(a)(b)}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	<u>100.0%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management Study.

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NOTE 7 – RETIREMENT PLAN – DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents SVP's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what SVP's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	
	June 30, 2024	June 30, 2023
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 144,951,938	\$ 141,406,186
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 108,269,790	\$ 105,823,291
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 77,805,619	\$ 76,286,918

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City's agent multiple-employer defined benefit Other Post Employment Benefit (OPEB) Plan, which was established by City Council in fiscal year 2007-08 in accordance with GAAP, provides reimbursements to retirees for qualified expenses. Employees who have retired from the City with at least ten years of service and meet certain criterion based upon retirement date, household income in the most recent calendar year and age are entitled to reimbursements for qualified expenses. Annual maximum reimbursement amounts differ depending on when an employee retired from City service. The majority of retirees may be eligible for a maximum of annual reimbursements of \$4,932 in the fiscal year 2023-24 and \$4,788 in the fiscal year 2022-23. Amendments to benefit provisions are negotiated by the various bargaining units at the City and must be approved by Council. In fiscal year 2007-08, the City established an irrevocable exclusive agent multiple-employer defined benefit trust which is administered by Public Agency Retirement Services (PARS). The City is the Plan administrator, and PARS administers the

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NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

investment trust for the City's Plan. The trust is used to accumulate and invest assets necessary to reimburse retirees. Separate financial reports are issued by PARS for the OPEB Plan Trust. The report can be obtained by writing to PARS at 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660, or by calling 1-800-540-6369.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to and deduction from the OPEB's fiduciary net position have been determined on the same bases. For this purpose OPEB benefit payments are recognized when currently due and payable in accordance with the benefits terms. Investments are report at fair value.

Generally accepted accounting principles require that the reporting results must pertain to liability and asset information within certain defined timeframes. For the fiscal year 2023-24 and the fiscal year 2022-23, the following time frames were used.

Fiscal year 2023-24

Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024
Actuarial valuation date ⁽¹⁾	June 30, 2022

Fiscal year 2022-23

Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023
Actuarial valuation date ⁽¹⁾	June 30, 2022

(1) Update procedures were used to roll forward the Total OPEB Liability from the valuation date to the measurement date.

B. Contributions

The OPEB Plan trust annual contributions are based upon actuarial determine contributions. The contribution requirements are established and may be amended by the City Council. Plan members do not make contributions to the plan; the plan is funded entirely by employer contributions. For the fiscal year ending June 30, 2024 and June 30, 2023, SVP contributed \$812 thousand and \$758 thousand.

C. Actuarial Assumptions

The June 30, 2024 total OPEB liability was based on the following actuarial methods and assumptions:

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NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

Significant Actuarial Assumptions Used in Total OPEB Liability

Actuarial Assumption	June 30, 2024 Measurement Date
Actuarial valuation date	June 30, 2022
Discount rate	4.50% at June 30, 2024
	assets
Inflation	2.50%
Salary increases	Aggregate 2.75%
Investment rate of return	4.50% at June 30, 2024
Funding policy	Full pre-funding to PARS trust, PARS portfolio: Moderately Conservative
Mortality, Disability, Termination, and Retirement	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Healthcare cost trend rates	Non-Medicare - 8.5% for 2024 scaling down to 3.45% for year 2076 Medicare(Non-Kaiser) - 7.5% for 2024 scaling down to 3.45% for year 2076 Medicare(Kaiser) - 6.25% for 2024 scaling down to 3.45% for year 2076
Healthcare participation for future retirees - Cash subsidy	PEMHCA minimum only: Currently covered: 50% Waived: 25% Other plans: Currently covered: 80% Waived: 25%
Healthcare participation for future retirees - PEMHCA implied subsidy	PEMHCA minimum only: Currently covered: 50% Waived: 25% Other plans: Currently covered: 80% Waived: 25%

The June 30, 2023 total OPEB liability was based on the following actuarial methods and assumptions:

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NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

Significant Actuarial Assumptions Used in Total OPEB Liability

Actuarial Assumption	June 30, 2023 Measurement Date
Actuarial valuation date	June 30, 2022
Discount rate	4.50% at June 30, 2023
	Crossover analysis showed benefit payments always fully funded by plan assets
Inflation	2.50%
Salary increases	Aggregate 2.75%
Investment rate of return	4.75% at June 30, 2023
Funding policy	Full pre-funding to PARS trust, PARS portfolio: Moderately Conservative
Mortality, Disability, Termination, and Retirement	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Healthcare cost trend rates	Non-Medicare - 8.5% for 2023 scaling down to 3.45% for year 2076 Medicare(Non-Kaiser) - 7.5% for 2023 scaling down to 3.45% for year 2076 Medicare(Kaiser) - 6.25% for 2022 scaling down to 3.45% for year 2076
Healthcare participation for future retirees - Cash subsidy	PEMHCA minimum only: Currently covered: 50% Waived: 25% Other plans: Currently covered: 80% Waived: 25%
Healthcare participation for future retirees - PEMHCA implied subsidy	PEMHCA minimum only: Currently covered: 50% Waived: 25% Other plans: Currently covered: 80% Waived: 25%

D. Net OPEB Liability, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

SVP's net OPEB liability for the Plan is measured as the proportionate share of the City's net OPEB liability as of June 30. The total OPEB liability for the Plan used to calculate the net OPEB liability for the fiscal year 2023-24 was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023 using standard actuarial methods, based on actuarial methods and assumptions. The total OPEB liability for the Plan used to calculate the net OPEB liability for the fiscal year 2022-23 was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2022 using standard actuarial methods, based on actuarial methods and assumptions. SVP's proportion of the net OPEB liability was based on a projection of SVP's long-term share of contributions to the OPEB plan relative to the projected contributions of all funds of the City. SVP's proportionate share of the net OPEB liability for the Plan as of June 30, 2024 and 2023 was 19.32%.

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NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

For the year ended June 30, 2024, SVP reported a net OPEB liability of \$6.898 million and recognized OPEB expense of \$403 thousand. For the year ended June 30, 2023, SVP reported a net OPEB liability of \$7.289 million and recognized OPEB expense of \$495 thousand. At June 30, 2024 and 2023, SVP reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 121	\$ 135
Differences between expected and actual experience	-	248
Net differences between projected and actual earnings on OPEB plan investments	190	-
Total	<u>\$ 311</u>	<u>\$ 383</u>

June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 173	\$ 341
Differences between expected and actual experience	-	361
Net differences between projected and actual earnings on OPEB plan investments	443	-
Total	<u>\$ 616</u>	<u>\$ 702</u>

Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

2024		2023	
Measurement Period Ended June 30	Annual Amortization (in thousands)	Measurement Period Ended June 30	Annual Amortization (in thousands)
2025	\$ 13	2024	\$ (149)
2026	121	2025	46
2027	(88)	2026	155
2028	(110)	2027	(54)
2029	(8)	2028	(76)
Thereafter	-	Thereafter	(8)

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For the years ended June 30, 2024 and 2023

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

E. Discount Rate

The discount rate used to measure the total OPEB liability was 4.50% as of June 30, 2023 and June 30, 2022. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rate equal to the actuarially determined contributions rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

2023 and 2024		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	30%	4.56%
Mutual Funds - Fixed Income	65%	0.78%
Cash and equivalent	5%	-0.50%
	100%	
Expected Inflation		2.50%
Discount Rate		4.50%

F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net OPEB liability of the Plan as of June 30 as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate.

	June 30, 2024 (In Thousands)	June 30, 2023 (In Thousands)
1% Decrease	3.50%	3.50%
Net OPEB Liability	\$ 8,601	\$ 8,951
Current Discount Rate	4.50%	4.50%
Net OPEB Liability	\$ 6,898	\$ 7,289
1% Increase	5.50%	5.50%
Net OPEB Liability	\$ 5,486	\$ 5,910

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NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (continued)

G. Sensitivity of the Net OPEB Liability to Healthcare Cost Trend Rates

The following table presents the net OPEB liability of the City, as of June 30, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current rate.

	June 30, 2024 (In Thousands)	June 30, 2023 (In Thousands)
Net OPEB Liability		
1% Decrease	\$5,084	\$5,637
Net OPEB Liability		
Current Rate	\$6,898	\$7,289
Net OPEB Liability		
1% Increase	\$9,149	\$9,330

NOTE 9 – WHOLESALE ACTIVITIES

A. Long-term Power Purchase Contracts

SVP purchases wholesale electric power from various participants of the Western Systems Power Pool (WSPP), NCPA, MSR Public Power Agency (Note 6), Western Area Power Administration, and other sources to supply the power requirements of Silicon Valley Power's electric utility customers under long-term power purchase agreements (PPAs). SVP actively manages the financial risks inherent in these PPAs, including the risks arising from the changing spot market prices that move above and below the contract prices and from contract disputes that may arise from time to time. The proceeds and costs related to generation, either owned or under PPAs, except ancillary services are included in purchased resource expense and excluded from wholesale resources purchases.

B. Restructuring of the California Electric Industry

Deregulation Legislation and Direct Access

The passage of AB1890 in 1998 triggered fundamental changes in the structure of the electric industry in California. Generally, AB1890 provided for creation of the California Power Exchange (Cal PX), which was to be a clearinghouse for energy transactions among investor-owned utilities, independent generators and power marketers, who in turn would serve so called

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For the years ended June 30, 2024 and 2023

NOTE 9 – WHOLESALE ACTIVITIES (continued)

direct-access customers. AB1890 also created the California Independent System Operator (CAISO), which was to manage the state's bulk transmission grid.

However, in 2000 and 2001, the price of electricity at the Cal PX became extremely high, and investor-owned utilities were unable to pay for the energy that they needed from the Cal PX. Eventually the Cal PX filed for bankruptcy and was dismantled. Investor-owned utility PG&E and several energy marketers would also file for bankruptcy and over a decade of litigation ensued.

The CAISO, however, continues to manage the state's bulk electric system and the day-ahead and day-of markets, and it has implemented various price controls and tariffs in an effort to avoid repeating the mistakes of 2000 and 2001. Along with balancing control area responsibility, the CAISO has also announced that it will take on the role of reliability coordinator for the region.

Energy Wholesale Trading and Risk Management

SVP participates in the wholesale gas and power market and the CAISO's centralized market. Since CAISO's Market Redesign and Technology Upgrade (MRTU), CAISO has become the ultimate buyer and seller in the California day ahead market. Therefore, SVP engages in the trading of commodity forward contracts (gas and electric energy contracts) to secure fuel supply and hedge daily power purchase/sales from/to CAISO. The primary type of forward contracts SVP currently engages in is the futures contracts SVP transacts on Intercontinental Exchange (ICE). Activities during the fiscal year were substantially considered hedging transactions and, as such, have been accounted for using the settlement method of accounting. In the past, the gains recognized from futures transactions in natural gas and power were reported as negative expenses in the purchased resource. The gains recognized from futures transactions in natural gas and power are reported as revenues in the wholesale resource sales. Accordingly, wholesale resources gross sales and purchases totaling \$11.5 million and \$9.8 million, respectively, for fiscal year ended June 30, 2024; wholesale resources gross sales and purchases totaling \$85.0 million and \$19.5 million, respectively, for fiscal year ended June 30, 2023, have been separately reported on the statement of revenues, expenses and changes in net position.

The restructured electric wholesale market exposes SVP to various risks including market, credit and operational risks. Active and effective management of these risks associated with the power trading activity is critical to its continued success and contribution to the entire utility. A Risk Management Committee administers and monitors compliance with the Council approved risk policies and the related procedures on a regular basis. The City and SVP believe that it has the resource commitment, effective policies and procedures, and is continuing to improve the control structure and oversight for evaluating and managing the market and credit risks to which it is exposed.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 9 – WHOLESALE ACTIVITIES (continued)

Credit Arrangements

SVP has risk policies, regulations, and procedures that help mitigate credit risk and minimize overall credit risk exposure. The policies include transacting only with investment grade counterparties, evaluating of potential counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. For counterparties below investment grade or lack of solid financial records, SVP requires collateral in the form of parental guarantee, surety bonds, letter of credit, or cash prepayment. Additionally, The City is a signatory to the WSP netting agreement supplement and otherwise, enters into master netting arrangements whenever possible and, where appropriate, obtains collateral prior to trade execution. Master netting agreements incorporate rights of setoff that provide for the net settlement of subject contracts with the same counterparty in the event of default.

NOTE 10 – MAJOR SUPPLIERS

SVP purchases electric energy through its participation in the NCPA and M-S-R Public Power Agency joint powers agencies, from the Western Area Power Administration, from the market via the California Independent System Operator (CAISO), and from other sources to supply its retail electric utility customers. Additionally, SVP purchases transmission services through its participation in the TANC and from the CAISO.

The purchases of energy and transmission services that represent 5% or more of the total purchased power costs are shown in the table below:

	June 30, 2024	% of the Total
Supplier	Power Purchased	Purchased Power
NCPA	\$ 201,619,042	49.63%
Tri-Dam Project	40,670,953	10.01%
M-S-R Public Power Agency	21,687,301	5.34%
	June 30, 2023	% of the Total
Supplier	Power Purchased	Purchased Power
NCPA	\$ 307,064,381	68.63%
M-S-R Energy Authority	53,305,412	11.91%
Tri-Dam Project	33,708,170	7.53%
EDF Trading North America LLC	23,565,161	5.27%
M-S-R Public Power Agency	22,424,268	5.01%

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Commitments and contingencies, undeterminable in amount, include normal recurring pending claims and litigation. In the opinion of management, based upon discussion with legal counsel, there is no pending litigation, which is likely to have a material adverse effect on the financial position of the fund.

SVP has future commitments under construction projects as stated in Construction in Progress in Notes to Financial Statements 4B.

NOTE 12 – NET POSITION AND STABILIZATION AGREEMENTS

A. Net Position

Net Position is the excess of all SVP's assets and deferred outflow of resources over all its liabilities and deferred inflow of resources. Net Position is divided into three categories that are described below:

Net investment in capital assets describes the portion of Net Position which is represented by the current net book value of SVP's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted for other agreements describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which SVP cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted as to use.

SVP reported net position at June 30 as follows:

	2024	2023
Net investment in capital assets:	\$ 575,817,583	\$ 527,101,920
Restricted:		
Pension benefits	10,065,874	6,324,045
Unrestricted:		
Capital projects	212,222,222	167,116,904
Rate stabilization	261,000,000	207,542,169
Operations	233,749,911	163,210,048
Total Unrestricted	706,972,133	537,869,121
Total Net Position	\$ 1,292,855,590	\$ 1,071,295,086

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)
NOTES TO FINANCIAL STATEMENTS**

For the years ended June 30, 2024 and 2023

NOTE 12 – NET POSITION AND STABILIZATION AGREEMENTS (continued)

B. Stabilization Agreements

Rate Stabilization Fund

In 1996, SVP established the Rate Stabilization Fund and Cost Reduction Fund to assure that the rates were set properly with sufficient operating cash as well as cost reduction and financial stability of the Electric Utility. In December 2010, Council approved to transfer the Cost Reduction Fund as a subaccount to the Rate Stabilization Fund and continued to be used to offset Electric Utility costs in essentially the same manner. As of June 30, 2024, the balance of the Rate Stabilization Fund was \$261 million.

Pension Stabilization Fund

In fiscal year 2016-17, the City established an irrevocable pension trust as a way to address unfunded pension liabilities. As part of the year-end process for 2016-17, City Council approved SVP to designate and make an initial deposit of \$3.5 million in fiscal year 2018 toward prefunding pension obligations. As of June 30, 2024, the balance of the Pension Stabilization Fund was \$10,065,874.

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**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)**

REQUIRED SUPPLEMENTARY INFORMATION

This part of the City of Santa Clara Electric Utility Enterprise Fund Financial Statements provides detailed information to better understand the data presented within the financial statements and note disclosures.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS

Discloses the proportionate share of the net pension liability and related ratios, including the proportionate share of fiduciary net position as a percentage of the total pension liability, and proportionate share of the net pension liability as a percentage of covered payroll.

SCHEDULE OF CONTRIBUTIONS – PENSION PLAN

Contains information of the employer's contractually required contribution rates, contributions to the pension plan and related ratios.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND RELATED RATIOS

Discloses the proportionate share of the net OPEB liability and related ratios, including proportionate share of fiduciary net position as a percentage of the total OPEB liability, and the proportionate share of the net OPEB liability as a percentage of covered employee payroll.

SCHEDULE OF PLAN CONTRIBUTIONS - OPEB PLAN

Contains information of the employer's contractually required contribution rates, contributions to the OPEB Plan and related ratios.

Schedule of Proportionate Share of the Net Pension Liability
City of Santa Clara Electric Utility Enterprise Fund Miscellaneous Plan,
a Cost-Sharing Defined Benefit Pension Plan
Last Ten Fiscal Years for the Measurement Periods Ended June 30⁽¹⁾

Measurement Date	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Plan's Proportion of the Net Position Liability/(Asset)	32.31%	32.31%	32.31%	32.31%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 108,269,790	\$ 105,823,291	\$ 73,533,480	\$ 98,396,395
Plan's Covered Payroll	\$ 32,408,374	\$ 29,932,874	\$ 28,859,863	\$ 28,818,319
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	334.08%	353.54%	254.79%	341.44%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	63.05%	62.47%	72.48%	61.90%

Notes to Schedule:

⁽¹⁾ Fiscal year 2014-15 was the first year of implementation.

Schedule of Proportionate Share of the Net Pension Liability
City of Santa Clara Electric Utility Enterprise Fund Miscellaneous Plan,
a Cost-Sharing Defined Benefit Pension Plan
Last Ten Fiscal Years for the Measurement Periods Ended June 30

<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
32.31%	34.97%	34.97%	34.97%	34.97%	34.97%
\$ 92,007,139	\$ 94,238,259	\$ 92,735,319	\$ 84,615,916	\$ 74,516,387	\$ 69,068,338
\$ 28,630,755	\$ 26,407,732	\$ 24,928,548	\$ 21,661,244	\$ 20,300,577	\$ 20,289,905
321.36%	356.86%	372.00%	390.63%	367.07%	340.41%
62.72%	62.97%	62.02%	62.18%	65.57%	67.42%

Schedule of Contributions
City of Santa Clara Electric Utility Enterprise Fund Miscellaneous Plan,
a Cost-Sharing Defined Benefit Pension Plan
Last Ten Fiscal Years⁽¹⁾

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Actuarially determined contribution	\$ 11,871,745	\$ 11,321,067	\$ 11,026,399	\$ 10,027,454
Contributions in relation to the actuarially	<u>(11,871,745)</u>	<u>(11,321,067)</u>	<u>(11,026,399)</u>	<u>(10,027,454)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 33,220,790	\$ 32,408,374	\$ 29,932,874	\$ 28,859,863
Contributions as a percentage of covered payroll	35.74%	34.93%	36.84%	34.75%
Notes to Schedule				
Valuation date	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years as of valuation date
Asset valuation method	5-year smoothed market
Inflation	2.75% for 2015 to 2019, 2.675% for 2020, and 2.50% for 2021 through 2022, 2.30% for 2023 and 2024
Salary increases	Varies by Entry Age and Service.
Investment rate of return	7.5% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, 7% for 2021 through 2022, and 6.8% for 2023 and 2024, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale, MP-2016 published by the Society of Actuaries.

⁽¹⁾ Fiscal year 2014-15 was the 1st year of implementation.

Schedule of Contributions
City of Santa Clara Electric Utility Enterprise Fund Miscellaneous Plan,
a Cost-Sharing Defined Benefit Pension Plan
Last Ten Fiscal Years

<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
\$ 9,365,958	\$ 8,258,503	\$ 8,832,105	\$ 7,558,410	\$ 6,484,674	\$ 5,335,643
<u>(9,365,958)</u>	<u>(8,258,503)</u>	<u>(8,832,105)</u>	<u>(7,558,410)</u>	<u>(6,484,674)</u>	<u>(5,335,643)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,818,319	\$ 28,630,755	\$ 26,407,732	\$ 24,928,548	\$ 21,661,244	\$ 20,300,577
32.50%	28.84%	33.45%	30.32%	29.94%	26.28%
6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios
City of Santa Clara Electric Utility Enterprise Fund
OPEB Plan, A Cost-Sharing Defined Benefit Plan
Last Ten Fiscal Years Ended June 30⁽¹⁾

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Liability/(Asset)	19.32%	19.32%	32.31%	32.31%
Plan's Proportionate Share of the Net OPEB				
Liability/(Asset)	\$ 6,898,479	\$ 7,288,705	\$ 13,057,945	\$ 11,860,957
Plan's Covered Payroll	\$ 37,402,861	\$ 34,795,415	\$ 54,801,960	\$ 52,857,221
Plan's Proportionate Share of the Net OPEB				
Liability/(Asset) as a Percentage of it's Covered Payroll	18.44%	20.95%	23.83%	22.44%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total OPEB Liability	48.40%	44.03%	40.25%	44.03%
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Liability/(Asset)	32.31%	32.31%	34.97%	34.97%
Liability/(Asset)	\$ 11,860,957	\$ 12,076,500	\$ 13,339,656	\$ 16,285,879
Plan's Covered Payroll	\$ 52,857,221	\$ 53,127,656	\$ 52,963,135	\$ 47,313,294
Plan's Proportionate Share of the Net OPEB				
Liability/(Asset) as a Percentage of it's Covered Payroll	22.44%	22.73%	25.19%	34.42%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total OPEB Liability	44.03%	40.11%	37.14%	28.90%

Notes to Schedule:

⁽¹⁾ Fiscal year 2017-18 was the first year of implementation.

Schedule of Proportionate Share of Contributions
City of Santa Clara Electric Utility Enterprise Fund
OPEB Plan, A Cost-Sharing Defined Benefit Plan
Last Ten Fiscal Years Ended June 30⁽¹⁾
(In Thousands)

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Actuarially determined contribution	\$ 1,010	\$ 946	\$ 1,534
Contributions in relation to the actuarially determined contributions	<u>(812)</u>	<u>(758)</u>	<u>(635)</u>
Contribution deficiency (excess)	<u>\$ 198</u>	<u>\$ 188</u>	<u>\$ 899</u>
Covered payroll	\$ 37,403	\$ 34,795	\$ 54,802
Contributions as a percentage of covered payroll	2.17%	2.18%	1.16%

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 1,559	\$ 1,512	\$ 1,856	\$ 1,911
Contributions in relation to the actuarially determined contributions	<u>(570)</u>	<u>(638)</u>	<u>(748)</u>	<u>(886)</u>
Contribution deficiency (excess)	<u>\$ 989</u>	<u>\$ 874</u>	<u>\$ 1,108</u>	<u>\$ 1,025</u>
Covered payroll	\$ 52,857	\$ 53,128	\$ 52,963	\$ 47,313
Contributions as a percentage of covered payroll	1.08%	1.20%	1.41%	1.87%

Notes to Schedule:

⁽¹⁾ Fiscal year 2017-18 was the first year of implementation.

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)**

Notes to Schedule of Employer Contribution (OPEB Plan)

Methods and Assumptions for 2022-23 Actuarially Determine Contributions	
Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Amortization method	Level percent of payroll
Unfunded liability amortization	30 years (closed period) for initial UAAL (17 Years remaining on June 30, 2022) 20 years (closed period) for implied subsidy on 06/30/2019 (17 years remaining on June 30, 2022) 15 years (open period) for method, assumption, plan changes, and gains and losses Maximum 30-year combined period
Asset valuation method	Investment gains and losses spread over a 5-year rolling period. Not less than 80% nor greater than 120% of fair value
Discount rate	5.25%
General inflation	2.75%
Healthcare trend	Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (non-Kaiser)- 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Kaiser)- 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Mortality	CalPERS 1997-2015 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2020

**CITY OF SANTA CLARA ELECTRIC UTILITY ENTERPRISE FUND
(SILICON VALLEY POWER)**

Notes to Schedule of Employer Contribution (OPEB Plan)

Methods and Assumptions for 2023-24 Actuarially Determine Contributions	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Amortization method	Level percent of payroll
Unfunded liability amortization	30 years (closed period) for initial UAAL
	(16 Years remaining on June 30, 2023)
	20 years (closed period) for implied subsidy on 06/30/2019
	(16 years remaining on June 30, 2023)
	15 years (open period) for method, assumption, plan changes, and gains and losses
	Maximum 30-year combined period
Asset valuation method	Investment gains and losses spread over a 5-year rolling period.
Discount rate	4.50%
General inflation	2.50%
Healthcare trend	Non-Medicare - 8.50% for 2024, decreasing to an ultimated rate of 3.45% in 2076
	Medicare (non-Kaiser)- 7.50% for 2024, decreasing to an ultimated rate of 3.45% in 2076
	Medicare (Kaiser)- 6.25% for 2024, decreasing to an ultimated rate of 3.45% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2021

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Agenda Report

24-1125

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action to Approve an Accounts Receivable Collections and Write-Off Policy

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

Accounts receivable represents expected income for services performed, goods sold, or other miscellaneous billings (e.g., fines and penalties, third-party property damage, etc.) that the City of Santa Clara (the "City") has not yet received payment. Accounts receivable internal controls and policies provide formal guidance to ensure that invoices are accurately recorded, customers pay in accordance with agreed upon terms, past-due accounts are properly pursued, and the write-off of past due accounts are appropriately approved and reflected in the City's financial statements.

The Government Finance Officers Association (GFOA) recommends that state and local governments adopt comprehensive written revenue control and management policies to establish proper control over receipts and receivables and help ensure sound financial management practices.

Furthermore, Section 904 of the Santa Clara City Charter provides that the Director of Finance shall collect all taxes, special assessments, utility charges, license fees and other revenues of the City for whose collection the City is responsible. The Municipal Services Division Utility Services Rules and Regulations authorizes the Director of Finance to write off utility accounts with a balance of \$5 or less, non-sufficient fees, late fees, and balances deemed uncollectible by an outside collection agency.

DISCUSSION

In accordance with best practices, the City's Finance Department (the "Finance Department") recommends adoption of the Accounts Receivable Collections and Write-Off Policy (the "Policy"). The Policy will help ensure that all reasonable diligence is used to collect and reduce outstanding receivables, provide collection agency guidance, refine measurement of the City's accounts receivables for financial reporting, optimize the use of City revenue collection resources, and formalize write-off authorization requirements and limits of past due accounts. This Policy shall apply to the City's Miscellaneous Accounts Receivable, excluding the Housing & Community Services Division's accounts receivable which are governed by a separate policy approved by City Council on January 25, 2022. In addition, the Municipal Services Division Utility Services Rules and Regulations shall govern the establishment of credit and collection of accounts receivables related to utility bills for electric, water, sewer, and refuse services provided by the City.

The City shall actively pursue collection of revenue and past-due accounts receivable, regularly

review the status of past-due accounts, and write-off amounts reasonably determined to be uncollectible. The City has entered into an agreement with Ray Klein, Inc. dba Professional Credit to provide professional collection services for bad debt and delinquent accounts.

In conjunction with the preparation of the Policy, the Finance Department surveyed local municipalities to determine prevailing accounts receivable authorization levels and corresponding write-off limits. Consistent with other local municipalities, the Finance Department recommends the authorization levels and write-off limits presented in the following table:

Authorization Level	Write-off Limit
Accounting Division Manager/Assistant Director of Finance	\$1 to \$4,999
Director of Finance	\$5,000 to \$9,999
City Manager	\$10,000 to \$24,999
City Council	\$25,000 and greater

A write-off of uncollectible accounts receivable from the City's accounting records does not constitute forgiveness of the debt or gift of public funds. All accounts referred for write-off are reviewed and approved by staff prior to submission for final write-off approval.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to section 15378(b)(5) of Title 14 of the California Code of Regulations in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There is no cost to the City other than administrative staff time and expense.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve the attached Accounts Receivable Collections and Write-Off Policy.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Accounts Receivable Collections and Write-Off Policy



Accounts Receivable Collections and Write-Off Policy

SECTION 1: INTRODUCTION

Accounts receivable represents expected income for services performed, goods sold, or other miscellaneous billings (e.g., fines and penalties, third-party property damage, etc.) that the City of Santa Clara (the “City”) has not yet received payment. Accounts receivable internal controls help ensure that invoices are accurately recorded and that customers pay in accordance with the agreed terms. While internal controls and procedures help minimize the risk of fraud, error, and loss, this policy recognizes that certain accounts receivable will be uncollectible.

The City’s Accounts Receivable Collections and Write-Off Policy (the “Policy”) establishes guidelines for the internal control, collection, and write-off of delinquent accounts receivable. The Policy shall comply with the California Government Code and all related rules and regulations.

SECTION 2: PURPOSE

The purpose of the Policy is to ensure that all reasonable diligence is used to collect accounts receivables, reduce outstanding receivables, streamline the collection process and enhance revenue collections, refine measurement of the City’s accounts receivables for financial reporting, and optimize the use of City revenue collection resources.

SECTION 3: SCOPE

This Policy shall apply to all City departments, agencies, special districts, and authorities that are governed by the City. The *City of Santa Clara Municipal Services Division Utility Services Rules and Regulations* shall govern the establishment of credit, rendering and payment of bills, and discontinuance of any City utility service including, but not limited to, electric, water, sewer, and refuse service (“Utility Services”) provided by the City within its corporate limits and to areas outside City limits, as the City may designate. External collection contracts shall remain in effect, as needed.

SECTION 4: POLICY

It is the policy of the City to actively pursue collection of revenue and past-due accounts receivable, regularly review the status of past-due accounts, and write-off amounts reasonably determined to be uncollectible. A write-off of uncollectible accounts receivable from the City’s accounting records does not constitute forgiveness of the debt or gift of public funds.

SECTION 5: AUTHORITY

The Santa Clara City Charter Section 904 provides that the Director of Finance shall collect all taxes, special assessments, utility charges, license fees and other revenues of the City for whose collection the City is responsible. The Director of Finance is responsible for maintaining and updating this Policy.

California Government Code section 16585 authorizes a city to sell or transfer part or all of its accounts receivable to a private debt collector or entities, provided the city notifies the debtor in writing at the address of record that the alleged accounts receivable debt will be turned over for private collection unless the debt is paid, or appealed within a time period, as determined by the city providing the notice.



Accounts Receivable Collections and Write-Off Policy

SECTION 6: BILLING & RECEIVABLES PROCEDURES

Accounts receivable procedures are established by the City's Finance Department ("Finance") and may vary depending on the nature of the receivable. Types of receivables covered by this Policy include, but are not limited to, business license taxes and fees; transient occupancy tax; regulatory and development impact fees; permits; fees for services; goods sold; recovery for damage to City property; citations; and legal judgments. Finance – Accounts Receivable ("Finance A/R") shall be responsible for recording various receivables and/or revenues through automated processes into the General Ledger as incurred. In general, billing procedures are as follows:

- 1) An Accounts Receivable Memo ("A/R Memo") shall be prepared by the department that provides goods or services (the "Originating Department") and sent to Finance A/R. Finance A/R shall create a system-generated invoice within a reasonable time after receipt. An invoice shall be rendered according to the due date specified by the Originating Department or at least 30 calendar days if unspecified, before the first payment is due.
- 2) Invoices for Citations shall follow the following process:
 - Citations shall be sent by the Originating Department to customers with a copy sent to Finance A/R.
 - Finance A/R shall generate an invoice based on the citation information.
 - The invoice shall be sent to customers by Finance A/R along with a copy of the citation.
 - The issuance of citations and the subsequent billing and collection of citations shall be in accordance with (1) Chapter 1.10 (Administrative Penalties – Citations) of the Santa Clara City Code; and (2) Resolution Nos. 16-8302 and 16-8325 or any resolution that may supersede these resolutions.
 - Any person who intends to request a hearing to contest an administrative citation and who claims to be financially unable to make the advance deposit of the fine may file a request for an advance deposit hardship waiver. The Director of Finance may waive the requirement of an advance deposit in accordance with Section 1.10.070 of the Santa Clara City Code, as may be amended from time to time.
- 3) Invoices shall include the date on which the invoice was prepared, payment due date, description of goods or services, and payment instructions.
- 4) Invoice due dates that occur on a weekend or holiday shall be advanced to the following business day.
- 5) Accounts receivable activity will be monitored using an accounts receivable aging report or system query to identify delinquent accounts. Following the end of each month, Finance shall reconcile the aging report or query to the General Ledger. Accounts with outstanding balances past the due date are considered past due.
 - Following the end of each month, Finance A/R shall run a report or query showing all outstanding invoices and the number of days each invoice is past due, respectively.
 - Finance A/R shall review, identify, and mail a monthly statement to all customers with past due accounts that have not been sent to a collection agency or the State Interagency Intercept Program (the "Intercept Program") and do not indicate that



Accounts Receivable Collections and Write-Off Policy

payment arrangements have been negotiated with the customer. The statement should include, at a minimum, the following information:

- Amounts charged during the month, if any
 - Payments received during the month, if any
 - Late fees and interest charges, if any
 - Ending Balance
 - Invoice Numbers
 - For commercial accounts with past due invoices, in addition to mailing past due statements, Finance A/R may notify the Originating Department regarding the past due account and the Originating Department shall follow-up with the commercial customer to arrange for payment.
 - For non-commercial customers, Finance A/R may attempt, or ask the Originating Department to attempt, to contact the customer to arrange for payment when contact information is available and the balance amount is large enough to make such efforts cost effective.
 - Accounts with invoices greater than 120 days past due are subject to collection procedures described in Section 7 herein.
- 6) Departments are prohibited from providing additional goods or services to customers with delinquent accounts until the account is made current, except as required under applicable law.
 - 7) Late fees and interest charges may begin to accrue on accounts receivables not paid by the invoice due date, subject to the discretion of the Director of Finance. Late fees and interest, if any, shall be consistent with the Municipal Fee Schedule.
 - 8) If the City receives a partial payment, Finance A/R will credit the account for the amount received. Future statements shall reflect any payments received and include the remaining account balance.
 - 9) If payment terms are arranged with the customer, a Payment Plan Agreement shall be prepared and sent by Finance A/R to the customer confirming the agreed upon payment terms. The customer shall sign, date, and return the Payment Plan Agreement to Finance A/R and the payment terms shall be noted on the account within the Financial Management System.
 - 10) All contact with customers should be documented in a conversation log within the Financial Management System.
 - 11) If a customer submits a written dispute of a debt, other than a citation subject to Chapter 1.10 of the Santa Clara City Code, the Originating Department shall evaluate the validity of the dispute and if the Originating Department agrees with the validity of the dispute, the Originating Department shall provide Finance A/R with a written request to cancel the invoice. Upon receipt of a written request to cancel an invoice, Finance A/R will credit the invoice in the Financial Management System. Disputed citations are referred to the Code Officer and shall adhere to the Chapter 1.10 of the Santa Clara City Code. If dismissed, the Code Officer shall contact Finance A/R.



Accounts Receivable Collections and Write-Off Policy

SECTION 7: PAST DUE ACCOUNTS - COLLECTION PROCEDURES

Finance – A/R staff will work with City departments to ensure the timely handling of past due accounts, including collections, write-offs, and monthly reporting.

- 1) Finance shall expeditiously pursue all past-due and delinquent receivables. Communications with debtors shall follow the provisions of the Fair Debt Collection Practices Act, which prohibits abusive debt collection practices, limits communications with debtors, and prohibits harassment or abuse.
- 2) All contact with customers should be documented.
- 3) Collection procedures on all delinquent accounts will include intensive efforts to recover amounts owed, when cost effective. The effort expended to collect a debt must be in proportion to the amount owed to the City.
- 4) Past due statements shall be sent to customers monthly by Finance A/R beginning the month following the date an account first becomes past due until an account is 1) paid in full; or 2) sent to a collection agency or the Intercept Program (. Statements shall indicate that the account is past due and subject to late fees and interest charges and may be forwarded to a collection agency if immediate payment or payment arrangements are not made.
- 5) Accounts 120 or more days past due shall be sent to a collection agency or the Intercept Program unless payment arrangements between the City and the customer have been agreed upon.
- 6) Amounts owed to the City due to third-party property damage shall be administered in accordance with the City's third-party property damage policy and procedures.

SECTION 8: COLLECTION AGENCY / INTERAGENCY INTERCEPT PROGRAM

- 1) Once an account has been referred to a collection agency or the Intercept Program, City efforts to collect the money should cease. Double collection efforts may be considered harassment of the debtor. Finance and the Originating Department will refer all subsequent customer contacts to the collection agency or the Intercept Program, if applicable.
- 2) When an account is referred to a collection agency or the Intercept Program, Finance A/R will write-off as a "bad debt expense" prior to the fiscal year end in accordance with Section 9 herein. Subsequent collections of amounts previously written-off shall be recorded as miscellaneous revenue.
- 3) Collection agencies will be directed to attempt to collect a delinquent account for three years following submission to the collection agency, unless a different collection period is approved by the Director of Finance, or his/her designee. After three years the collection agency shall delete the account from their records and notify the City of such action.
- 4) Accounts sent to the Intercept Program shall follow the latest rules and regulations of the Intercept Program published by the State of California Franchise Tax Board.



Accounts Receivable Collections and Write-Off Policy

SECTION 9: ACCOUNTS RECEIVABLE WRITE-OFFS

- 1) Debt should generally be written-off during the fiscal year it is determined by the Finance Department to be uncollectible.
- 2) Review Requirements – Accounts receivable will be reviewed monthly by Finance A/R to identify accounts eligible to be sent to the collection agency or Intercept Program or written-off.
- 3) Accounts Receivable Eligible for Write-Off – Past due accounts are eligible for write-off provided reasonable collection procedures have been followed, consistent with this Policy.
- 4) Accounts determined by the collection agency to be uncollectible and subsequently removed from their records shall follow the formal write-off process described herein.

Documentation Requirements

- (i) In general, the greater the recommended write-off amount, the greater the amount of required documentation.

Documentation must be provided for each uncollectible account to support the uncollectible account designation. Documentation must substantiate that collection procedures were followed and due diligence was exercised in collection efforts. Due diligence documentation should include, at a minimum, the following (to the extent applicable):

- a. Memo of explanation justifying each write-off, including debtor name, account balance, due date, description of receivable, criteria under which the account is deemed uncollectible; and background information;
- b. Copies of invoices, collections letters, returned checks, and returned mail (including mail returned and stamped as undeliverable, no known forwarding address, etc.);
- c. Report of calls and/or written correspondence supporting City collection efforts, and whether the account has been referred to a collection agency or the State Interagency Intercept Collection Program.
- d. Documentation regarding collection agency efforts to collect delinquent amounts;
- e. Documents supporting a claims court or other judgment rendered by proper authority or settlement agreement, if applicable;
- f. Bankruptcy claim and any related plan or discharge, if applicable;
- g. Notice of discontinuation of services, if applicable;
- h. Death Certificate, if applicable;
- i. Description of efforts to locate the debtor if debtor cannot be found, if applicable;
- j. Signed statement from business owner that the business is no longer in operation, if applicable; and
- k. General ledger or other accounting detail reports, if any.



Accounts Receivable Collections and Write-Off Policy

- (ii) Documentation must support the total amount recommended for write-off.
 - (iii) Records of accounts written-off must be maintained in accordance with Federal and State record retention rules as well as the City's Record Retention Policy.
- 5) Approval Authority for Write-Offs

A formal written request, including documentation consistent with Section 9 (4) of this Policy, shall be prepared by Finance and written approval to write-off accounts deemed uncollectible shall be obtained consistent with the authorization levels below. Subsequent collection of an account previously written off will be treated as miscellaneous revenue in the appropriate fund.

Authorization Level	Write-off Limit
Accounting Division Manager/Assistant Director of Finance	\$1 to \$4,999
Director of Finance	\$5,000 to \$9,999
City Manager	\$10,000 to \$24,999
City Council	\$25,000 and greater



Agenda Report

24-1410

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on the Award of Purchase Orders with an Aggregate Total of \$5,665,000 for Vehicles and Equipment for the Public Works, Fire, Police, Silicon Valley Power, Water & Sewer Utilities, and Parks & Recreation Departments, Funded by Amounts Previously Approved in the City's Operating Budget for Fiscal Year 2024/25

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The Department of Public Works (DPW) maintains approximately 760 fleet assets citywide with an original acquisition value of approximately \$45,000,000. DPW is also responsible for purchasing fleet replacements and additions that have been approved by the City Council to support mission-critical operations performed by various City departments. DPW procures vehicles and equipment through either cooperative purchase agreements established by another public agency (pursuant to Santa Clara City Code Section 2.105.270) or by conducting its own competitive solicitation utilizing vehicle and equipment specifications developed with the relevant City departments (pursuant to Santa Clara City Code Section 2.105.140).

Under Section 2.105.300(a) of the Santa Clara City Code, the City Manager is authorized to execute purchase orders and agreements up to \$250,000. Any purchases exceeding \$250,000 from a single vendor require approval by the City Council. Funding for new and replacement fleet assets are appropriated in the FY 2024/25 Operating Budget. Each department has confirmed the need to acquire new assets to replace aged vehicles/equipment that require increasingly high maintenance costs or to fulfill new operating demands.

DISCUSSION

The recommendations in this report to use cooperative purchasing agreements are made pursuant to City Code Section 2.105.270(c), which states that the City may, without observing formal bidding requirements, "contract with a vendor under a contract awarded using preestablished cooperative purchasing agreements, when such agreement resulted from a competitive bid process that meets or exceeds the City's competitive bid process, as determined by the Purchasing Division Manager." To secure the order of the vehicles and equipment listed below, staff is requesting City Council approval to procure the following equipment through the cooperative purchasing agreements available through Sourcewell (a service cooperative created by the Minnesota legislature as a local unit of government) and the California Department of General Services, both of which have been determined by the Purchasing Division Manager to have resulted from a competitive bidding process that meets or exceeds the competitive bidding process of the City.

- Municipal Maintenance Equipment, Inc.: One street sweeper for the Department of Public Works, with an estimated purchase price of \$480,000.
- Downtown Ford: 11 light/medium duty vehicles for the Fire, Police, Public Works, and Silicon Valley Power Departments, with an estimated aggregate purchase price of \$685,000.
- Golden State Fire Apparatus: One tiller truck for the Fire Department, with an estimated purchase price of \$2,130,000.
- Altec Industries, Inc./Global Rental Co.: One crane truck, one digger derrick truck, and two aerial bucket trucks for Silicon Valley Power, with an estimated aggregate purchase price of \$1,800,000.
- Peterson Tractor: One backhoe loader for the Water & Sewer Utilities Department and one excavator for the Parks & Recreation Department, with an estimated aggregate purchase price of \$300,000.

The combined total estimated value of these purchases is \$5,395,000. In order to successfully complete the purchase order without additional approval, DPW is requesting authorization of a 5 percent contingency in the amount of \$270,000, in addition to the estimated purchase amount of \$5,395,000, for a not-to-exceed total of \$5,665,000. This total amount includes all applicable taxes and fees.

Prior to purchasing the vehicles and equipment, DPW will collaborate with the user departments to determine if a zero-emission vehicle (ZEV) is commercially available and can satisfy department utilization needs. The pricing for 3 of the 11 light/medium duty vehicles is based on purchasing electric powered vehicles. DPW and Parks & Recreation are still evaluating the potential to purchase an electric powered excavator. The remainder of the vehicles and equipment described in this report will be powered by internal combustion engines.

The availability of vehicles and equipment has declined significantly over the last few years and purchase prices have significantly outpaced previous inflation projections. It is important to secure orders as early as possible to avoid potential price increases and ensure availability. The pricing provided in the estimates are not fixed until purchase orders are issued.

Approval of the recommendation will enable DPW to avoid any potential delays in procuring the vehicles. DPW will coordinate with the Finance Department to ensure the vehicle purchase is consistent with the City's established purchasing policies.

ENVIRONMENTAL REVIEW

The action being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(2) because the purchase of vehicles and equipment is not considered a project.

FISCAL IMPACT

The total not-to-exceed amount to purchase one street sweeper, 11 light/medium duty vehicles, one tiller truck, one crane truck, one digger derrick truck, two aerial bucket trucks, one backhoe loader and one excavator is estimated to be \$5,665,000 (\$5,395,000 base cost plus a 5 percent contingency of \$270,000). The funding for the purchase of these vehicles and equipment has been approved in the FY 2024/25 Adopted Operating Budget.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve and authorize the City Manager or designee to execute purchase orders for vehicles and equipment for the Public Works, Fire, Police, Silicon Valley Power, Water & Sewer Utilities, and Parks & Recreation Departments, through Sourcewell and the California Department of General Services cooperative purchasing agreements, with Municipal Maintenance Equipment, Inc., Downtown Ford, Golden State Fire Apparatus, Altec Industries, Inc., and Peterson Tractor, on the terms and in the amounts presented, in a total aggregate amount not-to-exceed \$5,665,000 (inclusive of taxes, fees, and a 5% contingency), in final forms approved by the City Attorney.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Jovan D. Grogan, City Manager



Agenda Report

24-661

Agenda Date: 12/3/2024

REPORT TO CITY COUNCIL

SUBJECT

Action on Purchase Order with Insight Public Sector for FLOCK Automated License Plate Reader Systems

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

Automatic license plate readers (ALPRs) use a combination of cameras and computer software to scan the license plates of every vehicle passing by. ALPRs can be mounted on stationary poles, such as road signs and traffic lights, as well as on handheld devices and mobile patrol vehicles. ALPR technology logs the time, date, and GPS coordinates of each scan and captures images of vehicles. Unlike red light cameras (which the City of Santa Clara does not have), ALPRs do not have illumination to aid in identifying the driver or occupants of the vehicle, nor are they integrated with facial recognition solutions to identify registered owners or passengers.

ALPR technology shall only be used for legitimate law enforcement or public safety purposes with a need and right to know the information provided by an ALPR to:

- Locate stolen or wanted vehicles and vehicles that are the subject of a law enforcement investigation (e.g., identifying a crime, gathering evidence, working together with prosecutors to achieve a conviction in court, etc.);
- Locate and apprehend suspects that are sought by law enforcement;
- Locate witnesses and victims of violent crime;
- Locate at-risk missing persons (including responding to Amber and Silver Alerts);
- Protect participants at special events; and,
- Protect critical infrastructure sites.

No other uses shall be allowed.

ALPRs process each license plate against a designated “hot list.” These queries happen automatically in real-time, although officers can also query license plates manually via their mobile data computer in their patrol vehicle. When law enforcement receives a “hot hit,” they verify the data provided by ALPR technology using other law enforcement information sources to confirm the vehicle and justification before making contact. To the fullest extent possible, law enforcement personnel visually confirm that the plate characters generated by the ALPR technology correspond with the digital image of the license in question.

Pursuant to Senate Bill 31, on September 27, 2021, the Police Department conducted a virtual Town

Hall Meeting on ALPR; the recording was made available to the public on the Police Department's website and social media platforms. Subsequently, the Department's ALPR Policy was approved by City Council on October 26, 2021 (Attachment 1 - Report to Council 21-1122; Attachment 2 - Lexipol Policy 428). The requirements of the state law applicable to use, access, maintenance, disclosure, etc., of ALPR hardware, software, and resulting data, are incorporated into the Police Department's Policy 428. The Police Department's Policy Manual is available online at www.scpd.org <<http://www.scpd.org>>.

In 2021, the Police Department initiated an ALPR Pilot Program with Flock Safety Solutions (FLOCK), and integrated this pole-mounted technology at strategically selected locations in the City to capture large volumes of traffic at major ingress and egress locations along the City's borders; the City does not advertise the exact locations. Since that time, the number of cameras has grown to 17 and \$127,723 has been spent to install, lease and/or move this equipment. The ALPR Pilot Program demonstrated the power of additional investigative evidence positively impacting clearance rates and resulting in a higher success rate in solving crimes. These costs have been paid utilizing California Board of State and Community Corrections (BSCC) funds; however, there are limited remaining BSCC funds available for these types of purchases.

In 2023, the Police Department received 17,527 "hot hit" alerts collectively among the 17 cameras. Of those, 765 were for stolen vehicles, 101 were for vehicles associated with felony crimes (e.g., domestic violence, armed and dangerous, evading law enforcement, etc.), 16,354 were for stolen license plates, and 307 were for custom alerts. Custom alerts include vehicles associated with active Santa Clara Police Department investigations, wanted subjects, or suspect vehicles identified from neighboring jurisdiction bulletins. In addition, Police Department personnel conducted 20,889 searches over the same timeframe, searching for vehicle license plates associated with crimes in the City. In turn, the Police Department made 64 arrests for various violations, including stolen vehicles, domestic violence, robbery, and homicide.

DISCUSSION

The recommendation in this report to use a cooperative purchasing agreement is made pursuant to City Code Section 2.105.270(c), which states that the City may, without observing formal bidding requirements, "contract with a vendor under a contract awarded using preestablished cooperative purchasing agreements, when such agreement resulted from a competitive bid process that meets or exceeds the City's competitive bid process, as determined by the Purchasing Division Manager."

In May 2023, Insight Public Sector (IPS) was awarded an agreement through a Request for Proposals (RFP) process conducted by Omnia Partners, with Cobb County as the lead public agency. The Purchasing Division Manager determined that the RFP met or exceeded the City's competitive requirements. In June 2024, staff issued a purchase order to IPS for the lease of an additional 15 pole-mounted cameras (bringing the total to 32 cameras, including 17 from the ALPR Pilot Program) at a cost of \$93,250. These additional 15 cameras were purchased using available funds in the Police Department's operating budget.

Staff is now seeking City Council authorization to issue additional purchase orders to IPS to renew the lease and software subscriptions for the existing 32 ALPR cameras, purchase an additional 15 cameras for the Levi's Stadium footprint (for a total of 47 cameras), and acquire additional as-needed services. The total aggregate amount is \$735,900 to cover all cameras and services through November 23, 2028. Table 1 provides a breakdown of the costs.

Table 1

Description	Funding Source	Amount
Additional 15 City Cameras (Currently in Implementation)	Police Dept Budget	\$93,250
Software Renewal Costs for 32 City Cameras (February 24, 2025 - November 23, 2028)	Police Dept. Budget	\$281,250
Additional 15 Cameras for Levi's Stadium (specific cost dependent on implementation date through November 23, 2028)	Stadium*	\$178,750
Enhanced LPR Software Purchase (\$15,000 per year x 4 years)	Police Dept Budget and Stadium*	\$60,000
PROJECTED SPEND TOTAL		\$613,250
Contingency (20%)		\$122,650
TOTAL AGGREGATE NOT-TO-EXCEED AMOUNT		\$735,900

* Please note that funding sources designated as "Stadium" are paid from the City's Non-Departmental budget in the General Fund and reimbursed by Forty Niners SC Stadium Company (StadCo) and Santa Clara Stadium Authority (Stadium Authority).

There are plans for incorporating ALPR technology in the Levi's Stadium exterior footprint, which includes parking lots and the streets surrounding the stadium. The Police Department is seeking to purchase 15 cameras which would bring the total camera count to 47 cameras. These additional 15 cameras will be reimbursed by StadCo and Stadium Authority for their respective NFL and Non-NFL events at Levi's Stadium. The billing for the Levi's Stadium cameras would be calculated similarly to that of the city-wide cameras (installation plus \$3,000 annual expense per camera) estimated at \$45,000 annually. For the cameras used in the Levi's Stadium footprint, installation and annual costs will be funded from the City's General Fund Non-Departmental Stadium appropriation, where public safety costs for Stadium events are budgeted, offset by reimbursement from the Stadium. It is anticipated that the Stadium appropriation can cover this expense; however, a budget amendment will be brought forward at a later date if necessary.

Additionally, the Police Department is planning to add the enhanced LPR software capabilities to detect suspect vehicles that frequently travel together ("Convoy Search"), conduct vehicle image search ("Visual Search"), and link suspect vehicles to multiple incidents ("Multi Geo Search"). This expense is the same regardless of the number of cameras, and costs can be split between the Police Department's operating budget and the City's General Fund Non-Departmental Stadium budget at a per camera rate (e.g., $\$15,000/47 = \320 per camera annually).

Data captured by the cameras is securely stored by the vendor (not by the City) until such time as the Police Department accesses or downloads an excerpt from the camera's feed for evidentiary purposes. The footage is held by the vendor for a period of 30 days, during which time it can be accessed only by authorized and trained Police Department personnel, in the course of legitimate law enforcement activity. The data can be accessed by other law enforcement agencies within the Flock system that the Police Department has agreed to share with. If it is not downloaded during this period

of time, it will be deleted. This downloaded data is then retained by the Police Department in association with their investigatory file materials, in accordance with the applicable record retention schedule.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The aggregate maximum not-to-exceed amount of all future purchase orders is \$735,900, subject to the appropriation of funds.

It is anticipated that the Police Department operating budget will have sufficient funds to cover the ongoing expense of the ALPR cameras throughout the City. The cameras used in the Levi’s Stadium footprint and related installation, annual costs and percentage of the enhanced software would be paid from the City’s Non-Departmental Stadium budget in the General Fund and reimbursed by StadCo and Stadium Authority. Funding for future years will be incorporated into the standard operating budget process.

COORDINATION

This report was coordinated with the Finance and Information Technology Departments and City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Authorize the City Manager or designee to execute purchase orders with Insight Public Sector, through the Omnia Partners cooperative purchasing agreement, for the lease and/or purchase of FLOCK ALPR cameras, software enhancements, subscription services, and professional services, with a total aggregate amount not-to-exceed \$735,900 to cover all cameras and services through November 23, 2028, subject to the appropriation of funds and in a final form approved by the City Attorney.

Reviewed by: Pat Nikolai, Chief of Police

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. RTC 21-1122
2. Lexipol Policy 428



Agenda Report

21-1122

Agenda Date: 10/26/2021

REPORT TO COUNCIL

SUBJECT

Informational Report Regarding an Amendment to the Santa Clara Police Department's Automated License Plate Reader (ALPR) Policy

COUNCIL PILLAR

Deliver and enhance high quality efficient services and infrastructure

BACKGROUND

Automated / automatic license plate readers (ALPRs) capture computer-readable images that allow law enforcement to compare plate numbers against plates of stolen cars or cars driven by individuals wanted on criminal charges. The devices are mounted on police cars, road signs or traffic lights and capture thousands of images of plates. The data collected can enhance law enforcement's ability to investigate and enforce the law.

On January 1, 2016, Senate Bill 34 went into effect. SB 34 created California Civil Code (CCC) Title 1.81.23 entitled "Collection of License Plate Information" (Section 1798.90.5, et seq.) that requires any public agency, including a law enforcement agency, that operates Automated License Plate Reader (ALPR) technology to maintain reasonable security procedures and practices, including operational, administrative, technical, and physical safeguards, to protect ALPR information from unauthorized access, destruction, use, modification, or disclosure. SB 34 also requires the agency to implement a usage and privacy policy that meets certain requirements, including:

- The authorized purposes for using the ALPR system and collecting ALPR information;
- A description of the job title or other designation of the employees and independent contractors who are authorized to use or access the ALPR system, or to collect ALPR information. The policy shall identify the training requirements necessary for those authorized employees and independent contractors;
- A description of how the ALPR system will be monitored to ensure the security of the information and compliance with applicable privacy laws;
- The purposes of, process for, and restrictions on, the sale, sharing, or transfer of ALPR information to other persons;
- The title of the official custodian, or owner, of the ALPR system responsible for implementing this section;
- A description of the reasonable measures that will be used to ensure the accuracy of ALPR information and correct data errors;
- The length of time ALPR information will be retained, and the process the ALPR operator will utilize to determine if and when to use, destroy, modify or disclose retained ALPR information;
- Ensure that collection, use, maintenance, sharing and dissemination of information gathered

through the use of ALPR technology complies with all applicable law and is consistent with individual privacy and civil liberties; and

- Post the usage and privacy policy on the agency's website.

DISCUSSION

Automatic license plate readers use a combination of cameras and computer software to indiscriminately scan the license plates of every car passing by. The readers, which can be mounted on stationary poles (e.g. road signs, traffic lights, etc.), handheld devices and mobile patrol vehicles, log the time and date of each scan, the vehicle's GPS coordinates and pictures of the car.

The devices send the data to ALPR software, which can compare each license plate against a designated "hot list." ALPR technology shall not be used for any purpose other than legitimate law enforcement or public safety purposes with a need and right to know the information provided by an ALPR to:

- Locate stolen or wanted vehicles and vehicles that are the subject of a legitimate law enforcement investigation;
- Locate and apprehend suspects that are lawfully sought by law enforcement;
- Locate witnesses and victims of violent crime;
- Locate at-risk missing persons (including responding to Amber and Silver Alerts);
- Support local, state and federal safety departments in the identification of vehicles associated with targets of criminal investigations, including investigations of serial crimes;
- Protect participants at special events; and,
- Protect critical infrastructure sites.

These queries happen automatically, in real-time though officers can also query license plates manually via their mobile data computer in their patrol vehicle. When law enforcement receives a "hot hit," they shall attempt to verify data provided by ALPR technology using other law enforcement information sources in order to confirm the vehicle or subject's identity and justification before making contact. To the fullest extent possible, law enforcement personnel shall visually confirm that the plate characters generated by the ALPR technology correspond with the digital image of the license in question.

Santa Clara Police Department Policy 98.4

Since implementation of SB 34, the Police Department has had its ALPR policy (Attachment 1 - SCPD Policy 98.4), last issued in April, 2016, on our website www.scpd.org <<http://www.scpd.org>> in the Policy Information and Training Summary tab on the home page.

The Police Department currently has four (4) patrol vehicles equipped with ALPR mounted on them. From August 1, 2020 through August 1, 2021, the devices read 114,837 license plates resulting in 126 "hot hits." The data is downloaded directly to the Northern California Regional Intelligence Center (NCRIC).

NCRIC is one of 79 State Governor designated and Department of Homeland Security recognized fusion centers in the United States, and serves as the regional intelligence fusion center for all major crimes for the Federal Northern District of California.

Pending Expansion of ALPR Use by the Police Department

On September 17, 2019, the City Council approved \$750,000 in Board of State and Community Corrections (BSCC) one-time grant funding (Attachment 2 - RTC 19-941) to allow law enforcement agencies to work collaboratively and develop a task force to share resources and develop a comprehensive plan that will include community education, equipment procurement, staff costs and other creative prevention strategies to end auto break-ins in our communities.

On October 5, 2020, the Police Department presented materials to the Chief's Advisory Committee regarding the potential for the implementation of a pilot community camera program. The Police Department entered into a two-year Agreement with Flock Group Incorporated for 12 solar powered, fixed cameras to be installed on existing light poles at major entrance and exit intersections of our city. These leased devices are capable of reading two lanes of traffic at once, operate over wireless network with cloud storage, and download data directly to the NCRIC. The cost for the two-year pilot program (tentatively scheduled for January 1, 2022 - December 31, 2024) is approximately \$63,000 which was funded from the BSCC grant; at this time, there is not an on-going funding source.

The presentation included a summary of existing laws negatively impacting law enforcement's crime prevention efforts, the Police Department's existing use of ALPR technology and its' corresponding policy, benefits of mobile cameras, example locations for fixed cameras and data use, storage and retention.

Committee members had a thoughtful discussion (e.g. mining the data, who the information can be shared with, profiling, facial recognition, concern regarding the ability for the Police Department to replace damaged cameras, etc.). Following the dialogue, Committee members fully supported the use of BSCC funding toward the implementation of a community camera program.

On December 16, 2020, the Police Department presented an Information Report to City Council regarding Automobile Burglaries, including Strategies for Prevention (Attachment 3 - RTC 20-1350). The City Council was supportive of the past and pending initiatives, including the potential for a community camera program.

The coronavirus pandemic and staffing issues have negatively impacted the Police Department's ability to make progress with this initiative.

Lexipol Policy 428 and Standardized Operating Procedures

In 2017, the Police Department entered into an Agreement with Lexipol LLC (Lexipol). Lexipol provides policy manuals, training bulletins and consulting services to law enforcement agencies, fire departments, and other public safety departments based on current legislation, case law and industry best practices. Lexipol retains copyright over all manuals they create, including those modified by local agencies based on specifics to their community. As of March 2020, Lexipol services 8,100 agencies throughout the U.S. Gradually, the Police Department is transitioning from its established policies to that of Lexipol.

One primary distinction between the Police Department's former policy manual and the new Lexipol manual is policy and practice are now two separate documents. In this instance, the standardized operating procedures are a separate document that articulates the steps for successfully implementing the policy.

Lexipol Policy 428 (Attachment 4) complies with SB 34 and establishes:

- ALPR Administration
- Operations
- Data Collection and Retention
- Accountability
- Releasing ALPR data
- Training

In doing so, it also sets forth defined parameters for the use of ALPRs in the collection and use of data in a manner consistent with respect for individual's privacy and civil liberties.

The standardized operating procedures (Attachment 5) serve as a tool for staff in training, process and accountability.

Of note, Policy 428 takes into consideration California Civil Code §§ 1798.29 and 1798.90.5, et seq., which established regulations on the privacy and usage of ALPR data and expands the meaning of "personal information" to include information or data collected through the use or operation of an ALPR system. It imposes privacy protection requirements on entities that use ALPR information, including:

- Prohibits public agencies from selling or sharing ALPR information, except to another public agency, as specified; and,
- Requires operators of ALPR systems to use that information only for authorized purposes.

Community Engagement on this Topic

On September 27, 2021, the Police Department and Flock Group Incorporated (FLOCK) facilitated a virtual Town Hall meeting via Zoom. The meeting details were advertised on the City's website and information encouraging participation was distributed on GovDelivery, Facebook, Nextdoor, Nixle and Twitter to include:

- Highlight City of Santa Clara crime statistics
- Share current Automatic License Plate Reader (ALPR) policy
- Discuss current use of mobile ALPR's and community benefits
- Introduce Board of State and Community Correction grant funding to fund the use of FLOCK stationary ALPR's
- Discuss privacy issues
- Highlight pilot program and anticipated community benefits
- Questions and community feedback

17 individuals, including two Councilmembers (Jain and Watanabe), one media outlet, five City staff and one representative from FLOCK, participated in this virtual meeting.

A large portion of the discussion was spent clarifying the Police Department's existing use of ALPR technology in patrol vehicles, differentiating mobile versus stationary use of ALPR's and enhancements to this technology since its inception. In addition, staff and the FLOCK representative

fielded questions and concerns on the following topics:

- Q - Will this technology would be utilized to identify cars associated with undocumented individuals
- A - The Police Department will not conduct sweeps or other coordinated efforts, such as attempting to identify undocumented individuals by their mode of transportation, to detain suspected undocumented immigrants. It is neither the Police Department's mission or role. The Police Department will not detain, question or arrest a person for the sole purpose of discovering a person's citizenship or status under civil immigration laws.

The responsibility for enforcement of civil immigration laws rests with the U.S. Immigration and Customs Enforcement (ICE) and Removal Operations (ERO).

As a result, the Police Department will not utilize this technology to identify cars with undocumented individuals.

- Q - Will data collected be shared with immigration
- A - The data is downloaded directly to the Northern California Regional Intelligence Center (NCRIC).
- Q - Determining what data is saved to help solve a crime
- A - SB 34 requires agency's with ALPR to implement a usage and privacy policy that includes the length of time ALPR information will be retained, and the process the ALPR operator will utilize to determine if and when to use, destroy, modify or disclose retained ALPR information. The Department's retention policy varies according to the specific situation.
- Q - Will incentives to offered to FLOCK for crimes solved
- A - No.
- Q - Overall cost, pilot and on-going
- A - The FLOCK Agreement is a two-year pilot program for \$63,000 (Year 1, \$33,000; Year 2, \$30,000). was approved by City Council on 12/16/2020.
- Q - What data, if any, will be made available to the public
- A - None.
- Q - Measures which will be used to determine the success of the pilot program
- A - The use of ALPR cameras will increase the Police Department's investigative tools. Following implementation, the Police Department intends to track the number of times detectives utilize ALPR footage compared with success rates associated with identifying vehicle(s) connected with crime.
- Q - Connection, if any, between residential surveillance cameras
- A - There is no connection between the two types of surveillance cameras.
- Q - Use of ALPR cameras in and around Levi's Stadium

- A - The City of Santa Clara has multiple traffic cameras on the northside of town to help drivers make traffic decisions based on road conditions. These are not ALPR cameras.

Additionally, there are cameras in and around Levi's Stadium operated by stadium personnel.

Overall, the participants in the virtual meeting were supportive of the proposed changes to the ALPR policy and stationary camera use.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The Amendment to the Santa Clara Police Department's Automated License Plate Reader Policy will have no financial impact.

On December 16, 2020, use of Board of State and Community Corrections (BSCC) grant funding was previously approved by City Council (Attachment #3, RTC 20-1350) in the following areas:

- Equipment
- Staff overtime
- Contractual services
- Community Education

BSCC is not an on-going funding source for the stationary community camera program.

COORDINATION

This report was coordinated with the City Attorney's and City Manager's Offices.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file Information Report.

Reviewed by: Pat Nikolai, Chief of Police

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. SCPD Policy 98.4

2. RTC 19-941
3. RTC 20-1350
4. Lexipol Policy 428
5. ALPR SOP
6. Flock Group Incorporated Agreement

Automated License Plate Readers (ALPRs)

428.1 PURPOSE AND SCOPE

Best Practice

The purpose of this policy is to provide guidance for the capture, storage and use of digital data obtained through the use of Automated License Plate Reader (ALPR) technology.

428.2 POLICY

Best Practice

MODIFIED

The policy of the Santa Clara Police Department is to utilize ALPR technology to capture and store digital license plate data and images while recognizing the established privacy rights of the public.

All data and images gathered by the ALPR are for the official use of this department. Because such data may contain confidential information, it is not open to public review.

428.3 ADMINISTRATION

Best Practice

MODIFIED

The ALPR technology, also known as License Plate Recognition (LPR), allows for the automated detection of license plates. It is used by the Santa Clara Police Department to convert data associated with vehicle license plates for official law enforcement purposes, including identifying stolen or wanted vehicles, stolen license plates and missing persons. It may also be used to gather information related to active warrants, homeland security, electronic surveillance, suspect interdiction and stolen property recovery.

All installation and maintenance of ALPR equipment, as well as ALPR data retention and access, shall be managed by the Administrative Services Division Commander. The Administrative Services Division Commander will assign members under his/her command to administer the day-to-day operation of the ALPR equipment and data.

428.3.1 ALPR ADMINISTRATOR

State

MODIFIED

The Administrative Services Division Commander shall be responsible for developing guidelines and procedures to comply with the requirements of Civil Code § 1798.90.5 et seq. This includes, but is not limited to (Civil Code § 1798.90.51; Civil Code § 1798.90.53):

- (a) Only properly trained sworn police personnel, community service officers, office specialists, crime analysts, records specialists, public safety dispatchers, vendor representatives and any other personnel with the approval of the Administrative Services Division Commander or their designee.
- (b) All authorized users shall complete the California Department of Justice CLETS access certification every two years.
- (c) ALPR system monitoring to ensure the security of the information and compliance with applicable privacy laws.

Automated License Plate Readers (ALPRs)

- (d) Ensuring that procedures are followed for system operators and to maintain records of access in compliance with Civil Code § 1798.90.52.
- (e) The Administrative Division Commander or their designee shall oversee the ALPR program.
- (f) The Administrative Services Division Commander or designee in overseeing the ALPR operation is maintained and continuously working with the Custodian of Records on the retention of destruction of ALPR data.
- (g) The ALPR policy and related procedures shall be conspicuously posted on the department's website.

428.4 OPERATIONS

State

Use of an ALPR is restricted to the purposes outlined below. Department members shall not use, or allow others to use the equipment or database records for any unauthorized purpose (Civil Code § 1798.90.51; Civil Code § 1798.90.53).

- (a) An ALPR shall only be used for official law enforcement business.
- (b) An ALPR may be used in conjunction with any routine patrol operation or criminal investigation. Reasonable suspicion or probable cause is not required before using an ALPR.
- (c) While an ALPR may be used to canvass license plates around any crime scene, particular consideration should be given to using ALPR-equipped cars to canvass areas around homicides, shootings and other major incidents. Partial license plates reported during major crimes should be entered into the ALPR system in an attempt to identify suspect vehicles.
- (d) No member of this department shall operate ALPR equipment or access ALPR data without first completing department-approved training.
- (e) No ALPR operator may access department, state or federal data unless otherwise authorized to do so.
- (f) If practicable, the officer should verify an ALPR response through the California Law Enforcement Telecommunications System (CLETS) before taking enforcement action that is based solely on an ALPR alert.

428.5 DATA COLLECTION AND RETENTION

Best Practice

The Administrative Services Division Commander is responsible for ensuring systems and processes are in place for the proper collection and retention of ALPR data. Data will be transferred from vehicles to the designated storage in accordance with department procedures

All ALPR data downloaded to the server should be stored for a minimum of one year (Government Code § 34090.6) and in accordance with the established records retention schedule. Thereafter, ALPR data should be purged unless it has become, or it is reasonable to believe it will become,

Santa Clara Police Department

SCPD Policy Manual

Automated License Plate Readers (ALPRs)

evidence in a criminal or civil action or is subject to a discovery request or other lawful action to produce records. In those circumstances the applicable data should be downloaded from the server onto portable media and booked into evidence.

ALPR data shall not be sold, shared or transferred except as specifically set for in this policy and applicable law.

428.6 ACCOUNTABILITY

All data will be closely safeguarded and protected by both procedural and technological means. The Santa Clara Police Department will observe the following safeguards regarding access to and use of stored data (Civil Code § 1798.90.51; Civil Code § 1798.90.53):

- (a) All ALPR data downloaded to the mobile workstation and in storage shall be accessible only through a login/password-protected system capable of documenting all access of information by name, date and time (Civil Code § 1798.90.52). The user's unique identifier shall be recorded each time ALPR data is accessed.
- (b) Members approved to access ALPR data under these guidelines are permitted to access the data for legitimate law enforcement purposes only, such as when the data relate to a specific criminal investigation or department-related civil or administrative action.
- (c) The Administrative Services Division Commander or their designee should perform monthly audits to ensure proper use of the ALPR data.

For security or data breaches, see the Records Release and Maintenance Policy.

428.7 RELEASING ALPR DATA

The ALPR data may be shared only with other law enforcement or prosecutorial agencies for official law enforcement purposes or as otherwise permitted by law, using the following procedures:

- (a) The agency makes a written request for the ALPR data that includes:
 - (a) The name of the agency.
 - (b) The name of the person requesting.
 - (c) The intended purpose of obtaining the information.
- (b) The request is reviewed by the Administrative Services Division Commander or the authorized designee and approved before the request is fulfilled.
- (c) The approved request is retained on file.

Requests for ALPR data by non-law enforcement or non-prosecutorial agencies will be processed as provided in the Records Maintenance and Release Policy (Civil Code § 1798.90.55) in accordance with applicable law.

428.8 TRAINING

The Police Training Unit should ensure that members receive department-approved training for those authorized to use or access the ALPR system (Civil Code § 1798.90.51; Civil Code § 1798.90.



Agenda Report

24-1596

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on an Agreement with Kimley-Horn and Associates, Inc. for Design Professional Services for the Uncontrolled Crosswalks Improvements - Phase II Project

COUNCIL PILLAR

Deliver and Enhance High-Quality Efficient Services and Infrastructure

BACKGROUND

An uncontrolled crosswalk is a striped pedestrian street crossing where motorists do not have a traffic control device (i.e. stop sign, traffic signal, flashing beacons) controlling their movement through the crosswalk. There are approximately 200 uncontrolled crosswalk locations throughout the City, and staff periodically receives requests from residents about installing some type of control measure at various locations. In order to address these requests, staff previously completed an initial effort that analyzed each location and ranked the crossing in order of priority based on criteria such as the number of vehicle lanes, speed and traffic volume, and provided initial recommendations on control measures. The next steps associated with this effort include obtaining funding, hiring a design consultant, and constructing improvements where deemed necessary.

Included within the FY 2024/25 and FY 2025/26 Adopted Capital Improvement Program Budget is the Uncontrolled Crosswalks Improvements project (Project). This Project is funded through gas tax revenues and its purpose is to analyze, design, and construct improvements at various uncontrolled crosswalks throughout the City. An initial listing of high priority locations was developed, and engineering studies were performed to identify potential improvements at these locations along with a priority ranking order for implementation. Construction for the first phase of uncontrolled crosswalk improvements was recently completed and included improvements at seven locations. Staff is now set to begin the design work for the second phase of improvements.

Based upon priority rankings and funding availability, the second phase of the Project will consider improvements at 13 high priority locations. A map of the planned locations is attached (Attachment 1) and includes:

1. Kiely Blvd at Mauricia Ave
2. Monroe St at Quinn Ave
3. Homestead Rd at Los Olivos Drive
4. Agnew Rd west of Garrity Way
5. Agnew Rd at Avina Circle
6. Agnew Rd at Davis St
7. Newhall St at Bohannon Dr
8. Benton St at Curtis Ave

9. Winchester Blvd at Dolores Ave
10. Winchester Blvd at Tulip Rd
11. Calle De Primavera at Calle De Escuela
12. Mission College Blvd south of Our Lady's Way
13. Walsh Ave at Northwestern Pkwy

Various improvements will be reviewed and considered under the Project including installation of pedestrian warning beacons, traffic signs, roadway striping, street lighting, ADA curb ramps and curb extensions, dependent upon location specific factors and engineering analysis. The proposed improvements will also be coordinated with recommendations identified in the Santa Clara Pedestrian Master Plan and Santa Clara Bicycle Plan. The specific improvements, including the project locations, are subject to refinement and change during the course of the Project based upon further engineering design and available construction budget. To prepare the design and construction bid documents, the City will need to retain a consultant to provide engineering design services.

DISCUSSION

Pursuant to City Code Section 2.105.140(c) and State laws governing procurement of architectural and engineering services, the City followed a qualifications-based selection process. Under this process, proposers were evaluated based on their demonstrated experience and qualifications, and the most qualified proposer was selected, subject to the negotiation of fair and reasonable compensation.

In July 2024, a competitive Request for Proposals (RFP) was published on the City's e-procurement platform and was sent to over 46,000 members. The RFP was viewed by 37 members, including consultants, plan rooms, and builder exchanges, among others. Staff also provided direct notifications to consultants who had viewed similar projects in the past.

The City received proposals from four firms: BKF Engineers, CSG Consultants, Inc, Hexagon Transportation Consultants, Inc., and Kimley-Horn and Associates, Inc. A proposal review panel consisting of staff from the Department of Public Work's Design, Field Services, and Traffic Engineering Divisions evaluated each proposal against the criteria set forth in the RFP. This included responsiveness to the RFP, qualifications of the firm, experience, availability of key staff, project approach, and schedule. Based on the panel's evaluation, staff recommends awarding the agreement to Kimley-Horn and Associates, Inc. (Kimley-Horn). Kimley-Horn submitted the best proposal, demonstrated a strong project understanding, and provided an approach that would maximize efficiency of the design services. Kimley-Horn also has a track record of successfully performing similar services for various public agencies including the City of Santa Clara.

The proposed agreement (Attachment 2) includes a negotiated scope of services and fees based upon the understanding of the work to be performed. The scope of services generally includes project management, preliminary engineering and evaluation, construction documents, bidding support, construction support, and project close-out.

Staff recommends entering into the agreement for design professional services with Kimley-Horn and Associates, Inc. for the Uncontrolled Crosswalks Improvements - Phase II Project. Approval of this agreement will provide design professional services necessary to develop the design and construction documents to implement the Project. The agreement includes prevailing wage requirements.

ENVIRONMENTAL REVIEW

This action is for design professional services and the action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") Guidelines section 15378 as the action being considered does not commit the City to undertake any project and future discretionary approvals are required by the City to approve any project for construction.

Environmental review in accordance with CEQA will occur as part of the design and approval process.

FISCAL IMPACT

The proposed agreement is for a total not-to-exceed amount of \$368,920. This amount includes \$335,380 for basic services, and \$33,540 for additional services. Funds for the proposed agreement are available in the FY 2024/25 and FY 2025/26 Adopted Biennial Capital Improvement Program Budget in the Uncontrolled Crosswalks Improvements project.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve and authorize the City Manager to execute an agreement with Kimley-Horn and Associates, Inc. for design professional services for the Uncontrolled Crosswalks Improvements - Phase II Project with maximum compensation not-to-exceed \$368,920, in a final form approved by the City Attorney; and
2. Authorize the City Manager to negotiate and execute amendments to the agreement to make modifications as needed, including time extensions, subject to the compensation limit and appropriation of funds, in final forms approved by the City Attorney.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Jovan D. Grogan, City Manager

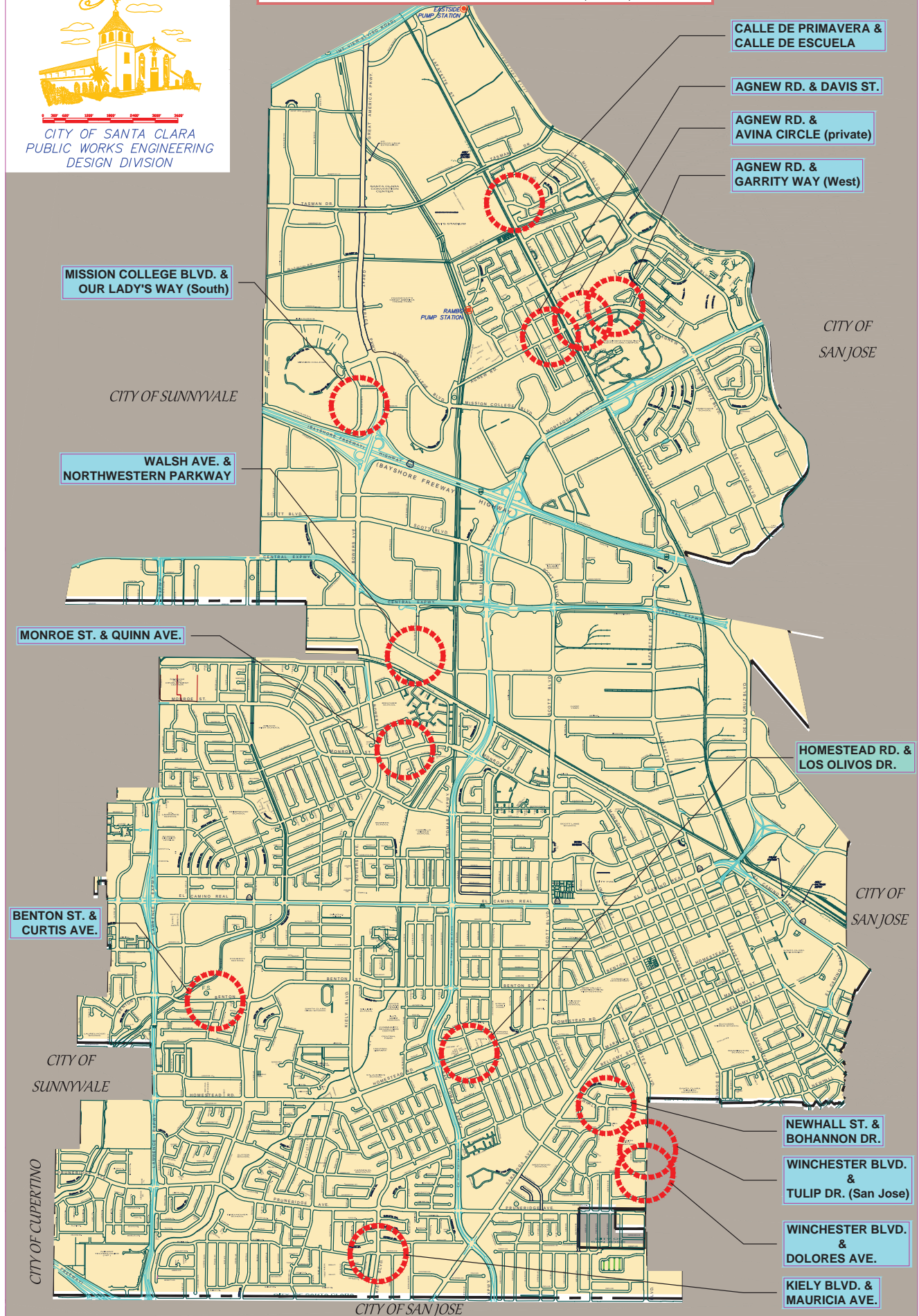
ATTACHMENTS

1. Location Map
2. Agreement



CITY OF SANTA CLARA
PUBLIC WORKS ENGINEERING
DESIGN DIVISION

RFP FOR UNCONTROLLED CROSSWALKS PHASE II
PROJECT LOCATION MAP EXHIBIT (N.T.S.)



RFP FOR UNCONTROLLED CROSSWALKS PHASE 2
LOCATION MAP EXHIBIT



KIELY BLVD. & MAURICIA AVE.



MONROE ST. & QUINN AVE.



HOMESTEAD RD. & LOS OLIVOS DR.



AGNEW RD. & WEST OF GARRITY WAY

RFP FOR UNCONTROLLED CROSSWALKS PHASE 2

LOCATION MAP EXHIBIT



NEWHALL ST. & BOHANNON DR.



AGNEW RD. & AVINA CIRCLE (PVT.)



BENTON ST. & CURTIS AVE.



WINCHESTER BLVD. & TULIP RD (SAN JOSE)
WINCHESTER BLVD. & DOLORES AVE.

RFP FOR UNCONTROLLED CROSSWALKS PHASE 2
LOCATION MAP EXHIBIT



CALLE DE PRIMAVERA & CALLE DE ESCUELA



AGNEW RD. & DAVIS ST.



MISSION COLLEGE BLVD. & OUR LADY OF PEACE



WALSH AVE. & NORTHWESTERN PARKWAY

**AGREEMENT FOR DESIGN PROFESSIONAL SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
KIMLEY-HORN AND ASSOCIATES, INC.
FOR THE
UNCONTROLLED CROSSWALKS IMPROVEMENTS – PHASE II PROJECT**

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Kimley-Horn and Associates, Inc., a North Carolina corporation, (Contractor). City and Contractor may be referred to individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.” Throughout this Agreement “Contractor” and “Consultant” are used interchangeably and refer to Consultant.

RECITALS

- A. City desires to secure the design professional services more fully described in this Agreement, at Exhibit A, entitled “Scope of Services”;
- B. “Design professional” includes licensed architects, licensed landscape architects, registered professional engineers and licensed professional land surveyors;
- C. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,
- D. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Scope of Services

Exhibit B – Schedule of Fees

Exhibit C – Insurance Requirements

Exhibit D – Labor Compliance Addendum

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the date this Agreement is signed by both Parties and terminate on December 31, 2027. Services may commence upon City issuing a written notice to proceed.

3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A within the time stated in Exhibit A. Time is of the essence. Times for performance shall be extended, as mutually agreed, for delays which are caused by reason of: any factor outside of its reasonable control, including but not limited to natural disasters, epidemics, pandemics, quarantine restrictions, or adverse weather.

- A. All reports, costs estimates, plans and other documentation which may be submitted or furnished by Contractor shall be approved and signed by an appropriate qualified licensed professional in the State of California.
- B. The title sheet for specifications and reports, and each sheet of plans, shall bear the professional seal, certificate number, registration classification, expiration date of certificate and signature of the design professional responsible for their preparation.

4. WARRANTY

Contractor's services covered by this Agreement shall conform to the specifications, requirements and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate or defective Services at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, City may make corrections or replace materials or services and charge Contractor for the cost incurred by City.

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it is qualified in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of firms in the same discipline in the State of California.

6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement is three hundred sixty-eight thousand nine hundred twenty dollars (\$368,920), subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

7. TERMINATION

- A. Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than Thirty (30) days' prior written notice to Contractor.
- B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice to Contractor.
- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.
- D. The Contractor shall have the right to terminate this Agreement upon (15) days' written notice to City for any material breach; provided, however, that if City cures such breach or violation within such fifteen-day period, then Contractor shall not be entitled to terminate this Agreement.

8. ASSIGNMENT AND SUBCONTRACTING

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or

transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

10. INDEPENDENT CONTRACTOR

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

11. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor and shall not, without the prior written consent of City, be used for any purposes other than the performance of the Services nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

12. OWNERSHIP OF MATERIAL

All material, which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports, designs, technology, programming, works of authorship and other material developed, collected, prepared or caused to be prepared under this Agreement shall be the property of City but Contractor may retain and use copies thereof. City shall not be limited in any way or at any time in its use of said material. However, Contractor shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to, the release of this material to third parties.

13. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of

final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

14. HOLD HARMLESS/INDEMNIFICATION

To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, to the extent arising out of, pertaining to, or related to the negligence, recklessness, or willful misconduct of the Contractor, its employees, subcontractors, or agents in the performance, or non-performance, of Services under this Agreement.

15. INSURANCE REQUIREMENTS

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit C.

16. WAIVER

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

17. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: Department of Public Works
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at engineering@santaclaraca.gov and
manager@santaclaraca.gov

And to Contractor addressed as follows:

Kimley-Horn and Associates, Inc.
Attention: Brian Sowers, Principal-in-Charge/Senior Vice President
4637 Chabot Drive, Suite 300
Pleasanton, CA 94588
and by e-mail at brian.sowers@kimley-horn.com

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

18. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally Contractor has read and agrees to comply with City's Ethical Standards (<http://santaclaraca.gov/home/showdocument?id=58299>).

19. CONFLICTS OF INTEREST

Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

20. FAIR EMPLOYMENT

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

21. NO USE OF CITY NAME OR EMBLEM

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

22. GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

23. SEVERABILITY CLAUSE

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

24. AMENDMENTS

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

25. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

CONTINUED ON PAGE 9

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: _____

GLEN R. GOOGINS
City Attorney

JOVAN D. GROGAN
City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

KIMLEY-HORN AND ASSOCIATES, INC.
a North Carolina corporation

Dated: _____

By (Signature): _____

Name: _____

Title: _____

Principal Place of
Business Address: _____

Email Address: _____

Telephone: () _____

Fax: () _____

"CONTRACTOR"

EXHIBIT A SCOPE OF SERVICES

I. GENERAL

Description of Project, Services, and Objective

City desires to engage Consultant to provide design professional services to prepare the design and bid documents (plans, specifications, and engineer's estimate or PS&E) for public works bidding and construction of the Uncontrolled Crosswalks Improvements – Phase II Project (Project).

The City's Objective is for Consultant to provide all design professional services necessary to implement the construction of improvements at pedestrian street crossings at multiple locations within the City, as contemplated in the City's Request for Proposals (RFP), the Consultant's response to the RFP (Proposal), and as described herein this Agreement.

The improvements proposed under the Project generally involve the installation of Rectangular Rapid Flashing Beacons (RRFB), installation of street lighting, installation or modification of concrete ADA curb ramps and/or curb extensions/bulb-outs, signing and pavement markings, and restoration of impacted surface features (pavement and sidewalks) as needed at the Project locations.

The specific Project locations and improvements at each location were included in the City's RFP as Attachment G, Table of Improvements. This Attachment G, Table of Improvements, is incorporated into this Agreement by reference.

Baseline Solution

The list of Project locations and improvements was attached to the RFP and is incorporated into this Agreement by reference. The specific designs and details of the improvements at each location will be further developed by Consultant through the course of services under this Agreement and is dependent upon services provided by Consultant.

The list of Project locations and improvements identified in the City's RFP constitute the Baseline Solution considered in this Scope of Services and is the basis for the Scope of Services and Schedule of Fees for the Project. The Baseline Solution is further defined as inclusive of all design professional services to be provided by Consultant that is necessary for the construction to fully implement the improvements as complete and usable facilities, inclusive of all ancillary work involved in the Project design that is customary to a pedestrian improvement or transportation improvement project administered by a governmental agency.

The Baseline Solution is further defined to include all representations made in the City's Request for Proposals, the Consultant's proposal dated August 7, 2024, and subsequent negotiations between City and Consultant resulting in this Scope of Services represent the Baseline Solution to meet the Project Objective.

Should there be deviations from the Baseline Solution during the course of services that results in services or fees being materially or significantly different than represented for the Baseline Solution, the Scope of Services and Schedule of Fees shall be addressed by City and Consultant in writing prior to Consultant proceeding with any services deviating from the Baseline Solution.

In the case of discrepancy or ambiguity for the Baseline Solution, the following order of precedence shall prevail:

1. This Scope of Services (Exhibit A) and Schedule of Fees (Exhibit B) of this Agreement
2. Information generated between City and Consultant in preparing this Scope of Services and Schedule of Fees
3. The Consultant's Proposal
4. The City's Request for Proposals

This Scope of Services and Schedule of Fees represents all design professional services anticipated to be provided by Consultant as necessary to implement the Baseline Solution. It is mutually agreed by City and Consultant that this Scope of Services incorporates Consultant's professional qualifications and experience and is expected to meet City's Objective.

Consultant Structure

Consultant shall provide the services described herein through the following structure comprised of Consultant and subconsultants as identified as follows:

Consultant: Kimley-Horn and Associates, Inc. (Kimley-Horn).

Subconsultant(s) to Kimley-Horn and Associates, Inc.:

- LCC Engineering & Surveying, Inc. Land Surveying
- Discovery Hydrovac Utility Potholing

Any changes to the consultant structure through the course of services is subject to approval in writing by City. All services described in this Scope of Services shall be self-provided by Kimley-Horn unless specifically described otherwise, or otherwise approved in writing by City. City shall have the right to approve any subconsultant(s) or subcontractor(s).

Project Schedule

Consultant prepared a project schedule as part of its Proposal and is considered the agreed upon baseline project schedule for the purposes of this Agreement, and is incorporated into this Agreement by reference. The dates for milestone tasks as shown in the baseline project schedule shall not be exceeded without prior written approval by City.

II. RESPONSIBILITIES OF CITY

City will provide the following information regarding the Project as-available:

- Record drawings and maps (as-available)
- City's Standard Details, Specifications, Benchmark, and Design Criteria
- Storm Drain (SD), Sanitary Sewer (SS), Electric, Water and Recycled Water Block Book Maps (as-available)
- Geographic Information System (GIS) data including land parcels, street centerlines, City sanitary sewers, City storm drains, City water lines, and aerial photographic tiles (as-available). Consultant is expected to download any publicly available GIS information from the City's GIS website, and City will provide any further non-public GIS information as described herein.
- Payment of permit application fees to agencies for construction permits, if required; City may assign Consultant as the City's agent in applying for and obtaining permits for construction.
- Any permits required from other agencies for the professional Services to be provided by Consultant during the design phase shall be secured and paid by Consultant. Fees for said permits, if required, may be pass-thru reimbursed by City to Consultant without markups through Consultant's invoicing.

III. BASIC SCOPE OF SERVICES

The Basic Scope of Services includes professional Services required to design and prepare bid documents (plans, specifications, and engineer's estimate or PS&E) for public works bidding of the Project. The following Tasks shall be completed by Consultant.

1. TASK 1: PROJECT MANAGEMENT

Following receipt of the notice-to-proceed from City, Kimley-Horn will schedule a project kick-off meeting with the City to discuss project goals, objectives, tasks, roles, and responsibilities. Kimley-Horn will prepare meeting materials and a meeting agenda.

Kimley-Horn will schedule and attend project status calls, scheduled on an-as needed basis, during the design phase to keep the City up to date on the

progress of the project. The Schedule of Fees assumes a total of ten (10) project status calls for a duration of one (1) hour each.

All other meetings involving Consultant and City, except as the identified above kick-off meeting and project status calls, shall be invoiced under the active task underway for which the meeting is required or involved. Meetings not involving City, such as internal Consultant meetings, or meetings with Consultant and its subconsultant(s) shall be considered as general project management and shall not be invoiced as meetings.

Kimley-Horn will maintain a progress schedule that will be updated at major milestones that will be discussed at project status calls. Consultant shall notify City if there are delays in any task of the project. In such cases, Consultant shall make up the schedule in subsequent tasks of the project or provide information to City substantiating and requesting a time extension. The schedule shall be maintained current at all times and shall be updated any time progress or milestones are changed.

Kimley-Horn will provide a copy of quality control and assurance guidelines at the kick-off meeting. A quality control report will be submitted at the end of each task that covers all deliverables for that task. Time spent completing quality control reports will be billed under its respective task and not this task.

Other elements of this task include general project administration activities, including management of project staff, management of subconsultants, progress reports submitted with invoices, and coordination with the City and other affected parties, as required to complete the Scope of Services within the Schedule of Fees and within the baseline project schedule.

Consultant administrative staff time spent preparing invoices for services complete, or related activities such as reconciliation of accounts receivable/payable or other internal budget and accounting related matters, shall be considered as included in the overhead of the Consultant's basic hourly rates and shall not be billed. Additionally, addressing administrative issues regarding this professional services Agreement, such as preparing Additional Services requests or amendments to the Agreement, shall also be considered as included in the overhead of the Consultant's basic hourly rates and shall not be billed.

This Task 1 Project Management shall commence with the written notice-to-proceed from City and end upon completion of award of construction contract under Task 4 Bid Support. Thereafter, services provided consistent with the above provisions is budgeted and shall be billed to subsequent tasks, e.g. Task 5 Construction Support and Task 6 Project Close-Out and Record Drawings, whichever may be applicable at the time services are provided.

Task 1 Deliverables

- Progress schedule in MS Project format (submitted in 11" x 17" PDF format and Microsoft Project format)
- Quality Control and Assurance Guidelines (submitted in PDF format)
- Meeting agendas, preparation materials, and meeting minutes for each meeting (submitted in PDF format)
- Progress reports submitted with invoices (submitted in PDF format)

2. TASK 2: DATA GATHERING AND PRELIMINARY ENGINEERING

Kimley-Horn will conduct background research that includes the review of readily available relevant project documents and design standards, Bicycle and Pedestrian Master Plans, public utility system maps, as-built plans, right-of-way records, and other details for use in subsequent project design.

Kimley-Horn will prepare a Notice of Intent to Construct (NOI), or similar process for gathering utility record information at Consultant's discretion, and submit to local utility operators to gather existing utility information in the project area. Upon receipt of utility information, Kimley-Horn will develop a utility base map for use in determining if any utilities are at a high-risk of being affected. Consultant shall collaborate with City to identify relevant utility operators in City and at the project locations and Kimley-Horn shall have primary responsibility for ensuring all relevant operators are considered and contacted as part of the utility record research process. Consultant shall provide City a draft copy the NOI prior to sending it to a utility, maintain log of all NOI sent and received, and provide City all information received from the NOI process. City may also authorize Kimley-Horn to act as City's agent if so required by any utility operator prior to their release of record information.

Kimley-Horn and its survey subconsultant will conduct topographic surveys at each of the five (5) project locations identified for the installation of ADA ramps or curb extensions. These locations include:

- ID 26: Kiely Blvd/Mauricia Ave
- ID 219: Homestead Rd/Los Olivos Drive
- ID 163: Agnew Rd/West of Garrity Way
- ID 54: Benton St/Curtis Ave
- ID 155: Mission College Blvd/South of Our Lady's Way

The topographic surveys shall be consistent with the Standard of Care and include all necessary information Consultant deems necessary to complete the services under this agreement and is anticipated to include design grade information at curb returns, curb ramps, roadway surfaces along the crosswalks, and all other necessary surface features required for the Project design, including establishing proper survey datums and control. Consultant shall be responsible

for coordinating and obtaining all required survey information in an efficient manner, and Consultant shall not invoice City for remobilizations or additional surveys by its survey subconsultant due to deficiencies in needed design grade information resulting from deficient subconsultant oversight and coordination by the Consultant.

At the following eight (8) locations, Kimley-Horn will perform field measurements of existing slopes and dimensions to verify the curb ramps and crosswalks comply with disability access requirements. If any of the eight (8) locations do not appear to comply with disability access requirements, Kimley-Horn will coordinate with City to consider completing additional topographic surveys and designs that may be recommended to provide for improved disability access. Additional topographic surveys recommended by Consultant and agreed by City may be considered Optional Services or Additional Services to be completed for additional fees contingent upon written authorization from the City. An Additional Topographic Survey budget allowance is included as an Optional Task in Section IV Optional Services of this Scope of Services to support additional topographic surveys, if authorized by City.

- ID 205: Monroe St/Quinn Ave
- ID 46: Newhall St/Bohannon Dr
- ID 162: Agnew Rd/Avina Circle
- ID 38: Winchester Blvd/Dolores Ave
- ID 44: Winchester Blvd/Tulip Rd
- ID 179: Calle De Primavera/Calle De Escuela
- ID 189: Agnew Rd/Davis St
- ID 145: Walsh Ave/Northwestern Pkwy

Kimley-Horn will conduct a field review of the project locations during the background research phase of the project and review any available as-built information as well as survey information. Kimley-Horn will walk the project areas to document information including, but not limited to, existing conditions, adjacent landscaping and trees, lane configurations, posted speed limits, signing and striping, curb ramps, parking, and visible utilities and surface features (above and below ground).

Design the preliminary design phase, photometric analyses will be completed based on current Silicon Valley Power (SVP), American National Standards Institute (ANSI), and City standards and guidelines for each of the 13 project locations. Prior to completing the analysis, Kimley-Horn will coordinate with the City, including SVP, to confirm the applicable standards and other parameters to be used in the analysis. Kimley-Horn will submit a photometric analysis summary showing the existing lighting levels, recommended lighting levels, and proposed lighting improvements to meet recommended levels with the preliminary design exhibits.

Kimley-Horn will prepare preliminary design exhibits (35% design level) for each project location showing existing utilities, right-of-way, civil improvements, and above ground electrical/traffic signal elements of the RRFB assemblies and safety or street lighting. In addition to the preliminary design exhibits, Kimley-Horn will prepare a preliminary construction cost estimate.

During completion of the preliminary design, coordination with City, including SVP, will begin to determine possible locations of electric service tie-ins for the new overhead RRFB systems and street lighting improvements. As part of this coordination, Consultant shall also collaborate with City to evaluate solar powered or hard-wired electric service for the remainder of the locations with RRFB systems (non-overhead RRFB locations).

Task 2 Deliverables

- NOI Forms, Utility Tracking Log, and Utility Information Received (submitted in PDF format, and native formats if requested)
- Preliminary Design Plans (submitted in PDF format)
- Photometric Analysis Summary (submitted in PDF format)
- Preliminary Construction Cost Estimate (submitted in PDF format, and native format if requested)
- Quality Control Report(s), as needed and if requested by City

3. TASK 3: CONSTRUCTION DOCUMENTS (PS&E)

3.1. Task 3.1: 65% Construction Documents Package

Upon receipt of comments on the Preliminary Design, Kimley-Horn will schedule and attend a meeting to discuss the preliminary design comments and 65% construction documents package.

Upon completion of the preliminary design review meeting, Kimley-Horn will begin the preparation of the 65% design level plans, specifications, and opinion of probable cost (PS&E) for the project improvements. The plans will be prepared in AutoCAD format and submitted to the City in PDF at half scale. Kimley-Horn will utilize the City 22"x34" title sheet, plan sheet borders with blocks, general construction notes, and CAD standards.

The anticipated breakdown of sheets for the 65% plans is as follows:

- Cover Sheet - Project Location Map, Sheet Index, Benchmark, Signatures, and Abbreviations and Legend [1 sheet]
- General and Project Specific Notes [1 sheet]
- Civil Improvements Plans [13 sheets]
- RRFB Signal Plans and Street Lights [13 sheets]

- Signing and Striping Plans [13 sheets]
- Detail Sheets [2 sheets]
- Construction Best Management Practices (BMPs) [1 sheet]

The civil improvement plans are anticipated to be at a scale of 1"=10' and will show the new curb ramps and curb extensions as a result of the RRFB modifications. The plans will show the curb ramp improvements including conform points, sawcut limits, flowline slopes, restoration of impacted surface features such as pavements and sidewalks, and existing and design grades (e.g. stations/offsets, coordinates, and/or elevations, as needed) for the civil improvements. The plans shall also include any references needed for survey controls used during the design phase and subsequently needed for construction phase by the construction contractor. The civil improvement plans will also show any other civil work necessary to complete the Project such as concrete or pavement work and restoration.

The RRFB plans are anticipated to be drawn at a scale of 1"=20' and will include, as needed, all poles and equipment, controllers and cabinets, service connections or cabinets, conduit routing, pull boxes, and wiring.

The signing and striping plans are anticipated to be drawn at a scale of 1"=20' and will include all removal information for existing striping, pavement markings, signs, and sign posts, as well as, all installation information for proposed striping, pavement marking, signs, and sign posts.

Regardless of the number of sheets or sizes of sheets, all project plans and details required for the Project shall be considered as included in the Basic Scope of Services. Requests for Additional Services related to the sizes, scales, or number of sheets required to bid and construct the project will not be considered.

For the 65% technical specifications submittal, Kimley-Horn will prepare the technical specifications (also referred to as and considered interchangeably as special provisions) based on the City standard specifications. The technical specifications will be prepared in Microsoft Word and will reference the City and Caltrans Standard Specifications as needed.

Construction cost estimates will be based on recent construction bids received on similar projects. Recent construction bids shall include bids provided by City to Consultant for City projects, other recent projects Consultant has provided services for other agencies, and any other local public agency projects whose bid information is readily obtainable. Construction cost estimates will be prepared in Microsoft Excel format.

Estimates shall be further based upon appropriate quantity calculations or support, including for items presented as lump sum.

In addition, if any revisions are to be made to pole or luminaire placements that are different than the 35% design and photometric analysis, or receipt of comments on the photometric analysis from the preliminary engineering task, a revised photometric analysis and summary will be submitted with the 65% PS&E.

For the 65% PS&E submittal, Kimley-Horn will prepare a brief Stormwater Memorandum documenting the Project's status as a non-regulated Project based on requirements from the Municipal Regional Permit (MRP). The Stormwater Memorandum should include a project description and proposed improvements, associated disturbed area calculations, and citations to the relevant MRP sections substantiating the non-regulated status.

Kimley-Horn will continue coordination with SVP for any potential service tie-in locations required for overhead RRFB equipment installations or safety lighting improvements. Kimley-Horn will include assumptions based on coordination with SVP for SVP service(s) in the 65% design plans for review and verification by SVP. The plans shall show work to be performed by the construction contractor, also referred to as developers work, and work to be performed by Silicon Valley Power (as by others) based on the SVP coordination.

Task 3.1 Deliverables

- Review Meeting Agenda and Notes (submitted in PDF format)
- 65% PS&E (submitted in PDF format)
- Response to Preliminary Design Plans Comments (submitted in PDF format)
- Updated Photometric Analyses Summary, if applicable (submitted in PDF format)
- Stormwater Memorandum (submitted in PDF Format)
- Quality Control Report(s), as needed

3.2. Task 3.2: 95% Construction Documents Package

Consultant shall perform engineering and design services to develop a 95% level of completion construction documents. The 95% level of completion is defined as all major project issues have been identified and resolved and the design is complete, and future submittals are reserved for refinements based on comments or other coordination.

Upon completion of the 65% design review by the City and receipt comments, Kimley-Horn will organize a design review meeting to discuss comments on the design. A comment resolution matrix will be prepared summarizing comments received on the 65% PS&E documents, along with the resolution for each comment. This matrix will be submitted with the returned 95% PS&E documents and the original, red-lined mark-ups of the 65% PS&E documents.

If required, following the 65% design and prior to completing the 95% design, Kimley-Horn will attend an on-site field review with City's representatives to review Project locations near to and with potential to impact trees or vegetation to evaluate the proposed construction work, consider potential impact to trees and vegetation, and discuss approaches and provisions to include in the 95% contract documents to address any potential impacts to trees and vegetation.

The 95% technical specifications will be developed to include specific provisions regarding construction requirements, materials, and compensation. As part of the 95% specifications Kimley-Horn will provide information required from Consultant for City's preparation of the boilerplate or front-end specifications and complete those sections, including:

- Consultant's professional engineer seal and signature page (unsigned at 95%)
- Description of work
- List of Plan sheets
- Type(s) of Contractor's License required
- Schedule of Bid Prices
- Requirements for Contractor's Statement of Qualifications (e.g. experience requirements for previous construction contracts, contract values, or specialty experience).
- Number of Working Days for Substantial and Final Completion
- Recommendations for appropriate Liquidated Damages
- Identification of any project-specific changes to the City's boilerplate that are required

During the 95% design, Kimley-Horn will begin coordination with the City of San Jose for the construction encroachment permit for the two project intersections that will require work in both San Jose and Santa Clara, which are:

- ID 38: Winchester Blvd/Dolores Ave
- ID 44: Winchester Blvd/Tulip Rd

It is assumed that the City of San Jose construction encroachment permit will be an "Inter-Agency Permit" issued to the City of Santa Clara, but is required to be fully obtained after contract award to include information from the awarded construction contractor. Consultant's efforts include ensuring that project design and plans are pre-approved by the City of San Jose for use in subsequent after-award permit issuance.

If any utilities are required to be relocated or adjusted directly by utility operators and not relocated or adjusted as part of the construction contract, Consultant shall provide exhibits showing the required relocations or adjustments for City's use in coordinating the relocations or adjustments by others. City shall be lead or primary contact for coordinating the adjustments by others, and Consultant shall support City as necessary.

Prior to completing the 95% submittal, and if required by City, Consultant shall attend an informal "lessons learned" meeting hosted by City representatives, including the City's Field Services Division, to share City's experiences and lessons learned for this type of project for Consultant's consideration in the 95% design. Consultant is not required to prepare or provide materials in-advance for this meeting.

If any revisions are to be made to pole or luminaire placements that are different from prior submittals, or comments on the photometric analysis submitted in the prior task, a revised photometric analysis and summary will be submitted with the 95% PS&E.

If any changes are made to the design affecting areas of hardscape that materially change the conclusions of the Stormwater Memorandum prepared in the 65% PS&E submittal, Kimley-Horn will prepare an updated Stormwater Memorandum.

In addition, at the 95% design level, Kimley-Horn will perform a PEER review of the project improvements. The PEER review will be completed by someone with greater experience than the engineer of record and who has not previously been associated with the project. It is further mutually agreed by City and Consultant that Consultant's internal QA/QC procedures as described in its Proposal may concurrently satisfy the requirements of a PEER review. The following shall be placed on the Project title sheet and signed by appropriate Consultant staff as evidence of PEER review being completed:

"The undersigned hereby certifies that a professional peer review of these plans and the required designs was conducted by me, a professional engineer with expertise and experience in the appropriate fields of

engineering equal to or greater than the Engineer of Record, and that appropriate corrections have been made.”

The project is subject to the City’s Complete Street Policy which requires that bicycle, pedestrian, and resurfacing projects undergo a complete streets review by the Bicycle and Pedestrian Advisory Committee (BPAC). Consultant will not be required to attend or present at the meeting, but should support the City in providing information required for BPAC review. Proposers should assume that one (1) review will take place at the 65% to 95% PS&E design milestone. Consultant shall address any comments from BPAC provided through the City in the next subsequent submittal following the BPAC meeting.

Task 3.2 Deliverables

- Review Meeting Agenda and Notes (submitted in PDF format)
- 95% PS&E (submitted in PDF format)
- Response to 65% Design Plans Comments (submitted in PDF format)
- Updated Stormwater Memorandum, if applicable (submitted in PDF format)
- Updated Photometric Analyses Summary, if applicable (submitted in PDF format)
- PEER Review Plan Markups (submitted in PDF format)
- Quality Control Report(s), as needed

3.3. Task 3.3: 100% Construction Documents Package

Consultant shall perform engineering and design services to develop a 100% level of completion construction documents. The 100% level of completion is defined as the design and bid documents Are considered complete with no future revisions planned nor deemed necessary, or “bid ready.” The subsequent submittal is reserved for formal signing and sealing and addressing minor comments received.

Upon completion of the 95% design review by the City and receipt of comments, Kimley-Horn will organize a design review meeting to receive and discuss comments on the design. A comment resolution matrix will be prepared which will summarize the comments received on the 95% PS&E documents and the resolutions for each comment. This matrix will be submitted with the returned 100% PS&E documents and the original, red-lined mark-ups of the 95% PS&E documents.

If any revisions are to be made to pole or luminaire placements that are different from prior submittals, or comments on the photometric analysis submitted in the prior task, a revised photometric analysis and memorandum will be submitted with the 100% PS&E.

If changes are made to the design affecting areas of hardscape that materially change the conclusions of the Stormwater Memorandum prepared in the 95% submittal, Consultant shall update the Stormwater Memorandum with any revised information from the 100% design.

During the 100% design, Kimley-Horn will complete coordination with the City of San Jose for the construction encroachment permit for the two project intersections that will require work in both San Jose and Santa Clara. The project special provisions or appendices shall include all necessary information for the City and its awarded construction contract to fully obtain the permit following bid and award.

If new electric service cabinets are included in the work Consultant shall assist City in obtaining approval of the plans by the City Building Department and issuance of building permit(s) prior to the final bid set plans. Consultant shall prepare a "Building Permit Set" of plans based on the 100% plans, and respond to address any comments from the City Building Department.

Task 3.3 Deliverables

- Review Meeting Agenda and Notes (submitted in PDF format)
- 100% PS&E (submitted in PDF format)
- Building Permit Set Plans, as needed (submitted in PDF format)
- Response to 95% Design Plans Comments (submitted in PDF format)
- Updated Stormwater Memorandum, if applicable (submitted in PDF format)
- Updated Photometric Analyses Summary, if applicable (submitted in PDF format)
- Quality Control Report(s), as needed

3.4. Task 3.4: Final Bid Set Documents Package

The submittal shall be considered as a limited submittal to formalize and sign and seal the Final Bid Set documents, and resolution of any minor issues or comments remaining from the 100% design submittal package.

The final submittal shall include final Plans and Specifications, signed, stamped and dated by Consultant in responsible charge for their preparation, and signature of PEER reviewer, and be considered ready to bid. The final submittal shall be ready for City staff approval signatures on the title sheet. The final submittal shall also include the final engineer's cost estimate.

It is anticipated that any comments resulting from the 100% design will be editorial in nature and will be communicated via e-mail or discussed on a conference call.

At this submittal, the Photometric Analysis Summary and Stormwater Memorandum shall match the bid set plans and shall be deemed final and submitted to the City for the project files.

Task 3.4 Deliverables

- Stamped, Signed, and Dated Final Plans for City Signature (submitted in PDF Format and AutoCAD format, if requested)
- Stamped, Signed, and Dated Final Specifications and Supporting Documents (submitted in PDF format and Microsoft Word format)
- Final Engineer's Cost Estimate (submitted in PDF Format and Microsoft Excel format)
- Response to 100% Design Plans Comments (submitted in PDF format)
- Final Photometric Analysis Summary (submitted in PDF format)
- Final Stormwater Memorandum (submitted in PDF format)
- Quality Control Report(s), as needed

4. TASK 4: BID SUPPORT

All services completed within this task shall be on an as-needed basis and shall be specifically requested by City in writing prior to Consultant providing services.

Prior to construction, during the bidding phase, Kimley-Horn will prepare any necessary clarifications or addenda to the project plans. City shall have primary responsibility for monitoring questions received from Bidders through the electronic bid platform, and when requested, Kimley-Horn shall provide draft answers to the City for City use and posing answers to the bid platform. Kimley-Horn will also attend a pre-bid meeting and assist the City in evaluating bids and preparing a letter to award the contract, if requested by City.

In the event any addenda are issued, Kimley-Horn shall prepare a conformed set of construction documents upon City's request.

If requested by City, if actual bids received are considerably higher or lower than Consultant's estimate, as determined by City, Consultant shall investigate the discrepancies and provide information to City identifying the areas of discrepancy and possible reasons or explanations for the discrepancies.

The amounts included in the Schedule of Fees are an assumption based upon Kimley-Horn's qualifications and experience, including experience with prior projects for City under separate agreements, for the services anticipated to become provided for the Project for the Baseline Solution. Additional fees that exceed this assumption shall be substantiated by Consultant to City, and agreed

by City under an Additional Services authorization prior to being invoiced by Consultant. Services under this Task that can be reasonably deemed by City to be a result of Consultant's errors or omissions or otherwise as a result of deficient quality Bid Documents inconsistent with the Standard of Care shall be resolved by City and Consultant prior to invoicing and such services are subject to dispute resolution prior to any payments.

Task 4 Deliverables

- Written Clarifications and Responses to Prospective Bidders (submitted in PDF Format)
- Addenda to Bid Documents (submitted in PDF format)
- Written Recommendation for Award of Contract (submitted in PDF format)
- Conformed Construction Documents (submitted in PDF format)
- Quality Control Report(s), if requested by City

5. TASK 5: CONSTRUCTION SUPPORT

All services completed within this task shall be on an as-needed basis and shall be specifically requested by City in writing prior to Consultant providing services.

The City's Field Services Division will have primary responsibility for construction management and inspection. Consultant's responsibility to provide basic services for the construction phase under this Agreement commences with the award of construction contract and terminates on the date City accepts the constructed improvements, files a notice of completion, or when otherwise Consultant is notified by City that services under this task are complete, whichever comes sooner. All services completed within this Task shall be on an as-needed basis and shall be specifically requested by City in writing prior to Consultant providing services.

The amounts included in the Schedule of Fees are based upon the Consultant's experience and judgment, including experience with prior projects for City under separate agreements, of the services anticipated to become provided for the Project by Consultant for the Baseline Solution. Additional fees that exceed this assumption shall be substantiated by Consultant to City and agreed by City under an Additional Services authorization prior to being invoiced by consultant. Services under this Task that can be reasonably deemed by City to be a result of Consultant's errors or omissions or otherwise as a result of deficient quality Bid Documents inconsistent with the Standard of Care shall be resolved by City and Consultant prior to invoicing and such services are subject to dispute resolution prior to any payments.

If and when requested, Consultant shall:

- 1.1. Attend Pre-Construction Meeting upon request by City and respond to pre-

- construction meeting questions.
- 1.2. Review and approve shop drawings and submittals. Assumes reviews, comments, and review of revised submittals, as necessary and as applicable for each submittal. The Consultant's action shall be taken with such reasonable promptness so as to cause no delay in the work, while allowing sufficient time in Consultant's judgment to permit adequate review. Consultant will be allowed a maximum of seven (7) calendar days for review of submittals.
 - 1.3. Review Contractor's request for information (RFI's) and furnish additional drawings and/or specifications for supplementing, clarifying, and/or correcting purposes. Consultant shall be allowed a maximum of seven (7) calendar days to respond to RFI's that impact Project schedule or a maximum of fourteen (14) calendar days to respond to RFI's that do not impact Project schedule.
 - 1.4. Attend meetings and site visits when necessary as determined and requested by City.
 - 1.5. Assist City with the review of construction, and other activities, as determined and requested by City.
 - 1.6. Attend a construction walkthrough at the substantial completion to final completion to provide input to final "punch list" items.

Task 5 Deliverables

- Submittal Reviews (submitted in PDF Format and via e-builder)
- RFI Responses (submitted in PDF format and via e-builder)
- Change Order Review (submitted in PDF format and via e-builder)
- Supplemental Construction Documents Correcting for Design Related Change Orders (submitted in PDF format and via e-builder)
- Final Punch List Input and Recommendations for Substantial Completion (submitted in PDF Format)

6. TASK 6: PROJECT CLOSEOUT AND RECORD DRAWINGS

All Services completed within this Task shall be on an as-needed basis and shall be specifically requested by City in writing prior to Consultant providing any Services.

Upon request by City, Kimley-Horn will prepare record drawings based on the construction contractor's and the City inspector's redline markups summarizing the changes from construction and based upon Consultant's knowledge of services Consultant provided during construction. Record drawings will be prepared in CAD and reproduced in PDF digital format. CAD files shall include all reference files "bound," and include all other associated files such as fonts and plot style files.

The amounts included in the Schedule of Fees are an assumption based upon the Consultant's qualifications and experience, including experience with prior projects for City under separate agreements, for the services anticipated to become provided for the Project by Consultant based on the Baseline Solution. Additional efforts that exceed this assumption shall be substantiated by Consultant to City and agreed by City under an Additional Services authorization prior to being invoiced by Consultant.

Task 6 Deliverables

- Record Drawings (submitted in PDF format and native AutoCAD files)

IV. OPTIONAL SERVICES

Optional Services are defined as Services that have been mutually contemplated by City and Consultant as potentially becoming necessary to meet the Project Objective and within the Baseline Solution, but the performance of Services by Consultant will be determined by City during the course of Services. Optional Services are further defined as having a specific scope of Services with associated fees provided in the Schedule of Fees.

Consultant shall proceed with Optional Services only upon written authorization to proceed by City, and shall only be invoiced if agreed by City and Consultant in writing prior to performing Services.

Fees for Optional Services shall be considered as a subset of the fees for Basic Scope of Services as described in the Schedule of Fees.

A. OPTIONAL TASK A (OPTION FOR TASK 2): ADDITIONAL TOPOGRAPHIC SURVEY

This Optional Task provides for additional topographic survey, to supplement the topographic surveys described in Task 2, Data Gathering and Preliminary Engineering, of the Basic Services.

The Schedule of Fees included in Attachment B is a budget allowance set by City. Prior to performing any Services under this Task, Consultant shall provide a written quotation outlining the specific services and fees to be completed under this Task.

This Task shall only be invoiced if agreed by City and Consultant in writing prior to performing the Services.

Optional Task A Deliverables:

1. Consistent with deliverables described under Task 2, Data Gathering and Preliminary Engineering

B. OPTIONAL TASK B (OPTION FOR TASK 3): UTILITY POTHOLING

If deemed necessary due to the design locations of proposed equipment or improvements and suspected presence of existing underground utilities based upon records research and field observations, Consultant shall perform vacuum excavation potholing for utility verification. Information from any potholing performed (e.g. location, type of utility, utility material, and depth) shall be displayed on the project plans for the construction contractor's information.

The fees included in Exhibit B is considered a budget allowance as proposed by Consultant. The fees included in the Schedule of Fees considered potholing performed at to two (2) intersections inclusive of the total number of actual potholes performed at each intersection. Prior to performing any work under this task, Consultant shall provide a written work plan and cost quotation for the actual number of potholes necessary for the work from the potholing subcontractor.

Utility potholes shall be backfilled with CDF and the pavement shall be restored in accordance with City Standard Detail ST-25. Placement of 'cutback' or temporary restoration is not acceptable unless the pothole locations are expected to be obliterated and restored as part of the subsequent Project construction.

This task shall only be invoiced if agreed by City and Consultant in writing prior to performing work.

It is anticipated that this Task, if authorized, would occur as part of the 65% to 95% subtask concurrent with Task 3. Construction Documents (PS&E).

Optional Task B Deliverables:

1. Optional Task (If Authorized): Potholing Data

V. ADDITIONAL SERVICES

Additional Services are defined as services not contemplated nor described in this Scope of Services as a Basic Service or Optional Service that may become necessary during the course of Services (e.g. out of scope services). Additional Services are further defined as services that are materially or significantly different than presumed for the Baseline Solution.

City reserves the right to add, delete, or modify the Services provided by Consultant throughout the course of Services based upon City's needs.

Consultant shall not proceed with any Services it considers Additional Services without written authorization by City prior to providing any such Services.

EXHIBIT B

SCHEDULE OF FEES

I. GENERAL PAYMENT

Billing shall be on a monthly basis based on the services performed for each task. Consultant shall, during the term of this Agreement, invoice the City for hours and dollars of work completed under this Agreement. Each invoice shall include a summary page that shows the following for each Task: total budget per this Agreement, amount previously invoiced, amount currently invoiced, percent invoiced to date, percent to complete to date, and remaining budget per this Agreement. Each invoice shall also include a summary page that shows the charges per individual that shows the employee name, title, billing rate, total hours, and total dollar amount charged per task. Each invoice shall also include backup documentation that shows the date(s) and hour(s) charged by employee, by task, with a description of the services performed for the dates and hours charged. All invoices shall also provide a written description of work performed during the invoice period, deliverables completed, and progress to date on Tasks being invoiced in order to support the amount invoiced.

Subconsultant(s) invoice(s) pass-through billed through Consultant to City shall be consistent with the terms contained within this Agreement. Consultant shall be responsible for ensuring conformance of each subconsultant invoice with these terms, including the fees allocated for each Task, prior to billing City.

The total payment to the Consultant for Basic Services, including Optional Services, as stated in Exhibit A, Scope of Services, shall not exceed the sum of \$335,380. The amount billed to City for Additional Services shall not exceed the sum of \$33,540. In no event shall the amount billed to City by Consultant for services under this Agreement exceed \$368,920, subject to budget appropriations.

II. BASIC SERVICES

The total payment to Consultant for all work necessary for performing all Tasks, as stated in Exhibit A, shall be in proportion to services rendered and on a time and materials not-to-exceed basis.

The Consultant fee allocated to each Task, as shown in the table that follows, shall be the Consultant's full compensation for all the Consultant services required by this Agreement, as directed by the City, and no additional compensation shall be allowed. City may reallocate budget from Tasks to other Tasks or to or from Additional Services at the City's sole discretion. The Consultant shall bill time and materials spent on a Task under the appropriate Task and will not be allowed to charge to future or inactive tasks unless approved in writing by City. The Consultant shall provide individual timesheets, if requested by City. The hours and amounts charged to each Task shall be proportionate to the services rendered.

Tasks denoted as Optional Tasks, as stated in Exhibit A, require pre-approval in writing by City prior to performing any services under the task. Payment for any Optional Task is allowed only if written authorization is given by the City in advance of the work to be performed. Fees for Optional Tasks shall be considered as Basic Services.

The total amount of all the Tasks is a not-to-exceed amount. Figures in the table that follows include all subconsultant costs, reimbursable expenses, and administrative markups. The following table is a summary of the Tasks based upon the negotiated Cost Proposal submitted by Kimley-Horn on November 4, 2024 and agreed by City and Consultant, attached to this Exhibit B and incorporated herein by reference.

Consultant shall invoice time and expenses according to the Tasks identified in the Cost Proposal. The time and expenses billed for subtasks may vary above or below the fees identified on the Cost Proposal provided that the total billed for all subtasks billed under a Task remains within the Fee established for the Task. Upon mutual agreement between City and Consultant in writing, subtasks may be combined as needed to facilitate Consultant's invoicing.

The table that follows is a summary of the fees for the Tasks from the Cost Proposal.

Cost Proposal Summary:

Description		Amount
Task 1	PROJECT MANAGEMENT	\$ 17,150
Task 2	PRELIMINARY ENGINEERING AND EVALUATION (35% DESIGN)	\$ 72,870
Task 3	CONSTRUCTION DOCUMENTS (65%, 95%, 100%, AND FINAL BID SET SUBMITTALS)	\$ 158,610
Task 4	BID SUPPORT ASSISTANCE	\$ 4,500
Task 5	CONSTRUCTION SUPPORT	\$ 15,490
Task 6	RECORD DRAWINGS AND PROJECT CLOSEOUT	\$ 7,900
Allowance for Adjustments to Basic Hourly Rates (See V. Rate Schedule)		\$ 6,300
SUBTOTAL		\$ 282,820
OPTIONAL SERVICES		
OPTIONAL TASK A – ADDITIONAL TOPOGRAPHIC SURVEYS		\$ 14,000
OPTIONAL TASK B – UTILITY POTHOLING		\$ 38,560
SUBTOTAL		\$ 52,560
TOTAL		\$ 335,380

In no event shall the amount billed to City by Consultant for Basic Services under this Agreement exceed three hundred thirty-five thousand three hundred eighty dollars (\$335,380), subject to budget appropriations.

III. REIMBURSABLE EXPENSES

Reimbursable Expenses shall not be billed by the Consultant or subconsultant under this Agreement. Full compensation for all expenses shall be considered included in the hourly rates.

The following is a sample of items that are considered as included and fully compensated as part of the Consultant's basic hourly rates and are not considered Reimbursable Expenses for separate billing:

- Basic Office Expenses such as overhead, paper, pens, pencils, ink cartridges
- Insurance Expenses, Applicable Taxes, Computer Time
- Travel Expenses (local and long distance), including meals and gas
- Faxes
- Local and Long Distance Telephone Expenses (land lines and cellular phones)
- US Mail
- Paper Cost
- Copying Cost
- Plotting Cost

The following are not considered reimbursable expenses included in the hourly rates, and if requested by City, may be authorized under Additional Services.

- Outside Duplicating Cost for Plans and Reports, when requested by City
- Presentation Materials, when requested by City
- Delivery Services, when requested by City.
- Courier Services when requested by City.

Any discrepancy between Reimbursable Expenses listed within Consultant's , or subconsultant(s)', standard rate schedules as referenced in Section V, RATE SCHEDULE of this Exhibit B and the above shall be resolved in favor of the above.

IV. ADDITIONAL SERVICES

Additional Services consists of work not included in the Scope of Services outlined within this Agreement. Additional Services shall be billed to City at the fixed hourly rates shown below in Section V, RATE SCHEDULE, or at an agreed negotiated price. Billing for Additional Services shall be consistent with the terms set forth in this Agreement. Payment for any Additional Services is allowed only if written authorization is provided by the City in advance of the work to be performed.

Additional Services shall not exceed \$33,540, subject to budget appropriations. Additional Services that exceed this amount will require a written amendment to the Agreement.

City may reallocate fees between Basic Services and Additional Services in City's sole discretion throughout the course of services.

V. RATE SCHEDULE

Charges for personnel engaged in professional and/or technical work are based on the actual hours directly chargeable to the project.

Rates by classification are listed below and shall be fixed through June 30, 2025. Any classifications added, or staff members changing classifications, shall be approved in writing by City.

After June 30, 2025 rates may be adjusted as described herein. Consultant shall propose any adjusted rates in writing for City's consideration and acceptance in writing. Adjusted rates shall be no more than the percentage of difference between the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers for the San Francisco-Oakland-Hayward, CA, area between the effective date of this Agreement and the CPI as may be available and nearest to and in advance of the month in which the adjustment is contemplated and shall be capped at a maximum of 5% for each adjustment. Only one adjustment is allowed per annum.

Consultant understands and agrees that adjustments to rates does not cause an adjustment to the maximum compensation under this Agreement. Consultant shall be required to provide the full services as described in Attachment A in accordance with the Fees established in this Attachment B, regardless of adjustments to rates. The amount shown as Allowance for Adjustments to Basic Hourly Rates (Allowance) in the Cost Proposal Summary Table in Section II. Basic Services is a budget allowance to accommodate adjustments to rates as described above. If adjustments to rates occurs, the Allowance shown in the Cost Proposal Summary Table may be distributed to appropriate current active or future tasks upon mutual agreement by Consultant and City and as documented in writing.

Consultant will bill subconsultants at actual cost plus a maximum allowable markup of 10%. Subconsultant will bill at actual cost for any further tiered subconsultants, subcontractors at cost plus a maximum allowable markup of 10%. In no case shall any pass-through markups billed to City exceed 20% more than the original cost.

Any discrepancy between terms contained herein and Consultant's, or subconsultant(s)', standard rate schedules as referenced on the following pages shall be resolved in favor of the above.

Consultant: Kimley-Horn and Associates, Inc:



Kimley-Horn and Associates, Inc.

Hourly Labor Rate Schedule

Classification	Rate
Analyst I	\$135 - \$165
Analyst II	\$175 - \$205
Professional	\$200 - \$235
Senior Professional I	\$250 - \$325
Senior Professional II	\$345 - \$420
Senior Technical Support	\$120 - \$300
Technical Support	\$105 - \$170
Support Staff	\$90 - \$150

Effective through June 30, 2025

Subject to annual adjustment thereafter

~~Internal Reimbursable Expenses will be charged at 5% of Labor Billings~~

~~External Reimbursable Expenses will be charged at 15% mark up, or per the Contract~~

Sub-Consultants will be billed per the Contract

kimley-horn.com
BR00PUST.D.A.001

10 S. Almaden Blvd, Suite 1250, San Jose, CA 95113

669.800.4130

Subconsultant: LCC Engineering & Surveying, Inc.



PRINCIPALS

Randolph W. Leptien
Christine M. Leptien-Parks
Mariam Munshi Virani

FOUNDED 1954

Guenter K. Leptien
Frank J. Cronin
Jasper Cooper

RATE SCHEDULE

OFFICE & DESIGN PERSONNEL **HOURLY RATE**

Technical Assistant 1.....	\$82.00
Technical Assistant 2 Survey	\$97.00
CAD 1 / Office Survey Apprentice	\$124.00
Survey Tech 1 Office	\$102.00
CAD 2	\$169.00
Assistant Civil Engineer	\$185.00
Civil Engineer 1/Project Manager	\$207.00
Office Surveyor	\$207.00
Civil Engineer 2.....	\$243.00
Principal Engineer	\$279.00

FIELD & SURVEY PERSONNEL

Field Assistant	\$102.00
Survey Tech. 1	\$107.00
Survey Tech. 2.....	\$149.00
Field Representative (Construction).....	\$185.00
Resident Engineer.....	\$207.00
Chief of Party	\$207.00
Principal Surveyor	\$279.00

REIMBURSABLE EXPENSES

Charges for reproductions, blueprinting, long distance travel costs, outside computer services, rental of special equipment, County base maps, official records, record maps, delivery, express mail and insurance certificates (where client requires to be listed as an additional insured) will be charged at 1.15 times cost. Sub-consultant's services will be charged at 1.10 times cost.

CONDITIONS

Invoices are mailed at monthly intervals and upon completion of work segments when appropriate.

Charges for personnel engaged in professional and/or technical work are made for the actual hours directly chargeable to the project. Rates for individuals may vary depending on the service performed. Minimum rate for a two-person survey crew is \$314.00 per hour (4 hour minimum).

In the event of required overtime, the rates charged for office personnel and field personnel will be 1.5 times the hourly rates shown. Work required on Sundays and Holidays for field surveyors will be charged at 2 times the hourly rates shown.

930 Estudillo Street
Martinez, California
94553-1620
(925) 228-4218
(925) 228-4638 fax
www.lcc-inc.com

Litigation Services rate is \$486.00/hour.

EFFECTIVE DATE: 07/01/2024

Subcontractor: Discovery Hydrovac






 <p>Corporate Office: PO Box 770 Grantsville, UT 84029</p>		2024 CA Hydrovac Rates    
Description		Rate
1 Man Operator Rates:		
Standard Project Hourly Rate	\$	315.00
Standard Project Overtime & Saturdays	\$	365.00
Standard Project Double Time, Sundays & Holiday Rate (Per Union)	\$	400.00
1 Man Operator Night Rates:		
Standard Night 1-Man Hourly Rate	\$	415.00
Standard 1-Man Hourly Rate - Overtime & Saturdays	\$	440.00
Standard 1-Man Hourly Rate - Double Time, Sundays & Holidays Rate (Per Union)	\$	485.00
1 Man Laborer Rates:		
Standard 1-Man Hourly Rate	\$	115.00
Standard 1-Man Hourly Rate - Overtime & Saturdays	\$	130.00
Standard 1-Man Hourly Rate - Double Time, Sunday, & Holiday	\$	180.00
Mobilization Rates:		
Standard Mobilization & Demobilization From Closest Staging Area/Hotel (Per Hour) Daily Charge 1 st Per Hour	\$	315.00
*Not a daily charge Initial Move INTO Project	\$	315.00
*Not a daily charge Final Move OUT OF Project	\$	315.00
Per Diem/Lodging Rates:		
Standard Per Diem - Daily Operator/laborer (Per Person)	\$	60.00
Standard Per Diem - Lodging when required and applicable	\$	250.00
Water Rates:		
Standard Water - At Cost - Local Meter Rate - per load price rate listed	\$	100.00
Compressor		
Per Day Rate	\$	150.00
Air Knife Rates		
Per Hour Rate	\$	325.00
Air Knife Package - Filters, Air Tips, Hoses w/ Whips, Clean out per week	\$	500.00
Dump and Roll Off Bins Rates:		
Standard Dump Fees Location: if haul off, cost plus 15%	\$	-
Standard Dump Fee- Direct Haul Cost plus 15%	\$	-
Standard Dump Fees Location: if haul off, cost plus 15%	\$	-
Standard Dump Fee- Roll Off Bins Cost plus 15%	\$	-
Delivery Of Roll off Bins / Hour Cost plus 15%	\$	-
Remote Hose Rates:		
Remote Hose - 4" hose per foot (25' sections)	\$	87.00
Remote Hose - 6" hose per foot (25' sections)	\$	95.00
Support Truck Rates:		
Support Truck and Trailer - Flat Fee Per Day	\$	230.00
Support Truck Daily Move	\$	110.00
Support Truck Move INTO Project	\$	110.00
Support Truck Move OUT OF Project	\$	110.00
Fuel Surcharge:		
Fuel Surcharge on Balance		10%
Scope of Work Summary/Operational Terms and Conditions		
Discovery Hydrovac to supply all - Vacuum Excavation, Operator Tools, Equipment, Materials, Labor In Support of Construction / Service Crew Per Union Labor Agreement 4/8 Hour Minimum Will Apply Cancellation - 4 hour minimum will apply if/when driver has left our yard In the event contact is made with hazardous waste/substance in the course of daylighting the owner shall be responsible for any associated with containment, disposal and subsequent costs of decontaminating of the Hydrovac unit and any loss of profit This Estimate is based on time and materials and will be billed accordingly. Dispatch Locations - Newark, CA - Sacramento, CA - Lakeview, Ca - Paradise, Ca		
Business Development Perry Payne Mobile: 916-500-3375 ppayne@discoveryhydrovac.com	Dispatch Direct: 619-709-0461 24 Hour: 888-883-6452 dispatch@discoveryhydrovac.com	Director of Operations Juan Mena Mobile: 619-709-0461 jmena@discoveryhydrovac.com
<i>A CPUC, WOSB, WBENC and WBE Certified Company - Gold Shovel Certified</i>		

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect during the period of performance of the Agreement and for twenty-four (24) months following acceptance by the City, at its sole cost and expense, the following insurance policies from insurance companies authorized to do business in the State of California. These policies shall be primary insurance as to the City of Santa Clara so that any other coverage held by the City shall not contribute to any loss under Contractor's insurance. The minimum coverages, provisions and endorsements are as follows:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:
 - \$1,000,000 Each Occurrence
 - \$2,000,000 General Aggregate
 - \$2,000,000 Products/Completed Operations Aggregate
 - \$1,000,000 Personal Injury
2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than

one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned (if any), non-owned and hired autos.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. PROFESSIONAL LIABILITY

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against negligent acts, errors or omissions of the Contractor. Covered services as designated in the policy must specifically include work performed under this agreement. Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per claim or two million dollars (\$2,000,000) aggregate. Any coverage containing a deductible or self-retention must first be approved in writing by the City Attorney's Office.

E. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85, or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.

2. Primary and non-contributing. Each insurance policy, except professional liability, provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.
3. Cancellation.
 - a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.
 - b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.
4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through E of this Exhibit C, above.

F. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services, who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance

documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.

2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

G. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

H. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

EBIX Inc.
City of Santa Clara Department of Public Works
P.O. Box 100085 – S2 or 1 Ebix Way
Duluth, GA 30096 John's Creek, GA 30097

Telephone number: 951-766-2280
Fax number: 770-325-0409
Email address: ctsantaclara@ebix.com

I. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

EXHIBIT D LABOR COMPLIANCE ADDENDUM

This Agreement is subject to the requirements of California Labor Code section 1720 *et seq.* requiring the payment of prevailing wages, the training of apprentices, and compliance with other applicable requirements.

A. Prevailing Wage Requirements

1. Contractor shall be obligated to pay not less than the General Prevailing Wage Rate, which can be found at www.dir.ca.gov and are on file with the City Clerk's office, which shall be available to any interested party upon request. Contractor is also required to have a copy of the applicable wage determination posted and/or available at each job site.
2. Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime must be paid for work in excess of 8 hours per day or 40 hours per week pursuant to Labor Code Section 1811-1813.
3. Special prevailing wage rates generally apply to work performed on weekends, holidays and for certain shift work. Depending on the location of the project and the amount of travel incurred by workers on the project, certain travel and subsistence payments may also be required. Contractors and subcontractors are on notice that information about such special rates, holidays, premium pay, shift work and travel and subsistence requirements can be found at www.dir.ca.gov.
4. Only bona fide apprentices actively enrolled in a California Division of Apprenticeship Standards approved program may be employed on the project as an apprentice and receive the applicable apprenticeship prevailing wage rates. Apprentices who are not properly supervised and employed in the appropriate ratio shall be paid the full journeyman wages for the classification of work performed.
5. As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, Contractor agrees to present to City, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 *et seq.*, as well as any additional documentation requested by the City or its designee including, but not limited to: certified

payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.

6. In addition to submitting the certified payrolls and related documentation to City, Contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and/or final payment.
7. No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
8. No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors **MUST** be a registered "public works contractor" with the DIR **AT THE TIME OF BID**. Where the prime contract is less than \$15,000 for maintenance work or less than \$25,000 for construction alternation, demolition or repair work, registration is not required.
9. All contractors/subcontractors and related construction services subject to prevailing wage, including but not limited to: trucking, surveying and inspection work must be registered with the Department of Industrial Relations as a "public works contractor". Those who fail to register and maintain their status as a public works contractor shall not be permitted to perform work on the project.
10. Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully indemnify the City for any fines assessed by the California Department of Industrial Relations against the City for such violation, including all staff costs and attorney's fee relating to such fine.
11. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

B. Audit Rights

All records or documents required to be kept pursuant to this Agreement to verify compliance with this Addendum shall be made available for audit at no cost to City, at any time during regular business hours, upon written request by the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such records or documents shall be provided to City for audit at City Hall when it is

practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records or documents shall be made available at Contractor's address indicated for receipt of notices in this Agreement.

C. Enforcement

1. City shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., City may continue to hold sufficient funds to cover estimated wages and penalties under the Agreement.
2. Based on State funding sources, this project may be subject to special labor compliance requirements of Proposition 84.
3. The City is not obligated to make any payment due to Contractor until Contractor has performed all of its obligations under these provisions. This provision means that City can withhold all or part of a payment to Contractor until all required documentation is submitted. Any payment by the City despite Contractor's failure to fully perform its obligations under these provisions shall not be deemed to be a waiver of any other term or condition contained in this Agreement or a waiver of the right to withhold payment for any subsequent breach of this Addendum.

City or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to \$200 per day per worker for each wage violation identified; \$100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and \$25 per day per worker for any overtime violation.



Agenda Report

24-1070

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on an Agreement with InfoSend, Inc. for Bill Print and Mail Services

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The Municipal Services Division of the Finance Department is responsible for measuring water/electric consumption, generating accurate bills, collecting revenue, and providing customer service for the City of Santa Clara's utility customers. Integral to this service are the printing and mailing services used for utility billing, business tax renewals, and other notices and correspondence sent to customers. Each year, the City of Santa Clara (City) processes and mails approximately 600,000 pieces of mail.

The current agreement for print and mail services is set to expire on December 31, 2024.

DISCUSSION

Pursuant to City Code Section 2.105.140(c), a formal Request for Proposals (RFP) was conducted, with the award recommendation based on "best value."

In January 2024, the RFP for Bill Print and Mail Services was published on the City's e-procurement system. Eight proposals were received on February 26, 2024 from the following firms:

- Amsive, LLC
- Doxim
- InfoSend, Inc. (InfoSend)
- KUBRA America West (KUBRA)
- Matrix Imaging Solutions, LLC. dba DataProse, LLC. (DataProse)
- Output Services Group, Inc.
- R.R. Donnelley & Sons Company
- United Direct Solutions, LLC

The proposals were independently evaluated by a three-member evaluation panel against the criteria and weights published in the RFP, which included experience, technical capability, and cost. InfoSend, KUBRA, and DataProse were invited to participate in oral interviews and submit their best and final offers. After completing the evaluation, the panel determined that InfoSend's proposal was the best value and fully met the requirements of the RFP.

Staff is requesting City Council approval for the City Manager to negotiate and execute an agreement with InfoSend for print and mail services. The proposed agreement with InfoSend includes an initial one-year term, starting on January 1, 2025, with six optional one-year extensions, for a total contract term of up to seven years. Compensation for InfoSend's services will be based on a per-piece cost to process, prepare, sort, and print each item, along with material costs, such as paper and envelopes. The fee schedule also includes additional services, such as electronic address updates for residents who have filed a change of address, document imaging, and other professional services that may be required.

Pricing for InfoSend's services will be fixed for the initial year. For each optional extension, InfoSend may request a price adjustment, which must be based on the percentage increase in the applicable Consumer Price Index or Price Producer Index. These price adjustments will be documented in the amendments authorizing each option year.

The aggregate maximum compensation for the initial term and subsequent options periods is outlined in Table 1 below.

Table 1: Maximum Compensation for Initial Term and Option Periods

Term	Total
Initial Term (Year 1)	\$200,000
Option Period (Year 2)	\$210,000
Option Period (Year 3)	\$220,500
Option Period (Year 4)	\$231,525
Option Period (Year 5)	\$243,101
Option Period (Year 6)	\$255,256
Option Period (Year 7)	\$268,019
Contingency (20%)	\$325,680
Aggregate Maximum Compensation	\$1,954,081

The maximum compensation for Year 1, as outlined in Table 1, is \$200,000 based on past usage. For Years 2-7, the amounts include a 5% annual adjustment to account for economic price changes. Additionally, a 20% contingency is included to cover any increases in mail and print requirements.

Postage, as a significant expense associated with mailing, is treated as a pass-through cost and is not included in the aggregate maximum compensation. Postage costs will be charged separately to the City at the lowest possible United Postal Post Services (USPS) rates. Postage cost is approximately \$300,000 per year.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to section 15378(b)(5) of Title 14 of the California Code of Regulations in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

Sufficient funds for year one of the agreement are available in the FY 2024/25 Operating Budget in the General Fund Finance Department appropriation. Costs borne by the City's utility enterprises reimburse the General Fund through the City's cost allocation plan. Funding for future years of the agreement will be brought forward in the Proposed FY 2025/26 and FY 2026/27 Operating Budget as part of the annual budget process.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager or designee to negotiate and execute an agreement with InfoSend, Inc. (Agreement) for print and mail services, for an initial one-year term starting on January 1, 2025 and ending on December 31, 2025, with a maximum compensation of \$200,000, to be funded by the General Fund, subject to the review and approval as to form by the City Attorney; and
2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to the Agreement to (a) add or delete services consistent with the scope of services, (b) adjust rates consistent with market standards, (c) exercise up to six one-year extension options, (d) make other no cost amendments, and (e) increase the maximum compensation by up to \$1,754,081 for a total maximum compensation of \$1,954,081 over the seven-year period, ending on December 31, 2031, subject to the appropriation of funds and review and approval as to form by the City Attorney.
3. Authorize the payment of pass-through postage costs to InfoSend, Inc., which will be charged to the City at the lowest possible United States Postal Service (USPS) rates, estimated at approximately \$300,000 per year, subject to adjustments based on USPS rate increases and the actual volume of mail sent.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Agreement with InfoSend, Inc.

**AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
INFOSEND, INC.**

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and InfoSend, Inc., a California corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

- A. City desires to secure the services more fully described in this Agreement, at Exhibit A, entitled "Scope of Services";
- B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,
- C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Scope of Services

Exhibit B – Schedule of Fees

Exhibit C – Insurance Requirements

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings,

whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT

- A. Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on January 1, 2025 and terminate on December 31, 2025 (Initial Term).
- B. After the Initial Term, City reserves the right, at its sole discretion, to extend the term of this Agreement for up to six additional years through December 2031 ("Option Periods") in such increments as determined by City. Such extensions of term shall be authorized through an Amendment to this Agreement executed by the Parties. The Initial Term and Option Periods shall collectively be referred to as "Term".

3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A within the time stated in Exhibit A. Time is of the essence.

4. WARRANTY

Contractor expressly warrants that all materials and services covered by this Agreement shall be fit for the purpose intended, shall be free from defect and shall conform to the specifications, requirements and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate or defective Services at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, City may make corrections or replace materials or services and charge Contractor for the cost incurred by City.

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The aggregate maximum compensation of this Agreement is set forth in Table 1 of Exhibit B, subject to budget appropriations. This amount includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

7. TERMINATION

- A. Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than Thirty (30) days' prior written notice to Contractor.
- B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice to Contractor.
- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

8. ASSIGNMENT AND SUBCONTRACTING

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

10. INDEPENDENT CONTRACTOR

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

11. CONFIDENTIALITY

- A. "Confidential Information" means, with respect to a Party hereto, all information or material which either (1) is marked or identified as "Confidential," "Restricted," or "Proprietary Information" or other similar marking or identification, or (2) the other Party knew, as recipient, or under the circumstances, should have known, was considered confidential or proprietary by the Disclosing Party (as defined below), except that this Agreement, Contractor pricing and proposals incorporated into this Agreement shall not be deemed Confidential Information. Confidential Information shall consist of all information, whether in written, oral, electronic, or other form, furnished in connection with this Agreement by the Disclosing Party or its Representatives ("Representative" is defined as any elected and appointed officials, affiliate, director, officer, employee, agent, advisor or Contractor or any of its subsidiaries or affiliates) to the Receiving Party (as defined below) or to its Representatives, and specifically includes but is not limited to the City's individually identifiable customer information, and the City's customer usage data and financial data.
- B. Contractor and the City shall each hold the other's Confidential Information in confidence. Neither Party shall make the other's Confidential Information available in any form to any third party or use the other's Confidential Information for any purpose other than as specified in this Agreement. The Party providing Confidential Information ("Disclosing Party") to the other Party ("Receiving Party") shall remain the sole owner of such information. Except as provided elsewhere within this Agreement, nothing contained in this Agreement shall be construed as granting or conferring any right or license in any Confidential Information or in any patents, copyrights, software or other technology, either expressly or by implication to the Receiving Party, or to its Representatives or to others. The term Confidential Information shall not include any of the following: (1) information already in possession of, or already known to, the Receiving Party as of the Effective Date without an obligation of confidentiality; (2) information in the public domain at the time of the disclosure, or which, after such disclosure, enters into the public domain through no breach of this Agreement by the Receiving Party or its Representative(s); (3) information lawfully furnished or disclosed to the Receiving Party by a non-party to this Agreement without any obligation of confidentiality and through no breach of this Agreement by the Receiving Party or its

Representative(s); (4) information independently developed by the Receiving Party without use of any Confidential Information of the Disclosing Party; (5) information authorized in writing by the Disclosing Party to be released from the confidentiality obligations herein; or (6) this Agreement and Contractor's proposals and Work Authorizations.

- C. By virtue of this Agreement, each Party hereto may disclose to the other Party information that is Confidential Information. This Agreement does not diminish, revoke or supersede any existing confidentiality, non-disclosure or similar agreement between the Parties that does not pertain to the subject matter of this Agreement. However, any Confidential Information, whether or not previously disclosed, that pertains to the subject matter of this Agreement shall be governed by the terms of this Section 11 which shall supersede any such previous agreement with respect to such Confidential Information and any Confidential Information relating to the subject matter of this Agreement that was exchanged under such previous agreement shall be treated as though it was exchanged under this Agreement as of the date of such exchange.
- D. The Receiving Party will treat all Confidential Information of the Disclosing Party, no matter written, electronic, or oral, as confidential and proprietary, and the Receiving Party shall only use such information in furtherance of this Agreement. As such, the Receiving Party shall hold in confidence the Confidential Information of the Disclosing Party and ensure that such Confidential Information is not disclosed to any other person or entity, except as expressly permitted by this Agreement or as authorized in writing by the Disclosing Party. The Receiving Party shall not disclose Confidential Information of the Disclosing Party received under this Agreement to any person other than its Representatives who require knowledge of such Confidential Information in furtherance of this Agreement. The Receiving Party shall inform its Representatives of the confidential nature of the Confidential Information of the Disclosing Party and advise such Representatives of the limitations on the use and disclosure and prohibition on making copies or summaries of such Confidential Information. The Receiving Party shall be responsible for any breach of this Agreement by its Representatives. Neither Party shall use the Confidential Information of the other Party for any commercial purpose.
- E. If the Receiving Party becomes legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information of the Disclosing Party or is requested Confidential Information pursuant to the California Public Records Act or similar law, the Receiving Party will provide the Disclosing Party with written notice of such an occurrence (if so permitted) as soon as possible. Thereafter, at its sole costs and expense, the Disclosing Party may seek a protective order or

other appropriate remedy or waive compliance with the provisions of this Agreement. If the disclosing Party (i) waives compliance, (ii) fails to respond to the Receiving Party within five (5) business days, or (iii) after providing the notice and assistance required under this Section, the Receiving Party remains required by law to disclose any Confidential Information, the Receiving Party shall disclose only that portion of the Confidential Information that the Receiving Party is legally required to disclose. So long as it is consistent with applicable law, the Receiving Party will not oppose action by, and the Receiving Party will cooperate with, the Disclosing Party, at the Disclosing Party's sole cost and expense, to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information. If the Disclosing Party fails to obtain such protective order or other remedy, or if the Disclosing Party waives compliance with the requirements of the preceding sentence, the Receiving Party will disclose only that Confidential Information that it is legally required to disclose, and will exercise commercially reasonable efforts, at Disclosing Party's expense, to obtain reliable assurance that confidential treatment will be accorded the Confidential Information so disclosed.

- F. In the event the Receiving Party discloses, disseminates or releases any Confidential Information, except as expressly permitted by this Agreement, such disclosure, dissemination or release will be deemed a material breach of this Agreement and the Disclosing Party may demand prompt return of all Confidential Information previously provided to the Receiving Party. As soon as the Receiving Party becomes aware that it has made an unauthorized disclosure of Confidential Information, the Receiving Party shall take any and all necessary actions to recover the improperly disclosed Confidential Information and immediately notify Disclosing Party regarding the nature of the unauthorized disclosure and the corrective measures being taken. Each Party agrees that any breach of their confidentiality obligations could cause irreparable harm to the other Party, the amount of which would be extremely difficult to estimate. Accordingly, it is understood and agreed that monetary damages would not be a sufficient remedy for any material breach of this Agreement and that specific performance and injunctive relief in addition to monetary damages shall be appropriate remedies for any breach or any threat of such breach. The provisions of this Paragraph are in addition to any other legal rights or remedies the Disclosing Party may have.
- G. Within two (2) weeks of the termination of this Agreement, Contractor will return to the City or destroy, to the extent permitted by law, any and all Confidential Information, including all originals, copies, translations, transcriptions or any other form of material, without retaining any copy or duplicate thereof; provided that Contractor may retain Confidential Information contained on backup media created in the ordinary course of business provided further that there is no effort to access such

Confidential Information and Contractor's confidential obligations with respect to such information shall continue so long as such information is retained. Contractor shall certify in writing the destruction of the Confidential Information. The City may perform an audit of Contractor's records to confirm the return or destruction of the Confidential Information. The City shall have this audit right for two (2) years after the termination of this Agreement.

- H. Contractor shall implement and maintain technical and organizational measures to protect City's Confidential Information against accidental or unlawful destruction, loss, alteration, unauthorized disclosure or access as described in accordance with the highest industry standard and applicable law, including, but not limited to, Fair and Accurate Credit Transactions Act (FACTA), Payment Card Industry Data Security Standard (PCI DSS), Statement on Standards for Attestation Engagements (SSAE), Article 1, Section 1 of the California Constitution; AB-375, the California Consumer Privacy Act; European Union Regulation (EU) 2016/679 General Data Protection Regulation (GDPR); the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164). Contractor shall adopt and maintain throughout the Term such security measures to encrypt City's Customer Data and other Confidential Information of City; to help ensure ongoing confidentiality, integrity, availability and resilience of the Services; to help restore timely access to City Confidential Information following an incident; and for regular testing of the effectiveness of Solution security. Contractor shall update or modify its data security measures from time to time provided that such updates and modifications do not result in the degradation of the overall security of the Services. Contractor shall ensure compliance with its data security measures described herein by its Representatives to the extent applicable to their scope of performance. Without limiting City's remedies and notwithstanding anything to the contrary in this Agreement, Contractor shall immediately investigate and remediate any accidental or unlawful destruction, loss, alteration, unauthorized disclosure or access of City's Confidential Information and take such actions as required by City in connection therewith.
- I. At a minimum, Contractor must encrypt and password-protect electronic files, store and process Confidential Information only in North America, and adhere to any security applicable standards. Contractor's duty to protect the Confidential Information shall not be limited to where Contractor stores it.

- J. When Confidential Information, regardless of its format, is no longer required by Contractor to execute the work required by this Agreement or is no longer required to be maintained by Contractor to comply with any law or regulation, the information must be redacted or destroyed through appropriate and secure methods, to ensure the information cannot be viewed, accessed, and reconstructed.
- K. Notwithstanding the termination of this Agreement, this Confidentiality Section shall survive the expiration or earlier termination of this Agreement.

12. OWNERSHIP OF MATERIAL

All material, which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports, designs, technology, programming, works of authorship and other material developed, collected, prepared or caused to be prepared under this Agreement shall be the property of City but Contractor may retain and use copies thereof. City shall not be limited in any way or at any time in its use of said material. However, Contractor shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to, the release of this material to third parties.

13. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

14. HOLD HARMLESS/INDEMNIFICATION

- A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action,

and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor’s employees or persons contracting with Contractor to perform any portion of the Scope of Services – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.

- B. Contractor’s obligation to protect, defend, indemnify, and hold harmless in full City and City’s employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.
- C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act (“Act”) and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor’s responsibilities under the Act.

15. INSURANCE REQUIREMENTS

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit C.

16. WAIVER

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City’s review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

17. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: Finance – Municipal Services Division
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at klee@santaclaraca.gov

And to Contractor addressed as follows:

InfoSend, Inc.
Russ Rezai
4240 East La Palma Ave.
Anaheim, CA 92807
and by e-mail at russ.r@infosend.com

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

18. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to “The Code of the City of Santa Clara, California” (“SCCC”). In particular, Contractor’s attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally Contractor has read and agrees to comply with City’s Ethical Standards (<http://santaclaraca.gov/home/showdocument?id=58299>).

19. CONFLICTS OF INTEREST

Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

20. FAIR EMPLOYMENT

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

21. NO USE OF CITY NAME OR EMBLEM

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

22. GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

23. SEVERABILITY CLAUSE

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

24. AMENDMENTS

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

Signatures on next page.

25. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: _____

GLEN R. GOOGINS
City Attorney

JOVAN D. GROGAN
City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

INFOSEND, INC.
a California corporation

Dated: _____

By (Signature): _____

Name: Russ Rezai

Title: President

Principal Place of Business Address: 4240 East La Palma Ave.
Anaheim, CA 92807

Email Address: russ.r@infosend.com

Telephone: (800) 955-9330

Fax: (714) 993-1306

"CONTRACTOR"

EXHIBIT A

SCOPE OF SERVICES

SECTION 1. INTRODUCTION

- 1.1** Contractor shall provide all required software, materials, equipment, and services, including design, implementation, and support, to provide print and mail services in support of the City's Municipal Services Division.
- 1.2** To the extent not inconsistent with this Agreement, the City's RFP# 23-24-58 (including subsequent updates) and Contractor's proposal response dated February 26, 2024, and Contractor's Best and Final Offer (BAFO) dated August 15, 2024 are hereby incorporated by reference herein and shall supplement this Scope of Services and be subject to the terms and conditions of the Agreement. In the event of a conflict between the Agreement (including its Exhibits and the RFP# 23-24-58 or Contractor's proposal, the Agreement and its Exhibits shall govern.

SECTION 2. UTILITY BILL, NOTICE AND CORRESPONDENCE, BUSINESS TAX, AND OTHER RELATED MAIL AND PRINT SERVICES

Contractor shall provide a turnkey mail and print services including data validation, formatting, printing, sorting, and mailing of bills and notices according to the City's specifications, as outlined below:

2.1 Dataset Creation

- 2.1.1** The City will generate a daily Print File, create an archived copy, and rename the files with a .txt extension.
- 2.1.2** The City will transmit the Print File to Contractor via secure FTP (sFTP) for processing. In the event of technical issues during transmission, the City will be responsible for performing a quality control check of the Print File to resolve the issue.
- 2.1.3** The City will provide Contractor, via a separate email, with the associated inserts, artwork, and any job-specific instructions.

2.2 Data Processing and Validation

- 2.2.1** Upon receipt of the Print File, Contractor shall validate the data including checking for missing or incorrect customer addresses.
- 2.2.2** Contractor shall then convert the validated data into the appropriate format for print production, including preparing data for mail merge.

2.3 Printing, Sorting, and Machine Inserting

- 2.3.1** Contractor shall print the bills and notices according to the specifications provided by the City, including paper type, size, and any color or logo requirements.
- 2.3.2** Contractor shall sort and collate the bills and notices, ensuring that each is properly matched with any associated inserts provided by the City.
- 2.3.3** Contractor shall set up the job so that bills, notices, their associated inserts, and return envelopes are machine-inserted into an outgoing envelopes.

2.4 Mailing

Contractor shall sort outgoing mail to maximize savings in postage. Once sorted, Contractor shall ensure the delivery of all printed mail to the United States Postal Service (USPS) and maintain a record of postage costs for each job.

2.5 Bill Imaging and PDF File Management

- 2.5.1** Contractor shall image and save all printed bills and/or notices and generate a PDF file. These files must be retained by Contractor for a minimum of two years.
- 2.5.2** Contractor shall provide access to the City, such as via an application programming interface (API), to enable viewing of the utility bills by the City's customers through the City's online customer self-service portal. Additionally, City staff must have continuous access to the PDF files.
- 2.5.3** The City will perform regular audits to verify accuracy of printed materials, the number of bills or notices printed and mailed, the number of bills or notices emailed, the number of paper stock/envelopes used, and the number of bills or notices returned to the City as "undeliverable".
- 2.5.4** Through a Contractor-provided automated script, the City will:
 - 2.5.4.1** Download a zipped PDF file once per day via sFTP.
 - 2.5.4.2** Sort and organize the PDF files into specific directories for easy access by City staff.
 - 2.5.4.3** Merge the original unzipped files back into single PDF, rename the file, and post it to the City's document management system, Metaviewer.

SECTION 3. PAPER STOCK AND ENVELOPES

Contractor must maintain sufficient inventory of pre-printed paper stock for bills and notices, outgoing envelopes, and return envelopes for the City.

SECTION 4. SUPPORT/TRAINING

- 4.1** Contractor must provide ongoing maintenance and support during the City's regular business hours to assist with any issues or inquiries related to the print and mail services.
- 4.2** In the event of any issues, Contractor must initiate corrective action immediately and keep the City informed of progress until the issue is resolved.
- 4.3** Contractor shall provide the City with any necessary training for staff. Training conducted remotely shall be at no cost to the City.

SECTION 5. SCHEDULE FOR PERFORMANCE

Printing and mailing of utility bills are performed on a scheduled basis as determined by the City's billing cycles. Other mail and print services are performed on an ad hoc basis. City and Contractor shall agree upon the schedule in advance, and Contractor shall ensure all print and mail jobs are completed according to the established timelines.

SECTION 6. ADDITIONAL SERVICES

The City may request additional related bill print and mail services, including but not limited to, document imaging and document storage. Prior to commencing any of the requested additional services, Contractor shall submit a proposal outlining the additional services to be provided, an estimate for labor and materials, and the proposed maximum fee. The City shall approve all additional services in writing. Such services shall be billed at either the rates set forth in Exhibit B, if applicable, or at a fixed price mutually agreed upon by the Parties. If billed at a fixed price, Contractor shall provide the City with a general description of the additional services and the proposed price. Once approved in writing by the City, these additional services shall be incorporated into the Agreement and deemed part of the Services without requiring a formal amendment or change order. Contractor shall provide these approved additional service.

EXHIBIT B SCHEDULE OF FEES

SECTION 1. MAXIMUM COMPENSATION

The aggregate maximum compensation the City will pay the Contractor for services and materials under this Agreement is set forth in Table 1 below, subject to budget appropriations. Compensation for any Options Periods will be authorized through amendments to this Agreement. Any additional services or materials requested by the City that would exceed the aggregate maximum amount will also be addressed through amendments to this Agreement.

Table 1

Term	Maximum Compensation	Notes
Initial Term (Year 1)	\$200,000	Maximum compensation for the Initial Term (January 1, 2025 – December 31, 2025)
Option Period (Year 2)	Authorized by amendment	Compensation for each option year will be established through an amendment to this Agreement.
Option Period (Year 3)	Authorized by amendment	
Option Period (Year 4)	Authorized by amendment	
Option Period (Year 5)	Authorized by amendment	
Option Period (Year 6)	Authorized by amendment	
Option Period (Year 7)	Authorized by amendment	The aggregate maximum will be amended to reflect additional compensation if Option Periods are exercised.
Aggregate Maximum Compensation	\$200,000 (Initial Term only)	

SECTION 2. FEES

The fees for services provided under this Agreement are outlined in Table 2 below.

Table 2

Services	Unit	Price
A. Bill and Notice Data Processing Bill Processing (including Data Processing)	Per Piece	\$0.0123
B. Printing & Mailing Fee per Page	Per Piece	\$0.0515
C. Inserting of Inserts Into Bill Packages Machine-Inserting of Job-Specific Inserts and Envelopes	Per Piece	\$0.006
D. Inline Inserts (Printing and Inserting)	Per Piece	0.097

Services	Unit	Price
Materials Pricing		
A. Paper Stock for Bills and Notices	Per Piece	\$0.0145
B. Paper Stock	Per Piece	\$0.0145
C. Custom #10 Outgoing Envelope (billed upfront) #10 Outgoing Envelope (custom: business cert or renewal enclosed)	Per Piece	\$0.0457
D. Custom #9 Return Envelope #9 Return Envelope (renewal only)	Per Piece	\$0.0433
E. Standard #10 Outgoing Envelope (standard)	Per Piece	\$0.023
F. Standard #9 Return Envelope (standard)	Per Piece	\$0.020
G. Custom #10 Outgoing Envelope (Utility Bills)	Per Piece	\$0.0504
H. Custom #9 Return Envelope (Utility Bills)	Per Piece	\$0.0243
I. 9X12 Large Flat Envelope	Per Piece	\$0.160
J. Paper Stock for Tax Certifications - #90 Index	Per Piece	\$0.0468
Optional Services		
A. Professional Services. These services will be performed only upon the City's request for customizations made to the processing program or document format after go-live. Contractor shall not commence work until receipt of the City's written approval.	Per Hour	\$150
B. Graphic Design Services. These services will be performed only upon the City's request for design services made to document designs after go-live. Contractor shall not commence work until receipt of the City's written approval.	Per Hour	\$95
C. Supplemental User Training (remote)	Per Session	No cost
D. Address Updates Electronic Address Updates – NCOALink or ACS. Per Record Passed. Contractor electronically reports addresses from the City's data that need to be updated because the customer filed a Change of Address Report with the USPS.	Per Address	\$0.0032
E. Document Imaging and Storage. Retention fee per document to process, index, and store a document as a PDF for 18 months. PDFs are securely accessed using Contractor's website application, and include USPS mail tracking for all outbound First Class mailed documents.	Per Piece	\$0.0110

Services	Unit	Price
Setup fees may apply depending on configuration needs.		
F. House Holding Labor Surcharge. A house-holding surcharge is assessed per mail piece (not per page). This surcharge applies to multiple-page bills that exceed the number of pages a machine can insert into a #10 envelope. This surcharge covers the manual labor required to process these mail pieces.	Per Household	\$0.250
G. Batch Fee (Under 100 Pieces) on Approval Balances and 48 Hour Notices (<100 Pieces). This fee is assessed to cover Contractor's costs when batches transferred to Contractor fall below threshold.	Per Batch	\$5

SECTION 3. PRICE ADJUSTMENT

Contractor may request rate adjustments in conjunction with each amendment to exercise an option period. Price adjustments will be based on the percentage change in the applicable Consumer Price Index or Producer Price Index and will be mutually agreed upon by the parties. Any approved price adjustments will be documented in the amendment authorizing the option period extension.

SECTION 4. POSTAGES

Postage costs are pass-through expenses and are not included in the aggregate maximum compensation for this Agreement. These costs will be charged to the City at the lowest possible USPS rates.

Contractor will purchase the postage required to mail City's documents on the day of mailing. The postage charges will be invoiced to the City based on the City's payment terms. To facilitate payment terms, Contractor has received a postage deposit of \$22,680 from the City. This deposit will remain on account for the duration of the Agreement. The postage deposit will be refunded within fifteen (15) days of the date that the final open invoice is paid.

The postage deposit is subject to an annual review and may be adjusted to account for changes in the City's average mailing volume or changes to USPS postage rates. Contractor may request no more than one adjustment per year.

The postage deposit is calculated by multiplying the estimated number mail pieces per month by the current 5-Digit presorted first class postage rate. The required postage deposit amount is:

Deposit amount on account: \$22,680.00

Terms: Net 30

SECTION 5. INVOICING

Contractor will bill City on a monthly basis for services provided by Contractor during the preceding month on an invoice and in a format approved by City and subject to verification and approval by City. City will pay Contractor within thirty (30) days of City's receipt of an approved invoice.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect during the period of performance of the Agreement and for twenty-four (24) months following acceptance by the City, at its sole cost and expense, the following insurance policies from insurance companies authorized to do business in the State of California. These policies shall be primary insurance as to the City of Santa Clara so that any other coverage held by the City shall not contribute to any loss under Contractor's insurance. The minimum coverages, provisions and endorsements are as follows:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

\$1,000,000 Each Occurrence
\$2,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$1,000,000 Personal Injury
2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than

one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned (if any), non-owned and hired autos.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. PROFESSIONAL LIABILITY

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against negligent acts, errors or omissions of the Contractor. Covered services as designated in the policy must specifically include work performed under this agreement. Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per claim or two million dollars (\$2,000,000) aggregate. Any coverage containing a deductible or self-retention must first be approved in writing by the City Attorney's Office.

E. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85, or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.
2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording

making it primary insurance as respects to, and not requiring contribution from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. Cancellation.

- a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.
- b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through E of this Exhibit C, above.

F. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services, who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.
2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge

City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

G. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

H. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be e-mailed to ctsantaclara@ebix.com or mailed to:

EBIX Inc.
City of Santa Clara – Finance – Municipal Services
P.O. Box 100085 – S2
Duluth, GA 30096
Telephone number: 951-766-2280
Fax number: 770-325-0409

I. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.



Agenda Report

24-1050

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on an Equipment Rental Agreement and Related Documents with Global Rental Co., Inc. for Equipment Rental for Silicon Valley Power

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City's Electric Utility, Silicon Valley Power (SVP), uses various types of equipment, such as aerial trucks and digger derricks, to carry out its essential operations. SVP currently owns a fleet of equipment but must rent equipment to supplement its existing fleet due to increases in operational demands, equipment downtime, and lead times in the procurement of new equipment.

DISCUSSION

Section 2.105.270(c) of the Santa Clara City Code (City Code) states that the City may, without observing formal bidding requirements, "contract with a vendor under a contract awarded using preestablished cooperative purchasing agreements, when such agreement resulted from a competitive bid process that meets or exceeds the City's competitive bid process." The City's Purchasing Division Manager's has determined that the competitive solicitation process described below meets or exceeds the City's competitive bid process.

Sourcwell is a government agency established by the State of Minnesota legislature to facilitate cooperative purchasing solutions for governmental, educational, and nonprofit agencies. In 2024, Sourcwell issued a Request for Proposals (RFP) for rental equipment, products, and related services. That RFP resulted in multiple vendors being awarded agreements. After evaluating the equipment offerings of those vendors, staff selected Global Rental Co., Inc. (Global Rental) due to their ability to supply the aerial trucks and digger derricks required by SVP. In addition, Global Rental provides a 24-hour emergency service and offers discounted equipment rental rates of 3-5% off the commercial list price under the Sourcwell cooperative purchasing agreement.

Staff is requesting City Manager authorization to execute an equipment rental agreement with Global Rental effective from the date of City Council authorization through June 11, 2028, the termination date of the Sourcwell cooperative purchasing agreement. The estimated annual expenditure on rental equipment is \$250,000. Staff recommends an authorization not to exceed \$2.5 million over the term of the Sourcwell cooperative purchasing agreement. This includes (1) approximately \$100,000 already spent under staff level authority, (2) \$1 million for current vehicles rented under this agreement including potential price increases or other costs, (3) \$700,000 in additional authorization for additional rental vehicles during the term in case of additional identified equipment needs, and (4) authorization of up to \$700,000 to buy out rental vehicles from lease.

ENVIRONMENTAL REVIEW

The actions being considered do not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to section 15378(b)(2) of Title 14 of the California Code of Regulations as the proposed actions only authorize the rental and purchase of equipment.

FISCAL IMPACT

Funds are available in the Electric Utility Operating Fund budget for FY 2024/25. Funds for future years will be requested through the normal budget process.

COORDINATION

The report has been coordinated with the Finance Department and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, or by email to: clerk@santaclaraca.gov [<mailto:clerk@santaclaraca.gov>](mailto:clerk@santaclaraca.gov).

RECOMMENDATION

1. Authorize the City Manager or designee to execute an Equipment Rental Agreement and related documents with Global Rental Co., Inc. for Silicon Valley Power under the Sourcewell cooperative purchasing agreement, through June 11, 2028, with a total maximum compensation of up to \$2.5 million, subject to the appropriation of funds and review and approval as to form by the City Attorney; and
2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement and to negotiate and execute amendments to (1) rent additional equipment and vehicles; and (2) purchase vehicle and equipment rentals, subject to appropriation of funds and review and approval as to form by the City Attorney.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Equipment Rental Agreement with Global Rental Co., Inc.

Equipment Rental Agreement

This Equipment Rental Agreement (Agreement) is entered into between the City of Santa Clara ("City") and Global Rental Co., Inc., ("Global"). The Effective Date of this Agreement is _____.

City agrees to rent from Global the Equipment identified on the attached price list (Appendix A) executed, now or hereafter, pursuant to this Agreement, subject to Sourcwell Agreement Number 040924 (Sourcwell Agreement). In the event of a conflict between the terms of this Agreement and Sourcwell Agreement, this Agreement shall govern. Appendix A is attached hereto and incorporated herein by reference.

1. Acknowledgements

- A. **Acknowledgement.** The term of each rental shall be set forth in the corresponding Acknowledgement (Appendix B) as further described below and shall continue, without allowance for time not in use, until the Equipment is returned to Global at a location designated by Global. If, during the rental term, the Equipment is damaged, the rental term shall continue until the damage is repaired to Global's satisfaction. An "Acknowledgement" is a document which is executed by City and Global, which contains specific information about each rental such as unit number, model, serial number, Equipment description, the rental period, rental rate, replacement value, and other costs (e.g., delivery charges). A form of the Acknowledgement is attached hereto as Appendix B and incorporated herein by reference. Any Acknowledgement reference executed by the City and Global after the Effective Date shall be incorporated into this Agreement.
- B. **Previously Issued Acknowledgements.** Global previously issued four Acknowledgements to the City. Those four Acknowledgments are attached hereto as Appendix C and are hereby incorporated into this Agreement by reference. These Acknowledgments are subject to the terms of this Agreement.

2. City's obligations:

- A. **Rent.** City must timely pay the rent set forth on the Acknowledgement(s), absolutely and without any right of setoff.
- B. **Damage.** City will be responsible for all damage to or loss of the Equipment that occurs during the rental term. Because Global will have to replace, in its fleet, Equipment that is lost, stolen, or damaged beyond repair, City agrees to pay Global the Fair Market Value of the Equipment, set forth in the Acknowledgement, at the time of loss, if the Equipment is lost, stolen, or damaged beyond repair.
- C. **Maintenance.** City will maintain the Equipment, at City's expense, during the rental term. This includes all routine service and preventative maintenance.
- D. **Operation.** City will allow only qualified persons to operate the Equipment and will assure that its operation is in compliance with any applicable laws, regulations, or standards. **City assume all responsibility for liability, damage, or harm arising from operation of the Equipment during the rental term.**
- E. **Insurance.** City will maintain insurance from an "A" rated insurer for general liability, automobile liability, and physical damage, each with limits of at least \$1,000,000, to insure against liabilities arising from City's use of the Equipment and to insure against damage to the Equipment. City is self-insured under Government Code Section 990.4. Such physical damage insurance shall include coverage for Fair Market Value of the Equipment. If City obtain the required physical damage coverage through Global, the rate for such coverage and the amount of City's deductible will be set forth in the Acknowledgement. City will maintain excess liability insurance in an umbrella form with limits of at the least \$3,000,000. City will name Global Rental Co., Inc. as additional insured under General Liability, Automobile Liability, and Physical Damage coverage on a primary/non-contributory basis with a Waiver of Subrogation. City will also name Global Rental as Loss Payee as respects its ownership of the unit. City will also maintain Workers Compensation and Employers' Liability insurance. **City's insurance is primary.** Global's insurance, if any, is secondary to that of City. **City will furnish Global an executed Certificate of Insurance meeting the requirements shown on the attached sample Certificate of Insurance.**
- F. **Compliance with Laws.** City will comply with all laws and regulations governing possession, maintenance, and operation of the Equipment, including, but not limited to, DOT regulations (including marking requirement), motor vehicle laws, odometer disclosure requirements, ANSI standards, OSHA regulations, and insurance requirements. Global cooperates with all Federal, State, and local law enforcement officials nationwide to provide the identity of customers who operate this rental Equipment.
- F. **Sub-rental Prohibited.** City will not sub-rent the Equipment, nor will City allow it to be operated by anyone other than City or City's employee.

4 City acknowledge that the rental may include an AXIS hub that periodically collects historical data for the manufacturer (e.g., data on product performance, usage, environment, location and operational status). The manufacturer does not share, sell, or rent data to third parties and follows industry-standard practices to protect data. Usage and management of product data can be found on www.Altec.com

5. City acknowledge that Global makes no warranty or representation, either express or implied, with respect to the Equipment, its design, its condition, its merchantability, or its fitness for a particular purpose. Global will not be liable for any incidental or consequential damages arising from the Equipment, City's use of the Equipment, or any inability to use the Equipment.

6. Global may terminate this Agreement or any rental hereunder if City fail to pay the required rent, fail to meet any obligation under this Agreement, go out of business, or go bankrupt. Global has the right of immediate possession of the Equipment upon any such termination and additionally may pursue all available remedies it might have.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: _____

GLEN R. GOOGINS
City Attorney

JOVAN D. GROGAN
City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

Global Rental Co., Inc
an Alabama Corporation

Dated: 9/3/2014

By (Signature): 

Name: Mike Ritter

Title: Controller

Principal Place of Business: 33 Inverness Center Parkway,

Address: Birmingham, AL 35242

Email Address: Mike.ritter@altec.com

Telephone: (408) 408-8263

"GLOBAL"

APPENDIX A

Global - Sourcewell Rental Equipment 28 Day Rental Rate			
Model	Commercial List Price	Discount %	Sourcewell Price
A77-T ** 6x6	\$6,870	3%	\$6,664
AA55 4x2	\$4,120	3%	\$3,996
AA55 4x4	\$4,838	5%	\$4,596
AC40-152 ** 8x6	\$9,790	3%	\$9,496
AH100 ** 6x6	\$11,202	3%	\$10,866
AH125 8x6	\$13,900	3%	\$13,483
AM55 4x2	\$4,454	3%	\$4,320
AM55 4x4	\$5,179	5%	\$4,920
AN67 4x2	\$4,918	3%	\$4,770
AN67 4x4	\$5,653	5%	\$5,370
AN67-E100 ** 6x6	\$11,143	5%	\$10,586
AT238P 4x2	\$2,935	3%	\$2,847
AT335 4x2	\$2,998	3%	\$2,908
AT40-G 4x2	\$2,962	3%	\$2,873
AT40-G 4x4	\$3,543	3%	\$3,437
AT41M 4x4	\$4,356	3%	\$4,225
AT48M 4x4	\$4,589	3%	\$4,451
DB41B With Trailer	\$3,958	3%	\$3,839
DC47 4x2	\$4,356	3%	\$4,225
DC47 4x4	\$5,079	5%	\$4,825
DM47B-TR 4x2	\$4,356	3%	\$4,225
DM47B-TR 4x4	\$5,079	5%	\$4,825
DM47E-TR 4x2	\$4,510	3%	\$4,375
DM47E-TR 4x4	\$5,237	5%	\$4,975
DT65 ** 6x6	\$6,861	3%	\$6,655
DT85H 6x6	\$10,502	3%	\$10,187
LR8-56 4x2	\$3,892	3%	\$3,775
LR8-60E70 ** 4x2	\$4,245	3%	\$4,118
T40P 4x2	\$3,859	3%	\$3,743
TA60 4x2	\$4,421	3%	\$4,288
TA60 4x4	\$5,145	5%	\$4,888
1100TM Pressure Digger	\$11,790	3%	\$11,436
2200 TM Pressure Digger **6x6	\$18,250	3%	\$17,703
Single Axle Pole Trailer 17,600 GVWR	\$463	3%	\$449
Tandem Axle Pole Trailer 35,000 GVWR	\$694	3%	\$673
DP-3.5-4H 4-Drum Puller	\$4,276	3%	\$4,148
DP-40-4H 4-Drum Puller	\$3,813	3%	\$3,699
Dump Truck ** 6x4 - 66,000 GVWR	\$3,620	3%	\$3,511
Dump Truck 4x2 - 19,500 GVWR	\$2,984	3%	\$2,895
Dump Truck 4x4 - 19,500 GVWR	\$3,206	3%	\$3,110
Dump Truck 4x2 - 33,000 GVWR	\$3,742	3%	\$3,630
MUD DOG 1200 Hydro Excavator	\$15,026	3%	\$14,575
PTV 100/72 Tensioner / Puller	\$13,155	3%	\$12,760
Pole / Cargo Trailer 15,000 GVWR	\$573	3%	\$560
PKMA1398	\$7,852	3%	\$7,616
PKM100	\$6,769	3%	\$6,566
T50/52 Bull Wheel Tensioner	\$2,659	3%	\$2,579
UP85BDTA Underground Puller	\$3,700	3%	\$3,589
Vacmasters 1000 Air Excavation Unit	\$2,890	3%	\$2,803
Vacmasters 4000 Air Excavation Unit	\$7,398	3%	\$7,176
Splicing Trailer - Altec Fenex Model - FOST712 (7x12 trailer)	\$705	3%	\$684
Splicing Trailer - Altec Fenex Model - FOST610 (6x10 trailer)	\$650	3%	\$631

All items listed subject to availability, quote provided at time of request detailing options

Delivery is \$3.50 / mile

Chassis model can be any standard chassis (Ford, Dodge, International, Freightliner, Peterbilt, etc.)

Global - Sourcewell Equipment Available for Purchase			
	2023		
Model	Commercial List Price	Discount %	Sourcewell Price
A77-T ** 6x6	\$309,273	3%	\$299,995
AA55 4x2	\$197,148	3%	\$191,234
AA55 4x4	\$212,451	3%	\$206,077
AC40-152 ** 8x6	\$529,874	3%	\$513,978
AH100 ** 6x6	\$535,641	3%	\$519,572
AH125 8x6	\$659,983	3%	\$640,184
AM55 4x2	\$220,451	3%	\$213,837
AM55 4x4	\$235,295	3%	\$228,236
AN67 4x2	\$220,134	3%	\$213,530
AN67 4x4	\$234,987	3%	\$227,937
AN67-E100 ** 6x6	\$439,000	3%	\$425,830
AT238P 4x2	\$150,031	3%	\$145,530
AT335 4x2	\$132,000	3%	\$128,040
AT40-G 4x2	\$152,124	3%	\$147,560
AT40-G 4x4	\$155,095	3%	\$150,442
AT41M 4x4	\$175,143	3%	\$169,889
AT48M 4x4	\$188,286	3%	\$182,637
CB5-132D **	\$201,786	3%	\$195,732
DB41B With Trailer	\$229,115	3%	\$222,242
DC47 4x2	\$230,951	3%	\$224,022
DC47 4x4	\$245,617	3%	\$238,248
DM47B-TR 4x2	\$235,674	3%	\$228,604
DM47B-TR 4x4	\$250,413	3%	\$242,901
DM47E-TR 4x2	\$245,170	3%	\$237,815
DM47E-TR 4x4	\$259,915	3%	\$252,118
DT65 ** 6x6	\$374,998	3%	\$363,748
DT85H 6x6	\$460,645	3%	\$446,826
LR8-56 4x2	\$170,100	3%	\$164,997
LR8-60E70 ** 4x2	\$195,000	3%	\$189,150
T40P 4x2	\$235,230	3%	\$228,173
TA60 4x2	\$230,410	3%	\$223,498
TA60 4x4	\$245,689	3%	\$238,318
TS20-4P	\$151,797	3%	\$147,243
TS336-BW	\$58,436	3%	\$56,683

** Denotes FET fees were paid when unit was new. Global is not FET exempt.

All items listed subject to availability, quote provided at time of request detailing options

Delivery is \$3.50 / mile

Alternate year models may be available in addition to the ones shown here, they will be discounted / priced appropriately to reflect this

Chassis model can be any standard chassis (Ford, Dodge, International, Freightliner, Peterbilt, etc.)

Global - Sourcewell Equipment Available for Purchase

Model	2024		
	Commercial	Discount %	Sourcewell Price
1100TM Pressure Digger ** 6x6	\$732,758	3%	\$710,776
2200 TM Pressure Digger **6x6	\$1,071,272	3%	\$1,039,134
Single Axle Reel Trailer 10,500 GVWR Trailer	\$22,063	3%	\$21,401
Single Axle Pole Trailer 17,600 GVWR Trailer	\$24,581	3%	\$23,843
Tandem Axle Pole Trailer 35,000 GVWR Trailer	\$39,446	3%	\$38,263
Dump Truck ** 6x4 - 66,000 GVWR	\$235,463	3%	\$228,399
Dump Truck 4x2 - 19,500 GVWR	\$115,500	3%	\$112,035
Dump Truck 4x4 - 19,500 GVWR	\$117,600	3%	\$114,072
Dump Truck 4x2 - 33,000 GVWR	\$154,390	3%	\$149,758
Pickup	\$74,400	3%	\$72,168
Flatbed - 4x2 - 19,500 GVWR	\$99,328	3%	\$96,348
Flatbed- 4x4 - 19,500 GVWR	\$102,328	3%	\$99,258
Flatbed - 6x4	\$182,370	3%	\$176,899
Mud Dog 1200	\$701,820	3%	\$680,765
Mud DOG 700	\$517,358	3%	\$501,838
Mechanics Truck	\$206,958	3%	\$200,750
Service Truck	\$111,824	3%	\$108,470
PTV 100/72 Tensioner / Puller Trailer	\$390,880	3%	\$379,154
Pole / Cargo Trailer 15,000 GVWR Trailer	\$27,773	3%	\$26,940
Palfinger M13A98 - Behind Cab Mount	\$339,000	3%	\$328,830
Palfinger M13A98 - Rear Mount	\$333,500	3%	\$323,495
Palfinger C70L84 - Single Rear axle - Behind Cab Mounted - Under CDL	\$260,775	3%	\$252,952
Palfinger M100L72 - Single Rear axle - Behind Cab Mounted	\$243,000	3%	\$235,710
Palfinger M100L72 - Tandem Rear Axle - Behind Cab Mounted	\$284,057	3%	\$275,536
T30/36BWRC Bull Wheel Tensioner Trailer	\$58,648	3%	\$56,889
T50/52 Bull Wheel Tensioner Trailer	\$89,286	3%	\$86,607
T100/72	\$139,451	3%	\$135,267

DP100	\$487,684	3%	\$473,053
UP85BDTA Underground Pullter Trailer -	\$205,418	3%	\$199,255
Vacmasters 1000 Air Excavation Unit Trailer	\$144,886	3%	\$140,539
Vacmasters 4000 Air Excavation Unit ** 6x4	\$362,436	3%	\$351,563
Vacmasters 5000 Air Excavation Unit ** 6x4	\$402,053	3%	\$389,991
Vacmasters 6000 Air Excavation Unit ** 6x4	\$542,888	3%	\$526,602
TC56Aic	\$230,000	2%	\$225,400
TC67Aic	\$235,000	2%	\$230,300
TC82	\$179,000	2%	\$175,420
Teupen TC 69A	\$143,500	2%	\$140,630
Teupen TC 92SJ	\$189,500	2%	\$185,710

** Denotes FET fees were paid when unit was new. Global is not FET exempt.

All items listed subject to availability, quote provided at time of request detailing options

Dellivery is \$3.50 / mile

Alternate year models may be available in addition to the ones shown here, they will be discounted / priced appropriately to reflect this

Chassis model can be any standard chassis (Ford, Dodge, Internatioal, Freightliner, Peterbilt, etc.)



Acknowledgement #:

Appendix B – Sample Acknowledgement

Customer: CITY OF SANTA CLARA (CA)
1705 MARTIN AVE
SANTA CLARA, CA 95050

Purchase Order:
Release :

This letter will serve as acknowledgement of City's rental of the following Global Rental Co., Inc. equipment:

Unit #
Model:
Serial #:

Chassis:
Chassis VIN:
Engine:

Rental Period:
Rental Rate:
Billing Cycle:
Delivery Charge:
Pick Up Charge:

Insurance Company:
Replacement Value:

Miscellaneous:

The terms and conditions for the rental of this equipment are covered by our executed Equipment Rental Agreement dated [INSERT]. Please notify us immediately if you think that the information on this acknowledgement is inaccurate.

Global Rental Co., Inc.

CITY OF SANTA CLARA (CA)

Signed: _____

Signed: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date : _____

Date : _____

As noted in section E. of the master rental agreement, City has the option of purchasing a "collision damage waiver" to satisfy the physical damage insurance requirements for the Equipment rented from Global Rental CO., Inc. The cost of the coverage will be in addition to City's monthly rental payment at the daily rate of \$.05 per \$1,000 of Equipment value as noted above. A \$5,000 deductible will be applied to each and every loss and assumed by the customer. Please indicate City's election with regards to physical damage below:

_____ **ELECTS** Physical Damage Coverage

_____ **DECLINES** Physical Damage Coverage

Customer Initials: _____

Per ANSI regulations A92.2-2001 Sections 9 through 11 and ANSI A10.31 Section 11.4, operator training is offered for this unit. Basic operator and maintenance manuals are provided with truck. Please indicate City's election with regards to training below:

_____ **ELECTS** Training

_____ **DECLINES** Training

Customer Initials: _____



Global
Global Rental Co., Inc.

Acknowledgement #: 1309701

Customer: CITY OF SANTA CLARA (CA)
ATTN DAVE PADILLA
1705 MARTIN AVE
SANTA CLARA, CA 95050

Purchase Order:
Release :

This letter will serve as acknowledgement of your rental of the following Global Rental Co., Inc. equipment:

Unit # : 097-59754952
Model : AA55
Serial #: 0719FH8190

Chassis : 2020FREIGHTLINERM2-106
Chs VIN : 1FVACXFC3LHKW6306
Engine :

Rental Period: 09/02/2020 thru OPEN ENDED
Rental Rate : \$3,500
Billing Cycle: 28 DAYS
Delivery Chg : \$0
Pick Up Chg :

Insurance Co : On-File
Replacement Value: \$184,062.00

Miscellaneous:

The terms and conditions for the rental of this equipment are covered by our previously executed Equipment Rental Agreement. Please notify us immediately if you think that the information on this acknowledgement is inaccurate.

Global Rental Co., Inc.

CITY OF SANTA CLARA (CA)

Signed: _____

Signed: *Dave Padilla*

Print : _____

Print : DAVE PADILLA

Title : _____

Title : ELECT. DIV. MNGR.

Date : _____

Date : 9-2-2020



Global
Global Rental Co., Inc.

Acknowledgement #: 1309701

As noted in section E. of the master rental agreement, you have the option of purchasing a "collision damage waiver" to satisfy the physical damage insurance requirements for the Equipment rented from Global Rental CO., Inc. The cost of the coverage will be in addition to your monthly rental payment at the daily rate of \$.05 per \$1,000 of Equipment value as noted above. A \$1,000 deductible will be applied to each and every loss and assumed by the customer. Please indicate your election with regards to physical damage below:

☐ **ELECTS** Physical Damage Coverage

☒ **DECLINES** Physical Damage Coverage

Customer Initials: MP

Per ANSI regulations A92.2-2001 Sections 9 through 11 and ANSI A10.31 Section 11.4, operator training is offered for this unit. Basic operator and maintenance manuals are provided with truck. Please indicate your election with regards to training below:

☐ **ELECTS** Training

☒ **DECLINES** Training

Customer Initials: MP



Global
Global Rental Co., Inc.

Acknowledgement #: 1313414

Customer: CITY OF SANTA CLARA (CA)
ATTN DAVE PADILLA
1705 MARTIN AVE
SANTA CLARA, CA 95050

Purchase Order:
Release :

This letter will serve as acknowledgement of your rental of the following Global Rental Co., Inc. equipment:

Unit # : 057-60053377
Model : AT40G
Serial #: 0719EY4699

Chassis : 2019FORDF550
Chs VIN : 1FDUF5GT6KEF06348
Engine : DIESEL

Rental Period: 02/02/2021 thru OPEN ENDED
Rental Rate : \$2,500
Billing Cycle: 28 DAYS
Delivery Chg : \$0
Pick Up Chg :

Insurance Co : On-File
Replacement Value: \$116,903.00

Miscellaneous: David Padilla # 408-615-5630

The terms and conditions for the rental of this equipment are covered by our previously executed Equipment Rental Agreement. Please notify us immediately if you think that the information on this acknowledgement is inaccurate.

Global Rental Co., Inc.

CITY OF SANTA CLARA (CA)
DocuSigned by:Signed: Amy MarcantelliSigned: David PadillaPrint : Amy MarcantelliPrint : David PadillaTitle : Sr. Administrative AssistantTitle : Electric division managerDate : 2/2/2021Date : 11/23/2021



Global
Global Rental Co., Inc.

Acknowledgement #: 1313414

As noted in section E. of the master rental agreement, you have the option of purchasing a "collision damage waiver" to satisfy the physical damage insurance requirements for the Equipment rented from Global Rental CO., Inc. The cost of the coverage will be in addition to your monthly rental payment at the daily rate of \$.05 per \$1,000 of Equipment value as noted above. A \$1,000 deductible will be applied to each and every loss and assumed by the customer. Please indicate your election with regards to physical damage below:

☒ ^{DS} **ELECTS** Physical Damage Coverage
☐ ^{DP} **DECLINES** Physical Damage Coverage

Customer Initials: ☒ ^{DS} **DP**

Per ANSI regulations A92.2-2001 Sections 9 through 11 and ANSI A10.31 Section 11.4, operator training is offered for this unit. Basic operator and maintenance manuals are provided with truck. Please indicate your election with regards to training below:

☒ ^{DS} **ELECTS** Training
☐ ^{DP} **DECLINES** Training

Customer Initials: ☒ ^{DS} **DP**



Acknowledgement #: 1331028

Customer: CITY OF SANTA CLARA (CA)
1705 MARTIN AVE
SANTA CLARA, CA 95050

Purchase Order:
Release :

This letter will serve as acknowledgement of your rental of the following Global Rental Co., Inc. equipment:

Unit # : 037-93103376
Model : DC47-TR
Serial #: 0923EU6820

Chassis : 2024INTERNATIONALMV607
Chs VIN : 3HAEUMMN8RL527819
Engine : DIESEL

Rental Period: 12/11/2023 thru OPEN ENDED
Rental Rate : \$4,000
Billing Cycle: 28 DAYS
Delivery Chg : \$2,245
Pick Up Chg :

Insurance Co : On-File
Replacement Value: \$249,464.00

Miscellaneous: Dave Padilla # 408-615-5630

The terms and conditions for the rental of this equipment are covered by our previously executed Equipment Rental Agreement. Please notify us immediately if you think that the information on this acknowledgement is inaccurate.

Global Rental Co., Inc. DocuSigned by:

CITY OF SANTA CLARA (CA)

Signed: Amy Marcantelli

Signed: _____

Print : Amy Marcantelli

Print : _____

Title : Rental Coordinator

Title : _____

Date : 12/14/2023

Date : _____



As noted in section E. of the master rental agreement, you have the option of purchasing a "collision damage waiver" to satisfy the physical damage insurance requirements for the Equipment rented from Global Rental CO., Inc. The cost of the coverage will be in addition to your monthly rental payment at the daily rate of \$.05 per \$1,000 of Equipment value as noted above. A \$5,000 deductible will be applied to each and every loss and assumed by the customer. Please indicate your election with regards to physical damage below:

_____ **ELECTS** Physical Damage Coverage

X
_____ **DECLINES** Physical Damage Coverage

Customer Initials:_____

Per ANSI regulations A92.2-2001 Sections 9 through 11 and ANSI A10.31 Section 11.4, operator training is offered for this unit. Basic operator and maintenance manuals are provided with truck. Please indicate your election with regards to training below:

_____ **ELECTS** Training

X
_____ **DECLINES** Training

Customer Initials:_____



Global
Global Rental Co., Inc.

Acknowledgement #: 1334717

Customer: CITY OF SANTA CLARA (CA)
1705 MARTIN AVE
SANTA CLARA, CA 95050

Purchase Order:
Release :

This letter will serve as acknowledgement of your rental of the following Global Rental Co., Inc. equipment:

Unit # : 037-93103429
Model : TA60
Serial #: 0324EL4000

Chassis : 2025FREIGHTLINERM2-106
Chs VIN : 3ALDCXFC0SDVH2957
Engine : DIESEL

Rental Period: 06/18/2024 thru OPEN ENDED
Rental Rate : \$4,400
Billing Cycle: 28 DAYS
Delivery Chg : \$2,700
Pick Up Chg :

Insurance Co : On-File
Replacement Value: \$287,566.00

Miscellaneous: Dave Padilla # 408-615-5630

The terms and conditions for the rental of this equipment are covered by our previously executed Equipment Rental Agreement. Please notify us immediately if you think that the information on this acknowledgement is inaccurate.

Global Rental Co., Inc.

CITY OF SANTA CLARA (CA)

Signed: _____

Signed: _____

Print : _____

Print : _____

Title : _____

Title : _____

Date : _____

Date : _____

As noted in section E. of the master rental agreement, you have the option of purchasing a "collision damage waiver" to satisfy the physical damage insurance requirements for the Equipment rented from Global Rental CO., Inc. The cost of the coverage will be in addition to your monthly rental payment at the daily rate of \$.05 per \$1,000 of Equipment value as noted above. A \$5,000 deductible will be applied to each and every loss and assumed by the customer. Please indicate your election with regards to physical damage below:

_____ **ELECTS** Physical Damage Coverage

_____ **DECLINES** Physical Damage Coverage

Customer Initials:_____

Per ANSI regulations A92.2-2001 Sections 9 through 11 and ANSI A10.31 Section 11.4, operator training is offered for this unit. Basic operator and maintenance manuals are provided with truck. Please indicate your election with regards to training below:

_____ **ELECTS** Training

_____ **DECLINES** Training

Customer Initials:_____



Agenda Report

24-1117

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on a Purchase and Sale Agreement With Dollinger-Lafayette Associates to Acquire the Improved Property Located at 2900-2930 Lafayette Street in Santa Clara for Use by Silicon Valley Power for a Purchase Price of \$5.5 Million and Related Budget Amendment

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

On September 28, 2021, the City Council accepted Silicon Valley Power's (SVP) Three-Year System Growth Strategy Plan (RTC 21-871). The Three-Year System Growth Strategy Plan identifies proposed projects for both near-term and long-term capital improvement projects needed to support anticipated system growth and to replace end-of-life equipment to ensure system reliability. Two of the key projects are the reconstruction of the Kifer Receiving Station (KRS) and the construction of a Battery Energy Storage System (BESS). These two projects are being constructed/expanded on an SVP owned property adjacent to the Donald Von Raesfeld (DVR) power plant, shown on the Location Map and Adjacent Uses (Attachment #1).

SVP's infrastructure in the area is becoming constrained and staff, with CBRE as its representative, have been reviewing property opportunities adjacent to DVR for future flexibility and near-term needs. The property located at 2900-2930 Lafayette Street (Property) is adjacent to key SVP properties and infrastructure and the property owner is agreeable to negotiate a Purchase and Sale Agreement. A Letter of Interest (LOI) was executed by both parties on August 14, 2024.

DISCUSSION

The Property is a 43,999 square feet lot with a 15,375 square feet building and existing tenants. A full list of the tenants and lease expiration dates are included in Exhibit C of the Purchase and Sale Agreement (Agreement), Attachment #2. Some leases are month to month, while others terminate in the near future (the latest expiring on May 31, 2026). The City will enter into a property management agreement with a commercial property manager to support the existing tenants when the purchase is completed.

SVP does not currently have a long-term plan for the Property, but due to space constraints around DVR, KRS, and BESS, it is expected that this Property will be needed for SVP infrastructure or other projects in the future. Short term, as part of the system expansion projects and new proactive maintenance contracts, SVP will have storage needs, and this Property could serve as a laydown area for materials and equipment.

The key Agreement terms include the following:

- **Purchase Price:** \$5.5 million
- **Deposit:** \$180,000 refundable deposit and applicable to the purchase price.
- **Due Diligence Period:** 60 days from receipt of all due diligence documents to review and approval all matters pertaining to the physical, structural, electrical, mechanical, soil, drainage, environmental, economic, tenancy, zoning, land use and other governmental compliance matters and conditions respecting the Property.

Staff has not identified any environmental issues with the Property. Staff reviewed a previously completed Phase I environmental assessment for the Property and the findings were that “[b]ased on current and available historical information, there is a low potential that the Property has been impacted by the current on-site operations” and “based on the review of available information, including current regulatory agency databases, there is a low potential that the Property has been impacted by reported off-site facilities or sources of contamination.” In 2009, the property owner completed a groundwater and sampling analysis, and the finding was that “[b]ased on our sampling, there does not appear to have been a significant impact to the site as a result of the former gas station operations, and no additional environmental assessment is recommended at this time.” Under the Agreement, the City may conduct a new Phase I environmental site assessment, if necessary.

ENVIRONMENTAL REVIEW

The proposed approval of the Agreement is exempt from the California Environmental Quality Act (“CEQA”) pursuant to section 15061(c)(3) of Title 14 of the California Code of Regulations as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The Agreement does not contain any development plans or commitments requiring environmental review.

FISCAL IMPACT

Staff recommends a budget amendment to add additional appropriations to the Capital Outlay budget of the SVP Operating Budget in the amount of \$5.5 million. This funding will be transferred from the Electric Utility Fund Balance and will have no impact on the General Fund.

Budget Amendment FY 2024/25

Electric Utility Fund (Fund 091)	Current	Increase/(Decrease)	Revised
<u>Expenditures</u>			
Electric Department	\$612,297,653	\$5,500,000	\$617,797,653
<u>Fund Balance</u>			
Unrestricted Ending Fund Balance	\$ 91,295,323	(\$5,500,000)	\$ 85,795,323

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager to execute a Purchase and Sale Agreement (Agreement) with Dollinger-Lafayette Associates for 2900-2930 Lafayette Street in the amount of \$5.5 Million for use by Silicon Valley Power, in substantially the form presented subject to the review and final approval as to form by the City Attorney;
2. Authorize the City Manager or designee to take any necessary actions to implement and administer the Agreement, including, acceptance of a grant deed on behalf of the City; and
3. Approve the FY 2024/25 budget amendment in the Electric Utility Fund to increase the Electric Department (Capital Outlay) appropriation and decrease the Unrestricted Ending Fund Balance in the amount of \$5.5 million **(five affirmative Council votes required for the use of unused balances)**.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Location Map and Adjacent Uses
2. Purchase and Sale Agreement

RTC 24-1117 LOCATION MAP & ADJACENT USES

1. 2900-2930 Lafayette (Green)
2. DVR (Orange)
3. KRS (White)
4. BESS (Blue)



PURCHASE AND SALE AGREEMENT

By
and
between

DOLLINGER-LAFAYETTE ASSOCIATES

“Seller”

AND

CITY OF SANTA CLARA
a municipal corporation
“Buyer”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is entered into as of the _____ day of _____ 2024 (the "Effective Date"), by and between Dollinger Lafayette Associates, A California General Partnership ("Seller"), and the CITY OF SANTA CLARA, a California municipal corporation ("Buyer"). The Seller and Buyer may be referred to in this Agreement individually as a "Party" or collectively as the "Parties."

THE PARTIES ENTER INTO THIS AGREEMENT on the basis of the following facts, understanding, and intentions:

- A. Seller is the owner of certain improved property located in the City of Santa Clara, State of California, commonly known as **2900-2930 Lafayette Street, Santa Clara, California; APN No. 224-08-109 (the "Property")**.
- B. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, on all of the terms, covenants, and conditions hereinafter set forth. Buyer further agrees to take title to the Property subject to the Leases. The performance of this Agreement constitutes the entire consideration for the sale of the Property.
- C. Seller and Buyer recognize that the sale of the Property is subject to approval of the City Council of Buyer and that this Agreement shall have no force or effect unless and until said City Council approval has been obtained, which approval shall be obtained before execution of the Agreement by Buyer.

NOW THEREFORE in consideration of the mutual covenants and promises of the parties, the parties hereto agree as follows:

1.0 ARTICLE 1 – PURCHASE AND DEFINITIONS

- 1.1. The Property. Seller owns certain real property (the "Property") located in the City of Santa Clara, California as more particularly described in Exhibit A. As used herein, the term "Property" means collectively the Property, all improvements and buildings located thereon, and all easements, agreements, benefits, privileges, permits, tenements, hereditaments, licenses and rights appurtenant to the Property.
- 1.2. Sale and Conveyance. Seller shall sell to Buyer and Buyer shall purchase from Seller, on all of the terms and conditions set forth in Articles 2 and 3 hereof, the Property.
- 1.3. Definitions.

(a) **"Escrow Agent"**: First American Title Company, Theresa Woest-San Jose Office (Twoest@firstam.com)

(b) **"Hazardous Substances"**: Any toxic, radioactive, caustic or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of

the foregoing characteristics. The term “Hazardous Substance” includes, without limitation, any substance regulated under any and all federal, state and local statutes, laws (including case law), regulations, ordinances, rules, judgments, orders, decrees, codes, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions, whether now or hereafter in effect, relating to human health, the environment or to emissions, discharges or releases of pollutants, contaminants, toxic substances, hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous materials or wastes or the clean-up or other remediation thereof.

(c) “**Hazardous Substance Laws**”: all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, and all federal and state court decisions, consent decrees and orders interpreting or enforcing any of the foregoing, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 United States Code section 9601, et seq.), the Resource Conservation and Recovery Act, (42 United States Code section 6901, et seq.), and the Clean Water Act, (33 United States Code section 1251, et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the California Hazardous Waste Control Act, (California Health & Safety Code §§25100 et seq.), California Hazardous Substance Account Act California Health & Safety Code §§25300 et seq.), the California Safe Drinking Water and Toxic Enforcement Act (California Health & Safety Code §§25249 et seq.); the California Hazardous Waste Management Act (California Health & Safety Code ; the Porter-Cologne Water Quality Control Act (California Health and Safety Code §§ 13000 et seq.), and the Safe Drinking Water and Toxic Enforcement Act (California Health and Safety Code §§ 25249.5 et seq., and Title 22 of the California Code of Regulations, all as amended to the date hereof.

(d) “**Leases**”: Any and all other leases, tenancies, licenses and other rights of occupancy or use of or for any portion of the Property (including all amendments and renewals thereof).

(e) “**Property Information**”: All documents and other information set forth in Exhibit C, incorporated into this Agreement by this reference.

(f) “**Title Company**”: First American Title Company at the office selected by the Escrow Agent.

(g) “**Title Report**”: A preliminary title report for the Property prepared by the Title Company.

2.0 ARTICLE 2 - PURCHASE PRICE

- 2.1 **Purchase Price.** The purchase price ("Purchase Price") shall be **FIVE MILLION FIVE HUNDRED THOUSAND and NO/100 DOLLARS (\$5,500,000.00).**
- 2.2 Payment of Purchase Price. The purchase price shall be payable all in cash upon close of Escrow (as defined below) in accordance with Section 4.2.

3.0 ARTICLE 3 - CONDITIONS TO PURCHASE AND SALE

- 3.1 Conditions Precedent to Purchase and Sale. The obligation of Buyer to purchase and Seller to sell the Property is expressly conditioned upon the satisfaction, prior to the Closing Date, of each of the conditions set forth in this Section 3.1 (the "Conditions Precedent").

- 3.1.1 Title. Within fifteen (15) days of the Effective Date or such additional time as reasonable required by Seller, Seller shall cause Title Company to deliver to Buyer the Title Report. During the same fifteen day period, Seller shall provide all Property Information to Buyer period within Seller's possession. If Seller fails to provide the Title Report or Property Information within the foregoing fifteen day periods, Diligence Period will be extended for each day of applicable delay.

Buyer shall review the Title Report, and Buyer shall have the Due Diligence Period to give written notice regarding Buyer's approval or disapproval of the Title Report, including without limitation any exceptions. If Buyer timely and properly delivers written objection(s) to any items in the Title Report, then Seller shall notify Buyer in writing within three (3) Business Days after receipt of Buyer's notice of Buyer's title objections (but, in any event, prior to the Closing Date) whether Seller elects to remove, discharge or correct the same (and Seller's failure to respond in writing within such period shall be deemed an election by Seller not to remove, discharge or correct Buyer's title objections), and Seller shall have the right but not the obligation to use reasonable diligence to remove, discharge or correct such liens, encumbrances or objections and shall have a period of thirty (30) days after receipt of notice thereof in which to do so (and if necessary the Closing Date shall be extended on a day for day basis). Seller shall not in any event be obligated to pay any sums of money or to litigate any matter in order to remove, discharge or correct any lien, encumbrance or objection. Any attempt by Seller to remove other title exceptions (i.e., exceptions that Seller is not obligated to remove pursuant to the preceding sentence or otherwise in this Section 3.1.2) shall not impose an obligation upon Seller to remove such exceptions. If Seller shall be unwilling or unable to remove or discharge such other liens, encumbrances or objections within such period, then Buyer may, at its option, no later than five (5) Business Days after Seller notifies Buyer of Seller's unwillingness or inability, either terminate this Agreement or accept title in its then existing condition without reduction of the Purchase Price. If Buyer shall elect to terminate this

Agreement, the Monetary Deposit, shall be returned to Buyer, this Agreement shall terminate, and thereafter neither Seller nor Buyer shall have any further rights or obligations hereunder except such obligations of this Agreement which specifically survive termination. Notwithstanding anything to the contrary contained elsewhere in this Agreement, Seller shall be obligated to cure or satisfy all deeds of trust, judgment/liens, mechanics liens and any other monetary encumbrances prior to the Closing and, if not otherwise cured or satisfied, the proceeds of the Purchase Price shall be used at Closing for such purpose.

- 3.1.2 Due Diligence. Buyer's obligation to purchase the Property is conditioned upon Buyer's review and approval, prior to the expiration of the Due Diligence Period and in Buyer's sole discretion, of all matters pertaining to the physical, structural, electrical, mechanical, soil, drainage, environmental, economic, tenancy, zoning, land use and other governmental compliance matters and conditions respecting the Property, including without limitation the items include in the Title Report and Property Information. The Due Diligence Period is defined as the period commencing the Effective Date and ending sixty (60) days after the Effective Date or as extended by Buyer and Seller through mutual agreement in writing. In connection with its site investigations, Buyer has had the right, at its sole cost and expense, to conduct a physical assessment and make such investigations as Buyer deems necessary, including a Phase I Site environmental site assessment. Seller shall reasonably cooperate with Buyer's investigation of the Property, including the provision of all Property information in Seller's possession and reasonable access to the Property for Buyer or Buyer's agents to perform any tests or other inspections Buyer deems reasonably necessary. If, prior to the expiration of the Diligence Period (as it may be extended in whole or in part), based upon Buyer's review, examination and/or inspection of the Property, Buyer determines in its sole and absolute discretion that it no longer intends to acquire the Property, then Buyer shall promptly notify Seller of such determination in writing, whereupon this Agreement, and the obligations of the Parties to purchase and sell the Property hereunder, shall terminate. If, however, on or before the expiration of the Diligence Period, Buyer determines that the foregoing matters are acceptable to Buyer and that it intends to proceed with the acquisition of the Property, then Buyer shall promptly notify Seller of such determination in writing ("Approval Notice"). If Buyer fails to deliver the Approval Notice to Seller on or before the expiration of the Diligence Period, Buyer shall be deemed to have disapproved of all of the foregoing matters, this Agreement and the obligations of the parties hereunder shall terminate, and Escrow Agent shall promptly release the Monetary Deposit and interest accrued thereon to Buyer.
- 3.1.3 Execution of Grant Deed. Seller shall be ready, willing and able to convey title to the Property by grant deed to Buyer in the form of Exhibit B attached hereto (the "Grant Deed").

- 3.1.4 Deposit of Grant Deed. Seller shall have deposited into Escrow (as defined below) the Grant Deed as provided for in Article 4.1.1, conveying fee simple title to the Property (to the Buyer).
- 3.1.5 Title Insurance. The Title Company shall be prepared to issue a ALTA Standard Title Insurance (or ALTA extended policy, if desired by Buyer) in the amount of the Purchase Price insuring fee simple title to the Property vested in Buyer (the "Title Policy").
- 3.1.6 No Breach. There shall be no material breach of any of Seller's representations, warranties, or covenant set forth in Article 5.
- 3.1.7 Documentary Deposit. Seller and Buyer shall have each deposited into Escrow all materials required to be deposited under Article 4.
- 3.1.8 Monetary Deposit. Buyer has deposited in Escrow the sum of **One Hundred and Eighty Thousand Dollars (\$180,000.00)** in accordance with Section 4.1 below (the "Monetary Deposit"). Until the expiration of the Due Diligence Period or as otherwise expressly set forth in this Agreement, the Monetary Deposit is refundable and applicable to the Purchase Price.

Application of Deposit. The Deposit shall be deposited by Escrow Holder in an interest-bearing account at a federally insured institution as Escrow Holder and the Parties deem appropriate and consistent with the timing requirements of this Agreement. The interest thereon shall accrue to the benefit of the Party receiving the Deposit pursuant to the terms of this Agreement, and Buyer and Seller hereby acknowledge that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer agrees to provide its Federal Tax Identification Number to Escrow Holder upon the opening of Escrow. If Buyer delivers to Seller and Escrow Holder an Approval Notice prior to the expiration of the period commencing on the Effective Date and ending at 5:00 p.m. (Pacific time) on the expiration of the Due Diligence Period, the Deposit shall become non-refundable except as otherwise provided in this Agreement. If prior to the expiration of the Due Diligence Period Buyer fails to deliver a Buyer's Approval Notice, then this Agreement shall be automatically terminated and the Deposit, together with all interest accrued thereon, shall be returned to Buyer within one (1) business day after the expiration of the Due Diligence Period. If Buyer delivers an Approval Notice prior to the expiration of the Due Diligence Period then, after the expiration of the Due Diligence Period, the entirety of the Deposit together with interest accrued thereon shall continue to be held in escrow with Escrow Holder until the Closing Date or the termination of this Agreement, (ii) if the Closing occurs, be credited toward payment of the Purchase Price on the Closing Date; (ii) if the Closing does not occur by reason of a default by Buyer, be delivered to Seller as liquidated damages, below to the extent Seller is entitled thereto or, in all other cases

resulting in a termination of this Agreement, returned to Buyer by Escrow Holder.

Cash Balance. On or before 11:00 a.m. (Pacific time) on the Closing Date, Buyer shall deposit with Escrow Holder cash by means of a confirmed wire transfer through the Federal Reserve System or cashier's check in the amount of the balance of the Purchase Price, plus or minus Buyer's share of expenses and prorations as described in this Agreement.

Independent Consideration. Buyer and Seller have bargained for and agree that One Hundred Dollars (\$100.00) of the Deposit (the “**Independent Consideration**”) is independent consideration for Buyer's rights under this Agreement and for Seller providing the Due Diligence Period to Buyer. Upon receipt, the Escrow Holder shall immediately release the Independent Consideration to Seller, and notwithstanding any provision in this Agreement to the contrary, the Independent Consideration shall be nonrefundable to Buyer in all circumstances. Any time that this Agreement provides that the Deposit is to be returned to Buyer, the amount returned to Buyer shall be net of the Independent Consideration.

3.2 Buyer's Remedies.

3.2.1 Conditions Precedent. If any of the foregoing Conditions Precedent which inure to the benefit of Buyer are not satisfied, Buyer shall have the right either to waive the condition in question and proceed with the purchase of the Property pursuant to all of the other terms of this Agreement, or, in the alternative, to terminate this Agreement and the Monetary Deposit shall be returned to Buyer, and thereafter neither Party shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement.

3.2.2 Default. If Seller fails to perform any of its obligations or is otherwise in default under this Agreement, Buyer shall have the right to give notice to Seller specifically setting forth the nature of said failure and stating that Seller shall have a period of five (5) calendar days to cure such failure. If Seller has not cured such failure within such period (or, if such failure is not capable of being cured within five (5) calendar days, Seller either has not commenced in good faith the curing of such failure within such period or does not diligently thereafter complete such cure prior to the Closing Date, as may be extended under the terms of this Agreement), Buyer's sole and exclusive remedy shall be one of the following:

- (a) Waiver. Waive such failure and proceed to the Closing pursuant to all of the other terms of this Agreement;
- (b) File Action. File an action for specific performance to cause Seller to convey the Property to the Buyer pursuant to the terms and conditions of this Agreement; or

- (c) Terminate. If specific performance is not available for any reason, Buyer may terminate this Agreement by notice to Seller and Escrow Agent to that effect, and pursue an action for actual damages for out-of-pocket the third-party costs, including architect, consultant and attorney's fees incurred by Buyer in connection with the Property and this Agreement in a maximum amount not to exceed Fifty Thousand Dollars (\$50,000.00).

3.3. Seller's Remedies.

- 3.3.1 Conditions Precedent. If any of the foregoing Conditions Precedent which inure to the benefit of Seller are not satisfied, Seller shall have the right to either waive the condition in question and proceed with the sale of the Property pursuant to all of the other terms of this Agreement, or, in the alternative, to terminate this Agreement and the Monetary Deposit shall be returned to Buyer, and thereafter neither Party shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement.
- 3.3.2 Default. If Buyer fails to perform any of its obligations or is otherwise in default under this Agreement, Seller's sole and exclusive remedy shall be to terminate this Agreement by giving written notice thereof to Buyer and Escrow Agent, whereupon the Monetary Deposit shall be paid to and retained by Seller as liquidated damages. Upon such termination, neither Party shall have any further rights, obligations or liabilities hereunder except to the extent that any such rights, obligation or liability set forth herein expressly survives termination of this Agreement.

BUYER AND SELLER AGREE THAT BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH SELLER'S DAMAGES BY REASON OF BUYER'S DEFAULT. ACCORDINGLY, BUYER AND SELLER AGREE THAT IN THE EVENT OF A DEFAULT BY BUYER UNDER THIS AGREEMENT, IT WOULD BE REASONABLE AT SUCH TIME TO AWARD SELLER "LIQUIDATED DAMAGES" EQUAL TO THE AMOUNT OF THE MONETARY DEPOSIT. SELLER'S RETENTION OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER AGREES TO, AND DOES HEREBY, WAIVE ALL OTHER REMEDIES AGAINST BUYER WHICH SELLER MIGHT OTHERWISE HAS AT LAW OR IN EQUITY BY REASON OF SUCH DEFAULT BY BUYER (EXCEPT WITH RESPECT TO THE INDEMNITIES CONTAINED HEREIN, AND THE RIGHT TO RECOVER ATTORNEYS' FEES UNDER THIS AGREEMENT).

Buyer's Initials

Seller's Initials

4.0 ARTICLE 4 - CLOSING AND ESCROW

4.1 Deposits into Escrow. Buyer has established an escrow (the "Escrow") with the Escrow Agent. A copy of this Agreement, duly executed by both parties, shall be deposited therein within five (5) business days after the Effective Date, together with the amount of the Monetary Deposit. Subject to Section 4.2.2 below, this Agreement shall serve as escrow instructions to Escrow Agent, as escrow holder, for consummation of the purchase and sale contemplated hereby. Prior to or on the Closing Date, the Parties shall deposit the following into the Escrow:

4.1.1 Seller. Seller shall deposit the following into Escrow:

- (a) two (2) duplicate originals of the Grant Deed duly executed and acknowledged by Seller in recordable form with respect to the Property, in the form of Exhibit B hereto, together with any State, County and local transfer tax declarations and forms;
- (b) A FIRPTA Affidavit stating Seller's U.S. taxpayer identification number and that the Seller is a "United States person" as defined by Internal Revenue Code sections 1445(f)(3) and 7701(b);
- (c) To the extent in Seller's possession, or reasonably available to Seller, any contract(s) to be assumed by Buyer, any certificate of occupancy for the Property and all assignable licenses and permits relating to the use, occupancy or operation of the Property, copies of all originals of the books and records of account, contracts, unpaid bills and other papers or documents that pertain to the Property and keys and other items, if any, used in the operation of the Property;
- (d) A copy of a Natural Hazardous Disclosure Statement for the Property, prepared by a qualified engineer (the "Expert"), in the form required by California Civil Code Section 1103.2(a), setting forth the Expert's determination of whether the Property is subject to Sections 8589.3, 8589.4 or 51183.5 of the California Government Code or Section 2621.9, 2694 or 4136 of the California Public Resource Code; and
- (e) Such other documents and instruments as may be required by other provisions of this Agreement or may be reasonably required by Escrow Agent or otherwise to carry out of the terms and intent of this Agreement.

4.1.2 Buyer. Buyer shall deposit the following into Escrow:

- (a) Cash or immediately available funds in the amount of the Purchase Price, less a credit for the Monetary Deposit, together with such additional cash in the amount necessary to pay Buyer's share of closing costs and prorations, as hereinafter set forth;
- (b) An original executed letter to the Santa Clara County Tax Assessor, pursuant to Revenue and Taxation Code section 5082.1 providing notification of the apportionment date and requesting cancellation of taxes pursuant to Revenue and Taxation Code section 5086.1 (the "Apportionment Letter");
- (c) An executed Certificate of Acceptance; and
- (d) Such other documents and instruments as may be required by any other provision of this Agreement or as may reasonably be required by Escrow Agent or otherwise to carry out the term and intent of this Agreement.

4.2 Close of Escrow.

4.2.1 Closing Date. Escrow shall close on or before 30 days following the satisfaction or Buyer's waiver of all Buyer's conditions to Closing (the "Closing Date").

4.2.2 Closing of Escrow. When the Conditions Precedent listed in Section 3.1 have been satisfied or waived by Buyer and Seller and Escrow Agent has received all necessary cash and documents and is in a position to issue the Title Policy, as provided in Section 3.1.4, Escrow Agent shall immediately close Escrow as provided below (the "Closing"). The parties to this Agreement shall cooperate with each other and the Escrow Agent in preparing and executing such further documents (including further escrow instructions) as may be reasonably necessary to close Escrow as contemplated by this Agreement; provided however, that in the event of any conflict between the provisions of this Agreement and any such further documents or escrow instructions, the terms of this Agreement shall control.

4.2.3 Procedure. Escrow Agent shall close Escrow as follows:

4.2.3.1 Record Deed. Date and record the Grant Deed in the Official Records of Santa Clara County.

4.2.3.2 Apportionment Letter. Delivery, by first class mail, postage prepaid, the Apportionment Letter to the Santa Clara County Tax Assessor, with a copy to Seller.

4.2.3.3 Deliver Copies of Grant Deed. Deliver one (1) certified copy of the recorded Grant Deed to Seller and Buyer.

4.2.3.4 Pay to Seller. Pay to Seller the funds in Escrow equal to the Purchase Price, reduced only by the Seller's share of closing costs and prorations, as hereinafter set forth in Section 4.2.4 below.

4.2.3.5 Deliver Title Policy. Deliver the Title Policy to Buyer.

4.2.3.6 Closing Statement. Prepare and deliver to Buyer and Seller one signed copy of the Escrow Agent's closing statement showing all receipts and disbursements of the Escrow.

4.2.3.7 Deliver Other Documents Deposited by Seller. Delivery to Buyer the Tenant Estoppel Certificate, the Assignment of Lease, and all other documents deposited into Escrow by Seller pursuant to Section 4.1.1 above.

4.2.4 Closing Costs and Prorations.

4.2.4.1 Closing Costs. Buyer and Seller shall each pay its own attorney's fees in connection with negotiating this Agreement and closing the Escrow. Seller shall bear the City transfer taxes if any and ½ any county transfer tax, cost of an ALTA Standard Title Insurance premium, and one-half (½) of the escrow and recording fees. Buyer shall pay the additional cost of an ALTA extended policy, if so desired, and one-half (½) of the escrow and recording fees and ½ of any county transfer tax.

4.2.4.2 Proration and Cancellation of Taxes. Taxes for the year in which this Escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation code, if unpaid as of the close of Escrow.

4.2.4.3 Prorations. All taxes, assessments and other charges attributable to the Property shall be pro-rated as of the Closing Date based on a three hundred sixty-five-day year (365).

5.0 ARTICLE 5 - REPRESENTATIONS AND WARRANTIES

5.1 Seller's Representations and Warranties. Seller represents and warrants to Buyer that the following matters are true and correct in all material respects as of the execution of this Agreement and will also be true and correct in all material respects as of the Closing:

5.1.1 Organization Authority. Dollinger-Lafayette is a General Partnership duly organized, validly existing and in good standing under the laws of the State of California and has the full power and authority to execute and deliver this Agreement and all documents now or hereinafter to be executed and delivered by it pursuant to this Agreement and to perform all obligations arising under this Agreement and such performance does not conflict with any obligations of the Seller. The individuals executing this Agreement and the instruments referred to herein on behalf of Seller, have

the legal power, rights and actual authority to bind Seller to the terms and conditions hereof and thereof.

- 5.1.2 No Violation of Agreement; Litigation. Neither the execution, delivery or performance of this Agreement by Seller will result in the breach of any terms, conditions or provisions of, or conflict with or constitute a default under the terms of any indenture, deed to secure debt, mortgage, deed of trust, note, evidence of indebtedness or any other agreement or instrument by which Seller or the Property is bound. Seller has no knowledge of any pending or threatened litigation, actions, applications, orders, protests, proceedings, or complaints against or affecting title to the Property or Seller's interest therein.
- 5.1.3 Compliance with Laws. Seller has received no written notice alleging violations of any federal, state or municipal laws or ordinances with regard to any portion of the Property.
- 5.1.4 Existing Lease. The Leases currently in effect relating to the Property are listed in Exhibit C. The Leases are in full force and effect on the terms set forth therein and Seller has delivered to Buyer true, correct and complete copies of the Leases. These Leases have not been amended or modified except pursuant to written modifications or amendments, true, correct and complete copies of which have been delivered by Seller to Buyer.
- 5.1.5 Operation and Maintenance. Seller shall, subject to the terms and conditions of the Leases, operate, maintain, and repair the Property in substantially the same manner as prior to the date of this Agreement pursuant to its normal course of business. Except to the extent required to comply with applicable law or as the tenants under the Leases are permitted to do without Seller's consent, the Seller shall not materially alter the Property (or permit the material alteration of the Property) after execution of this Agreement without Buyer's consent.
- 5.1.5 No Modification of Lease. Seller shall not enter into, terminate, modify or amend any Leases. Seller shall not grant any consent or approval under any Leases. Seller shall not waive any conditions or obligations under any Leases or guarantees of Lease. Seller shall not enter into any non-disturbance or analogous agreements with any subtenants. Seller will, promptly, and, in any event, not later than three (3) days following receipt, give Buyer a true and complete copy of any notices, reports, statements, demand or material correspondence received from Tenants. Seller will not give a notice of default to any Property tenant without Buyer's consent.
- 5.1.6 Service Contract. There are no service contracts or property management agreements related to the Property which will be binding upon Buyer after Closing.

- 5.1.7 Seller Not a Foreign Person. Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.
- 5.1.8 Environmental. Except as otherwise disclosed to Buyer in this Agreement, Seller to the best of their actual knowledge is not aware of: (i) the presence of any Hazardous Substances (as defined below) at, on, under and/or affecting the Property; (ii) any spills, releases, discharges, or disposal of Hazardous Substances that have occurred or are presently occurring on or onto the Property; (iii) any spills or disposal of Hazardous Substances that have occurred or are occurring off the Property as a result of any construction on, or operation in use of the Property; (iv) the presence of any PCB transformers serving or stored on the Property; (v) underground storage tanks currently located on the Property; or (vi) any failure to comply with all applicable local, state and federal environmental laws, regulations, ordinances and administrative and judicial orders relating to the generation, recycling, reuse, sale, storage, handling, transport and disposal of any Hazardous Substances in connection with the operation and use of the Property. Seller discloses and Buyer acknowledges that the Property used to be an old gas service station purchased from the Santa Clara County with underground storage tanks that were removed prior to Seller's purchase of the Property in 1972.
- 5.1.9 No Other Contract. Seller will not enter into any other agreement or option to sell the Property or any portion of, or interest in, the Property. Seller will not market the Property for sale.
- 5.1.10 No Additional Encumbrances. Seller shall not (a) further encumber the Property in any consensual manner without the prior written consent of Buyer; (b) cause or permit any mortgage, deed of trust, or other lien to be foreclosed upon due to Seller's actions or omissions, including failure to make a required payment or failure to obtain any required consent; or (c) apply for any variance, change or modification with respect to any zoning of the Property or use of the Property without Buyer's prior written consent.
- 5.1.11 Prohibited Persons and Transactions.

Prohibited Persons; Foreign Corrupt Practices Act and Anti-Money Laundering. Neither Seller nor any of its affiliates, nor any of their respective members, partners or other equity holders, and none of their respective officers, directors or managers is, nor prior to Closing or the earlier termination of this Agreement, will they become a person or entity with whom U.S. persons or entities are restricted from doing business under (a) the Patriot Act (as defined below), (b) any other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") (including any "blocked" person or entity listed in the Annex to Executive Order Nos. 12947, 13099 and 13224 and any modifications thereto or thereof or any other

person or entity named on OFAC's Specially Designated Blocked Persons List) or (c) any other U.S. statute, Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action (collectively, "**Prohibited Persons**"). During Seller's period of ownership of the Property, Seller, and to Seller's knowledge, its employees and any person or entity ("**Person**") acting on its behalf have at all times fully complied with, and are currently in full compliance with, the Foreign Corrupt Practices Act of 1977 and any other applicable anti-bribery or anti-corruption laws. Seller is not entering into this Agreement, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. As used herein, "Patriot Act" shall mean the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and in other statutes and all orders, rules and regulations of the U.S. government and its various executive departments, agencies and offices interpreting and implementing the Patriot Act.

Prohibited Transactions. Seller shall not, directly or indirectly, use, lend or otherwise make available the proceeds paid to it under this Agreement to any subsidiary, joint venture partner or other person or entity to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is a Prohibited Person.

- 5.2 Buyer's Representations and Warranties. Buyer warrants and represents that: (a) Buyer has the full right, power, and authority to purchase the Property from Seller as provided in this Agreement and to carry out Buyer's obligations hereunder; and (B) the execution of this Agreement and the Closing to occur hereunder do not and will not violate any contract, covenant or other agreement to which Buyer may be a party or by which Buyer may be bound.

6.0 ARTICLE 6 - CONDITION OF THE PROPERTY

- 6.1 Buyer's Acknowledgment. As a material inducement to Seller to enter into this Agreement and to convey the Property to Buyer, Buyer hereby acknowledges and agrees that:

AS-IS. Except as otherwise expressly set forth in this Agreement and subject to Seller's representation and warranties set forth in this Agreement, Buyer is purchasing the Property in its existing condition, "AS-IS, WHERE-IS, WITH ALL FAULTS," and upon the Closing Date has made or has waived all inspections and investigations of the Property and its vicinity which Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property.

Buyer's Initials

No Representations. Other than the express representations and warranties of Seller contained in this Agreement, and other than Seller's intentional fraud neither Seller nor its property manager, nor any of their respective affiliates, predecessors, successors, partners, members and assigns, and their respective past, present and future partners, members, officers, directors, trustees, employees, agents, lenders, representatives, attorneys and all persons acting by, through, under or in concert with the foregoing, or any of them (Seller and all of said entities and individuals are collectively referred to herein as the "**Seller Group**") has made any representation, warranty, inducement, promise, agreement, assurance or statement, directly or indirectly, oral or written, of any kind to Buyer upon which Buyer has or is relying, or in connection with which Buyer has made or will make any decisions concerning the Property or its vicinity including, without limitation, its use, condition, value, compliance with "Governmental Regulations," as that term is defined below, the existence or absence of Hazardous Substances on or under the Property, or the permissibility, feasibility, or convertibility of all or any portion of the Property for any particular use or purpose, including, without limitation, its present or future prospects for sale, lease, development, occupancy or suitability as security for financing. As used in this Agreement, the following definitions shall apply: (i) the term "**Governmental Regulations**" means any laws (including "Environmental Laws," as that term is defined below), ordinances, rules, requirements, resolutions, policy statements and regulations (including, without limitation, those relating to land use, subdivision, zoning, Hazardous Substances, occupational health and safety, handicapped access, water, earthquake hazard reduction, and building and fire codes) of any governmental or quasi-governmental body or agency claiming jurisdiction over the Property, (ii) the term and "**Environmental Laws**" shall mean all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, and all federal and state court decisions, consent decrees and orders interpreting or enforcing any of the foregoing, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 United States Code section 9601, et seq., the Resource Conservation and Recovery Act, 42 United States Code section 6901, et seq., and the Clean Water Act, 33 United States Code section 1251, et seq.,

Buyer's Initials

No Implied Warranties. Excluding any representation or warranty set forth in this Agreement, and except for Seller's intentional fraud Seller hereby specifically disclaims: (a) all warranties implied by law arising out of or with respect to the execution of this Agreement, any aspect or element of the Property, or the performance of Seller's obligations

hereunder including, without limitation, all implied warranties of merchantability, habitability and/or fitness for a particular purpose; and (b) any warranty, guaranty or representation, oral or written, past, present or future, of, as to, or concerning (i) the nature and condition of the Property or other items conveyed hereunder, including, without limitation, the water, soil, and geology, the suitability thereof and of the Property or other items conveyed hereunder for any and all activities and uses which Buyer may elect to conduct thereon, the existence of any environmental hazards or conditions thereon (including but not limited to the presence of asbestos or other Hazardous Substances) or compliance with applicable Environmental Laws; (ii) the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition or otherwise; and (iii) the compliance of the Property or other items conveyed hereunder or its operation with any Governmental Regulations.

Buyer's Initials

Information Supplied by Seller. Buyer specifically acknowledges and agrees that, except as expressly contained in this Agreement, the Seller Group has made no representation or warranty of any nature concerning the accuracy or completeness of any documents delivered or made available for inspection by Seller to Buyer, including, without limitation, any due diligence items and the offering packages and memoranda distributed with respect to the Property, and that Buyer has undertaken such inspections of the Property as Buyer deems necessary and appropriate and that Buyer is relying solely upon such investigations and not on any of the due diligence items or any other information provided to Buyer by or on behalf of Seller. As to the due diligence items, Buyer specifically acknowledges that they have been prepared by third parties with whom Buyer has no privity and Buyer acknowledges and agrees that no warranty or representation, express or implied, has been made, nor shall any be deemed to have been made, to Buyer with respect thereto, either by the Seller Group or by any third parties that prepared the same.

Buyer's Initials

Release. As of the Closing Date, subject to any breach by Seller of any Seller representations, warranties and covenants in this Agreement, Buyer and the Buyer Parties hereby fully and irrevocably release and forever discharge the Seller Group of and from any and all manner of action or actions, cause or causes of action, at law or in equity (including, without limitation, in tort), suits, debts, liens, contracts, agreements, promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, known or unknown, fixed or contingent (collectively, "**Claims**") that the Buyer Parties may have or hereafter acquire against each and any of the Seller Group arising from or related to in any way the Property or the condition of the Property, including, without limitation,

any latent or patent construction defects, errors or omissions, compliance with law matters, the presence, discovery or removal of Hazardous Substances and other environmental matters within, under or upon, or in the vicinity of the Property, including, without limitation, any Environmental Laws. The foregoing release by Buyer and the Buyer Parties shall include, without limitation, any Claims Buyer and/or the Buyer Parties may have pursuant to any statutory or common law right Buyer may have to receive disclosures from Seller, including, without limitation, any disclosures as to the Property's location within areas designated as subject to flooding, fire, seismic or earthquake risks by any federal, state or local entity, the presence of Hazardous Substances on or beneath the Property, the need to obtain flood insurance, the certification of water heater bracing and/or the advisability of obtaining title insurance, or any other condition or circumstance affecting the Property, its financial viability, use or operation, or any portion thereof.

This release includes Claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist in its favor which, if known by Buyer, would materially affect Buyer's release of the Seller Group except for Claims relating to Seller's intentional fraud or intentional non-disclosure. In connection with the general release set forth in this Section 6.1, Buyer specifically waives the provisions of California Civil Code Section 1542, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Buyer's Initials

Notwithstanding anything to the contrary set forth in this Section, the foregoing release is not intended to and does not cover (i) any Claims arising from a breach of Seller's representations or warranties set forth in this Agreement, or (ii) any other breach by Seller of an express obligation of Seller under this Agreement which by its terms survives the Close of Escrow; or (iii) any intentional fraud by Seller.

6.2. Waiver of Natural Hazards. California Natural Hazard Disclosure. Buyer acknowledges that any seller owning property located in the State of California is required to disclose if such property lies within the following natural hazardous areas or zones: (a) a special flood hazard area (any type Zone "A" or "V") designated by the Federal Emergency Management Agency (Cal. Gov. Code section 8589.3); (b) an area of potential flooding shown on a dam failure inundation map designated pursuant to Cal. Gov. Code section 8589.5 (Cal. Gov. Code section

8589.4); (c) a very high fire hazard severity zone designated pursuant to Cal. Gov. Code section 51178 or 51179 (in which event the owner maintenance obligations of Cal. Gov. Code section 51182 would apply) (Cal. Gov. Code section 51183.5); (d) a wildland area that may contain substantial forest fire risks and hazards designated pursuant to Cal. Pub. Resources Code section 4125 (in which event (i) such Seller would be subject to maintenance requirements of Cal. Pub. Resources Code section 4291 and (ii) it would not be the State of California's responsibility to provide fire protection services to any building or structure located within the wildland area except, if applicable, pursuant to Cal. Pub. Resources Code section 4129 or pursuant to a cooperative agreement with a local agency for those purposes pursuant to Cal. Pub. Resources Code section 4142) (Cal. Pub. Resources Code section 4136); (e) an earthquake fault zone (Cal. Pub. Resources Code section 2621.9); or (f) a seismic hazard zone (and, if applicable, whether a landslide zone or liquefaction zone) (Cal. Pub. Resources Code section 2694). Seller shall employ the services of a disclosure source to examine the maps and other information specifically made available to the public by governmental agencies and to report the results of its examination in writing to Buyer with respect to the foregoing matters (the "**Natural Hazards Disclosure Statement**"). Buyer acknowledges that the Natural Hazards Disclosure Statement fully and completely discharges such Seller from its disclosure obligations under California Civil Code Section 1103, and, for the purpose of this Agreement, the provisions of Civil Code Section 1103.4 regarding the non-liability of Seller for errors or omission not within its personal knowledge shall be deemed to apply. Buyer acknowledges and agrees that Buyer will independently evaluate and investigate whether any or all of such natural hazards affect the Property, and Seller shall have no liabilities or obligations with respect thereto. Upon Seller's request, Buyer shall promptly execute and deliver to Seller an acknowledgement of receipt of the Natural Hazards Disclosure Statement. Buyer acknowledges and agrees that the matters set forth in the Natural Hazard Disclosure Statement may change on or following the Closing Date for the Property and that Seller has no obligation to update, modify, or supplement the Natural Hazard Disclosure Statement following the Closing Date. Buyer shall be solely responsible for preparing and delivering its own Natural Hazard Disclosure Statement to subsequent prospective buyers of the Property, to the extent required. BUYER ACKNOWLEDGES AND REPRESENTS THAT IT HAS OR ITS REPRESENTATIVES HAVE EXTENSIVE EXPERIENCE ACQUIRING AND CONDUCTING DUE DILIGENCE REGARDING COMMERCIAL PROPERTIES. THIS PROVISION IS AN ESSENTIAL ASPECT OF THE BARGAIN BETWEEN THE PARTIES. The provisions of this Section shall survive the Closing.

Section 25359.7. Buyer acknowledges and agrees that the sole inquiry and investigation Seller conducted in connection with the environmental condition of the Property is to obtain the environmental report(s) which are part of the Due Diligence items and that, for purposes of California

Health and Safety Code Section 25359.7, Seller has acted reasonably in relying upon said inquiry and investigation, and the delivery of this Agreement constitutes written notice to Buyer under such code section.

- 6.3 Relocation Waiver. Seller hereby fully releases and discharges Buyer from all and any manner of rights, demands, liabilities, obligations, claims or cause of actions, in law or equity, of whatever kind or nature, whether known or unknown, whether now existing or hereinafter arising, which arise from or relate in any manner to the relocation of Seller or Seller business operations, including the specific waiver and release of any right to any relocation benefits, assistance and/or payments under Government Code sections 7260 *et seq.* or other applicable State or Federal law (collectively, "Relocation Assistance Law"), notwithstanding that such relocation assistance, benefits and/or payments may be otherwise required under the Relocation Assistance Law. For avoidance of doubt, Buyer shall be solely responsible for any relocation or other benefits that may be owed to any occupant of the Property that may be payable as a result of Buyer's termination of an occupant's tenancy or other possessory interest in the Property.

7.0 ARTICLE 7 - GENERAL PROVISIONS

- 7.1 Risk of Loss. The cost of which to repair or restore does not exceed One Hundred Thousand Dollars (\$100,000), the parties agree in the event that, prior to the Closing Date, any improvements located on the Property, or any part thereof, are destroyed or materially damaged, the repair or restoration of which will cost less than One Hundred Thousand Dollars (\$100,000) the transaction shall go forward without any adjustment to the Purchase Price, but the Seller shall repair or restore the Property and the Closing Date shall be appropriately extended so that Seller may accomplish the same. If the destruction or material damage will cost more than \$100,000 to repair, Buyer may terminate this Agreement by notice to Seller and Escrow Agent to that effect, and the Monetary Deposit shall be returned to Buyer and Seller shall retain any and all insurance proceeds, and thereafter neither Party shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement.
- 7.2 Approval of City Council. Buyer and Seller recognize that as of the execution of this Agreement by Seller, this Agreement is subject to approval of the City Council of the City of Santa Clara and that this Agreement shall have no force or effect unless and until said City Council's approval has been obtained, but such approval shall be obtained before execution of this Agreement by Buyer.
- 7.3 Binding on Successors. The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.
- 7.4 Entire Agreement. This Agreement including all exhibits hereto contains all of the covenants, conditions, and agreements between the parties and shall supersede all prior correspondence, agreements, and understandings both verbal and written.

No addition or modification of any term or provision shall be effective unless set forth in writing and signed by both Seller and Buyer.

- 7.5 Seller Conversion. Prior to Closing, Seller may convert its form of business entity from a general partnership to a limited liability company ("Newco") pursuant to California Corporations Code Section 16902. Should Seller elect to convert its form of entity as provided in this Section, Seller shall record against the Property proof of its conversion into Newco with the Records Office of the County of Santa Clara as required by California Corporations Code Section 16907, and provide a copy of this filing to Buyer. Newco shall have the same rights, duties and obligations as the original Seller.
- 7.6 Brokers' Fees. Buyer represents and warrants to Seller that Buyer has not incurred, and shall not have incurred as of the Closing, any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Agreement, other than to CBRE, INC. ("CBRE"). Buyer shall pay a commission to CBRE at Closing pursuant to the terms of a separate written agreement.
- 7.7 Governing Law. This Agreement shall be governed by, and construed in accordance with the laws of the State of California.
- 7.8 Captions. All captions and headings in this Agreement are for the purposes of reference and convenience and shall not limit or expand the provisions of this Agreement.
- 7.9 Time. Time is of essence of every provision herein contained in this Agreement.
- 7.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all counterparts shall constitute one agreement.
- 7.11 Survival. The terms, covenants and conditions of Articles 5, 6, and 7 shall remain true and correct as of the Closing Date, shall be deemed to be material and shall survive the execution and delivery of this Agreement, the delivery of the Grant Deed, and transfer of title for a period of six (6) months.
- 7.12 Notices. All notices, requests or other communications required or permitted to be given in connection with this Agreement shall be in writing and shall be personally delivered (with prompt confirmation by registered or certified mail, postage prepaid), or by commercial courier service, or by registered or certified mail, postage pre-paid, addressed to the Party whom it is directed at the following addresses, or at such other addresses as may be designated by notice from such Party in the manner provided herein:

To Seller: Dollinger Properties
Attention: Michael Dollinger
555 Twin Dolphin Dr. #600
Redwood City, Ca. 94065
mike@dollingerproperties.com

dave@dollingerproperties.com
Telephone: 650-799-9110

with a copy to:

To Buyer: City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Attn: City Manager
Telephone:

With a copy to: City of Santa Clara City Attorneys Office
1500 Warburton Avenue
Santa Clara, CA 95050
Attn: City Attorney
Telephone: (408) 615-2230

Notices which are delivered by hand shall be deemed received upon delivery; notices which are deposited in the United States Mail in accordance with the terms of this Section shall be deemed received three (3) days after the date of mailing and notices delivered by commercial courier service shall be deemed received the date of actual delivery. The foregoing addresses may be changed by notice to the other Party as herein provided.

7.13 1031 Exchange. Buyer agrees to cooperate should Seller elect to sell the Property as part of a like-kind exchange under IRC section 1031 (including a so-called "reverse exchange"). Such cooperation may include the assignment of all or a portion of this Agreement to a qualified 1031 exchange intermediary, and the execution of any documents reasonably necessary to complete the assignment and exchange in accordance with applicable laws and regulations. Seller will provide notice to Buyer of the occurrence of any assignment of this Agreement made in connection with a Section 1031 exchange. Seller agrees that the consummation of this Agreement is not predicated or conditioned upon the completion of any such exchange, Buyer shall not incur any additional liability or financial obligation as a consequence of the Seller's contemplated exchange, nor shall Buyer be obligated to take title to any property other than the Property.

7.14 Michael Dollinger is licensed in the State of California as a licensed Real Estate Broker.

7.15 Limited Liability. Notwithstanding anything to the contrary herein, Buyer on its own behalf and on behalf of its agents, members, partners, employees, representatives, officers, directors, agents, related and affiliated entities, successors and assigns (collectively, the "**Buyer Parties**") hereby agrees that in no event or circumstance shall any of the members, partners, employees, representatives, officers, directors, agents, property management company, affiliated or related entities of any Seller or any property management company

managing the Property, have any personal liability under this Agreement. Notwithstanding anything to the contrary contained herein, Seller on its own behalf and on behalf of its agents, members, partners, employees, representatives, related and affiliated entities, successors and assigns hereby agrees that in no event or circumstance shall any of the Buyer Parties have any personal liability under this Agreement. After the Closing the maximum aggregate liability of Seller, and the maximum aggregate amount which may be awarded to and collected by Buyer (including, without limitation, for any breach of any representation, warranty, indemnity and/or covenant of Seller) under this Agreement or any documents executed pursuant hereto or in connection herewith, including, without limitation, the Exhibits attached hereto (collectively, the "**Other Documents**") shall, under no circumstances whatsoever, exceed five percent (5%) of the Purchase Price (the "**CAP Amount**"); and (ii) no claim by Buyer alleging a breach by Seller of any representation, warranty and/or covenant of Seller contained herein or any of the Other Documents may be made, and Seller shall not be liable for any judgment in any action based upon any such claim, unless and until such claim, either alone or together with any other claims by Buyer alleging a breach by Seller of any such representation, warranty and/or covenant, is for an aggregate amount in excess of Fifty Thousand Dollars (\$50,000.00) (the "**Floor Amount**"), in which event Seller's liability respecting any final judgment concerning such claim or claims shall be for the entire amount thereof, subject to the CAP Amount set forth in clause (i) above; provided, however, that if any such final judgment is for an amount that is less than or equal to the Floor Amount, then Seller shall have no liability with respect thereto. For the avoidance of doubt, any attorneys' fees and costs awarded to Buyer pursuant to the Section above shall be disregarded for purposes of determining whether the CAP Amount has been achieved. Seller agrees that, until the expiration of the survival period (six months), it will not dissolve or wind up its business and it will be maintain unencumbered cash and marketable securities in an aggregate amount not less than the CAP Amount. Notwithstanding any provision of this Agreement to the contrary, after the Closing in no event shall Seller be liable for any consequential damages of Buyer or any punitive or special damages with respect to Seller's obligations under this Agreement, the Other Documents or otherwise with respect to the Property. This Section shall survive any termination of this Agreement and the Closing.

7.16 Professional Fees. In the event of the bringing of any action or suit by a Party hereto against another Party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit and any appeals therefrom, and enforcement of any judgment in connection therewith, including reasonable attorneys' fees, accounting and engineering fees, and any other professional fees resulting therefrom. This Section shall survive any termination of this Agreement and the Closing.

7.17 Assignment. Except as provided below, Buyer shall not assign this Agreement or its rights hereunder to any individual or entity without the prior written consent of Seller. Notwithstanding the foregoing, Buyer may assign this

Agreement or its rights hereunder to any entity without the prior written consent of Seller, provided that (i) such assignee is an entity, controlled by or under common control with Buyer, (ii) the assignee shall expressly assume all of Buyer's obligations under this Agreement pursuant to a written agreement, and (iii) Buyer remains primarily responsible for assignee's performance of its obligations under the Agreement notwithstanding the assignment.

[SIGNATURES ON FOLLOWING PAGE]

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

SELLER

Dollinger-Lafayette Associates,
a California General Partnership

BUYER

City of Santa Clara,
a municipal corporation

Dollinger Living Trust, a General Partner of
Dollinger-Lafayette Associates

By: _____
JŌVAN D. GROGAN
CITY MANAGER

By: _____
Michael Dollinger,
Title: Trustee of Dollinger Living Trust
Date: _____

Greenberg Family Trust, a General Partner of
Dollinger-Lafayette Associates

By: _____
Alice G. Stern,
Title: Trustee of Greenberg Living Trust
Date: _____

APPROVED AS TO FORM

R. GOOGINS
City Attorney

GLEN

EXHIBIT A – LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA CLARA, IN THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Beginning at the Northwest corner of the certain parcel of land shown and designated as Parcel "J" upon the Map entitled "Amended Record of Survey of the Lands of Owens Corning Fiberglass Corp., et al, etc.," which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California on December 13, 1965 in Book 203 of Maps, at page 24; thence along the Northerly line of said Parcel "J" South 87 deg. 39' 13" East, 120.03 feet to the Northeast corner of said Parcel "J"; thence along the Northerly line of that certain parcel of land described in the Deed to the City of Santa Clara, which Deed was filed for record in the office of the above said Recorder on March 28, 1960 in Book 4742 of Official Records, at page 200, South 89 deg. 07' 32" East, 113.23 feet; thence along a curve to the left with a radius of 50.00 feet, through a central angle of 89 deg 44' 00", an arc distance of 78.31 feet; thence North 1 deg. 07' 59" East, 116.89 feet to a point in the Easterly line of that certain parcel of land described In the Deed to Beneficial Standard Life Insurance Company which Deed was filed for record on September 2, 1960 in Book 4905 of Official Records, at page 650, said point being along the Easterly line of last said parcel of land South 1 deg. 07' 59" West, 89.00 feet from the Northeast corner thereof; thence along a curve to the left, with a radius of 25.00 feet, through a central angle of 90 deg. 00', an arc distance of 39.27 feet to a point in a line which is parallel with the Northerly line of said lands of Beneficial Standard Life Insurance Company and distant Southerly 64.00 feet when measured at right angles therefrom; thence along said parallel line North 88 deg. 52' 01" West, 138.00 feet to a point in the Westerly line of said land of Beneficial Standard Life Insurance Company; thence North 88 deg. 52' 01" West, 20.00 feet; thence along the arc of a curve to the left with a radius of 36.00 feet, through a central angle of 90 deg., an arc distance of 56.55 feet to a point in a line which is parallel with the Westerly line of that certain parcel of land described as Parcel One in the Deed to Jacobsen Enterprises which Deed was filed for record in the office of the above said Recorder on April 30, 1963 in Book 6003 of Official Records at page 473, and distant Easterly 64.00 feet when measured at right angles therefrom; thence along said parallel line South 1 deg. 07' 59" West, 40.89 feet; thence along the arc of a curve to the right with a radius of 87.00 feet, through a central angle of 74 deg. 40' 15", an arc distance of 113.38 feet to a point in said Westerly line of lands of Jacobsen Enterprises, distant thereon North 1 deg. 07' 59" East, 29.08 feet from the Northwest corner of that certain parcel of land shown and designated as Parcel "J" upon the map hereinabove first mentioned; thence along said Westerly line South 1 deg. 07' 59" West, 29.08 feet to the point of beginning.

APN:224-08-109

EXHIBIT B – FORM OF DEED

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Attn: City Manager

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Exempt from recording fee per Govt. Code §27383

GRANT DEED

APN:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

_____, a _____

Hereby GRANT(S) TO

The City of Santa Clara, a California municipal corporation

That certain property in County of Santa Clara, State of California, more particularly described as in Exhibit A, attached hereto and by this reference incorporated herein.

Dated: _____

GRANTOR:

_____,
a _____

By: _____

Title: _____

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed or grant dated _____, 200__, from _____, a _____, to the City of Santa Clara, a municipal corporation, is hereby accepted by order of the City Council by the undersigned officer or agent on behalf of Council, pursuant to authority conferred by Resolution No. _____, of the City of Santa Clara City Council adopted on _____, 200__, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY OF SANTA CLARA

By: _____

Its: _____

APPROVED AS TO FORM:

City Attorney

EXHIBIT C

PROPERTY INFORMATION

TENANT NAME	Suite	Square Footage	Expiration Date
02 Creative	940	1,800	8/31/2025
02 Creative	950	1,530	8/31/2025
ARG Tile / Tile & Stone Central	2900-2920	3,615	5/31/2026
FenzTech dba Livcozy Live Commerce	2902	1,610	MTM
Acharya	2904	1,610	MTM
Acharya	2906	1,610	MTM
Sousa's Garage Doors	2908	1,900	4/30/2025
Acharya	2930	1,700	MTM
Total		15,375	



Agenda Report

24-982

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on Award of Contract for the Lick Mill Blvd Pedestrian Beacon Upgrade and Monroe St - Los Padres Blvd Traffic Signal Modification Project to Sposeto Engineering, Inc. and Related Budget Amendment

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

City Council previously approved a design professional services agreement with Advanced Mobility Group for the Lick Mill Blvd Pedestrian Beacon Upgrade and Monroe St at Los Padres Blvd Traffic Signal Modification Project (Project). The Project consists of two main components. The first upgrades the three existing flashing beacons located along the Lick Mill Boulevard corridor to newer standards. The second component of the project upgrades the traffic signal at Monroe Street and Los Padres Boulevard to provide new left turn arrows for vehicles turning from Monroe Street onto Los Padres Boulevard and includes replacing curb ramps to meet ADA standards (Attachment 1).

DISCUSSION

In October 2024, a competitive Request for Bids (RFB) for construction of the Project was published on the City's bid notification system, Periscope S2G. The RFB was viewed by over 50 vendors, which included contractors, suppliers, plan rooms, builder exchanges, and more. Beyond the contractors and suppliers who viewed the RFB through the bid system, additional vendors were also able to view the RFB as members of various plan rooms and builder exchanges. In addition, staff also reached out directly to distribute the RFB to contractors and vendors who have previously viewed similar projects in the past.

On October 24, 2024, the bid opening for the Project was held via video conference. Seven bids were received ranging from \$108,500 to \$728,753. The Bid Summary is included as Attachment 2. The apparent lowest bidder, Acumen Construction Management (ACM), submitted a bid which looked like a supplier's proposal and was missing many required documents including the required City bid form. Therefore, the bid submitted by ACM did not meet the minimum bid requirements and was deemed non-responsive. The bid submitted by the second apparent lowest bidder, Sposeto Engineering, Inc., in the amount of \$644,666 is the lowest responsive bid at 4.8 percent above the Engineer's Estimate of \$615,200.

Sposeto Engineering, Inc.'s bid was reviewed by the Department of Public Works (DPW) and the City Attorney's Office for compliance with the terms and conditions of the bid documents and has been determined to be the lowest responsive and responsible bid. Staff recommends awarding the construction contract to Sposeto Engineering, Inc.

The award of contract will allow construction to commence in order to complete the improvements during the summer and fall of 2025. The contract includes prevailing wage requirements.

ENVIRONMENTAL REVIEW

This project being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301(c), "Existing Facilities," as the activity consists of the repair, maintenance or minor alteration of existing facilities involving no or negligible expansion of the use beyond that presently existing, and specifically includes the repair of existing highways and streets.

FISCAL IMPACT

The approximate cost of the contract is \$644,666, plus a 15 percent contingency of \$96,700, for any potential change orders for a total not-to-exceed contract amount of \$741,366. Staff recognizes the challenges of working with existing underground infrastructure and therefore recommends a 15 percent construction contingency for this project to account for unforeseen conditions that may arise.

Funding for the contract is available in the Lick Mill Pedestrian Beacons Upgrade Project and in the Monroe - Los Padres Traffic Signal Modification Project in the Streets and Highways Capital Fund. Since the work was bid as a consolidated project under a single construction contract, staff recommends consolidating the funding required for the contract into one project for administration and accounting purposes. The recommended budget amendment reallocates the budget from the Lick Mill Pedestrian Beacons Upgrade Project into the Monroe - Los Padres Traffic Signal Modification Project.

Budget Amendment FY 2024/25

	Current	Increase/ (Decrease)	Revised
<u>Streets and Highway</u>			
<u>Expenditures</u>			
Lick Mill Pedestrian B\$500,000 Project		(\$500,000)	\$0
Monroe - Los Padres \$543,182 Modification Project		\$500,000	\$1,043,182

COORDINATION

This report has been coordinated with the Finance Department, Water & Sewer Utilities Department, and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

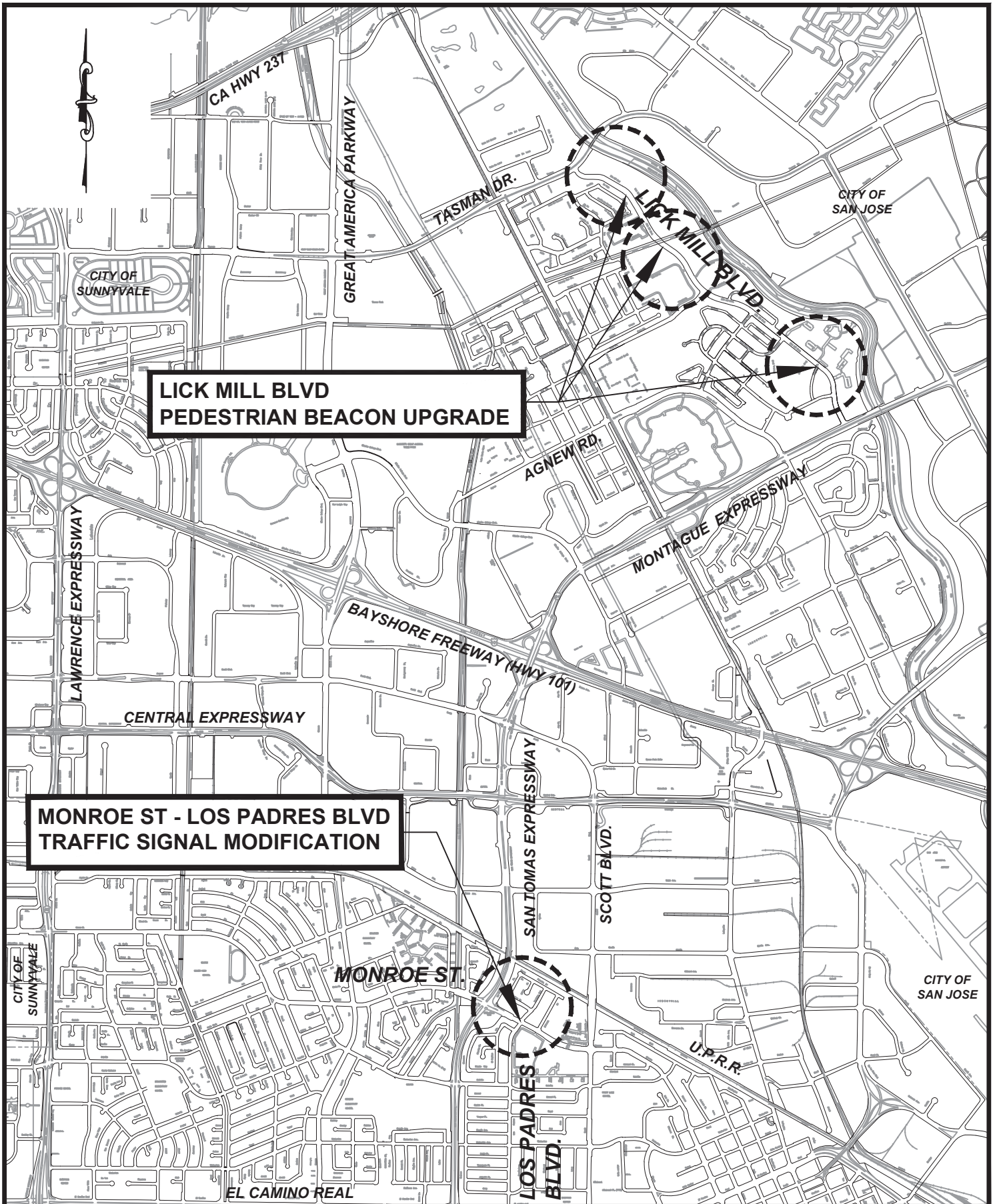
1. Determine that the proposed actions are exempt from CEQA pursuant to Section 15301 (Existing Facilities) of Title 14 of California Code of Regulations;
2. Award the Public Works Contract for the Lick Mill Blvd Pedestrian Beacon Upgrade and Monroe St - Los Padres Blvd Traffic Signal Modification Project to Sposeto Engineering, Inc., the lowest responsive and responsible bidder, in the amount of \$644,666 and authorize the City Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project, in final forms approved by the City Attorney;
3. Authorize the City Manager to execute change orders up to approximately 15 percent of the original contract price, or \$96,700 for a total project budget not-to-exceed amount of \$741,366, in final forms approved by the City Attorney; and
4. Approve the following FY 2024/25 budget amendment in the Streets and Highways Capital Fund to reallocate funding from the Lick Mill Pedestrian Beacons Upgrade Project in the amount of \$500,000 to the Monroe - Los Padres Traffic Signal Modification Project (**majority affirmative Council votes required**).

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Project Location Map
2. Bid Summary



ATTACHMENT 1

PROJECT LOCATION MAP



Attachment No. 2 Bid Summary

LICK MILL BLVD PEDESTRIAN BEACON UPGRADE AND MONROE ST-LOS PADRES BLVD TRAFFIC SIGNAL MODIFICATION (CE 22-23-01)

BID SUMMARY	Bid Opening Date: October 24, 2024	
ENGINEER'S ESTIMATE:	\$ 615,200.00	
Contractor	Total Bid (\$)	Percentage above/below Engineer's Estimate
<i>Acumen Construction Management*</i>	<i>\$ 108,500.00</i>	<i>70.7 % below</i>
Sposeto Engineering, Inc.	\$ 644,665.70	4.8% above
Wattis Construction Company, Inc.	\$ 665,675.00	8.2% above
St. Francis Electric LLC	\$ 686,700.00	11.6% above
Golden Bay Construction, Inc.	\$ 692,398.50	12.5% above
Guerra Construction Group	\$ 727,405.00	18.2% above
Phoenix Electric Company**	\$ 728,752.60	18.5% above
<p>*Bid Deemed Non-Responsive by City</p> <p>**The amount shown reflects corrections by City pursuant to paragraph 18.C. of Document 00200, Instructions to Bidders, of the specifications due to mathematical discrepancies in the Bid.</p>		



Agenda Report

24-678

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action to Approve a Resolution Establishing a Citywide Payment Acceptance and Processing Fees Policy to Charge Processing Fees and Set Transaction Limits

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City of Santa Clara ("City") accepts payment cards, credit and debit, as a form of payment for most fees at eleven Point of Sale (POS) locations citywide: City Hall Municipal Services, City Hall Permit Center, Police Administration Building, Fire Permits Division, Central Park Library, Mission Branch Library, Northside Branch Library, Community Recreation Center, Youth & Teen Center, Senior Center, and Mission City Memorial Park. In addition to on-site locations, the City also offers customers the following payment methods online for utility bills, business taxes and fees, development related permits, police and fire related permits, recreation classes, and library fees and fines: (1) automatic credit card payment programs (auto-pay), (2) payment cards, and (3) eChecks.

The City also accepts other payment methods, including cash onsite, checks onsite and via mail, and electronic fund transfers directly to City bank accounts.

While payment card transactions have become an increasingly convenient option for customers, these transactions result in additional costs to the City due to the processing fees associated with accepting payment cards. City's payment processing fees ten years ago (Fiscal Year 2014/15) totaled approximately \$1.8 million and increased to approximately \$2.2 million in Fiscal Year 2019/20. For Fiscal Years 2022/23 and 2023/24, payment processing fees totaled \$3.9 million and \$4.0 million, respectively, with the majority attributed to industrial and commercial utilities customers, followed by development related permit issuances, and business license applications and renewals.

Currently, the City absorbs all payment card and eCheck processing fees, with the exception of direct third-party Police-related parking and alarm online permitting portals pursuant to Adopted Municipal Fee Schedule (Resolution No. 24-9316) and Parks & Recreation activities-related fees pursuant to its Cost Recovery Policy (Resolution No. 22-9082).

DISCUSSION

After observing the increased use of payment cards and eChecks, and the corresponding rise in costs, staff recommends adoption of a citywide Payment Acceptance and Processing Fees Policy (Policy) to mitigate the growing fiscal impact of these costs. Staff analyzed City's payment card transactions and researched other local public agencies' practices and policies to formulate a solution to best recover payment processing costs.

City currently absorbs all payment card and eCheck processing fees charged by merchant services providers and Payment Brands (such as Visa, MasterCard, and American Express) totaling approximately \$4.0 million on transactions of approximately \$215.1 million in FY 2023/24, as follows:

Table 1: FY 2023/24 Payment Processing Fees

Transaction Type	Gross Amount	Fee Amount
Utilities: Commercial/Industrial	\$ 125,496,025	\$ 2,906,711
Utilities: Individuals	62,657,503	440,112
Permit Center - Development Related	21,142,148	567,133
Business Tax & License	5,136,856	86,813
Cemetery	624,388	8,653
Police	82,763	1,202
Library (Main)	8,165	240
TOTAL	\$ 215,147,848	\$ 4,010,864

Under the proposed policy, processing fees will be applied on all payments made to the City using payment cards and eCheck with limited exceptions for donations and special events. To further lessen costs associated with this type of transactions, the Policy will establish transaction limits.

This Policy will benefit the City by eliminating approximately \$4 million of processing fees per year and maximizing cost recovery. Additionally, it will provide equity to all payment cards and eCheck users and deliver consistency across all departments; and finally, it will help prevent fraud and manage abuses stemming from credit card usage.

Below is a summary of major service areas covered by the recommended Policy:

Table 2: Recommended Processing Fees Summary

Apply Processing Fee?	Transaction Type	City Service	Examples
YES	Utilities	Electric, Water, Sewer, Solar, Storm Drain, Fiber Optic, Recycling or Refuse	- Residential, Commercial and Industrial Utility Bills
YES	Permit Center / Development Related	Building Services, Fire Permits, Planning Services, Public Work Services	- Building Permits
			- Plan Review Fees
			- Fire Annual Renewable Permits
YES	Taxes	Business License Tax, Transient Occupancy Tax	- Annual Business Tax
			- Monthly/Quarterly Transient Occupancy Tax
YES	General City Payments		
		Library	- Book Sales
			- Garbage Tags
		Triton Museum Special Permits	- Outdoor Events
		Miscellaneous Payments	- City Property Damage
		Parks & Recreation ¹	- Classes & Activities
			- Theater
			- Facility Rentals
			- Athletic Field Rentals
			- Cemetery
		Police	- Parking Permits ¹
			- Alarm Permits ¹
			- Records
			- Fines & Citations
NO	Donations	Various Services	- Help Your Neighbor
NO	Parks & Recreation Payments	Seasonal Events	- Art & Wine Festival
		Special Events	- Movies & Swim

¹ Credit card fees are assessed by third-party vendors utilized to manage classes, rentals, and ticket sales.

Transaction Amount Limits	Commercial	Resident
Minimum	\$5	\$5
Maximum [#]	\$100,000	\$7,500

[#]Maximum transaction limit does not apply to **Cemetery** and **Industrial** customers.

The Policy will be implemented in phases to coincide with the City's deployment of new customer portals and payment systems. Outreach to the community of each effected Municipal Fee area will

start at least 60 days prior to Policy enactment, including but not limited to signage at City POS locations, mailers, bill inserts and notifications on the City's website on impacted pages with payment instructions and online portal links.

Payment processing fees will be a fixed percentage applied to the total transaction amount, and will be clearly stated and itemized separately as its own charge on all payment receipts. Customers using a payment card or eCheck will be explicitly informed of all fees and offered the option to choose another payment method to avoid processing fees. Processing fees are paid directly to third-party merchant services providers, not to the City. Typical fee percentages range between 2.0% - 3.5% for payment cards and 0.15% - 1.0% plus \$0.30 - \$0.50 per transaction for eChecks.

The City will continue to offer existing payment options with no processing fees, including cash onsite, checks onsite and via mail, and electronic fund transfers directly to City bank accounts.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to section 15378(b)(5) of Title 14 of the California Code of Regulations in that it is an administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

Approval and implementation of the Policy will benefit the City an estimated minimum of \$4.0 million of cost avoidance annually once fully implemented, with the largest in the Utilities Enterprise Funds (\$3.3 million), followed by the Building Development Services Fund (\$567,000), and General Fund (\$88,000). The processing fee will also be incorporated into the City's Municipal Fee Schedule.

COORDINATION

This report has been coordinated with the City Attorney's Office and following departments: Community Development, Electric Utility, Fire, Information Technology, Library, Parks & Recreation, Police, Public Works, and Water & Sewer Utilities.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve a Resolution Establishing a Payment Acceptance and Processing Fees Policy.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Resolution
2. Payment Acceptance and Processing Fees Policy

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
ESTABLISHING A PAYMENT ACCEPTANCE AND
PROCESSING FEES POLICY**

WHEREAS, the City of Santa Clara (the “City”) is a municipal corporation and charter city duly organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City desires to establish a Payment Acceptance and Processing Fees Policy to, among other things, recover payment transaction processing costs; set transaction limits; and establish processing requirements.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby adopts a Payment Acceptance and Processing Fees Policy (attached hereto and incorporated herein by reference).
2. That the City Council authorizes the City Manager, Director of Finance, and the Assistant Director of Finance to implement and administer the Policy.
3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Payment Acceptance and Processing Fees Policy

City of Santa Clara, California

Payment Acceptance & Processing Fees Policy

Purpose. The purpose of this Payment Acceptance & Processing Fees Policy (the “Policy”) is to establish requirements for the acceptance and processing of credit/debit card and eCheck payments. The Policy’s purpose is also to comply with Payment Card Industry Data Security Standards (PCI DSS) and National Automated Clearing House Association (NACHA) rules.

Scope. This Policy applies to all City of Santa Clara (the “City”) departments that accept credit or debit cards and eChecks (“Payment Cards & eChecks”) for payment of goods and services. All City employees that process Payment Cards & eChecks transactions or provide support for the cardholder data environment (process, review, reconcile, approve, system support, etc.) are subject to the terms of this Policy.

Cash, paper checks and direct electronic payments to City’s bank accounts are not in scope.

Authority. California Government Code Section 6159(b)(5) authorizes the acceptance of a credit card, debit card, or electronic funds transfer for the payment for services rendered by a city, county, city and county, or other public agency.

- In 1985, California passed a law (Civil Code section 1748.1) that prohibited merchants from adding a surcharge on transactions paid by credit card. That law allowed merchants to give customers discounts for paying by cash, check, or debit card, as long as the discount was offered to all customers. The law was challenged and in January 2018 a federal court held that the law could not be enforced as to the businesses which brought that case. (*Italian Colors v. Becerra* (9th Cir. 2018) 878 F.3d 1165.) The California Attorney General has stated that it will generally apply the Italian Colors decision to merchants that are similarly situated to the Italian Colors plaintiffs.
- Prior to 2013, credit card surcharges were prohibited by payment brands. A 2013 class action lawsuit against VISA and Mastercard resulted in a settlement that allows businesses to pass fees on to customers in the form of a credit card surcharge. The lawsuit has been upheld, and it is legal for merchants to assess a surcharge for credit card fees, subject to state law requirements.
- California Code Section 6159(g) provides that cities may impose a fee for the use of a credit card, debit card, or electronic funds transfer so long as the fee does not exceed the city’s cost to accept such payment method and the fee is approved by the city’s governing body.
- The Finance Department shall work with City departments to ensure payment brand rules are followed, including, but not limited to, notifying the payment brands (e.g., VISA, Mastercard, Discover, AMEX, etc.) of the City’s intent to implement transactions fees and disclosing transaction fees to customers.

Authorization. City departments shall contact the Finance Department and complete a New Payment Cards Merchant Request Form for approval to establish a merchant

account and accept Payment Cards & eChecks as forms of payment for goods and services. The Finance Department shall review requests from City departments to determine if accepting Payment Cards & eChecks are prudent considering the department's needs and circumstances. The Finance Department shall provide guidance to City departments considering accepting Payment Cards & eChecks and may offer alternative payment options to departments for whom a merchant account is not suitable. While accepting Payment Cards & eChecks is a convenience for customers, it also entails legal and financial risk for the City and requires substantial compliance activities. Departments should consider the risks and responsibilities associated with accepting Payment Cards & eChecks, as well as Payment Cards & eChecks alternatives, before requesting a merchant account.

Card Association Rules and Regulations. Visa, MasterCard, Discover, and American Express are the only credit/debit cards that may be accepted by the City. Departments are expected to comply with the rules and regulations set forth by each of the card associations in the processing of credit/debit card payments. Each card association's rules and regulations can be found on their company website. Card associations may impose fines or revoke the privilege of accepting credit cards for not complying with their rules and regulations.

Acceptance and Processing. Payment Cards & eChecks shall be accepted for the sole purpose of processing payment transactions for goods and services provided by the City to the payee. All returns and credits shall be applied only to the Payment Cards used during the original transaction. Cash advances or cash withdrawals are prohibited and shall not be processed.

Payment Cards & eChecks Fees and Limits. The City may assess processing fees (the "Processing Fees") and impose certain limitations on Payment Cards & eChecks transactions.

Processing Fees and transaction limits shall apply, unless such fees or limits conflict with other City-approved rate or fee schedules, negotiated contracts (e.g., Silicon Valley Power Rate Schedule CB-6), or otherwise prohibited by law. The actual fee charged and the methodology used in calculating the fee shall be determined by the Director of Finance and shall be in accordance with contracts the City has established with its payment processing vendors, if applicable. City contracted third-party payment processing portals may impose separate fees and limits.

Processing fees and transaction limits shall apply to all payments made to the City and municipal fees covered in the Adopted Municipal Fee Schedule, unless otherwise noted; and a summary of major service areas covered by this Policy is as follows:

Apply Processing Fee?	Transaction Type	City Service	Example
YES	Utilities	Electric, Water, Sewer, Solar, Storm Drain, Fiber Optic, Recycling or Refuse	- Residential, Commercial and Industrial Utility Bills
	Permit Center / Development Related	Building Services, Fire Permits, Planning Services, Public Work Services	- Building Permits - Plan Review Fees - Fire Annual Renewable Permits
	Taxes	Business License, Transient Occupancy Tax	- Annual Business Tax - Monthly/Quarterly Transient Occupancy Tax
	General City Payments		
		Library	- Book Sales - Garbage Tags
		Triton Museum Special Permits	- Outdoor Events
		Miscellaneous Payments	- Property Damage
		Parks & Recreation ¹	- Classes & Activities - Theater - Facility Rentals - Athletic Field Rentals - Cemetery
		Police	- Parking Permits ¹ - Alarm Permits ¹ - Records - Fines & Citations
NO	Donations	Various Services	- Help Your Neighbor
	Parks & Recreation Payments	Seasonal Events Special Events	- Art & Wine Festival - Movies & Swim

¹ Credit card fees are assessed by third-party vendors utilized to manage classes, rentals, and ticket sales.

Transaction Amount Limits	Commercial	Resident
Minimum	\$5	\$5
Maximum [#]	\$100,000	\$7,500

[#]Maximum transaction limit does not apply to **Cemetery** and **Industrial** customers.

This Policy may be implemented for certain departments or transactions and not Citywide at the discretion of the Director of Finance.

Payment Card Industry Data Security Standards. PCI DSS is the global data security standard adopted by the payment card brands for all entities that process, store, or transmit cardholder data. Noncompliance may result in loss of the City's ability to accept credit cards. To ensure compliance with PCI DSS requirements an annual PCI Self-Assessment Questionnaire shall be completed annually by the Finance and IT Departments. PCI DDS requirements are located at <https://www.pcisecuritystandards.org/>.

Payment Card Information Security. All City departments and personnel are subject to and shall comply with the City's Payment Card Compliance and Processing Policy, including annual training requirements, as well as PCI DSS and payment brand rules, as applicable. Applicable personnel include, but is not limited to, staff that process, handle, transmit, or have access to Payment Cards or payment card information, and related information. Technology implementation shall follow industry guidance, procedures, and rule compliance established by PCI DSS for credit card payments and the National Automated Clearing House Association (NACHA) for electronic payments. Protecting cardholder data is essential and every effort shall be made to protect such information.

Associated Costs. Departments are responsible for all costs associated with the acceptance of Payment Cards & eChecks including costs associated with installation, supplies, and equipment, as well as processing fees. Departments are also responsible for any credit/debit card or eCheck transactions that are disputed and charged back to the City.

Accounting Controls. Cash receipts batches must be closed and reconciled daily. A detailed reconciliation process shall be performed by the Finance Department's Municipal Services Division. Batches shall be posted into the financial system daily. All batch copies shall be retained for audit purposes.

Contracts. The Finance Department shall establish and administer contracts with vendors for the acceptance and processing of Payment Cards and electronic transfers, including, but not limited to internet payment gateway services and third-party electronic payment processors.



Agenda Report

24-885

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on a Resolution to Set the Regular Meeting Schedules and Dates for the Bicycle and Pedestrian Advisory Committee for Calendar Year 2025

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

Santa Clara City Charter Section 1003 states that each board and commission shall hold regular meetings as required by the City Code. Santa Clara City Code Section 2.120.030 states that each board or commission shall hold regular meetings at the times and days indicated by a City Council resolution, as may be amended by further resolution.

At the March 22, 2022 City Council meeting, the Council approved Ordinance No. 2043 (Attachment 1), along with changes to the Bicycle and Pedestrian Advisory Committee (BPAC) Policy Guidelines (Attachment 2). These modifications formalized the BPAC to better align with all other City Boards, Commissions, and Committees related to City Charter membership terms and meeting rules. In addition, the revised Policy Guidelines set the dates and time of the BPAC meetings to five per calendar year with each meeting starting at 4:00 p.m.

DISCUSSION

The City publishes an annual calendar of meetings for City Council, Boards, Commissions, and Committees. The purpose of this item is to set regular BPAC Meeting dates for 2025. At the October 28, 2024 BPAC meeting, the BPAC reviewed the meeting schedule for 2025, which includes five meetings to be held at 4:00 p.m. on the fourth Monday in January, March, June, August, and October. The attached Resolution (Attachment 3) for City Council approval establishes these dates and time for the five regular BPAC meetings that will take place in 2025.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There are no additional costs to the City other than staff time and expense.

COORDINATION

This report has been coordinated with the City Attorney's Office and the BPAC.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt a resolution setting the regular meeting schedules and dates for the Bicycle and Pedestrian Advisory Committee for Calendar Year 2025.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Ordinance No. 2043
2. BPAC Policy Guidelines
3. Resolution Approving the 2025 BPAC Calendar of Meetings, and Setting the Times and Dates of Regular Meetings

ORDINANCE NO. 2043

AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, DEFINING THE COMPOSITION OF THE MEMBERSHIP OF THE BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE AND THE SCOPE OF THE BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE'S JURISDICTION, ADDING A NEW SECTION 2.120.170 ("BICYCLE AND PEDESTRIAN ADVISORY COMMITTEE") AND AMENDING SECTION 2.120.010 ("NAMES, MEMBERSHIP, QUALIFICATIONS, AND TERMS OF OFFICE") OF CHAPTER 2.120 ("BOARDS AND COMMISSIONS") OF TITLE 2 ("ADMINISTRATION AND PERSONNEL") OF "THE CODE OF THE CITY OF SANTA CLARA, CALIFORNIA"

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, at the May 22, 1991 City Council meeting, the Council approved a Citizens Committee on Bicycles known as the Bicycle Advisory Committee;

WHEREAS, at the February 28, 2006 City Council meeting, the Council approved a Policy Statement for the Bicycle Advisory Committee;

WHEREAS, at the March 4, 2014 City Council meeting, the Council approved to change the Committee to the Bicycle and Pedestrian Advisory Committee (BPAC) and related policy guidelines;

WHEREAS, at the September 14, 2020 Governance and Ethics Committee meeting, the Committee directed staff to bring back a recommendation on formalizing the BPAC that reflects the input of both the Committee and BPAC members;

WHEREAS, at the January 25, 2021 BPAC meeting, the Committee discussed the responsibilities and unanimously voted in support of amending the City Code to formalize the BPAC;

//

WHEREAS, at the March 29, 2021 Governance and Ethics Committee meeting, the Committee recommended that the City Council consider an Ordinance that clearly sets forth the composition of the membership of the BPAC and the scope of the BPAC's jurisdiction; and,

WHEREAS, at the December 14, 2021 City Council meeting, the Council directed staff to bring back an Ordinance and revised policy guidelines that clearly sets forth the composition of the membership of the BPAC and the scope of the BPAC's jurisdiction.

NOW THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

SECTION 1: The Bicycle and Pedestrian Advisory Committee shall consist of nine (9) members until July 1, 2025. Eight (8) members shall not hold any paid or employment in the City Government and one member is a Council Member serving as Chair. All members of the Bicycle and Pedestrian Advisory Committee shall be 18 years of age or older and residents of, or employed within, the City. The Bicycle and Pedestrian Advisory Committee shall have the following powers, functions, and duties:

(a) Act in an advisory capacity to Council on matters pertaining to modifying, expanding, and maintaining the City's public bicycle and pedestrian transportation systems.

(b) Recommend to Council on the priority of bicycle and pedestrian projects for which the City will seek funding under Article 3 of the Transportation Development Act, and other state, federal, and local funding programs.

(c) Review and advise Council on comprehensive bicycle and pedestrian master plans.

(d) Recommend complete streets features be incorporated into relevant transportation projects consistent with the City's Complete Streets policy.

(e) Support educational, encouragement, recreational, and cultural activities for bicyclists and pedestrians.

This section shall remain in effect only until July 1, 2025, and as of that date is repealed.

SECTION 2: Changes to the structure of the Bicycle and Pedestrian Advisory Committee membership shall be phased in as follows to achieve seven (7) members by July 1, 2025:

(a) Three (3) members appointed in December of 2019 shall have a term of office expiring on June 30, 2023. Said three (3) vacancies shall be filled by Council appointment.

(b) Two (2) members appointed in December of 2020 will have a term of office expiring on June 30, 2024. Said (2) vacancies shall be filled by Council appointment.

(c) Three (3) members appointed in December of 2021 will have a term of office expiring on June 30, 2025. Of the three (3) member positions only two (2) shall be filled by Council appointment.

(d) Any vacancies from whatever cause arising, shall be filled by appointment of the City Council. Such vacancy shall be for the unexpired portion of a term.

This section shall remain in effect only until July 1, 2025, and as of that date is repealed.

SECTION 3: Section 2.120.010 (entitled "Names, membership, qualifications and terms of office") of Chapter 2.120 (entitled "Boards and Commissions") of Title 2 (entitled "Administration and Personnel") of "The Code of the City of Santa Clara, California" ("SCCC") is amended to read as follows:

//

“2.120.010 Names, membership, qualifications and terms of office.

There shall be and there is established within the City the following boards, commissions, and committees:

- (a) Planning Commission. (SCCC 2.120.050)
- (b) Parks and Recreation Commission. (SCCC 2.120.060)
- (c) Civil Service Commission. (SCCC 2.120.070)
- (d) Board of Library Trustees. (SCCC 2.120.080)
- (e) Historical and Landmarks Commission. (SCCC 2.120.100)
- (f) Senior Advisory Commission. (SCCC 2.120.110)
- (g) Youth Commission. (SCCC 2.120.130)
- (h) Cultural Commission. (SCCC 2.120.140)
- (i) International Exchange Commission. (SCCC 2.120.150)
- (j) Housing Commission. (SCCC 2.120.160)
- (k) Bicycle and Pedestrian Advisory Committee. (SCCC 2.120.170)

All members of boards, commissions, and committees, except for members of the Youth Commission and Bicycle and Pedestrian Advisory Committee, shall be 18 years of age or older and residents of the City. All members of boards and commissions established by City Charter (i.e., Planning Commission, Parks and Recreation Commission, Civil Service Commission and Board of Library Trustees) shall also be qualified electors of the City.

SECTION 4: Section 2.120.170 is added to Chapter 2.120 (entitled “Boards and Commissions”) of Title 2 (entitled “Administration and Personnel”) of “The Code of the City of Santa Clara, California” to read as follows:

“2.120.170 Bicycle and Pedestrian Advisory Committee.

The Bicycle and Pedestrian Advisory Committee shall consist of seven (7) members. Members shall not hold any paid office or employment in the City. All members of the Bicycle and Pedestrian Advisory Committee shall be 18 years of age or older and residents of, or employed within, the City. The Bicycle and Pedestrian Advisory Committee shall have the following powers, functions, and duties:

(a) Act in an advisory capacity to Council on matters pertaining to modifying, expanding, and maintaining the City’s public bicycle and pedestrian transportation systems.

(b) Recommend to Council on the priority of bicycle and pedestrian projects for which the City will seek funding under Article 3 of the Transportation Development Act, and other state, federal, and local funding programs.

(c) Review and advise Council on comprehensive bicycle and pedestrian master plans.

(d) Recommend complete streets features be incorporated into relevant transportation projects consistent with the City’s Complete Streets policy.

(e) Support educational, encouragement, recreational, and cultural activities for bicyclists and pedestrians.

Effective Date: The ordinance codified in this Section 2.120.170 shall take effect on July 1, 2025.”

SECTION 5: Ordinances Repealed. With exception of the provisions protected by the savings clause, all ordinances (or parts of ordinances) in conflict with or inconsistent with this ordinance are hereby repealed.

SECTION 6: Savings clause. The changes provided for in this ordinance shall not affect any offense or act committed or done or any penalty or forfeiture incurred or any right established or accruing before the effective date of this ordinance; nor shall it affect any prosecution, suit or proceeding pending or any judgment rendered prior to the effective date of this ordinance. All fee schedules shall remain in force until superseded by the fee schedules adopted by the City Council.

SECTION 7: Effective date. This ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION this 22nd day of March, 2022, by the following vote:

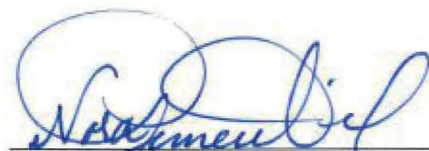
AYES: COUNCILORS: Becker, Chahal, Hardy, Jain, Park, and Watanabe, and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: None

ABSTAINED: COUNCILORS: None

ATTEST:



NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None

City of Santa Clara Bicycle and Pedestrian Advisory Committee Policy Guidelines

The Bicycle Advisory Committee (BAC) was established by the Santa Clara City Council on May 28, 1991. On March 25, 2014 the Bicycle Advisory Committee was changed to the Bicycle and Pedestrian Advisory Committee (BPAC) by the Santa Clara City Council.

Section 1. Purpose

The purpose and responsibilities of the BPAC are described in Section 2.120.170 of the City Code. Its intent shall be to encourage recreational and commuter bicycling and walking in the City by promoting safe, convenient, well-designed facilities, and by evaluating local bicycle and pedestrian related projects.

It is intended that the BPAC shall be an advisory committee to the City Council and nothing herein contained shall be construed as a limitation on the power of the City Council or the administrative staff of the City in their supervision or authority over property or personnel, which are under their jurisdictions.

Section 2. Membership

The BPAC is currently comprised of nine (9) members, which consists of eight (8) regular members and one (1) Chairperson or alternate that is the Mayor or Councilperson designated by City Council.

After June 2025, the BPAC shall be comprised of seven (7) members, which consists of seven (7) regular members. One regular member shall be appointed by the BPAC as Chair.

Representatives from Mission College, the Santa Clara Unified School District and the Silicon Valley Bicycle Coalition are encouraged to be members.

The City of Santa Clara adopted a Code of Ethics and Values to promote and maintain the highest standards of personal and professional conduct in the City's government. All members are required to subscribe to this Code, understand how it applies to their specific responsibilities, and practice its core values in their work.

Section 3. Term of Office, Vacancies, and Removal

Members shall serve for a term of four years and until their respective successors are appointed and qualified. The maximum time a member may serve is two consecutive full terms. If an individual is appointed to fill a partial term, they may still serve two additional full terms of office. After a lapse of at least two years, an individual is eligible

to reapply to serve on the committee and the same application process would apply as for individuals who had never served.

The application process for membership shall be in accordance with the City of Santa Clara Guide for Board, Commissions, and Committee Applicants.

To allow for staggered terms and to phase in the change to seven (7) members:

- Three (3) members appointed in December of 2019 will have a term of office expiring on June 30, 2023. All three (3) vacancies shall be filled
- Two (2) members appointed in December of 2020 will have a term of office expiring on June 30, 2024. All two (2) vacancies shall be filled
- Three (3) members appointed on December of 2021 will have a term of office expiring on June 30, 2025. Two (2) of three (3) vacancies shall be filled

Any vacancies from whatever cause arising, shall be filled by appointment by the City Council. Upon a vacancy occurring leaving an unexpired portion of a term, any appointment to fill such vacancy shall be for the unexpired portion of such term. If a member of a board or commission absents himself/herself from three regular meetings of such board or commission, consecutively, unless with permission of such board or commission expressed in its official minutes, or is convicted of a crime involving moral turpitude, or ceases to be a qualified elector of the City, his/her office shall be vacant and shall be so declared by the City Council.

The members shall be appointed, and shall be subject to removal, by motion of the City Council adopted by at least four affirmative votes.

Section 4. Meetings

The BPAC shall hold meetings on the fourth Monday in January, March, June, August and October at 4:00 p.m. at City Hall. The actual date of meeting can be changed. Additional meetings can be recommended by a quorum of the committee and approved by the City Manager. All meetings shall be open to the public and notices and agendas shall be posted at City Hall as required by law.

A majority of the members of the BPAC shall constitute a quorum for the transaction of business.

The affirmative or negative vote of a majority of the entire membership shall be necessary for it to take action.

Section 5. Assistance of Staff

The BPAC may utilize City personnel as described in Section 2.120.040 of the City Code. The BPAC's requests may from time to time be prioritized subject to staff limitations. The City Manager has appointed the Director of Public Works and the Chief of Police or their designees to staff the BPAC.

Section 6. Amendments

Amendments to the guidelines may be recommended by a quorum of the BPAC membership at any legal BPAC meeting, subject to approval by City Council.

RECOMMENDED FOR ADOPTION by the Bicycle and Pedestrian Advisory Committee this ____day of [MONTH, YEAR].

PASSED AND ADOPTED by the Santa Clara City Council this ____ day of [MONTH, YEAR].

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
APPROVING THE BICYCLE AND PEDESTRIAN ADVISORY
COMMITTEE CALENDAR OF MEETINGS FOR 2025 AND SETTING
THE NUMBER AND START TIME OF BICYCLE AND PEDESTRIAN
ADVISORY COMMITTEE MEETINGS**

WHEREAS, Section 2.120.030 of the Santa Clara City Code (“SCCC”) requires City boards and commissions to hold regular meetings at the times and on the days indicated by resolution of the Council;

WHEREAS, at the May 22, 1991 City Council meeting, the council approved a Citizens Committee on Bicycles known as the Bicycle Advisory Committee;

WHEREAS, at the March 25, 2014 City Council meeting, the Council approved to change the Committee to the Bicycle and Pedestrian Advisory Committee (BPAC) and related policy guidelines which included dates and times of the meetings;

WHEREAS, at the September 14, 2020 Governance and Ethics Committee meeting, the Committee directed staff to bring back a recommendation on formalizing the BPAC that reflects the input of both the Committee and BPAC members;

WHEREAS, at the January 25, 2021 BPAC meeting, the Committee discussed the responsibilities and unanimously voted in support of amending the City Code to formalize the BPAC;

WHEREAS, at the March 29, 2021 Governance and Ethics Committee meeting, the Committee recommended that the City Council consider an Ordinance that clearly sets forth the composition of the membership of the BPAC and the scope of the BPAC’s jurisdiction;

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WHEREAS, at the December 14, 2021 City Council meeting, the Council directed staff to bring back an Ordinance and revised policy guidelines that clearly sets forth the composition of the membership of the BPAC and the scope of the BPAC's jurisdiction; and,

WHEREAS, at the March 22, 2022 City Council meeting, the Council approved Ordinance No. 2043 that clearly sets forth the composition of the membership of the BPAC and scope of the BPAC's jurisdiction and revised policy guidelines which sets the dates and times of the BPAC meetings to the fourth Monday in January, March, June, August and October at 4 P.M.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. That the City Council hereby approves setting the BPAC meeting start time at 4:00 p.m., and establishes five (5) meetings for calendar year 2025, set on the fourth Monday in January, March, June, August and October.
3. That the City Council hereby approves the BPAC Schedule of Meetings for 2025, attached hereto.
4. Effective date. This resolution shall become effective immediately.

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I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED
AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING
THEREOF HELD ON THE ____ DAY OF _____, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____

NORA PIMENTEL, MMC

ASSISTANT CITY CLERK

CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Proposed Bicycle and Pedestrian Advisory Committee Meeting Schedule 2025



**City of
Santa Clara**
The Center of What's Possible

**BICYCLE AND PEDESTRIAN
ADVISORY COMMITTEE**

City Hall – Council Chambers
1500 Warburton Avenue
Santa Clara, CA 95050

**Schedule of
Meetings 2025**

Regular meetings are typically held on the fourth Monday of the months of January, March, June, August and October, beginning at 4:00 p.m., in the City Hall – Council Chambers.

Meeting Dates

- January 27, 2025
- March 24, 2025
- June 23, 2025
- August 25, 2025
- October 27, 2025



Agenda Report

24-1032

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Note and File the List of Designated City Employees who are Subject to Post-Employment Restrictions Pursuant to City Code Chapter 2.145

COUNCIL PILLAR

Enhance Community Engagement and Transparency.

BACKGROUND

The Political Reform Act (Cal. Gov. Code §87406.3) places a one-year restriction on the post-service activity of certain high-level local government officials and employees. Local elected officials as well as city managers are bound by the one-year ban on representing any other person, for compensation, by appearing before or communicating with their former agency in an attempt to influence the agency's decisions in an administrative or legislative action, or any action involving a permit, license, contract, or other transaction. A local agency is allowed to adopt additional post-service restrictions so long as those restrictions are more stringent than those in the state law.

In July 2000, the City Council adopted a final Ordinance that established a new Chapter in the Santa Clara City Code (formerly Santa Clara City Code, Chapter 2.80, renumbered to Chapter 2.145 of the City Code) that established a local Revolving Door prohibition for elected officials and designated employees. This local ordinance is more restrictive than the state law described above in that it expands both the list of employees to whom the restriction applies, and the prohibited post-service activities.

The purpose of this Code provision is (SCCC 2.145.010):

- a) To prevent former city officials and designated city employees from using their influence with the city or agency for personal gain.
- b) To prevent private for-profit business entities from obtaining a real or perceived unfair advantage in dealing the city or agencies by hiring former city or agency officials and/or designated city employees.
- c) To comply with the City "Code of Ethics and Values."
- d) To attempt to assure the independent, impartiality and integrity of city and agency officials and designated city employees in making governmental actions and decisions.

For one year immediately following the termination of city, agency or commission office or employment, former city officials, agency officials, commission officials and designated city employees shall not, for compensation (SCCC 2.145.030):

- a) Work on any matter which the affected city official or designated city employee previously

worked on for the city.

- b) Represent anyone else before the city council, a city agency, a city commission or staff of the city.
- c) Receive any gift or payment in excess of the amount determined from time to time by the Fair Political Practices Commission from any person who was, in any way, involved in or affected by the work of the affected city official or designated city employee.

In this context, “work” shall mean any activity, for which compensation is received from any source, including compensation received as an independent contractor. Work includes the supervision or direction of others performing work, except as provided in SCCC [2.145.050](https://www.codepublishing.com/CA/SantaClara/) (use of an ethical wall framework). Work for the City or an agency also includes any action of any sort whatsoever taken in one’s official capacity. Service by a City or an agency official or designated City employee on any type of board, committee, subcommittee or similar body as a representative of the City or agency is deemed to be work for the City or an agency (SCCC 2.145.020(h)). The Santa Clara City Code includes that the following “work” shall *not* be subject to the prohibitions (SCCC 2.145.040):

- a) As an employee or volunteer of a nonprofit organization.
- b) As an employee of a governmental entity.
- c) As an employee pursuant to City Charter 802 which, subject to the civil services provisions of the City Charter, grants authority to the City Manager to make personnel appointments.
- d) As an independent contractor of the city or agency where it has been determined that it is in the best interest of the city or agency to retain the former affected city official or city employee to provide transitional services.

Santa Clara City Code, Section 2.145.020(e) includes a provision that annually, the City Manager will provide the City Council with a list of designated City classifications that will be subject to the Revolving Door prohibitions. On December 12, 2023, the City Manager brought forward an item to Note and File the List of Designated City Employees for the period of January 1, 2024 - December 31, 2024. This included the positions of City Manager, City Attorney, Chief Operating Officer, Assistant City Manager, Director of Community Development, Assistant City Clerk, Assistant Police Chief, Fire Chief, Chief Electric Utility Officer, Director of Finance, Director of Water & Sewer Utilities, Director of Information Technology, Director of Public Works, Director of Finance, Director of Human Resources, Director of Parks & Recreation, and City Librarian.

DISCUSSION

In an effort to maintain compliance with Santa Clara City Code. Section 2.145.020(e), the City Manager has designated the classifications set forth below as “Designated City Employees” pursuant to SCCC 2.145.020(e). This list has been expanded from the 2024 year to include the classifications of Deputy City Manager, Assistant to the City Manager, and Police Captain. The Mayor and Council are already included, as defined by City Official in section 2.145.020 (b) of the Santa Clara City Code.

List of Designated Classifications City Employees Covered Under City Code Section 2.145.020 (e)	
City Manager	Fire Chief
City Attorney	Director of Human Resources

Chief Operating Officer	Director of Information Technology
Assistant City Manager	City Librarian
Director of Community Development	Director of Parks & Recreation
Director of Public Works	Assistant Police Chief
Chief Electric Utility Officer	Director of Water & Sewer Utilities
Director of Finance	Assistant City Clerk
Deputy City Manager	Assistant to the City Manager
Police Captain	

The list of Designated City Employees will be effective for the calendar period of January 1, 2025 - December 31, 2025.

The Administration will ensure that annual compliance is adhered to by bringing forward the Designated List of classifications that would be subject to Chapter 2.145.020 (e) annually, in December.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

Establishing an annual list of classifications that would be subject to the Revolving Door prohibitions, as outlined in City Charter, Chapter 2.145 does not have a cost to the City, except for associated staff time in preparation of the agenda materials.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>, or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and File the List of Designated City Employees who shall be subject to post-employment restrictions pursuant to Santa Clara City Code, Chapter 2.145 for the period of January 1, 2025 - December 31, 2025.

Reviewed by: Aracely Azevedo, Director of Human Resources

Approved by: Jovan D. Grogan, City Manager



Agenda Report

24-1123

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on Delegation of Authority to the City Manager to Negotiate and Execute Amendments to Agreements for Design Professional Services for Silicon Valley Power's System Capacity Expansion Planning Including Plan Implementation and General Consulting Services

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City of Santa Clara's Electric Utility, Silicon Valley Power (SVP), has provided dependable electric service for over 125 years. The demand for electric power from SVP's customers is expected to almost double over the next ten (10) years. During the recent heat wave, SVP reached a new system peak demand of 722 MW in 2024. With the new system expansion projects, and the California Independent System Operator's transmission line to be constructed by LS Power, SVP is expected to reach a peak of +/-1300 MW by 2030.

The City Council has taken many actions in support of growth as a part of SVP's System Expansion Plan:

- RTC #20-854: On October 13, 2020, City Council authorized the City Manager to negotiate and execute agreements with (1) five firms (1898 & Co., TRC Solutions, Inc., Electrical Consultants, Inc., AECOM Technical Services, Inc., and Stantec Consulting Services Inc.) in the amount of \$3,000,000 per agreement for plan implementation; and (2) five firms (Advisian Worley Group, TRC Solutions, Inc., Leidos Engineering, LLC, Flynn Resource Consultants, Inc. and EN Engineering LLC.) in the amount of \$2,000,000 per agreement for general consulting services. The total maximum compensation of these ten agreements is authorized not to exceed \$25 million over a five-year period.
- RTC #21-871: On September 28, 2021, City Council accepted SVP's Three-Year System Growth Plan Strategy. This plan identified \$300 million in proposed projects for both near-term and long-term capital improvement projects needed to support anticipated system growth and to replace end-of life equipment for system reliability.
- RTC #22-555: On May 13, 2022, City Council authorized the City Manager to execute Amendment No. 1 to the Agreement with AECOM Technical Services Inc. increasing the maximum compensation from \$3 million to \$11 million to perform program management services for SVP's System Expansion Plan. This authorization increased the aggregate authorization for the ten agreements to a new aggregate maximum compensation of \$33 million.
- RTC #22-166: On October 4, 2022, City Council authorized the City Manager to negotiate and execute amendments to ten agreements with an additional aggregate maximum compensation

of \$17 million. This authorization increased the aggregate authorization for the ten agreements to a new aggregate maximum compensation of \$50 million.

- RTC #22-1172: On November 15, 2022, City Council accepted SVP's System Expansion Plan for the California Independent System Operator's Transmission Planning Process FY 2023/24. The purpose of this process is to project SVP's load growth over the next ten years and apply it to an electric system model to simulate load growth impacts on SVP's electric system.
- RTC #23-104: On May 9, 2023, City Council adopted Resolution #23-9223 regarding the City's intent to issue tax-exempt electric system bonds for reimbursement of expenditures for certain SVP capital improvement projects including load growth projects and associated equipment and material purchases.
- RTC #23-757: On July 18, 2023, City Council authorized the City Manager to negotiate and execute amendments to the ten agreements with an additional aggregate maximum compensation of \$30 million for a new aggregate maximum compensation of \$80 million.

When a specific project is identified, staff issues a Call for Proposals that invites these prequalified consultants to submit qualifications and the award is based on factors such as project specific qualifications and experience, staff availability, project approach, proposed scope of services, project schedule and design completion dates.

DISCUSSION

The Capital Improvement Program (CIP) project portfolio managed by SVP currently includes fifty-two (52) projects with a value of approximately \$420 million in FY 2024/25. In addition, SVP has a separate team that focuses on the \$400+ million System Expansion Plan that includes the following projects:

- Northern Receiving Station (NRS) Transformer Replacement
- Scott Receiving Station (SRS) Rebuild and Replacement
- Kiefer Receiving Station (KRS) Rebuild and Replacement
- NRS-KRS 115kV Transmission Line

There are a number of additional expansion projects that staff is working on that require engineering services for successful design and delivery. These include:

- Four 60kV reconductor projects
- Breaker replacement projects
- Phase Shifting Transformer project
- Construction of seven substations
- Two additional distribution substation expansions
- Completion of Twenty Year (20) System Expansion Plan

The proposed projects include replacement of aged infrastructures and installation of new facilities which will allow higher internal system capacity and improve system reliability.

To meet the demand for growth in capacity over the next several years and to continue to proactively address aging infrastructure, SVP has a budget of approximately \$915 million in the FY 2024/25 and FY 2025/26 Adopted 5-year CIP. As a guideline, approximately 15-20% of capital project costs are associated with engineering services such as design and construction management. To address these engineering costs, staff recommends that the City Council authorize the City Manager to

negotiate and execute additional amendments to the ten agreements with an additional aggregate compensation of \$20 million to allow staff the flexibility of funding agreements as projects are awarded. If approved, the new aggregate authorization for the ten agreements will total a maximum compensation of \$100 million.

ENVIRONMENTAL REVIEW

The proposed actions involve the approval of amendments to existing agreements for program and project management services. Any associated capital improvements have been or will be evaluated under the California Environmental Quality Act ("CEQA"). Therefore, the proposed actions do not constitute a "project" within the meaning of CEQA pursuant to section 15061(b)(3) of Title 14 of the California Code of Regulations as it can be seen with certainty that there is no possibility that the proposed approvals will have a significant effect on the environment.

FISCAL IMPACT

Sufficient funds for these amendments are included in the capital budget for each project for Fiscal Year 2024/2025 and 2025/2026. When additional budget is required or new projects are identified, requests will be submitted to the City Council for approval of the project and associated budget. Where applicable, costs will be recovered through developer contributions including developer deposits and load development fees. It is estimated that approximately 40% - 50% of the project costs will be funded by Load Development Fees or direct development contributions. Also, the system expansion plan projects are primarily funded with bond proceeds. As the System Expansion Plan and design and construction of developer funded substations progress, the costs and timelines will be revised and updated, and budget adjustments will be requested at that time if required.

Funds required for these agreements in future years are subject to budget appropriations and will be incorporated into the budget development process for those years. In the event the authorized budget for a project is insufficient, budgetary actions will be brought forward to the City Council as needed to provide funding for services in advance of authorizing those services.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Subject to the appropriation of funds and review and approval as to form by the City Attorney, authorize the City Manager to negotiate and execute amendments to the Agreements for Design Professional Services (Master Agreements) for Silicon Valley Power's System Expansion Plan for an additional aggregate maximum compensation of \$20 million for a new aggregate maximum compensation of \$100 million funded by the Electric Utility Capital Fund and allocated as SVP may require with (a) 1898 & Co., (b) TRC Solutions, Inc., (c) Electrical Consultants, Inc., (d) AECOM Technical Services, Inc., (e) Stantec Consulting Services Inc., (f) Advisian Worley Group,

(g) Leidos Engineering, LLC, (h) Flynn Resource Consultants, Inc. and (i) EN Engineering LLC.); and

2. Authorize the City Manager to take any actions as necessary to implement and administer the Master Agreements and to negotiate and execute amendments to those agreements to (a) add or delete services with their scope of services; (b) adjust future rates; and (c) extend the terms of the Master Agreements to complete projects initiated during the authorized term, subject to budget appropriations and approval as to form by the City Attorney.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Jovan D. Grogan, City Manager



Agenda Report

24-1127

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on Resolutions Approving the Cultural Commission, Youth Commission, and Parks & Recreation Commission 2025 Calendar of Meetings

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

The City Code states that each board or commission shall hold regular meetings at the times and on the days indicated by resolution of the City Council and are subject to amendment from time to time by Council resolution. Resolution No. 5195 adopted by the City Council in 1987 provided the original schedule for meeting dates and times for the Cultural Commission and the Parks & Recreation Commission. Resolution No. 6047 established the Youth Commission's regular meeting day, month, and time. By subsequent resolutions of the City Council, the Commissions have updated their schedule of meeting dates and times to meet the specific needs of each commission and the public.

DISCUSSION

The City publishes an annual calendar of meetings for Council, Boards and Commissions. The purpose of this item is to set the 2025 Calendar of Regular Meetings for the Cultural Commission, the Parks & Recreation Commission, and the Youth Commission. To streamline the process, there is one Council report with three (3) separate resolutions for review and approval by Council.

Commissions currently meet by approved resolution on the following schedules:

- According to Council Resolution No. 19-8667, the Cultural Commission meets eleven times per year on the first Monday of each month at 7:00 p.m., except when such day falls on a City holiday. On October 7, 2025, the Cultural Commission recommended that Council approve the proposed Resolution (Attachment 1) and its calendar of meetings for 2025 (Attachment 2).
- According to Council Resolution 19-8771, the Youth Commission meets on the second Tuesday of each month from January to May and September to December at 6 p.m. On October 8, 2025, the Youth Commission recommended that Council approve the proposed Resolution (Attachment 3) and its calendar of meetings for 2025 (Attachment 4).
- According to Council Resolution No. 20-8918, the Parks & Recreation Commission meets eleven times per year on the third Tuesday of the month at 7:00 p.m. On June 25, 2024, the City Council adopted Resolution No. 24-9337 to change the day of the Commission's regular

meetings from the third Tuesday of each month to the second Monday of each month at 7 p.m. to avoid conflict with scheduled City Council meetings. On November 25, 2025, the Parks & Recreation Commission recommended that Council adopt a Resolution (Attachment 5) to set the calendar of meetings for 2025 (Attachment 6).

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There is no fiscal impact other than staff time.

COORDINATION

This report has been coordinated with the City Manager's Office and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt Resolutions setting the Parks & Recreation Commission, Cultural Commission, and Youth Commission regular meeting dates for the 2025 calendar year.

Prepared by: Sandy Le, Office Specialist III

Reviewed by: Damon Sparacino, Director, Parks & Recreation

Approved by: Jōvan Grogan, City Manager

ATTACHMENTS

1. Proposed Resolution for Cultural Commission Meeting Calendar for 2025
2. Proposed Cultural Commission Meeting Calendar 2025
3. Proposed Resolution for Youth Commission Meeting Calendar for 2025
4. Proposed Youth Commission Meeting Calendar 2025
5. Proposed Resolution for Parks & Recreation Commission Meeting Calendar
6. Proposed Parks and Recreation Commission Meeting Calendar 2025

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
APPROVING THE CULTURAL COMMISSION CALENDAR OF
MEETINGS FOR 2025, SETTING THE NUMBER AND START TIME
OF REGULAR CULTURAL COMMISSION MEETINGS**

WHEREAS, Section 2.120.030 of the Santa Clara City Code ("SCCC") requires City boards and commissions to hold regular meetings at the times and on the days indicated by resolution of the Council;

WHEREAS, the City Council in 1987 adopted Resolution No. 5195 to set the original dates and times of the Cultural Commission, and on December 17, 2019 the Council adopted Resolution No. 19-8667 setting the first Monday of the month at 7:00 p.m. as the regular meeting date and time; and

WHEREAS, on December 3, 2024, the Cultural Commission recommended to the City Council its meeting schedule for 2025, which proposes eleven (11) meetings per year (January through December), and a start time of 7:00 p.m.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. The City Council hereby approves the Cultural Commission Schedule of Meetings for 2025, attached hereto.
3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED:

COUNCILORS:

ATTEST: _____

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Proposed Cultural Commission Meeting Calendar 2025

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**City of
Santa Clara**
The Center of What's Possible

Cultural Commission
Santa Clara Senior Center
1303 Fremont Street
Santa Clara, CA 95050

Regular meetings are typically held on the first Monday of the month, beginning at 7 p.m., Santa Clara Senior Center Room 205, 1303 Fremont Street. Meetings may be canceled in the event they fall on a holiday or a quorum cannot be reached.

The City of Santa Clara is conducting the Cultural Commission meetings in a hybrid manner (in- person and a method for the public to participate remotely).

January 6, 2025

February 3, 2025

March 3, 2025

April 7, 2025

May 5, 2025

June 2, 2025

July 7, 2025

August 4, 2025

October 6, 2025

November 3, 2025

December 1, 2025

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
APPROVING THE YOUTH COMMISSION CALENDAR OF
MEETINGS FOR 2025, SETTING THE NUMBER AND START TIME
OF REGULAR YOUTH COMMISSION MEETINGS**

WHEREAS, Section 2.120.030 of the Santa Clara City Code ("SCCC") requires City boards and commissions to hold regular meetings at the times and on the days indicated by resolution of the Council;

WHEREAS, the City Council in 1995 adopted Resolution No. 6047 to set the original dates and times of the Youth Commission, and on December 7, 2021 the Council adopted Resolution No. 21-9028 setting the second Tuesday of the month at 6:00 p.m. as the regular meeting date and time; and

WHEREAS, on December 3, 2024, the Youth Commission recommended to the City Council its meeting schedule for 2025, which proposes nine (9) meetings per year (January-May and September-December) and a start time of 6:00 p.m

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. The City Council hereby approves the Youth Commission Schedule of Meetings for 2025 attached hereto.
3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED:

COUNCILORS:

ATTEST: _____

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Proposed Youth Commission Meeting Calendar 2025

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2025 Youth Commission Schedule of Meetings

Regular meetings are typically held on the second Tuesday of the month, beginning at 6:00 p.m., in accordance with the following schedule:

Meeting Dates

January 14, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

February 11, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

March 11, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

April 8, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

May 13, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

September 9, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

October 14, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

November 18, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

December 9, 2025

(2446 Cabrillo Avenue, Santa Clara, CA 95051)

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
APPROVING THE PARKS & RECREATION COMMISSION
CALENDAR OF MEETINGS FOR 2025, SETTING THE NUMBER
AND START TIME OF REGULAR PARKS & RECREATION
COMMISSION MEETINGS**

WHEREAS, Section 2.120.030 of the Santa Clara City Code ("SCCC") requires City boards and commissions to hold regular meetings at the times and on the days indicated by resolution of the Council;

WHEREAS, the City Council in 1987 adopted Resolution 5195 to set the original dates and times of the Parks & Recreation Commission, and on December 7, 2021 the Council adopted Resolution No. 24-9337 setting the second Monday of the month at 7:00 p.m. as the regular meeting date and time; and

WHEREAS, on December 3, 2024, the Parks & Recreation Commission recommended to the City Council its meeting schedule for 2025, which proposes eleven (11) meetings per year and a start time of 7:00 p.m.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. The City Council hereby approves the Parks & Recreation Commission Schedule of Meetings for 2025 attached hereto.
3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED:

COUNCILORS:

ATTEST: _____

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Proposed Parks & Recreation Commission Calendar of Meeting for 2025

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**City of
Santa Clara**
The Center of What's Possible

Parks & Recreation Commission

Hybrid Meeting

City Hall - Lower Level, East Wing Cafeteria

1500 Warburton Avenue

Santa Clara, CA 95050

And Via Zoom

Schedule of Meetings January – November 2025

Meeting Dates

Regular meetings are typically held on the second Monday of the month, beginning at 7:00 p.m., in accordance with the following schedule:

January 13

February 10

March 10

April 14

May 12

June 9

July 14

August 11

September 8

October 20

(Indigenous Peoples' Day, October 13)

November 10



Agenda Report

24-1193

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Authorize the Mayor to Sign the Final Version of the Responsible AI Pledge at the upcoming GovAI Coalition Summit

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure.

BACKGROUND

The GovAI Coalition (<https://www.sanjoseca.gov/govai>) was established in November 2023 to give local government a voice in shaping the future of AI and to ensure that AI development aims to benefit society. The GovAI Coalition is composed of over 1,500 members and over 500 local, state, and federal agencies united in our mission to promote responsible and purposeful AI in the public sector. The City of San Jose is the lead city working with partners to advance nationwide municipal government objectives with respect to AI. The Coalition intends to produce, and has produced, deliverables in a number of areas that make it easier for public agencies to stay aligned with government best practices, receive support from other members, and procure new AI systems with greater transparency from vendors.

The GovAI Coalition is committed to:

- Using AI for social good,
- Ensuring ethical, non-discriminatory, and responsible AI governance,
- Promoting vendor accountability,
- Improving government services, and
- Fostering cross-agency collaboration and knowledge sharing.

To achieve these goals, the GovAI Coalition has adopted the following “Guiding Principles for Responsible AI Systems” as a part of its Artificial Intelligence Policy:

1. **Human-Centered Design:** AI systems are developed and deployed with a human-centered approach that evaluates AI powered services for their impact on the public;
2. **Security & Safety:** AI systems maintain confidentiality, integrity, and availability through safeguards that prevent unauthorized access and use. Implementation of AI systems is reliable and safe, and minimizes risks to individuals, society, and the environment;
3. **Privacy:** Privacy is preserved in all AI systems by safeguarding personally identifiable information (PII) and sensitive data from unauthorized access, disclosure, and manipulation;
4. **Transparency:** The purpose and use of AI systems is proactively communicated and disclosed to the public. An AI system, its data sources, operational model, and policies that govern its use are understandable and documented;
5. **Equity:** AI systems support equitable outcomes for everyone. Bias in AI systems is effectively

managed with the intention of reducing harm for anyone impacted by its use;

6. **Accountability:** Roles and responsibilities govern the deployment and maintenance of AI systems, and human oversight ensures adherence to relevant laws and regulations;
7. **Effectiveness:** AI systems are reliable, meet their objectives, and deliver precise and dependable outcomes for the utility and contexts in which they are deployed; and
8. **Workforce Empowerment:** Staff are empowered to use AI in their roles through education, training, and collaborations that promote participation and opportunity.

In January 2024, the City Manager established a citywide AI Employee Engagement Group to research, analyze, and evaluate how generative AI tools impact our work and to develop a City Manager Directive on how we use AI internally. This group consists of individuals from various City departments and has thus far developed a draft AI policy. The engagement group conducted a staff survey to learn more about the existing use of AI in the City, participated with the vendor community including NVIDIA to learn more about AI, attended academic courses, and explored use cases that further citizen engagement and improve City services. In September, the group presented its findings and recommendations to the senior leadership team along with a draft AI policy.

The City's draft AI policy aims to encourage responsible use of AI in the workplace. Key elements of the City's AI policy include safeguards on sensitive data and acceptable use of generative AI tools. The policy includes guiding principles such as transparency, equity, accountability, privacy, security, accuracy and responsible use. Prohibited uses include inputting sensitive data into generative AI tools and relying on fully automated decision making. In addition, user training is also planned and a chatbot on the city's website is envisioned.

In March 2024, the City's AI Engagement Group discussed joining the GovAI Coalition and recommended approval of signing an open letter published by the GovAI Coalition in March of 2024. As a member organization, staff has participated in GovAI meetings. We have taken advantage of resources available via the GovAI coalition and used draft templates as reference to the development of the City's draft AI policy and guiding principles. The GovAI Coalition is performing valuable work that will benefit all municipalities and set the stage for future development of AI systems for municipal use and guide the use of AI systems in municipal environments. It is important for our City to be a member so our voice can be heard in the decision making process.

DISCUSSION

The GovAI Coalition will be hosting a Summit at the San Jose McEnery Convention Center on December 4-6, 2024. The Summit will culminate in the signing of the Responsible AI Pledge on December 5, 2024. Mayor Lisa Gillmor has been invited by the Office of the Mayor Matt Mahan of the City of San Jose to sign the Responsible AI Pledge.

The Responsible AI Pledge furthers the coalition's goal to communicate with the vendor community and coalition members as to the coalition's intent to promote responsible use of AI. The pledge seeks to promote:

- Ethical, non-discriminatory, and responsible AI governance,
- Hold vendors accountable to standards set forth by the Coalition,
- Improve government services, and
- Foster collaboration and knowledge sharing among various participating organizations.

The pledge, in its current form, lists the coalition's responsible AI principles. In addition, the pledge implores its signatories to uphold the responsible AI principles and advocate for them, provide resources to participate in ongoing development of GovAI's activities, adopt an AI policy and incident response plan, implement procurement standards, educate, and train workforce and educate constituents regarding the benefits and risks presented by AI.

City staff, and other coalition members, provided feedback to the City of San Jose on the draft version of the pledge language; concerns regarding potential budget actions necessary to "provide resources" or procurement decisions that did not align with existing city codes were raised with the Coalition. City of San Jose staff has incorporated our feedback into the Pledge language, to make it a commitment of action rather than one of adoption. A copy of the *updated* pledge document is attached to this report.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no fiscal impact associated with the Pledge itself, apart from staff time.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Authorize the Mayor to sign the final version of the Responsible Artificial Intelligence (AI) Pledge proposed by the GovAI Coalition Summit being held December 4 - 6.

Reviewed by: Gaurav Garg, Director/CIO, Information Technology Department
Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. UPDATED GovAI Coalition Responsible AI Pledge

Responsible AI Pledge

GovAI Coalition Summit

Whereas, the GovAI Coalition is composed of representatives from government, industry, and civil society designing responsible and purposeful Artificial Intelligence (AI) for the public good.

Whereas, the GovAI Coalition is committed to:

1. Using AI for social good;
2. Ensuring ethical, non-discriminatory, and responsible AI governance;
3. Promoting vendor accountability;
4. Improving government services; and
5. Fostering cross-agency collaboration and knowledge sharing.

Whereas, the GovAI Coalition's Responsible AI Principles are:

1. **Human-Centered Design:** AI systems are developed and deployed with a human-centered approach that evaluates AI powered services for their impact on the public;
2. **Security & Safety:** AI systems maintain confidentiality, integrity, and availability through safeguards that prevent unauthorized access and use. Implementation of AI systems is reliable and safe, and minimizes risks to individuals, society, and the environment;
3. **Privacy:** Privacy is preserved in all AI systems by safeguarding personally identifiable information (PII) and sensitive data from unauthorized access, disclosure, and manipulation;
4. **Transparency:** The purpose and use of AI systems is proactively communicated and disclosed to the public. An AI system, its data sources, operational model, and policies that govern its use are understandable and documented;
5. **Equity:** AI systems support equitable outcomes for everyone. Bias in AI systems is effectively managed with the intention of reducing harm for anyone impacted by its use;
6. **Accountability:** Roles and responsibilities govern the deployment and maintenance of AI systems, and human oversight ensures adherence to relevant laws and regulations;
7. **Effectiveness:** AI systems are reliable, meet their objectives, and deliver precise and dependable outcomes for the utility and contexts in which they are deployed; and
8. **Workforce Empowerment:** Staff are empowered to use AI in their roles through education, training, and collaborations that promote participation and opportunity.

Therefore, the following is a list of commitments that I and other government officials are making to promote the responsible and purposeful use of AI for the public good. These voluntary commitments are consistent with existing laws and regulations and are designed to advance the use of AI to enhance resident and staff livelihoods.

As a senior official of a participating agency in the GovAI Coalition, I pledge to:

1. Uphold the GovAI Coalition's Responsible AI Principles;
2. Advocate for the broader adoption of the Coalition's Responsible AI Principles across local, regional, state, and national agencies;
3. Provide resources to support the GovAI Coalition's activities, such as assigning a liaison from my agency to participate in the GovAI Coalition;

4. Propose an AI policy in accordance with the Coalition's Responsible AI Principles for my agency by December 31st, 2025;
5. Propose an AI Incident Response Plan in accordance with the Coalition's Responsible AI Principles for my agency by December 31st, 2025;
6. Propose a version of the AI FactSheet that will constitute a requirement in the agency's acquisition of AI by December 31st, 2025;
7. Disclose my agency's use of AI with the community;
8. Educate my community about the benefits and risks presented by AI;
9. In the process of educating my community, provide opportunities for community members to inform my agency's approach to AI;
10. Upskill, educate, train, and support my agency's staff to use AI to enhance their jobs and improve service delivery; and
11. Share my agency's AI-related best practices, documentation, use cases, contracts, and learnings with other agencies in the spirit of collaboration.

Name:

Agency:

Date:

Signature:



Agenda Report

24-1035

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Informational Report Regarding Bi-Annual Project Status Report of the GIS Services Program

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure.

BACKGROUND

On October 29, 2019, Arini Geographics was awarded a contract for enterprise GIS consulting services. In approving the contract, the City Council requested a bi-annual status report on GIS services. The contract was awarded as a three-year professional services agreement, with an additional two-year term option. The City has just completed the final year of the contract term on October 31, 2024, and a six-month extension is currently underway. A Request for Proposals (RFP) process for GIS professional services for a service provider and new contract term is in progress.

DISCUSSION

This enterprise information management system is a central tool for fostering collaboration across City departments by unifying data and integrating it with other essential business systems. Through enterprise GIS integrations, City-wide access to current information on parcels, streets, addresses, and ownership is ensured, promoting transparency, trust, and accountability. Additionally, GIS initiatives are designed with the public in mind, offering user-friendly interfaces and interactive maps that enhance engagement and responsiveness to the needs of residents and business owners.

The GIS program consists of two components-Projects and day-to-day operations. The following table provides a status update for each project which is then followed by a narrative summary.

Project	Current Reporting Period Jun 2024 - Nov 2024	Next Reporting Period May 2025
Stadium Common Operation	Completed	
Employee Web Map Viewer	Completed	
Enterprise GIS Upgrade to	Completed	
Public Web Map Viewer Up	Completed	
Retired Parcel Document A	In Progress	Completed Planned
Storm Drain Digital Map Bo		Completed Planned

Parks and Recreation Asse		Completed Planned	
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Projects Completed:

Stadium Common Operational Picture (COP) Upgrade: The COP is a comprehensive real-time web-based application providing multi-agency coordination and a shared view of stadium operations. This upgrade saw the addition of real-time officer tracking and integrated video feeds from City-managed drones. The GIS team operates the COP to provide live situational awareness critical to public safety for events at Levi's Stadium.

Employee Web Map Viewer Upgrade infoMap 4.0: infoMap serves as a vital tool for streamlining access to GIS data layers. This internal web map viewer not only provides convenient web-based accessibility but also integrates essential one-click analysis tools, including generating mailing lists, locating addresses, parcels or creating property reports. This upgrade underscores the significance of preserving this access, ensuring its seamless functionality and efficiency for continued support of City operations.

Enterprise GIS Upgrade to ArcGIS 10.9.1: The Enterprise GIS serves as the central hub for storing, maintaining, and sharing all City-location data. As it is directly integrated with multiple business critical systems, it must be continuously maintained and improved. This upgrade was completed in a seamless manner, minimizing any potential disruption to essential City services. As a result, the enterprise system has increased capacity to deliver data to integrated business systems for asset management and permitting. It provides greater support for mobile map access for field teams, providing faster data services as demand grows due to new integrations and a larger user base. Moreover, robust failover systems and data redundancy strategies have been implemented to ensure business continuity in the event of unforeseen disruptions in service.

Public Web Map Viewer Upgrade MapSantaClara: MapSantaClara is the City's public web mapping tool, essential for residents and prospective residents seeking comprehensive location data to create maps, property reports or assist with permitting. This upgrade focused on modernizing this tool to enhance its accessibility, scalability, and user experience, while robust data handling enhances security and system integrity. This initiative boosts public engagement and decision-making capabilities and ensures the tool's adaptability to future technological changes, safeguarding the City's investment in technology.

Projects currently in progress:

Retired Parcel Document Access via infoMap: This project enables quick location-based access to documents related to current and historical parcels through infoMap, leading to significant City staff productivity gains and better customer service. Per the request of the Community Development Department, integration will be implemented between infoMap and the Electronic Document Management System (Laserfiche) repository where City documents are stored. This integration will provide access to retired parcel documents which reside in Laserfiche but are not available through the City's online permitting portal.

Planned projects over the next six months:

Storm Drain Digital Map Book Update: The City's Storm Drain Digital Network and Map Books, used to manage and maintain the network, has not been updated since 2014. Maintaining storm drains is a critical component of City operations, especially before and during storm events. To prepare and improve the City's response, the GIS team will update the network by editing the digital network to add in all the changes that have occurred over the last decade. To achieve this, the GIS team will review all available documents describing these improvements and digitally adjust the storm drain network. In addition, printed map books (used by field teams to maintain storm drains and pipes) will be created from the updated digital network. Finally, the improved storm drain system will be integrated into the Enterprise Asset Management program, making for better storm drain maintenance records and management activities.

Parks and Recreation Asset Enhancement Project: This project aims to enhance the operational efficiency and inventory management for the Parks and Recreation Department through strategic integration. It comprises two key components designed to streamline maintenance activities and enrich the asset database.

1. **EAM Integration for Parks Maintenance:** In collaboration with the Parks Maintenance Division, a preventative daily work order task will be incorporated into the Enterprise Asset Management Application. This integration is pivotal for automating routine maintenance, ensuring the timely execution of work orders, and optimizing resource allocation to maintain park amenities.
2. **GIS Inventory Expansion:** Over the past year, the City's infrastructure has expanded with the addition of numerous parks and significant upgrades featuring new amenities. These features need to be added to the GIS database so that these assets can be managed more efficiently, and work orders can be generated through Lucity, thereby streamlining operations for the Parks Department. This enhancement will improve planning, management, and enhance public access to information.

Day-to-Day Operations

The Enterprise GIS program enables City operations by consolidating, enriching, maintaining, and sharing hundreds of datasets for various City departments in the central database known as the Enterprise Geospatial Repository (EGR). Currently, the EGR houses over 280 unique geospatial and attribute layers, offering a comprehensive view of the City and its surrounding areas. These layers include diverse datasets, such as pipeline utilities, tree inventories, public safety resources, City facilities, General Plan data, and park assets, among others. The EGR underpins critical functions such as public safety, utility management, community development, parks maintenance, capital projects, and public engagement, with its goals achieved through real-time integrations with City systems and data-sharing partnerships.

Enterprise GIS has transformed day-to-day operations across departments citywide. For instance, infoMap is a crucial tool that almost every city department uses daily, integrating automated workflows to streamline tasks and improve efficiency. Additionally, MapSantaClara empowers the public to interact with City departments-such as filing permits-in an automated manner, saving City departments substantial time and resources. The Common Operating Picture (COP) tool enhances safety by assisting the Police Department through a comprehensive real-time web-based application.

In the Parks & Recreation Department, the GIS program has been instrumental in updating the integration scheme for parks assets and training City personnel to use Lucity map tools effectively,

allowing for two-way asset editing. Furthermore, the collection and integration of all the City's tree GIS data with the Enterprise Asset Management system exemplifies how GIS supports effective asset management and operational efficiency. The Enterprise GIS delivers significant business value by enhancing operational efficiency, improving service delivery, and supporting strategic planning across the City.

Enterprise GIS Basemap: At the heart of the Enterprise Geospatial Repository (EGR) is the Enterprise GIS Basemap, which includes essential data layers forming the foundation of the City's geospatial information system. These foundational layers offer a wide range of critical information, such as addresses, streets, parcel data, ownership records, general plan and zoning designations, multi-year aerial imagery, and related attributes. These layers are vital to the City's daily operations, supporting activities like building permit processing, field work order management, environmental compliance, sustainability efforts, and key public safety functions, including 911 incident response. By providing robust and accessible geospatial data, the EGR strengthens the City's efficiency, effectiveness, and its capacity to serve residents and stakeholders.

Statistics and information related to Enterprise GIS activities can be found in the attached updated infographic (Attachment 1).

System Updates and Data: Ongoing critical updates are essential to maintaining the security, functionality, and performance of our systems and are regularly implemented in the areas listed below.

MapSantaClara: A web-based application that provides tailored access and reporting functionality to the public (<https://map.santaclaraca.gov>). This popular application received over 34,000 visits over the current reporting period offering insights to the public on GIS-related data. It includes custom-built tools to help explore the attributes of each parcel.

Open Data Geospatial Portal: A web-based repository providing public access to GIS datasets, the Open Data Portal benefits the community by providing access to important datasets for mapping, analysis, and reporting (<https://public-gis-missioncity.opendata.arcgis.com/>).

Story Maps: Specialized web-based GIS interactive maps that facilitate information dissemination and increase the level of service to the public, including Development Projects (<http://santaclaraca.gov/devprojects>) and Live Traffic Cameras (<http://santaclaraca.gov/trafficcams>). By working with the Communications Team and Community Development Department, the Development Projects application is frequently updated to showcase how the City is growing.

Public Safety: GIS integrations and specialized datasets support both the Police and Fire Departments, with regular updates to maintain accuracy and functionality, including critical map data for the Computer Aided Dispatch (CAD) system and police mobile data computers (MDCs). Recently, a significant update to the CAD map data was completed, ensuring enhanced location accuracy and faster response times. The GIS team also supports GPS functionality in all response vehicles, as well as central command capabilities for managing events at Levi's Stadium and across the City.

Enterprise Permitting: The integration with the Enterprise Permit Management System enables location validation for over 500,000 existing permit records. This real-time connection ensures that

accurate addresses and parcel numbers are readily available for searching and confirming the status of properties where citizens seek permits for construction or modifications to homes and businesses. By leveraging data stored in the Enterprise Geospatial Repository, all permits are validated, enhancing the accuracy and reliability of critical City records.

Enterprise Asset Management (EAM): The continued expansion of this successful program enhances the City's record-keeping for maintenance, supports better stewardship of City-owned assets, and drives strategic resource management through mobile applications and dashboards. Due to its operational and maintenance benefits, the asset management and GIS systems have seen widespread adoption. With the recent inclusion of water meters and irrigation valves and the planned integration of the storm drain network, this program now supports work order and asset maintenance for Streets, Water and Sewer, Parks and Recreation, and multiple Engineering teams. Further expanding this integration will allow for seamless assignment of work orders across all City assets, enabling efficient tracking of maintenance activities. This advancement strengthens preventive maintenance initiatives and supports long-term infrastructure lifecycle management.

Regional GIS Collaboration and Coordination: The IT Department works closely with neighboring cities, the County of Santa Clara, and other government agencies to ensure timely data acquisition and regional information sharing. Through an ongoing agreement, the City receives updated high-resolution aerial imagery annually, serving as the foundational GIS layer for the City Basemap. Additionally, building footprints derived from this imagery are integrated into infoMap, the City's web mapping application, allowing multiple departments to monitor changes in the built environment. This regional collaboration also provides access to high-resolution elevation data, known as LiDAR, which supports above- and below-ground engineering projects. The cost savings from this partnership enable regular data collection, facilitating more informed analysis, inspection, and planning efforts.

Real-Time Business System Integration: Real-time integration of Enterprise GIS data into City business systems through APIs allows departments to rely on up-to-date geographic information. By enabling real-time data sharing and collaboration, Enterprise GIS integration eliminates data silos, ensuring all departments access the most current information. Enterprise GIS is integrated with systems for permitting, Enterprise Asset Management, sewer inspections, and various public safety applications. Through these real-time API connections, the Enterprise GIS program enhances maintenance record-keeping for DPW Engineering, the Streets Division, Water and Sewer, and Parks and Recreation. With GPS-tagged asset data-covering water systems, playgrounds, and boulevard islands-field teams receive automatically generated daily maintenance tasks, log completed work, add notes or concerns, and create new work orders in real-time for unplanned maintenance. This efficient approach to asset management extends to public safety applications, where accuracy and timely information are crucial.

Steady State GIS: Maintained crucial City services by regularly updating the GIS dataset and Lucity EAM system for accurate data management and operational efficiency. This included monthly parcel ownership and address updates to support City planning and emergency services, ongoing maintenance of traffic signs for improved asset management and public safety, and continued support for the PLDA project to ensure reliable information access. Additionally, automated updates to general planning and zoning codes were implemented to increase efficiency, reduce manual errors, and align with the planning departments requirements.

GIS User Group: To facilitate greater communication and direct interaction with City users, the GIS

team has established monthly user group meetings. These have yielded results in the form of new data layers being published, data issues being resolved, and fostering greater user engagement. Meetings have been attended by staff from Community Development, Public Works, Parks and Recreation, and Water and Sewer.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no cost to the City associated with this report other than administrative time and expense.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file the Bi-annual Status Report on the GIS Service Program.

Reviewed by: Gaurav Garg, Director of Information Technology / CIO

Approved by: Jovan D. Grogan, City Manager

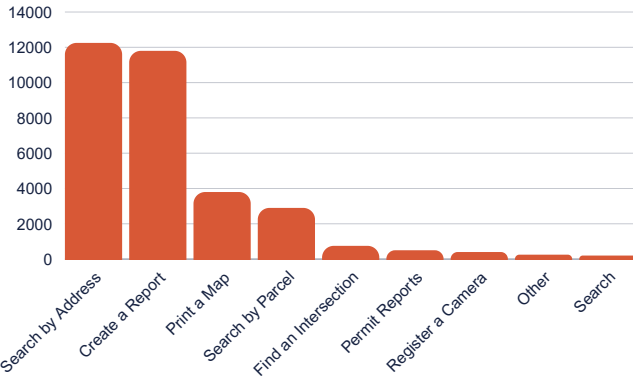
ATTACHMENTS

1. Infographic - Enterprise GIS Program Activity

ENTERPRISE GIS PROGRAM ACTIVITY

December 2024 Informational Report Regarding Bi-Annual Project Status Report of the GIS Services Program

Public Utilization of MapSantaClara

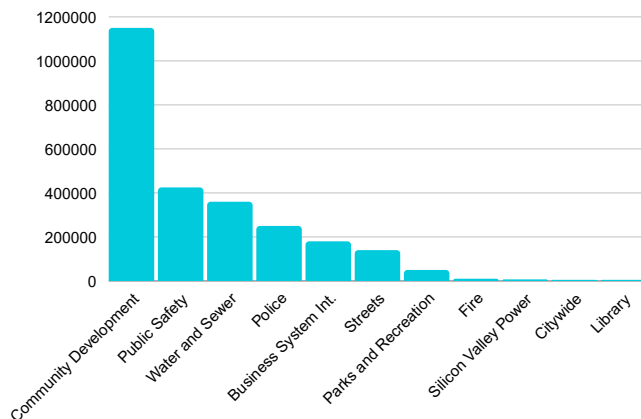


Enterprise Permitting

500,000

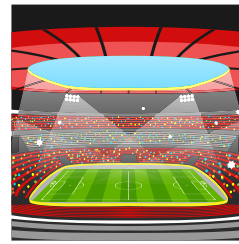
The integration with the Enterprise Permit Management System enables location validation for over 500,000 existing permit records.

infoMap 4.0 Records by Department



infoMap has undergone a major overhaul in the past 6 months, introducing the streamlined infoMap 4.0 designed for efficiency, stability, and future-proofed for longevity.

Public Safety at Levi's Stadium



The Common Operational Picture (COP) is being utilized for the 2024/25 49ers season to assist the Santa Clara Police Department and other first responders in caring for residents and visitors during games. Officers can view a

map of incidents in the stadium down to < 1 inch precision to quickly and accurately respond to disturbances.

The COP has capabilities to support real-time police officer tracking and real-time drone surveillance during games and events.



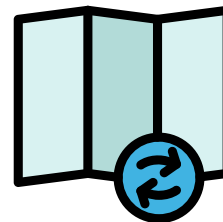
Enterprise GIS Upgrade

ArcGIS 10.9.1



The Enterprise GIS serves as the central hub for storing, maintaining, and sharing all city-location data. The enterprise system has increased capacity to deliver data to integrated business systems used for asset management and permitting. It provides greater support for mobile map access for field teams, providing faster data services as demand grows due to new integrations and a larger user base.

Asset & Work Order Management Integration



With GIS as the system of record for the assets, Enterprise Asset Management focuses on the conditions, components, work order, and inspections linked to the assets. New integrations between GIS and Enterprise Asset Management are enhancing Parks & Recreation and Streets asset management. Four new feature classes — City Owned Parking Lots, Streets, Intersections, and Parkways & Boulevards — have been created, configured, and deployed.



Agenda Report

24-1119

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action to Authorize the Use of City Water Forces to Install a Backflow Prevention Device at 471 Perry Court.

BACKGROUND

Charter Section 1310 titled Contracts on Public Works states in part “that every contract involving an expenditure of more than one thousand dollars (\$1,000.00) for the construction or improvement, (excluding maintenance and repair), of public buildings, works, streets, drains, sewers, utilities, parks and playgrounds shall be let to the lowest responsible bidder.” The section further states that “the City Council may declare and determine that, in its opinion, the work in question may be performed better or more economically by the City with its own employees, and after the adoption of a resolution to this effect by at least four affirmative votes, it may proceed to have said work done in the manner stated, without further observance of the provisions of this section.”

DISCUSSION

Staff believes that the work described below is best performed with City Forces to complete the limited size and scope of work outlined below. The Water Utility has in-house knowledge and trained personnel operating and maintaining water services that can be leveraged to perform this work more economically. Bidding out the work and contracting with a private entity would delay the construction projects. Therefore, staff recommends that the City Council find that City Forces can best perform the installation of the following water services and approve the use of City Forces.

Location:	471 Perry Court
Type of Service:	Provide installation services for new public water improvements.
Description of Work:	Upgrade existing (1) - 6" fire service with RPDA backflow prevention device
Job Number:	592-1423-80300-7054-(i)30998
Cost Estimate Source of Revenue:	\$ 30,684.14 Customer/Developer Contribution

ENVIRONMENTAL REVIEW

The actions being considered are exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15302(c) (Class 2 - Replacement or Reconstruction) because they involve the replacement or reconstruction of existing utility systems and/or facilities involving negligible expansion of capacity.

FISCAL IMPACT

The funds to support the staff time for the work detailed in this report are included in the Fiscal Year 2024/25 Adopted Budget. Expenditures will be offset by developer contributions.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office beginning the Thursday evening before the Tuesday meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve the use of City Water forces for water utility upgrades at 471 Perry Court based on findings presented that such work can be performed better and more economically by City forces.

Prepared by: Gary Welling, Director of Water and Sewer Utilities

Approved by: Jovan D. Grogan, City Manager



Agenda Report

24-1206

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action to Waive Second Reading and Adopt Ordinance No. 2074 to Approve a Development Agreement Between the City of Santa Clara and Kylli, Inc. for the Property Located at 4995 Patrick Henry Drive and 3005 Democracy Way, Santa Clara

BACKGROUND

At the November 19, 2024 Council meeting, proposed Ordinance No. 2074 was passed for the purpose of publication. Pursuant to City Charter Sections 808 and 812, a summary of proposed Ordinance No. 2074 was published to the Santa Clara Weekly on November 27, 2024, and copies were posted in three public places.

DISCUSSION

The proposed ordinance would adopt the Development Agreement (DA) for the Mission Point Project, a mixed-use redevelopment of a 48.6-acre site located on the south side of Tasman Drive between Old Ironsides Drive to the east, Patrick Henry Drive to the west, and the right-of-way associated with the Hetch Hetchy aqueduct to the south. The Developer, Kylli Inc., would construct 1.8 million square feet of residential uses (up to 1,800 units), 3 million square feet of office/research-and-development, approximately 100,000 square feet of retail, and approximately 10,000 square feet of childcare facilities. A portion of the site could be used for additional residential units (up to 800 more units, for a total of 2,600) with a corresponding reduction of office/research and development uses (by 800,000 square feet). On November 19, the Council approved a General Plan Amendment, Planned Development Rezoning, Vesting Tentative Subdivision Map, and Environmental Impact Report for the Project, and introduced the proposed ordinance.

The term of the Development Agreement is ten years, with up to three five-year extensions. The DA would provide an array of community benefits to the City, including (1) 15% of the units at an average affordability level of 80% AMI (rather than 100%), (2) a minimum 10,000 sf grocery store, (3) a minimum 8,000 sf childcare center, (4) 1.5 acres of parkland with play areas for ages 2-5 and 5-12, (5) a commitment to maintain public parks and trails for at least 40 years, (6) public art with an aggregate value of \$5 Million, (7) regional traffic fees worth \$3 Million, (8) \$3.5 Million in funding for fire station equipment, and (9) designation of the Project Site as the location for sales tax collection purposes.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared in accordance with the California Environmental Quality Act (CEQA) and circulated for a 45-day public review between November 17, 2023 and January 2, 2024. A total of eight comments were received during the comment period. Responses to the Draft EIR comments, as well as minor text changes and clarifications, in the form of a Final EIR, were made available to the public through the City's website on March 13, 2024 and were forwarded

on to the commenters on the Draft EIR. With mitigation, the EIR identified less-than-significant impacts for most resource areas, with the exception of air quality and noise, for which the Project would result in significant unavoidable impacts. On November 19, the Council certified the EIR and adopted CEQA Findings and a Mitigation and Monitoring Program as well as a Statement of Overriding Considerations for the unavoidable impacts.

FISCAL IMPACT

There is no fiscal impact to the City other than administrative staff time and expense to prepare this report.

COORDINATION

This report has been coordinated with the Community Development Department.

PUBLIC CONTACT

A summary of proposed Ordinance No. 2074 was published to the Santa Clara Weekly on November 27, 2024, and copies were posted in three public places and made available for public inspection at the City Clerk's Office.

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Waive Second Reading and Adopt Ordinance No. 2074 approving a Development Agreement between the City of Santa Clara and Kylli, Inc. for the property located at 4995 Patrick Henry Drive and 3005 Democracy Way, Santa Clara.

Reviewed by: Alexander Abbe, Assistant City Attorney

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Ordinance No. 2074 (Intro)

ORDINANCE NO. 2074

**AN ORDINANCE OF THE CITY OF SANTA CLARA,
CALIFORNIA, APPROVING A DEVELOPMENT
AGREEMENT BETWEEN THE CITY OF SANTA CLARA
AND KYLLI, INC. FOR THE PROPERTY LOCATED AT
4995 PATRICK HENRY DRIVE AND 3005 DEMOCRACY
WAY, SANTA CLARA**

SCH#2018072068
PLN2017-12924 (General Plan
Amendment) PLN2018-13400
(Rezoning)
PLN22-00635 (Vesting Tentative Subdivision
Map) PLN21-15387 (Development
Agreement)
Revised Project, "Option B"

WHEREAS, California Government Code Sections 65864 through 65869.51 ("Development Agreement Act") authorize cities to enter into binding development agreements with owners of real property and these agreements govern the development of the property;

WHEREAS, Kylli, Inc., through its wholly-owned subsidiary Innovation Commons Owner, LLC ("Owner") has requested that the City of Santa Clara ("City") enter into the type of agreement contemplated by the Development Agreement Act;

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WHEREAS, City staff have negotiated and recommended for approval a Development Agreement subject to specific conditions of approval, all attached as Exhibit "Development Agreement for Mission Point – Revised Project", with Owner in connection with the proposed development of up to 4,913,000 gross square feet of new development, including up to 2,600 units (up to 1,800 units in Area D, approximately 1.8 million square feet of residential uses, and up to 800 units in Area C with corresponding reduction in office/research-and-development ("R&D") uses in Area C), up to three million square feet of office/R&D, approximately 100,000 square feet of retail, and approximately 10,000 square feet of childcare facilities; public right-of-way improvements, and site infrastructure and utilities ("Revised Project") at 4995 Patrick Henry Drive and 3005 Democracy Way, Santa Clara ("Project Site");

WHEREAS, the Revised Project approvals will include the Environmental Impact Report ("EIR") for the Mission Point Project; General Plan Amendment from High-Intensity Office/Research and Development (maximum FAR 2.0), to the new Urban Center Mission Point (minimum FAR 1.5) land use designation for Areas "A" and "B" and to the new Urban Center Mixed Use (60 - 250 dwelling units per acre) land use designation for Areas "C" and "D"; Rezoning from High-Intensity Office/Research and Development ("HO-RD") to Planned Development ("PD"); Vesting Tentative Subdivision Map; and the adoption of this Development Agreement Ordinance (collectively, the "Approvals");

WHEREAS, Santa Clara City Code Section 17.10.120 requires the Planning Commission to hold a public hearing before making a recommendation on the approval of a Development Agreement;

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WHEREAS, on November 6, 2024, the Planning Commission conducted a duly noticed public hearing to consider the proposed Development Agreement, at the conclusion of which, the Planning Commission voted to recommend approval to the City Council;

WHEREAS, the City Council has reviewed the Development Agreement for the Revised Project, and has considered all available facts related to the Development Agreement for the Revised Project;

WHEREAS, before considering the Development Agreement, the City Council reviewed and considered the information contained in the DEIR, Final EIR (“FEIR”) (including Attachment 3 to the FEIR analyzing the Revised Project) and Appendix to the FEIR, that combined constitute the EIR for the Project (SCH#2018072068);

WHEREAS, notice of the November 19, 2024 public hearing on the proposed Development Agreement was published in the *Santa Clara Weekly*, a newspaper of general circulation for the City, on November 6, 2024;

WHEREAS, notices of the November 19, 2024 public hearing on the Development Agreement were mailed to all property owners within a quarter mile of the property, according to the most recent assessor’s roll, on November 7, 2024, and to all local agencies expected to provide essential facilities or services to the Project;

WHEREAS, on November 19, 2024, the City Council conducted a public hearing to consider the Development Agreement, for the Revised Project and related applications, at which time all interested persons were given an opportunity to give testimony and present evidence, both in favor of and in opposition to the proposed Development Agreement.

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**NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SANTA CLARA AS
FOLLOWS:**

SECTION 1: That the City Council hereby finds and determines that the forgoing recitals are true and correct and by reference makes them a part hereof.

SECTION 2: That the City Council hereby approves the Development Agreement between the City of Santa Clara and Kylli, Inc. for the property located at 4995 Patrick Henry Drive and 3005 Democracy Way (APNs: 104-04-150, 104-04-142, 104-04-143, 104-04-151, 104-04-112, 104-04-113, 104-04-065, 104-04-111, 104-04-064), incorporated by this reference, subject to such minor and clarifying changes consistent with the terms thereof as may be approved by the City Attorney prior to execution thereof.

SECTION 3: Pursuant to Government Code Sections 65867 and 65867.5, the City Council hereby finds that the provisions of the Development Agreement are consistent with the General Plan, in that the proposed project creates a mixed-use development of the scale and character that complements and is supportive of the surrounding uses and existing and planned transit facilities; creates a mixed-use development that maximizes density with accessibility to alternative transportation modes, and integrates pedestrian, bicycle, transit, open space and outdoor uses to encourage active centers.

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SECTION 4: The City Council hereby finds and determines that the Development Agreement complies with all requirements of Government Code Section 65865.2, in that the Development Agreement specifies the duration of the Agreement (10 years, with three 5 year extension options), lists the permitted uses of the property (residential, commercial, office/research & development, and mixed use), sets the density and intensity of the proposed uses (60 to 250 dwelling units per acre with up to 3.1 Million square feet of nonresidential development), sets the maximum height and size of the proposed buildings (192 feet, as depicted on the Exhibit “PD Development Plans - Revised Project” to Resolution No. 24-9398) and includes provisions for the dedication of land for public purposes (up to 7.6 acres).

SECTION 5: The City Manager and/or his designee is hereby authorized and directed to perform all acts to be performed by the City in the administration of the Development Agreement pursuant to the terms of the Development Agreement, including but not limited to conducting annual reviews of compliance as specified therein. The City Manager or designee is further authorized and directed to perform all other acts, enter into all other agreements, and execute all other documents necessary or convenient to carry out the purposes of this Ordinance and the Development Agreement.

SECTION 6: Except as specifically set forth herein, this Ordinance suspends and supersedes all conflicting resolutions, ordinances, plans, codes, laws, and regulations.

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SECTION 7: This Ordinance shall not be codified in the Santa Clara City Code.

SECTION 8: Effective date. This ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of “The Charter of the City of Santa Clara, California.”

PASSED FOR THE PURPOSE OF PUBLICATION this 19TH DAY OF NOVEMBER, 2024, by the following vote:

AYES:	COUNCILORS:	Becker, Chahal, Hardy, Jain, Park and Watanabe, and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Development Agreement for Mission Point – Revised Project

**RECORD WITHOUT FEES
PURSUANT TO GOVERNMENT CODE § 6103**

**RECORDING REQUESTED BY
AND**

WHEN RECORDED MAIL TO:

City of Santa Clara
City Clerk's Office
1500 Warburton Avenue
Santa Clara, California 95050

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**DEVELOPMENT AGREEMENT
FOR
MISSION POINT
(MIXED USE)**

BETWEEN

THE CITY OF SANTA CLARA,

a chartered California municipal corporation,

AND

INNOVATION COMMONS OWNER LLC,

a Delaware limited liability company

Effective Date * _____

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EXHIBITS

- A. Legal Description & Plat of Property
- B. Allocation of Fair Share Traffic Fees
- C. Definitions Glossary

**DEVELOPMENT AGREEMENT
FOR
MISSION POINT
(MIXED USE)**

This DEVELOPMENT AGREEMENT (“Agreement”), dated for reference purposes as of _____, 2024 is entered into by and between CITY OF SANTA CLARA (“City”), a chartered California municipal corporation, and INNOVATION COMMONS OWNER LLC, a Delaware limited liability company (“Developer”), (collectively the “Parties”) and is effective on the date set forth in Recital N.

RECITALS

Developer and City enter into this Agreement on the basis of the following facts, understandings and intentions, and the following recitals are a substantive part of this Agreement:

- A. Sections 65864 through 65869.5 of the California Government Code authorize the City to establish procedures to enter into binding development agreements with persons having legal or equitable interests in real property located within the City for development of property.
- B. “The Code of the City of Santa Clara, California” (“SCCC”) Section 17.10.010 and following, establishes the authority and procedure for review and approval of proposed development agreements.
- C. Developer is currently the legal owner of the property (“Property”) governed by this Agreement. The Property consists of nine (9) separate parcels (APNs 104-04-064, 104-04-065, 104-04-111, 104-04-112, 104-04-113, 104-04-142, 104-04-143, 104-04-150 and 104-04-151) totaling approximately 48.6 acres, as further legally described and depicted in Exhibit A, attached hereto and incorporated by this reference.
- D. Developer has submitted the following application(s) to the City (each such application being referenced herein as modified and finally approved by the City Council): (i) a General Plan Amendment to change the use designation of the Property from the existing *High-Intensity Office/R&D* designation to a newly established designation of *Urban Center Mixed Use and Urban Center Mission Point*) (#PLN _____; CEQ _____) (“General Plan Amendment”); (ii) a rezoning of the Property (“Rezoning”) from *High Intensity Office/R&D* to *Planned Development* (“PD”) with a Development Plan that includes a Transportation Demand Management Plan (“TDMP”), Affordable Housing Plan (“AHP”) and Parks & Open Space Plan (“POSP”) (#PLN _____, CEQ _____) (collectively, the “Development Plan”); and (iii) a vesting tentative subdivision map to merge and re-subdivide the Property, vacate Democracy Way, including relocation of the underground public improvements (#PLN _____, CEQ _____) (“VTM”). The applications in the foregoing subparagraphs D. (i),(ii), and (iii) are collectively referred to as the “Project Approvals”.
- E. The Project Approvals would authorize the Developer to redevelop the Property with an infill, mixed-use neighborhood consisting of up to 3 million gross square feet (“gsf”) of

office/research and development (“R&D”) space, approximately 100,000 gsf of neighborhood retail space, and up to 2,600 multifamily residences by consolidating, on a smaller portion of the Property, the square footage for office/R&D previously assumed in the City’s General Plan (for the former Yahoo! campus) to accommodate new multifamily housing, including affordable housing, public parks and private open space, neighborhood serving services, childcare and retail, Silicon Valley Power (“SVP”) facilities (collectively, the “Project”).

- F. The Project components, including but not limited to the proposed buildings, access and parking facilities, landscaping, parks and open space, and infrastructure improvements, and potential development sequencing to ensure necessary infrastructure support for the Project are all more particularly shown in the Development Plan consisting of * _____ sheets of plans dated _____ and on file with City (#PLN _____, CEQ _____), the VTM consisting of * _____ sheets of plans dated _____ and on file with the City (#PLN _____, CEQ _____), and the applicable conditions of approval, subject of that certain Notice of Conditions of Approval recorded in the Official Records as Document No. _____ (“COAs”) for the Development Plan and VTM, all incorporated herein by reference as if set forth in full. Certain improvements as set forth in the COAs are necessary to provide infrastructure support for the Project.
- G. Through this Agreement, the Parties intend to preserve the size and density of development as set forth in the Project Approvals. City and Developer each acknowledge that development and construction of the Project is a large-scale undertaking involving major investments by Developer and City, and assurances that Developer will be allowed to develop and use the Property in accordance with the terms and conditions set forth herein and the existing rules governing development of the Property will benefit both Developer and City.
- H. City is willing to enter this Agreement for the reasons enumerated in SCCC Section 17.10.010 to (i) eliminate uncertainty in the comprehensive development planning of large-scale projects in the City, such as the Project; (ii) secure orderly development and fiscal benefits for public services, improvements and facilities planning in the City, including the voluntary, supplementary community benefits offered by the Developer; (iii) meet the goals of the General Plan; and (iv) plan for and concentrate public and private resources for the mutual benefit of both Developer and City.
- I. Developer acknowledges and recognizes that material inducements for the City to enter into this Agreement include opportunities to:
 - i. Support the City’s North Santa Clara planning effort by converting an underutilized 48.6-acre site, primarily used as a surface parking lot, to a pedestrian-oriented, high-intensity and high-density mixed-use development that is sustainable and inclusive by design, with a range of building types, connections between people, places, and open space;
 - ii. Broaden the housing supply and business opportunities in North Santa Clara through development of a human-centric, interconnected urban

neighborhood that provides a diverse and complementary mix of residential, commercial, retail and community uses with up to 3 million gsf of office/research and development (“R&D”) space, approximately 100,000 gsf of neighborhood retail space, approximately 10,000 sf childcare and up to 2,600 multifamily residences;

- iii. Promote an active pedestrian realm with continuous access to at-grade, podium-level, and rooftop private open space and at-grade public parks with flexible programming that will add substantial public park area and private open space to North Santa Clara;
 - iv. Promote and support local, regional, and State of California (State) mobility and greenhouse gas reduction objectives to reduce vehicle miles traveled and infrastructure costs through infill and mixed-use development in an existing urbanized and transit-rich area;
 - v. Facilitate ridership of multimodal transportation and minimize vehicular infrastructure, while providing efficient access to sufficient and flexible parking that meets current and future demand;
 - vi. Meet and exceed the City’s Affordable Housing Ordinance and Inclusionary Zoning requirements; and
 - vii. Promote and facilitate opportunities for childcare and grocery services in North Santa Clara; and
 - viii. Provide at least \$5 Million, subject to CPI, in voluntary funding towards public art and cultural programing; and
 - ix. Provide up to \$3 Million, subject to CPI, in voluntary funding for the City-led intersection improvements at Mission College and Great America Parkway.
 - x. Provide up to \$3.5 Million, subject to CPI, in voluntary funding for the City’s purchase of a new ladder truck and fire engine; and
 - xi. Provide for the voluntary allocation of point of sale to secure tax revenues from the construction of the Project for the benefit of the City’s general fund.
- b. In addition to the benefits of the Project and the voluntary community benefit contributions by Developer, the Project will also provide for, upgraded utility infrastructure, payment of substantial new development impact fees, school fees, increased property taxes to support public services and facilities and provide opportunities for construction and permanent jobs.

J. City’s willingness to enter into this Agreement is a material inducement to Developer to implement the Project, and Developer proposes to enter this Agreement in order (i) to

obtain assurances from City that the Property may be developed, constructed, completed and used pursuant to this Agreement, and in accordance with existing policies, rules and regulations of the City, subject to the exceptions and limitations expressed herein and the term of this Agreement; and (ii) to provide for a coordinated and systematic approach to funding the cost of certain public improvements and facilities planned by the City, and to establish the timing and extent of contributions required from Developer for these purposes.

- K. Developer requested City enter into this Agreement, and proceedings have been taken in accordance with State law, as set forth below.
- L. On *_____, _____, and _____, City's Planning Commission held a duly noticed public hearings on the Project, where following public testimony, the Planning Commission by adoption of Resolutions *_____, _____, and _____ recommended that the City Council (i) approve and certify the Final Environmental Impact Report ("EIR") pursuant to the California Environmental Quality Act ("CEQA"), making findings with respect thereto, adopting a Mitigation Monitoring and Reporting Plan ("MMRP"), and adopting a Statement of Overriding Considerations ("SOC"); (ii) approve the General Plan Amendment; (iii) approve the Rezoning and Development Plan, including TDMP and AHP, subject to COAs; (iv) approve the VTM, subject to COAs; and (v) approve this Agreement.
- M. On *_____, the City Council held a duly noticed public hearing on the Project, where following public testimony, the City Council, by adoption of Resolutions *_____, _____, and _____ (i) approved and certified the EIR pursuant to CEQA, making findings with respect thereto and adopting a MMRP and SOC; (ii) approved the General Plan Amendment; (iii) approved the Rezoning and Development Plan, including TDMP and AHP, subject to COAs; (iv) approved the VTM, subject to COAs; and introduced Ordinance No. *_____, approving this Agreement.
- N. On *_____, the City Council adopted Ordinances Nos. *_____ and _____, rezoning the property and approving the Development Plan, and enacting this Agreement, and the Ordinances became effective thirty (30) days later on *_____ ("Effective Date").

AGREEMENT

NOW, THEREFORE, pursuant to the authority contained in California Government Code Section 65864 and following, and SCCC Section 17.10.010 and following, and in consideration of the mutual representations, covenants and promises of the Parties, the Parties hereto agree as follows below. A glossary of defined terms in this Agreement is provided in Exhibit C.

1. TERM

1.1 Effective Date. The term ("Term") of this Agreement shall commence on the Effective Date (set forth above) and shall continue for a period of ten (10) years after the Effective Date, unless sooner terminated or extended as hereinafter provided.

1.2 Term Extensions. Notwithstanding the provisions of Section 1.1 the Term may be extended as follows and each such extension shall be documented by Operating Memoranda pursuant to Section 22.1:

- a. First Extension.** If either of the following (a)(i) [First Extension Performance Option] or (a)(ii) [First Extension Payment Option], below occur then the Term of this Agreement may, at the request of the Developer, be extended by an additional five (5) years for a total Term of fifteen (15) years:

(i) First Extension Performance Option: a building permit(s) (“Building Permit”) has been issued for a residential building within the Project containing at least ninety (90) units for Very Low Income Households prior to January 15, 2031 and at least two and one half (2.5) acres or more of public or private parks or trail improvements on the Property have been approved and either completed or subject to a binding public improvement agreement and secured by financial security acceptable to the City (e.g., performance bonds), and at least one of the following (A) or (B) has occurred:

(A) Developer satisfies the obligations in Section 4.16 related to delivery of a Grocery Store or an Approved Grocery Alternative (“Grocery Performance Milestone”); or

(B) Developer satisfies the obligations in Section 4.17 related to delivery of Childcare Facility or an Approved Childcare Alternative (“Childcare Performance Milestone”).

(ii) First Extension Payment Option. Developer pays to the City an amount of one dollar (\$1.00), as adjusted by CPI from the Effective Date, for all remaining maximum allowed square feet of the Project that are not complete or subject to a Building Permit as of the date the First Extension Payment Option is exercised.

- b. Second Extension.** If, in addition to satisfaction of (a) [First Extension] above, either of the following (b)(i) [Second Extension Performance Option] or (b)(ii) [Second Extension Payment Option], below occur, then the Term of this Agreement may, at the request of the Developer, be extended, by an additional five (5) years for a total Term of twenty (20) years:

(i) Second Extension Performance Option. A Building Permit has been issued for at least one hundred and eighty (180) total affordable units, and at least 5 acres or more of public or private parks or trail improvements on the Property have been approved and either complete or subject to a binding public improvement agreement and secured by financial security acceptable to the City (e.g., performance bonds), and Developer has completed either the Grocery Performance Milestone or the Childcare Performance Milestone as defined in (a)(i).

(ii) Second Extension Payment Option. Developer pays to the City an amount of one dollar and fifty cents (\$1.50), as adjusted by CPI from the Effective Date, for all remaining maximum allowed square feet of the Project that are not complete or subject to a Building Permit as of the date the Second Extension Payment Option is exercised.

- c. **Third Extension**. If, in addition to satisfaction of (a) [First Extension] and (b) [Second Extension], above, either of the following (c)(i) [Third Extension Performance Option] or (c)(ii) [Third Extension Payment Option], below occur, then the Term of this Agreement may, at the request of the Developer, be extended by an additional five (5) years for a total Term of (25) years.

(i) Third Extension Performance Option. A Building Permit has been issued for at least two hundred and seventy (270) total affordable units, at least 7.4 acres or more of public or private parks or trail improvements on the Property have been approved and either complete or subject to a binding public improvement agreement and secured by financial security acceptable to the City (e.g., performance bonds), and Developer has completed both the Grocery Performance Milestone and the Childcare Performance Milestone as defined in (a)(i).

(ii) Third Extension Payment Option. Developer pays to the City an amount of two dollars (\$2.00), as adjusted by CPI from the Effective Date, for all remaining maximum allowed square feet of the Project that are not complete or subject to a Building Permit as of the date the Third Extension Payment Option is exercised.

1.3 Expiration. Following expiration of the Term or any extension, or if sooner terminated, this Agreement shall have no force and effect, subject, however, to post-termination obligations of Developer and City. The Parties agree that the term of any VTM shall expire and be of no further force or effect upon expiration of this Agreement.

2. DEVELOPMENT OF THE PROPERTY

2.1 Property. The Property that is the subject of this Agreement is that certain real property described in Exhibit A attached hereto. The Parties acknowledge that the VTM is intended to resubdivide the entire Property. Therefore, upon the request of Developer, City agrees to meet and confer with Developer on whether, for ease of future reference, to replace the legal description in Exhibit A with the final legal descriptions shown on the recorded Final Map(s) that describe the entire Property, subject to the City's confirmation that the Final Maps accurately describe the Property. The determination of whether to replace the legal description in Exhibit A with the final legal descriptions shown on the Final Map(s) shall be made at the City's sole discretion.

2.2 Binding Covenants. It is intended and agreed that the provisions of this Agreement shall constitute covenants that shall run with the Property, and the benefits and burdens hereof shall bind and inure to all successors in interest to the Parties hereto.

2.3 Life of Approvals. Pursuant to Government Code section 66452.6(a) and this Agreement, the life of the Project Approvals (defined in Recital D) and all subsequent Project approvals, including but not limited to architectural approval(s) and tree removal permit(s) (each a “Subsequent Project Approval” and collectively with the Project Approvals the “Approvals”) shall automatically be extended to and until the later of the following: (1) the end of the Term of this Agreement; or (2) the end of the term or life of any such Approval. Notwithstanding the foregoing, the Vested Elements secured by Developer under this Agreement shall have a life no greater than the Term of this Agreement, and any extension thereof.

2.4 Vested Elements. The permitted uses of the Property, the maximum density and intensity of use, the maximum heights, locations, numbers and gross square footage of the proposed buildings, the provisions for vehicular access and parking, reservation or dedication of land for public purposes or fees in-lieu thereof, provision for construction of public improvements and/or required fees associated with the Project as provided in, and limited by, the Approvals and this Agreement, shall be vested and are hereby vested and referred to as vested elements (“Vested Elements”). In addition to the foregoing Vested Elements, other terms and conditions of development applicable to the Project are set forth in the following documents as they exist as of the Effective Date:

- a. The General Plan of the City of Santa Clara, current as of the Effective Date, the terms and conditions of which are incorporated herein by this reference;
- b. SCCC, current as of the Effective Date, including the Rezoning;
- c. The Development Plan, including the TDMP and AHP, and VTM, including the COAs imposed thereon;
- d. All other applicable City plans, policies, programs, regulations, ordinances and resolutions of the City in effect as of the Effective Date, which regulate development of the Property and implementation of the Project, and which are not inconsistent with the terms of this Agreement (“Other Regulations”);
- e. Any permits and/or Subsequent Approvals, including but not limited to additional subdivision maps or lot line adjustments, if any, final maps, site and architectural review, demolition permits, Building Permits, grading permits, and infrastructure improvement plans processed in accordance with the terms of this Agreement. Upon approval, each such Subsequent Approval shall be incorporated into this Agreement and vested hereby; and,
- f. Proof of availability of sufficient water supply demonstrating the Project’s compliance with Government Code § 66473.7.

2.5 Permitted Uses. The permitted uses for the Property and the Project include the following, all as more particularly described in the Development Plan and all of which must be implemented in accordance with the Approvals and the COAs, and MMRP. The number of residential units and amount of square footage for each use are subject to the Minor Change process as set forth in Section 11.2(b):

- a. Up to 2,600 residential units and related amenity space;
- b. Up to 3 million gross square feet (“gsf”) of office/R&D and related amenity space, as may be reduced by the Office/R&D – Residential Flex option pursuant to the Development Plan;
- c. Approximately 100,000 gsf of neighborhood retail uses; and
- d. Approximately 10,000 gsf of childcare facilities.

2.6 Present Right to Develop. Subject to Developer’s fulfillment of the provisions of this Agreement, including the Development Plan and COAs, the City hereby grants to Developer the present vested right to develop and construct on the Property all the improvements authorized by, and in accordance with, this Agreement and the Vested Elements. To the extent permitted by law, no future modification (including by later-adopted initiative and/or referendum) of the City’s General Plan, SCCC, ordinances, policies or regulations that purport to (i) limit the rate or timing of development, size of buildings or other improvements (including developable square footage), or amount of development of the portions of the Project to be built; or (ii) impose fees, exactions or conditions upon development, occupancy or use of the Property other than as provided in the Project Approvals and the COAs and MMRP, or pursuant to this Agreement, shall apply to the Property; provided, however, that nothing in this Agreement shall prevent or preclude City from adopting any fees or land use regulations or amendments thereto, expressly permitted herein.

2.7 Timing of Improvements; No Moratoria. Subject to the Project Approvals and this Agreement, Developer shall have the right to develop the Project at such time as Developer deems appropriate subject to Section 2.3 and this Section 2.7 within the exercise of its subjective business judgment. The Parties acknowledge and agree that presently the Developers cannot predict the timing of the Project. Therefore, the Developers have no obligation to develop or construct all or any component of the Project. The timing, sequencing, and phasing of the Project is solely the right and responsibility of Developers in the exercise of their business judgment so long as it is consistent with the Vested Rights and the MMRP. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal.3d 465 that failure of the Parties therein to provide for the timing of development resulted in a later-adopted initiative restricting the timing of development to prevail over the Parties’ agreement, it is the Parties’ intent to cure that deficiency by acknowledging and providing that the Developers shall have the right to develop the Property in such order, at such rate, and at such times as Developers deem appropriate within the exercise of its subjective business judgment and the provisions of this Agreement. No annual (or other) limit, moratoria, or other limitation upon the number of, or pacing of, buildings which may be constructed, or Building Permits which may be obtained, or the like shall apply to the Project.

2.8 Agreement and Comprehensive Plan for Development. The Parties acknowledge that, except as specifically set forth herein, the Project Approvals, the MMRP, and COAs set forth a comprehensive schedule of all development terms and conditions,

development mitigation measures and fees, special assessments, special taxes, exactions, fees in-lieu, charges and dedications required in the public interest to be contributed, paid or constructed due to development of the Project on the Property. All fees referred to herein, may be subject to an annual increase until paid, but only if such increase is applied equally to similarly situated projects on a City-wide or area-wide basis, and any such annual increase shall be limited in the manner specified in Section 3.

2.9 Design of On-Site and Off-Site Improvements. Development of the Property shall be subject to Architectural Review Process by City pursuant to the policies, regulations and ordinances, including Article 6 of the City Zoning Code entitled “Permit Processing Procedures”, in effect as of the Effective Date, and subject to the Vested Elements, the MMRP, and this Agreement. No such Architectural Review shall, without Developer’s consent, require development of the Property inconsistent with the Vested Elements, or MMRP unless City determines it is necessary to protect against conditions which create a substantial adverse risk to the physical health or safety of residents or users of the Project or the affected surrounding region. The Vested Elements and the MMRP, and all improvement plans prepared in accordance thereof, shall govern the design and scope of all on-site and off-site improvements benefiting or to be constructed on the Property. In no event shall Architectural Review approval by City be conditioned on or require any change in the Vested Elements or the MMRP, without Developer’s consent.

2.10 Development of the Site. In consideration for the City entering into this Agreement, Developer agrees to perform all of its obligations contained in this Agreement in the time and manner set out in this Agreement, the MMRP, the COAs and the Project Approvals.

2.11 Integrated Development. City and Developer acknowledge that the Project is, and shall be considered, an integrated development. It is thus the intention of the Parties that, if construction on one component of the Project is commenced, any additional development of the Property will adhere to this Agreement and the Project Approvals. However, nothing in this Agreement is intended: (i) to prevent Developer from individually commencing and completing development of any portion of the Project, even if development on other portions thereof has not been commenced and/or completed; (ii) to prevent Developer from independently marketing, selling, renting and/or occupying all, or any portion of, such developed space, pursuant to Section 12, provided that all current obligations under this Agreement and the Development Plan and all infrastructure requirements for the existing developed space have been met; and (iii) to require Developer to develop any portion of the Project (even if development on another portion of the Project has been commenced and/or completed).

2.12 Building Standards. Developer hereby agrees to employ all reasonable efforts such that the Project will be built to LEED Neighborhood Development Silver or equivalent standards, LEED CS Gold or equivalent standards for commercial buildings and LEED NC Silver for residential buildings, all as described in more detail in the Project Approvals.

3. EFFECT OF AGREEMENT

3.1 Subsequent State or Federal Laws or Regulations. As provided in California Government Code section 65869.5, this Agreement shall not preclude the application to the Project of changes in laws, regulations, plans or policies, to the extent that such changes are required by changes in county, regional, State or federal laws or regulations (“Changes in the Law”). In the event Changes in the Law prevent or preclude compliance with one or more material provisions of this Agreement, Developer may request that such material provisions be modified or suspended, or performance delayed, as may be necessary to comply with Changes in the Law, and City may take such action as it deems necessary to be consistent with the intent of this Agreement.

3.2 Changes to Existing Regulations. Except as otherwise specifically provided, only the following changes to the Vested Elements, including such changes adopted by the electorate through the powers of initiative, or otherwise, shall apply to the development of the Property:

- a. Subject to Section 3 herein, Citywide regulations, ordinances, policies, programs, resolutions or fees adopted after the Effective Date that are not in conflict with the Vested Elements and the terms and conditions for development of the Property established by this Agreement, or otherwise applicable regulations existing as of the Effective Date. Changes to the General Plan, SCCC or other regulations shall be deemed to conflict with the approvals and this Agreement (“Conflicting City Law”) if such changes prevent development of the Property in substantial accordance with the Approvals; require significant changes in the development of the Property from what is contemplated by the Approvals; significantly delay, ration or impose a moratorium on development of the Property; or require the issuance of discretionary or nondiscretionary permits or approvals by the City other than those required as of the Effective Date. A fee shall be deemed to conflict with this Agreement if it is an increase in an existing fee by more than the amount permitted pursuant to Section 4 below.
- b. Any law, regulation or policy which would otherwise be Conflicting City Law, but through this Agreement or by later separate document, application to the Property has been consented to in writing by the Developer.

3.3 Further Reviews. Developer acknowledges that existing land use regulations, the Vested Elements and this Agreement contemplate the possibility of further reviews of elements or portions of the Project by the City including potential CEQA analysis, if required. Nothing in this Agreement shall be deemed to limit the legal authority of City with respect to these reviews as provided by, and otherwise consistent with, this Agreement and the Vested Elements. In no event shall such further review by City revisit the COAs and Project Approvals or be conditioned on or require any change in the Project except as contemplated by the COAs, the Project Approvals and/or this Agreement.

3.4 Local Rules. Future development on the Property shall be subject to all the official rules, regulations and policies (collectively “Local Rules”) of the City which govern uses, architectural design, landscaping, public improvements and construction standards, and which are contained in and not inconsistent with the Vested Elements or are in effect as of the Effective Date, with the exception that revisions or amendments to the Local Rules necessitated by reasonable public health or fire and life-safety considerations shall apply as though the rules were in effect as of the Effective Date. Notwithstanding any other provision of this Agreement, and without limitation as to any other exceptions contained in this Agreement, City shall retain the authority to take the following actions, so long as such action is applied on a Citywide basis to similarly situated projects:

- a. Adopt and apply property transfer taxes and/or excise taxes;
- b. Adopt and apply utility charges;
- c. Adopt updates to building and/or fire codes;
- d. Maintain the right of voters to act by initiative or referendum, but only to the extent that the initiative or referendum does not affect or interfere with any vested rights acquired by the Developer in this Agreement; except that this Agreement itself is subject to referendum; and,
- e. Take other actions not expressly prohibited by the terms or provisions of this Agreement.

3.5 Future Exercise of Discretion by City. This Agreement shall not be construed to limit the authority or obligation of City to hold necessary public hearings, or, except as provided herein, to limit discretion of the City or any of its officers or officials with regard to rules, regulations, ordinances or laws which require the exercise of discretion by City or any of its officers or officials. Except as provided herein, this Agreement shall not prevent City from applying new rules, regulations and policies, or from conditioning future Project development approval applications on new rules, regulations and policies that do not conflict with the terms of the Vested Elements or this Agreement.

4. DEVELOPMENT FEES, EXACTIONS AND DEDICATIONS.

4.1 Development Fees, Exactions and Dedications. During the time period between the Effective Date and the time period that is seven (7) years after the Effective Date (such time period, as extended by any delay due to Force Majeure hereinafter the “Development Fee Vested Period”), the types and amounts of fees, special assessments, special taxes, exactions and dedications (collectively “Fees”) payable due to the development, build out, occupancy and use of the Property pursuant to this Agreement shall be exclusively those set forth in the Project Approvals, the COAs and as specified in this Agreement. Notwithstanding any amendments to the Fees or imposition of any new City fees, taxes, special assessments or other exactions during the Development Fee Vested Period, the Fees set forth in this Agreement, the COAs, and Project Approvals shall be the only fees, charges, special assessments, special taxes, dedications and exactions payable to City due to development of the Property during the Development

Fee Vested Period; provided however that any automatic and generally applicable increases to such Fees occurring during the Development Fee Vested Period pursuant to an ordinance adopted prior to the Development Vested Period shall apply to the Fees. The defined term “Fees” for this purpose does not include Load Fees adopted by Silicon Valley Power. The Development Fee Vesting Period shall be extended (if still in effect at the time) or reset (if expired at the time) for a period(s) of four (4) years upon the date of City approval of an Architectural Review Permit for any portion of the Project based on whatever Fees are in effect as of the reset date (each a “Development Fee Vesting Locking Period”). Each Development Fee Vesting Locking Period shall be documented by Operating Memoranda pursuant to Section 22.1. After the Development Fee Vesting Period has expired (subject to the Development Fee Vesting Locking Periods noted above), all Fees payable due to the development, build out, occupancy and use of the Property pursuant to this Agreement shall be those Fees, and in the amounts, then in effect so long as such Fee is (i) generally applicable on a city-wide or area-wide basis for similar land uses, and (ii) are not redundant as to the Project of a fee, dedication, program, requirement, or facility that is imposed or required under this Agreement, the COAs, or the Project Approvals. Notwithstanding anything to the contrary herein, if the Developer complies with the requirements of Section 4.8, Art in Public and Private Development Funding, the Project shall not be subject to any public art fee (or similarly titled development fee or special tax adopted for the purposes of increasing the amount of public/publicly accessible art or generating funding for such purpose) adopted by the City as set forth in Section 4.8.

4.2 Processing Fees. Processing fees, including without limitation Building Permit application, processing and inspection fees (“Processing Fees”), may be increased if the increase is applicable Citywide and reflects the reasonable cost to City of performing the administrative processing or other service for which the particular Processing Fee is charged. New Processing Fees may be imposed if the new Processing Fees apply to all similarly situated projects or works within the City and if the application of these Processing Fees to the Property is prospective only. Processing Fees shall be due and payable on an individual project application basis, so that only those fees applying to the actual construction of each portion of the Project shall be paid upon the issuance of the appropriate permits for that portion of the Project. Developer shall pay the costs associated with the planning, processing and environmental review process for the Project, provided that such costs shall be limited to (i) reasonable costs directly associated with the preparation of the EIR; (ii) fees ordinarily charged by City for processing land use applications and permits, provided that such fees and costs are applied to Developer in the same manner as other similarly situated applicants seeking similar land use approvals and are not limited in applicability to the Project or to related uses; and (iii) fees associated with third-party contract permit plan checking, if applicable, above those normally charged by the City. Pursuant to Section 4.3, Developer shall reimburse City for reasonable staff overtime expenses incurred by City in processing review, approval, inspection and completion of the Project provided that such overtime expenses are (a) reasonably necessary for the completion of the Project in accordance with Developer’s schedule; and (b) applied to Developer in the same manner as similarly situated project applicants.

4.3 Reimbursement to City. Notwithstanding the foregoing limitations on Processing Fees, Developer agrees to reimburse City for expenses over and above Processing Fees paid by Developer as an applicant for reasonable third-party contractual costs incurred by City relating to any expedited processing of entitlements and environmental review related to this Agreement requested by the Developer. Such reimbursement shall be due within sixty (60) days of receipt of an invoice from the City.

4.4 Dedications. Developer shall offer to dedicate to City, upon request by City, all portions of the Property designated in the Project Approvals or Conditions of Approval for public easements, streets or public areas.

4.5 Mitigations. Developer agrees to contribute to the costs of public facilities and services in the amounts set forth in the Project Approvals, MMRP, and COAs as required to mitigate impacts of the development of the Property (“Mitigations”). City and Developer recognize and agree that but for Developer’s contributions to mitigate the impacts arising as a result of the entitlements granted pursuant to this Agreement, City would not and could not approve the development of the Property as provided by this Agreement. City’s approval of development of the Property is in reliance upon, and in consideration of, Developer’s agreement to make contributions toward the cost of public improvements and public services as provided to mitigate the impacts of development of the Property.

4.6 Affordable Housing Provisions. Developer agrees to provide onsite residential units at affordable rents/costs, as set forth in the AHP (set forth in Section 2.11 of the Development Plan). The City’s baseline Inclusionary Housing Policy requires developers of for sale and rental residential developments (including mixed use projects) of ten (10) or more units to provide at least fifteen (15%) percent of their units at rents or prices affordable to extremely low, very low, low and moderate income households, or some combination thereof, as long as the distribution of affordable units average for all rental units does not exceed a maximum of one hundred percent (100%) of area median income or the average for all affordable for-sale rental units does not exceed one hundred percent (100%) AMI, and for the affordable units to be dispersed with the market rate units. Inclusionary units are subject to reduced required fees, and any calculations that result in fractional units pay in-lieu fees. The Project must meet all requirements of the City’s existing Affordable Housing Ordinance and all affordable housing units must be dispersed with the market rate units, unless, upon the request of Developer, an alternate plan is approved by the City Council pursuant to the AHP and existing Affordable Housing Ordinance. When and if the City Council approves an alternative plan pursuant to the AHP, such alternative plan shall be incorporated by reference in this Agreement so long as such alternate plan otherwise complies with this Agreement. In addition, the Developer has voluntarily agreed to meet and exceed this requirement as provided in the AHP by proposing to provide an average affordability of eighty (80%) AMI with no individual affordable rental unit exceeding a maximum of one hundred percent (100%) AMI and no individual affordable for-sale unit exceeding a maximum of one hundred and twenty percent (120%) AMI.

4.7 Open Space and Parks. Developer acknowledges its obligation to provide parkland, pay a fee in lieu thereof, or a combination of such dedication and fee pursuant to Chapter 17.35 of the City Code. Notwithstanding the preceding provisions of Section 4 or any other provisions in this Agreement to the contrary, the provisions of this Section 4.7 shall exclusively govern the dedication of parkland and payment of fees due in lieu of parkland dedication, and the credits against the amount of such parkland dedication and/or such in lieu fees, with respect to the Project. Said fees shall be assessed per development of the Project's residential units and shall be paid prior to the issuance of a building permits for vertical construction of residential buildings and the timing of dedication and delivery of parkland shall be as set forth in a park improvement agreement executed between the City and Developer. In addition, the Project will comply with the following with respect to open space and parks as the Project is implemented:

- a. **Minimum Park and Open Space Improvements.** Subject to the City's formal public park review process, concurrent with issuance of Building Permits resulting in a cumulative of five hundred (500) or more residential units within Area D, the Developer will have completed or entered into a public improvement agreement with the City to complete a minimum of one and a half (1.5) acres or more of public park or private open space improvements with a public access easement that include play areas for children ages 2 to 5 and ages 5 to 12. If any residential is developed on Area C pursuant to the Office/R&D Residential Flex option in the Development Plan, the Developer will also offer to dedicate a minimum of one and a half (1.5) acres of public park land, or private open space area with a public access easement, to the City, with the terms for completion and delivery of improvements to be determined in good faith between the Developer and City through conditions of approval of the Architectural Review Permit and a Park Improvement Agreement to be executed between the City and Developer prior to the issuance of any building permit on Area C.
- b. **Maintenance of Public Parks.** The Parties acknowledge that the size and design of the public park is conceptual and will be subject to the City's process under the Park Ordinance. When a public park is proposed by the Developer, in addition to the park improvement agreement and as a condition of approval, the Developer will enter into a maintenance agreement with the City to maintain the proposed public parks on the Property consistent with City's standard and typical maintenance standards for a minimum of forty years from dedication ("Public Park Maintenance Period"). The Parties agree that the target maximum annual maintenance cost for the public park, including an annualized reserve for anticipated capital replacement costs during the Public Park Maintenance Period, is one dollar and sixteen cents (\$1.16) per square foot of public park, as adjusted by CPI from the Effective Date (the "Target Maximum Public Park Maintenance Cost"). The Target Maximum Public Park Maintenance Cost is intended to cover one hundred percent (100%) of reasonable annual park maintenance and capital replacement during the Public Park Maintenance Period based on current conceptual park designs and assumes private maintenance by Developer as an independent contractor. If at the time the public parks are designed, Developer proposes a design or programmatic elements that result in estimated annual

maintenance costs that exceed the Target Maximum Public Park Maintenance Cost, the Developer will nevertheless accept responsibility for maintenance of the parks and assume responsibility for one hundred percent (100%) of annual maintenance costs during the Public Park Maintenance Period. If, however, the City requests changes to the park design or programmatic elements proposed by Developer that increase estimated maintenance costs above the Target Maximum Public Park Maintenance Cost, the Parties will meet and confer in good faith on design changes to reduce maintenance costs to at or below the Target Maximum Public Park Maintenance Costs. If the City does not wish to accept design changes that would reduce maintenance costs, the City may instead elect to enter into an agreement with the Developer to reimburse maintenance costs in excess of the Target Maximum Public Park Maintenance Cost for the Public Park Maintenance Period. After the Public Park Maintenance Period, the City will be solely responsible for all public park maintenance and capital replacement costs for any dedicated public park.

- c. **Maintenance of Public Trails.** When a public trail is proposed by the Developer on the Property, in addition to the trail improvement agreement and as a condition of approval, the Developer will enter into a maintenance agreement with the City to maintain the proposed public trail on the Property consistent with City's standard and typical maintenance standards for a minimum of forty years from dedication ("Public Trail Maintenance Period"). The Parties agree that the target maximum annual maintenance cost for the public trail, including an annualized reserve for anticipated capital replacement costs during the Public Trail Maintenance Period, is one dollar and sixteen cents (\$1.16) per square foot of public trail, as adjusted by CPI from the Effective Date (the "Target Maximum Public Trail Maintenance Cost"). The Target Maximum Public Trail Maintenance Cost is intended to cover one hundred percent (100%) of reasonable annual public trail maintenance and capital replacement during the Public Trail Maintenance Period based on current conceptual public trail designs and assumes private maintenance by Developer as an independent contractor.
- d. **Public Access to Private Open Space.** Public access easements will apply to ground level private open space of a public facing nature over which pedestrian, bicycle traffic, or other public use is reasonably anticipated or would provide a convenience, amenity value, and/or help create pedestrian or bicycle connectivity. Delineation of areas subject to such public access easements will be determined at the time of Architectural Design Review approval for each Project phase or subphase that includes ground level private open space improvements. Areas subject to access easements are anticipated to consist of privately-owned sidewalks, pedestrian plazas, parks, bike lanes, streets, and landscaped areas directly adjacent to public parks or rights of way. Upon completion of each phase of applicable private open space in the Project, Developer to provide a public access easement over the applicable areas with either 24/7 access, or other reasonable hours as appropriate depending on the location, to be recorded prior to the applicable certificate of occupancy. The City shall not be responsible for any maintenance costs for the public access easement areas.

4.8 Art in Public and Private Development Funding. Parties agree that art in public and private development has come to be an essential element in placemaking, social practice, and the creation of vibrant and economically successful communities. As such, the Developer agrees to invest an aggregate (reasonable hard and soft third party costs for processing, design, construction and installation) minimum amount of five million dollars (\$5,000,000), as adjusted by CPI, in original art features within the Project (“Public Art Funding”). These features must be publicly visible and/or accessible and may include, but are not limited to: sculptures, murals, exhibition or performance spaces and functional art such as decorative benches, bike racks or other architectural design features that are commissioned original pieces of art approved by the City. Placemaking activities such as temporary art installations or cultural arts programming that the general public can participate in are also considered acceptable uses of the Public Art Funding. All projects to be supported by the Public Art Funding shall be submitted to the City with a maintenance plan for approval. The Developer shall spend , or place in an escrow held by the City, at least Three Million Dollars (\$3,000,000), adjusted by CPI, of the Public Art Funding prior to the exercise of First Extension of the Term of this Agreement, and at least the full amount of the Public Art Funding prior to the exercise of the Second Extension of the Term. If the requirement in the preceding sentence is satisfied, the Project shall not be subject to any new public art fee or similar public arts requirements adopted by the City for the longer of the full Term of this Agreement or through completion of the Project. Any escrowed funds shall remain in an earmarked account for use on the Project until five (5) years after termination of this Agreement. After that time, any unspent funds remaining in escrow will be available to the City for any public art purpose within the City in the City’s sole discretion. The obligations of this Section 4.8 shall survive termination of this Agreement.

4.9 Local Transportation Improvements; Fair Share Traffic Fees. In addition to all applicable traffic impact fees pursuant to Santa Clara Code Section 17.15.330, Developer agrees to the total sum of up to Six Million One Hundred Thousand Sixty Two Thousand Three Hundred and Ninety Six Dollars (\$6,162,396) (“Fair Share Traffic Fees”) payable to the City to mitigate the Project’s contributions to certain local and regional intersection improvements identified in the EIR and further specified and allocated in Exhibit B (“Allocation of Fair Share Traffic Fees”). The Fair Share Traffic Fees shall be payable at the times and in the amounts shown on Allocation of Fair Share Traffic Fees. At the Developer’s option, Developer may pay Fair Share Traffic Fees in cash when due, or by use of a bond or letter of credit, to be credited proportionately to such intersection improvement or otherwise subject to the provisions of this Section 4.9. In the event the City permits the Developer to build any local transportation improvements over and above the Project’s fair share, Developer shall be entitled to reimbursement from traffic fees paid to City by properties not associated with the Project and which benefit from the improvements over and above the Project’s fair share when those properties develop.

4.10 Sewer Connection Fee. If the City should adopt an ordinance subsequent to the Effective Date of this Agreement that permits reduced Sewer Connection Fees as a result of onsite conservation measures, the Developer may apply for consideration of such reductions toward the Sewer Connection Fees paid on behalf of the Project. Applications may be filed for any portion of the Project, if that portion of the Project has a minimum

of one year of ninety percent (90%) occupancy prior to receipt of the application by the City.

4.11 Vacation of Democracy Way. The City agrees to approve the vacation of Democracy Way as shown in the VTM and may utilize any applicable procedure permissible under the City Charter and/or the SCCC to effectuate the vacation of the street right of way easement, including all required relocation of public utilities (the “Street Easement Vacation”). The Street Easement Vacation is subject to the reservation of a public utility easement therein until the relocation of all required public utilities existing within Democracy Way as of the Effective Date (“Existing Public Utilities”). Developer shall, at its cost, relocate or cause to be relocated all Existing Public Utilities (“Relocation Work”). Promptly following the completion of such Relocation Work, the City shall vacate the reserved public utility easement within the Vacated Street Area pursuant to the summary vacation procedures set forth in Streets and Highways Code Section 8300 *et seq.* When the Developer commences the Relocation Work, the City will, promptly upon receipt of a written request to do so from Developer and at the Developer’s cost, prepare an appraisal of the fair market value of the street right of way easement by a qualified appraiser (“ROW Appraisal”). The Developer will have the right to review the qualifications and scope of work for the Appraisal prior to its preparation, and the City shall consider and address any reasonable objections of the Developer in good faith. The Developer shall pay to the City the fair market value established by the ROW Appraisal (“FMV”), minus the actual and reasonable soft and hard costs of the Relocation Work (“Relocation Costs”). Developer will pay to the City the amount (if any) that the FMV exceeds the Relocation Costs. If, however, the Relocation Costs exceed the FMV, no amount will be due to either Party. The Street Easement Vacation and any payment due to the City under this Section 4.11 shall be completed prior to the recordation of a Final Map for either Area A or Area B (whichever is earlier), as depicted on the VTM. The Parties acknowledge that this process may take several years to complete, and that the City will commence this process only upon the written request of the Developer and execution of a reimbursement agreement for the City’s actual, reasonable costs related to implementation of this Section 4.11.

4.12 Utility Improvements. Developer shall, at its cost, upgrade existing public utilities per the infrastructure delivery plan set forth in the Project Approvals. Developer shall be entitled to reimbursement for any upsizing of public utilities to serve connections from properties not associated with the Project.

4.13 SVP Facilities. Special facilities may be required for the provision of electric service to the Project. Developer agrees to fulfill its commitments to SVP pursuant to the COAs and, if required, a separate agreement to be entered with SVP.

4.14 Transportation Services. Developer agrees to implement the Transportation Demand Management Plan, as set forth in Section 2.10 of the Development Plan, in order to facilitate the usage of multi-modal transit in cooperation with the City, other public agencies, and other local business interests.

4.15 Point of Sale for Project Construction. The Developer agrees to, prior to issuance of Building Permits, to the extent allowed by law, to require all persons and entities providing materials to be used in connection with the construction and development of, or incorporated into, the Project, including by way of illustration but not limitation bulk lumber, concrete, structural steel, roof trusses and other pre-fabricated building components, to (a) obtain a use tax direct payment permit; (b) elect to obtain a subcontractor permit for the job site of a contract valued at Five Million Dollars (\$5,000,000) or more; or (c) otherwise designate the Property as the place of use of material used in the construction of the Project and the place of sale of all fixtures installed in and/or furnished in order to have the local portion of the sales and use tax distributed directly to City instead of through the county-wide pool. Developer shall instruct its general contractor(s) to, and shall cause such general contractor(s) to instruct its/their subcontractors to, cooperate with City or City's consultant to ensure the local sales/use tax derived from construction of the Project is allocated to City to the fullest extent possible and to the extent allowed by law. This Section 4.15 shall not apply to tenants who perform their own tenant improvement work. To assist City or City's consultant in its efforts to ensure that such local sales/use tax is so allocated to City, Developer shall on an annual basis, or as frequently as quarterly upon City's or City's consultant request, provide City or City's consultant with such information as shall be reasonably requested by City or City's consultant regarding subcontractors working on the Project with contracts in excess of the amount set forth above, including a description of all applicable work and materials and the dollar value of such subcontracts, and, if applicable, evidence of their designation, such as approvals or applications for the direct payment permit, of City as the place of use of such work and materials. City or City's consultant may use such information to contact each subcontractor who may qualify for local allocation of use taxes to City. The City's sole and exclusive remedy for any failure of any general contractor(s) or subcontractor(s) to allocate sales and use tax revenues as provided herein or to comply with this Section 4.15 will be specific performance.

4.16 Grocery Store. If and when the northeastern portion of Area B, fronting Tasman Drive and Old Ironsides, is developed by the Developer during the Term (as the Term may be extended), such development must be designed, as part of the Architectural Design Review application and related Building Permit plans, to include a grocery store that meets the following minimum criteria: (a) a minimum of fifteen thousand (15,000) square feet of leasable area and (b) capable of providing traditional grocery store products including fresh produce, dairy, meat and fish, and dry goods ("Grocery Store"). As part of such development, Developer shall construct or pay all costs associated with completion of the Grocery Store to an initial core and shell condition (meaning all basic structural and life safety improvements are completed not including any tenant improvements) prior to the issuance of a final certificate of occupancy for the building that includes the Grocery Store. If the Developer proposes development on Area B that does not include the area proposed for the Grocery Store, the Developer shall submit information with the Architectural Review Permit to the City to confirm that such development will not limit, conflict with or otherwise adversely impact the future feasibility of the Grocery Store. If the Developer wishes to move the Grocery Store, the Director may, in their reasonable discretion, approve an alternative location as part of an Architectural Design Review application without amendment to this Agreement (in

which case requirements of this Section 4.16 would apply to such alternative location). Such alternative location shall be documented by the Parties by Operating Memorandum pursuant to Section 22.1. The Parties acknowledge the grocery store market is subject to fluctuation and there is no guarantee that a third party tenant will be available to lease the space on commercially reasonable terms. For a period of three (3) years from completion of initial core and shell improvements such that the Grocery Store is available and ready to execute a binding lease with a grocery tenant and commence tenant improvements, the Developer will make good faith efforts to market and lease the Grocery Store to a grocery store tenant providing traditional grocery store products including fresh produce, dairy, meat and fish, and dry goods, and will provide the Director regular updates (not less than quarterly) on these marketing and leasing efforts until a binding lease is entered into with a tenant ("Grocery Store Marketing Period"). The commencement and conclusion of the Grocery Store Marketing Period shall be documented by the Parties by Operating Memorandum pursuant to Section 22.1. During the Grocery Store Marketing Period, the Developer shall offer the Grocery Store at commercially reasonable terms, as supported by qualified broker information, including a commercially reasonable tenant improvement allowance and a triple net rental rate that does not exceed a fair market rent for a grocery store, considering the condition of the space and the tenant improvement allowance. Developer will promptly notify City when a tenant providing a Grocery Store has executed a lease of the Grocery Store. If a lease is not entered into despite good faith marketing and leasing efforts within the Grocery Store Marketing Period, the Developer will have no further obligations related to the Grocery Store and can use the Grocery Store area for any permitted purpose. This Section 4.16 shall survive termination of this Agreement through the Grocery Store Marketing Period.

If, at the time the Developer submits for Architectural Review for building(s) within the applicable portion of Area B, the grocery market is either saturated or Developer demonstrates that a grocery tenant is otherwise unlikely, the Developer may submit a market study to the City, request the Director to engage a qualified consultant (retained by the City with expense reimbursed by Developer) to evaluate the market study. If the Director, in their reasonable discretion based on the information in the market study and findings of the City's qualified consultant, confirms a grocery tenant is unlikely, then Developer and City will meet and confer in good faith to identify one or more alternative community benefits to replace the Grocery Store. Such alternative community benefit(s) are subject to mutual approval of Developer and City (by the Director and City Manager), each in their reasonable discretion. City approval is subject to a finding that the proposed alternative community benefit(s) would have a dollar value (net cost or financial impact to the Project) at least equal to the Grocery Store and acceptance is in the best interests of the City ("Approved Grocery Store Alternative). Such Approved Grocery Store Alternative will not require an amendment to this Agreement, but will be documented in writing by Operating Memoranda pursuant to Section 22.1. Until an Approved Grocery Store Alternative is formally approved by Operating Memoranda, the Developer must continue to comply with the requirements of this Section 4.16.

4.17 Childcare Facility. If and when the portion of Area D fronting the SFPUC right of way is developed by the Developer during the Term, as the Term may be extended, such development must be designed, as part of the Architectural Design Review application

and related Building Permit plans, to include a childcare facility that meets the following minimum criteria: (a) suitable to be open to the public, (b) a minimum of eight thousand (8,000) square feet of interior leasable area and an outdoor play area, and (c) capable of compliance with applicable state regulations on childcare facilities (“Childcare Facility”). As part of such development, Developer shall construct or pay all costs associated with completion of the Childcare Facility to an initial core and shell condition (meaning all basic structural and life safety improvements are completed not including any tenant improvements) prior to the issuance of a final certificate of occupancy for the building that includes the Childcare Facility. If the Developer wishes to move the Childcare Facility, the Director may, in their reasonable discretion, approve an alternative location as part of an Architectural Design Review application without amendment to this Agreement (in which case requirements of this Section 4.17 would apply to such alternative location). If requested and approved, such alternative location shall be documented by the Parties by Operating Memorandum pursuant to Section 22.1. The Parties acknowledge the childcare market is subject to fluctuation and there is no guarantee that a third party tenant will be available to lease the space on commercially reasonable terms. For a period of three (3) years from completion of initial core and shell improvements, such that the Childcare Facility is available and ready to execute a binding lease with a childcare tenant and commence tenant improvements, the Developer will make good faith efforts to market and lease the Childcare Facility to a tenant providing a daycare use, and will provide the Director regular updates (not less than quarterly) on these marketing and leasing Efforts until a binding lease is entered into with a tenant (“Childcare Facility Marketing Period”). The commencement and conclusion of the Childcare Facility Marketing Period shall be documented by the Parties by Operating Memorandum pursuant to Section 22.1. During the Childcare Facility Marketing Period, the Developer shall offer the Childcare Facility at commercially reasonable terms, as supported by qualified broker information, including a commercially reasonable tenant improvement allowance and a triple net rental rate that does not exceed a fair market rent for a childcare facility considering the condition of the space and the tenant improvement allowance. Developer will promptly notify City when a tenant providing a Childcare Facility has executed a lease of the Childcare Facility. If a lease is not entered into despite good faith marketing and leasing efforts within the Childcare Facility Marketing Period, the Developer will have no further obligations related to the Childcare Facility and can use the Childcare Facility area for any permitted purpose. This Section 4.17 shall survive termination of this Agreement through the Childcare Marketing Period.

If, at the time the Developer submits for Architectural Review for building(s) within the applicable portion of Area D, the childcare market is either saturated or Developer otherwise demonstrates that a childcare tenant is unlikely, the Developer may submit such market study to the City and request to the Director to confirm (by a qualified consultant retained by the City with expense reimbursed by Developer). If the Director, in their reasonable discretion based on the information in the market study and findings of the City’s qualified consultant, confirms Developer’s study demonstrating a childcare tenant is unlikely, then Developer and City will meet and confer in good faith to identify one or more alternative community benefits to replace the Childcare Facility. Such alternative community benefit(s) are subject to approval of Developer and the Director and City Manager in their reasonable discretion. City approval is subject to a finding that

the proposed alternative community benefit(s) would have a dollar value (net cost or financial impact to the Project) at least equal to the Childcare Facility and acceptance is in the best interests of the City ("Approved Childcare Alternative). Such Approved Childcare Alternative will not require an amendment to this Agreement, but will be documented in writing by Operating Memoranda pursuant to Section 22.1. Until an Approved Childcare Alternative is formally approved by Operating Memoranda, the Developer must continue to comply with the requirements of this Section 4.17.

4.18 Regional Traffic Fee. As a voluntary contribution, Developer will pay One Dollar (\$1.00) per square foot, adjusted by CPI, at the issuance of each Building Permit for office/R&D within the Project ("Regional Traffic Fee"), up to a maximum of Three Million Dollars (\$3,000,000), as adjusted by CPI from the Effective Date ("Regional Traffic Fee Cap"), to the City for traffic intersection improvements. In the event that residential is developed on Area C pursuant to the Office/R&D-Residential Flex described and defined in the Development Plan, then the amount of the Regional Traffic Fee will increase to One Dollar and Thirty Seven Cents (\$1.37) per square foot, adjusted by CPI, at the issuance of each Building Permit for office/R&D within the Project subject to Regional Traffic Fee Cap. Once paid, Regional Traffic Fees are non-refundable

4.19 Fire Equipment Contribution. As a voluntary contribution, Developer will pay up to a maximum of Three Million Five Hundred and One Thousand and Fifty Dollars (\$3,501,050), as adjusted by CPI, to the City for purchase of a fire engine and a tractor drawn aerial apparatus. One Million Two Hundred Thousand Dollars (\$1,200,000)), as adjusted by CPI, for the purchase of the fire engine is due prior to/at the issuance of certificate(s) of occupancy that totals, in the aggregate, one million five hundred thousand (1,500,000) gross square feet of building area in the Project. The remaining Two Million Three Hundred and One Thousand and Fifty Dollars (\$2,301,050)), adjusted by CPI, for the purchase of the tractor drawn aerial apparatus is due prior to/at issuance of certificate(s) of occupancy that totals, in the aggregate, three million square gross feet of building area in the Project.

4.20 Minimum Residential Parking. Developer shall provide a minimum of one (1) parking space per residential unit in the Project, and may provide up to twenty-five percent (25%) of these minimum parking spaces through shared parking pursuant to SCCC Section 18.38.040 (A) [Exceptions and Reductions to Parking Requirements].

5. STANDARD OF REVIEW OF PERMITS

5.1 Standard of Review of Permits. All Subsequent Approvals required by Developer to develop the Property, but including (i) road construction permits, (ii) grading permits, (iii) Building Permits, (iv) fire permits, and (v) Certificates of Occupancy, shall be issued by City after City's review and approval of Developer's applications, provided that City's

review of the applications is limited to determining whether the following conditions are met:

- a. The application is complete; and,
- b. The application demonstrates that Developer has complied with the Vested Elements, the MMRP and the applicable Local Rules.

6. PRIORITY

6.1 Priority. In the event of conflict between the General Plan, this Agreement, SCCC, Other Regulations and Local Rules, all as they exist on the Effective Date, the Parties agree that the following sequence establishes the relative priority of each item: (1) the General Plan, as existing on the Effective Date; (2) this Agreement; (3) the Development Plan as modified by the COAs, (4) VTM as modified by the COAs, (4) Mitigation Monitoring and Reporting Program, (5) the other Project Approvals, (6) SCCC, and (7) Other Regulations and Local Rules.

7. COOPERATION IN IMPLEMENTATION

7.1 Cooperation in Implementation. Upon Developer's satisfactory completion of all required preliminary actions provided in the Project Approvals, and payment of required fees, if any, City shall proceed in a reasonable and expeditious manner, in compliance with the deadlines mandated by applicable agreements, statutes or ordinances, to complete all steps necessary for implementation of this Agreement and development of the Property in accordance with the Project Approvals, including the following actions:

- a. Scheduling all required public hearings by the Zoning Administrator, Planning Commission and City Council; and,
- b. Processing and checking all maps, plans, land use and architectural review permits, permits, building plans and specifications and other plans relating to development of the Property filed by Developer as necessary for complete development of the Property. Developer, in a timely manner, shall provide City with all documents, applications, plans and other information necessary for the City to carry out its obligations hereunder and to cause City's planners, engineers and all other consultants to submit in a timely manner all necessary materials and documents. It is the Parties' express intent to cooperate with one another and to diligently work to implement all land use and building approvals for development of the Property in accordance with the Development Plan and the terms hereof. At Developer's request and sole expense, City shall retain outside building consultants to review plans or otherwise assist City's efforts in order to expedite City processing and approval work. City shall cooperate with Developer, and assist Developer in obtaining any third-party governmental or private party permits, approvals, consents, rights of entry, or encroachment permits, needed for development of the Project or any other on or offsite improvements.

8. PERIODIC REVIEW

8.1 Annual Review; Special Review. City and Developer shall review all actions taken pursuant to the terms of this Agreement annually during each year of the Term, within thirty (30) days prior to each anniversary of the Effective Date unless the City and Developer agree in writing to conduct the review at another time pursuant to SCCC Section 17.10.220(a). Special Reviews may be conducted pursuant to the provisions of SCCC Section 17.10.220(b).

8.2 Developer's Submittal. Within ninety (90) days before each anniversary of the Effective Date, Developer shall submit a letter ("Compliance Letter") to the Community Development Director ("Director"), along with a copy directed to the City Attorney's Office, describing Developer's compliance with the terms of the Conditions of Approval and this Agreement during the preceding year. The Compliance Letter shall include a statement that the Compliance Letter is submitted to the City pursuant to the requirements of Government Code Section 65865.1, this Agreement, and SCCC. The reasonable cost of each annual review or special review conducted during the term of this Agreement shall be reimbursed to the City by Developer. Such reimbursement shall include all direct and indirect expenses reasonably incurred in such annual reviews.

8.3 City's Findings. Within sixty (60) days after receipt of the Compliance Letter, the Director shall determine whether, for the year under review, Developer has demonstrated good faith substantial compliance with the terms of this Agreement. If the Director finds and determines that Developer has complied substantially with the terms of this Agreement, or does not determine otherwise within sixty (60) days after delivery of the Compliance Letter, the annual review shall be deemed concluded, Developer shall be deemed to have complied in good faith with the terms and conditions of this Agreement during the year under review, and this Agreement shall remain in full force and effect. Upon a determination of compliance, the Director shall, if requested by Developer, issue a recordable certificate confirming Developer's compliance through the year under review. Developer may record the certificate with the Santa Clara County Recorder's Office. If the Director initially determines the Compliance Letter to be inadequate in any respect, he/she shall provide notice to that effect to Developer as provided in SCCC Section 17.10.220. If, after a duly noticed public hearing thereon, the City Council finds and determines based on substantial evidence that Developer has not complied substantially in good faith with the terms of this Agreement for the year under review, the City Council shall give written notice thereof to Developer specifying the noncompliance and such notice shall serve as a notice of default under Section 10.1. If Developer fails to cure the noncompliance within a reasonable period of time as established by the City Council, the City Council, in its discretion, may (i) grant additional time for compliance by Developer, or (ii) following the hearing described in SCCC Section 17.10.250, modify this Agreement to the extent necessary to remedy or mitigate the non-compliance, or (iii) terminate this Agreement. Except as affected by the terms hereof, the terms of SCCC Section 17.10.240(b)(2), and following, shall govern the City's compliance review process. During any review, Developer shall bear the burden of proof to demonstrate good faith compliance with the terms of this Agreement. If the City Council does not hold a hearing and make its determination within one hundred and twenty (120) days after delivery of the Compliance Letter for a given year, then it shall be deemed

conclusive that Developer has complied in good faith with the terms and conditions of this Agreement during the period under review.

9. REIMBURSEMENTS

9.1 Reimbursements. The Parties agree that Developer shall not be entitled to reimbursement for the construction of any private or public improvement explicitly provided by the Project Approvals, except as expressly provided in this Agreement or the COAs.

10. DEFAULT AND REMEDIES

10.1 Default. Failure by either Party to perform any material term or provision of this Agreement shall constitute a default, provided that the Party alleging the default gave the other Party advance written notice of the default and thirty (30) days to cure the condition, or, if the nature of the default is such that it cannot be cured within thirty (30) days, the Party receiving notice shall not be in default if the Party commences performance of its obligations within the thirty (30) day period and diligently completes that performance. Written notice shall specify in detail the nature of the obligation to be performed by the Party receiving notice.

10.2 Remedies. It is acknowledged by the Parties that City and Developer would not have entered into this Agreement if City or Developer were to be liable in damages under, or with respect to, this Agreement or the application thereof. City and Developer shall not be liable in damages to each other, or to any assignee, transferee or any other person, and Developer and City covenant not to sue for or claim damages from the other. Upon Developer's or City's material default, and failure to cure within a reasonable time depending on the nature of the default after demand by the non-defaulting Party, the non-defaulting Party shall institute mediation under Section 26 of this Agreement. If mediation fails to resolve the dispute, each Party shall have the right, in addition to all other rights and remedies available under this Agreement, to (i) bring any proceeding in the nature of specific performance, injunctive relief or mandamus, and/or (ii) bring any action at law or in equity as may be permitted by law or this Agreement. The Parties acknowledge that monetary damages and remedies at law generally are inadequate upon the occurrence of a default. Therefore, specific performance or other extraordinary equitable relief (such as injunction) is an appropriate remedy for the enforcement of this Agreement, other remedies at law being inadequate under all the circumstances pertaining as of the Effective Date of this Agreement and any such equitable remedy shall be available to the Parties.

10.3 Default by Developer/Withholding of Building Permit. City may, at its discretion, without submitting to mediation, refuse to issue a Building Permit for any structure within the Property, if Developer has materially failed and refused to complete any requirement that is a Condition of Approval, or that is applicable to the Building Permit requested. In addition, where City has determined that Developer is in default as described above, City may also refuse to issue the Developer any permit or entitlement

for any structure or property located within the Project. This remedy shall be in addition to any other remedies provided for by this Agreement.

11. AMENDMENT OR TERMINATION

11.1 Agreement to Amend or Terminate. Subject to Section 22 regarding Operating Memoranda and Section 11.2 regarding future actions and minor changes, City and Developer, by mutual agreement, may terminate or amend the terms of this Agreement, pursuant to Section 24.

11.2 Modification to Approvals. City and Developer anticipate that the Project will be implemented in accordance with the Vested Elements and the MMRP. The foregoing actions and other necessary or convenient implementation actions shall not require an amendment to this Agreement.

- a. City and Developer understand and acknowledge that changes to the Project which would not, in the discretion of the City, substantially comply with the Vested Elements or MMRP would necessitate subsequent review and approval, which will not be unreasonably withheld or delayed. Upon the written request of Developer, City may agree to make a substantive amendment or modification to the Project Approvals, including the Development Plan in compliance with procedural provisions set forth in the Development Plan or other land use ordinances and regulations in effect on the date of application for amendment or modification. The amendment or modification of the Development Plan shall be done pursuant to Section 24, unless treated as a minor change as described in Section 11.2(b) below.
- b. If Developer seeks a modification to the Approval(s), the Director or his/her designee shall determine: (i) whether the requested modification is minor when considered in light of the Project as a whole; and (ii) whether the requested modification is consistent with this Agreement and applicable law. If the Director or his/her designee finds, in his or her sole discretion, that the proposed modification is minor, consistent with this Agreement and applicable law, and will result in no new significant impacts not addressed and mitigated in the EIR, the modification shall be determined to be a "Minor Change" and shall not be considered an amendment to the applicable Approval(s) and shall not require a formal amendment to this Agreement. Upon the Director's approval, any Minor Change shall become part of the applicable Approvals and this Agreement, and shall be deemed a Vested Element. Without limiting the generality of the foregoing, lot line adjustments, minor alterations to vehicle circulation patterns or vehicle access points, substitutions of comparable landscaping for any landscaping shown on any final development plan or landscape plan, variations in the location of utilities and other infrastructure connections that do not substantially alter the design concepts of the Project, and minor adjustments to the Project Site diagram constitute Minor Changes. Notwithstanding the foregoing, Minor Changes shall not exceed five percent (5%) of the number proposed for modification.

11.3 Enforceability of Agreement. The City and Developer agree that unless this Agreement is amended or terminated pursuant to its terms, this Agreement shall be enforceable by either Party notwithstanding any subsequent change to or adoption of any applicable General Plan, Specific Plan, SCCC, Other Regulation or Local Rule adopted by City, with the exceptions listed in this Agreement.

12. MORTGAGEE PROTECTION: CERTAIN RIGHTS OF CURE

12.1 Mortgagee Protection. This Agreement shall be superior and senior to all liens placed upon the Property or any portion thereof after the date on which this Agreement or a memorandum thereof is recorded, including the lien of any deed of trust or mortgage (“Mortgage”). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all of the terms and conditions contained in this Agreement shall be binding upon and effective against all persons and entities, including all deed of trust beneficiaries or mortgagees (“Mortgagees”) who acquire title to the Property or any portion thereof by foreclosure, trustee’s sale, deed in-lieu-of foreclosure, voluntary transfer or otherwise.

12.2 Mortgagee Obligations. City, upon receipt of a written request from a foreclosing Mortgagee, shall permit the Mortgagee to succeed to the rights and obligations of Developer under this Agreement, provided that all defaults by Developer hereunder that are reasonably susceptible of being cured are cured by the Mortgagee as soon as reasonably possible, provided, however, that in no event shall such Mortgagee personally be liable for any defaults or monetary obligations of Developer arising prior to acquisition of possession of such property by such Mortgagee. The foreclosing Mortgagee shall have the right to find a substitute developer to assume the obligations of Developer, which substitute shall be considered for approval by the City pursuant to Section 13 of this Agreement, but shall not, itself, be required to comply with all of the provisions of this Agreement.

12.3 Notice of Default to Mortgagee. If City receives notice from a Mortgagee requesting a copy of any notice of default given to Developer and specifying the address for service thereof, City shall endeavor to deliver to the Mortgagee, concurrently with service thereof to Developer, all notices given to Developer describing all claims by the City that Developer has defaulted hereunder. If City determines that Developer is not in compliance with this Agreement, City also shall endeavor to serve notice of noncompliance on the Mortgagee concurrently with service on Developer. Each Mortgagee shall have the right, but not the obligation, during the same period available to Developer to cure or remedy, or to commence to cure or remedy, the condition of default claimed or the areas of noncompliance set forth in City’s notice.

13. ASSIGNABILITY

13.1 Assignment. Neither Party shall convey, assign or transfer (“Transfer”) any of its interests, rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. In no event shall the obligations conferred upon Developer under this Agreement be transferred

except through a Transfer of all or a portion of the Property. Should Developer Transfer any of its interests, rights or obligations under this Agreement, it shall nonetheless remain liable for performance of the obligations for installation of public improvements and payment of fees, unless the transferee executes an Assumption Agreement in a form reasonably acceptable to the City whereby the transferee agrees to be bound by the relevant terms of the Agreement, including the obligations for installation of public improvements and payment of fees. During the Term, Developer shall provide City with written notice of a request to Transfer any interest in this Agreement forty-five (45) days prior to any such contemplated Transfer. Any such request for a Transfer shall be accompanied by quantitative and qualitative information that substantiates, to the City's reasonable satisfaction, that the proposed transferee has the capability to fulfill the rights and obligations of this Agreement. Within thirty (30) days of such a request and delivery of information, the City Manager shall make a determination, in his or her sole discretion, as to whether the Transfer shall be permitted or whether such Transfer necessitates an Amendment to this Agreement, subject to approval by the City Council. Each successor in interest to Developer shall be bound by all of the terms and provisions applicable to the portion of the Property acquired. This Agreement shall be binding upon and inure to the benefit of the Parties' successors, assigns and legal representatives. This Agreement shall be recorded by the City in the Santa Clara County Recorder's Office promptly upon execution by each of the Parties.

13.2 Covenants Run With The Land. This Agreement, the PD Zoning, and the General Plan Amendment are legislative in nature, and apply to the Property as regulatory ordinances. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall run with the land and shall be binding upon the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns, devisees, administrators, representatives, lessees and all other persons or entities acquiring the Property, any lot, parcel or any portion thereof and any interest therein, whether by sale, operation of law or other manner, and shall inure to the benefit of the Parties and their respective successors.

13.3 Pre-Approved Transfers. The following Transfers shall not require approval by the City, and shall automatically, upon the satisfaction of the conditions in Section 13.1 above, result in the release of Developer of its obligations hereunder as they may relate specifically to the specific property or asset sold or transferred: (a) sale or lease of the property in its entirety to any other Party to this Agreement or to any affiliate of Developer; (b) sale or lease of one or more buildings to any other Party to this Agreement or to any affiliate of Developer; and (c) a loan or mortgage pertaining to the Property. As used herein, an "affiliate of Developer" means any entity that directly controls or is controlled by or under common control with Developer, whether through the ownership or control of voting interest, by contract, or otherwise.

13.4 Release Upon Transfer. Upon the Transfer of Developer's rights and interests hereunder pursuant to the preceding subparagraph of this Agreement, Developer shall be released from the obligations under this Agreement with respect to the Property transferred, sold or assigned, arising subsequent to the date of City approval of such Transfer; provided, however, that any transferee, purchaser or assignee approved by the

City expressly assumes the obligations of Developer under this Agreement. In any event, the transferee, purchaser or assignee shall be subject to all the provisions hereof and shall provide all necessary documents, certifications and other necessary information prior to City approval.

13.5 Non-Assuming Transferees. Except as otherwise required by a transferor, the burdens, obligations and duties of such transferor under this Agreement shall not apply to any purchaser of any individual commercial or residential condominium offered for sale. The transferee in a transaction described above and the successors and assigns of such a transferee shall be deemed to have no obligations under this Agreement, but shall continue to benefit from the vested rights provided by this Agreement for the duration of the Term hereof. Nothing in this Section 13 shall exempt any property transferred to a non-assuming transferee from payment of applicable fees, taxes and assessments or compliance with applicable COAs.

13.6 Foreclosure. Nothing contained in this Section 13 shall prevent a Transfer of the Property, or any portion thereof, to a lender as a result of a foreclosure or deed in lieu of foreclosure, and any lender acquiring the Property, or any portion thereof, as a result of foreclosure or a deed in lieu of foreclosure shall take such Property subject to the rights and obligations of Developer under this Agreement; provided, however, in no event shall such lender be liable for any defaults or monetary obligations of Developer arising prior to acquisition of title to the Property by such lender, and provided further, in no event shall any such lender or its successors or assigns be entitled to a building permit or occupancy certificate until all fees due under this Agreement (relating to the portion of the Property acquired by such lender) have been paid to City.

14. CONTROLLING LAW

14.1 Controlling Law. This Agreement shall be governed by the laws of the State of California, and the exclusive venue for any disputes or legal actions shall be the County of Santa Clara. Developer shall comply with all requirements of State and federal law, in addition to the requirements of this Agreement, including, without limitation, the payment of prevailing wages, if required by applicable law. In any event, Developer shall pay prevailing wages for all work on off-site public improvements related to the Project.

15. GENERAL

15.1 Construction of Agreement. The language in this Agreement in all cases shall be construed as a whole and in accordance with its fair meaning.

15.2 No Waiver. No delay or omission by either Party in exercising any right or power accruing upon the other Party's noncompliance or failure to perform under the provisions of this Agreement shall impair or be construed to waive any right or power. A waiver by either Party of any of the covenants or conditions to be performed by Developer or City shall not be construed as a waiver of any succeeding breach of the same or other covenants and conditions.

15.3 Agreement is Entire Agreement. This Agreement and all exhibits attached hereto or incorporated herein, together with the Vested Elements and the MMRP, are the sole and entire Agreement between the Parties concerning the Property. The Parties acknowledge and agree that they have not made any representation with respect to the subject matter of this Agreement or any representations inducing the execution and delivery, except representations set forth herein, and each Party acknowledges that it has relied on its own judgment in entering this Agreement. The Parties further acknowledge that all statements or representations that heretofore may have been made by either of them to the other are void and of no effect, and that neither of them has relied thereon in its dealings with the other.

15.4 Estoppel Certificate. Either Party from time to time may deliver written notice to the other Party requesting written certification that, to the knowledge of the certifying Party, (i) this Agreement is in full force and effect and constitutes a binding obligation of the Parties, (ii) this Agreement has not been amended or modified either orally or in writing, or, if it has been amended or modified, specifying the nature of the amendments or modifications, and, (iii) the requesting Party does not have knowledge of default in the performance of its obligations under this Agreement, or if in known default, describing therein the nature and monetary amount, if any, of the default. A Party receiving a request shall execute and return the certificate within thirty (30) days after receipt thereof. The City Manager shall have the right to execute the certificates requested by Developer. At the request of Developer, the certificates provided by City establishing the status of this Agreement with respect to any lot or parcel shall be in recordable form, and Developer shall have the right to record the certificate for the affected portion of the Property at its cost.

15.5 Severability. Each provision of this Agreement which is adjudged by a court of competent jurisdiction to be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions hereof, and the other provisions shall remain in full force and effect.

15.6 Further Documents. Each Party shall execute and deliver to the other all other instruments and documents as may be reasonably necessary to carry out this Agreement.

15.7 Time of Essence. Time is of the essence in the performance of each and every covenant and obligation to be performed by the Parties hereunder.

15.8 Defense and Indemnification Provisions. Developer, and with respect to the portion of the Property transferred to them, each Developer transferee, hereby releases and agrees to protect, defend, hold harmless and indemnify City, its City Council, its officers, employees, agents and assigns (the "Indemnified Parties") from and against all claims, injury, liability, loss, cost and expense or damage, however same may be caused, including all costs and reasonable attorney's fees in providing the defense to any claim arising from the performance or non-performance of this Agreement by Developer. This provision is intended to be broadly construed and extends to, among other things, any challenge to the validity of this Agreement, environmental review for the Project, entitlements, or anything related to the passage of the Agreement by the City.

15.9 Construction. This Agreement has been reviewed and revised by legal counsel for both the City and Developer and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

16. TERMINATION

16.1 Termination. This Agreement shall terminate upon the earlier of (i) expiration of the Term, or (ii) when the Property has been fully developed and all of Developer's obligations have been fully satisfied as reasonably determined by City, or (iii) after all appeals have been exhausted before a final court of judgment, or issuance of a final court order directed to the City to set aside, withdraw, or abrogate the City's approval of this Agreement or any material part thereof. Upon termination of this Agreement as to all of the Property, at the request of Developer the City shall record a Notice of Termination for each affected parcel in a form satisfactory to the City Attorney in the Office of the Santa Clara County Recorder.

16.2 Effect Upon Termination on Developer Obligations. Termination of this Agreement as to the Developer shall not affect any of the Developer's obligations to comply with the City's General Plan, SCCC, MMRP, COAs, Project Approvals, or any terms and conditions of any applicable zoning, or subdivision map or other land use entitlement approved with respect to the Project, nor shall it affect any other covenants or development requirements in this Agreement specified to continue after the termination of this Agreement, or obligations to pay assessments, liens, fees or taxes.

16.3 Effect Upon Termination on City. Upon any termination of this Agreement as to all or a portion of the Property, the Approvals, Development Plan, Conditions of Approval, limitations on fees and all other terms and conditions of this Agreement shall no longer be vested with respect to the Property, or portion thereof, and the City shall no longer be limited by this Agreement, to make any changes or modifications to the Approvals, conditions or fees applicable to the Property or portion thereof.

17. NOTICES

17.1 Notices. Except as otherwise expressly provided herein, all notices and demands pursuant to this Agreement shall be in writing and delivered in person, by commercial courier or by first-class certified mail, postage prepaid. Except as otherwise expressly provided herein, notices shall be considered delivered when personally served, upon delivery if delivered by commercial courier, or two (2) days after mailing if sent by mail. Notices shall be sent to the addresses below for the respective parties; provided, however, that either Party may change its address for purposes of this Section by giving written notice to the other Party. These addresses may be used for service of process:

To City:

City Clerk
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

With copy to:
City Attorney
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

To Developer:

Innovation Commons Owner, LLC
c/o Kylli Inc.
4995 Patrick Henry Drive
Santa Clara, CA 95054
Attention: Ou Sun

With copy to:
Holland & Knight LLP
560 Mission Street Suite 1900
San Francisco, CA 94105
Attention: Tamsen Plume

The provisions of this Section shall be deemed directive only and shall not detract from the validity of any notice given in a manner that would be legally effective in the absence of this Section.

18. DEVELOPER INDEPENDENT CONTRACTOR

18.1 Developer is an Independent Contractor. Developer is not an agent or employee of City, but is an independent contractor with full rights to manage its employees subject to the requirements of the law. All persons employed or utilized by Developer in connection with this Agreement are employees or contractors of Developer and shall not be considered employees of City in any respect.

19. PROJECT AS A PRIVATE UNDERTAKING

19.1 Project as a Private Undertaking. It is specifically understood and agreed that the Project is a private development. No partnership, joint venture or other association of any kind between City and Developer is formed by this Agreement.

20. NONDISCRIMINATION

20.1 Nondiscrimination. Developer shall not discriminate, in any way, against any person on the basis of race, color, national origin, gender, marital status, sexual orientation, age, creed, religion or disability in connection with or related to the performance of this Agreement.

21. FORCE MAJEURE

21.1 Force Majeure. In addition to any specific provisions of this Agreement, performance of obligations hereunder shall be excused and the term of this Agreement shall be extended during any period of delay caused at any time by reason of: floods, earthquakes, fires or similar catastrophes; wars, riots or similar hostilities; strikes and other labor difficulties beyond the Party's reasonable control; pandemics and epidemics that, due to specific provisions of a federal, state or local governmental declaration of emergency prohibit development or implementation of the Project; the enactment of new laws or restrictions imposed by other governmental or quasi-governmental entities preventing this Agreement from being implemented; or litigation involving this Agreement or the Approvals, which delays any activity contemplated hereunder, unless such action is brought by Developer. City and Developer shall promptly notify the other Party of any delay hereunder as soon as possible after the delay has been, or should have been, known.

22. OPERATING MEMORANDA

22.1 Operating Memoranda. The provisions of this Agreement require a close degree of cooperation between City and Developer, and refinements and further development of the Project may demonstrate that clarifications with respect to the details of performance of City and Developer or minor revisions to the Project are appropriate. If and when, from time to time, during the term of this Agreement, City and Developer agree that such clarifications or minor modifications are necessary or appropriate, they may effectuate such clarifications through operating memoranda approved by City and Developer, which, after execution, shall be attached hereto ("Operating Memoranda"). No such Operating Memoranda shall constitute an Amendment to this Agreement requiring public notice or hearing. The City Attorney shall be authorized in his/her sole discretion to determine whether a requested clarification may be effectuated pursuant to this Section 22 or whether the requested clarification is of such a character to require an amendment of the Agreement pursuant to Section 24 hereof. The City Manager or Director, depending on the context, may execute any Operating Memoranda without City Council action.

23. THIRD PARTIES

23.1 Third Parties. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the Approvals, the Parties shall reasonably cooperate in defending such action. Developer shall bear its own costs of defense as a real party in interest in any such action, and shall reimburse City for all reasonable costs and attorneys' fees expended by City in defense of any such action or other proceedings.

24. Amendments

24.1 Amendments. No alterations or changes to the terms of this Agreement shall be valid, unless made in writing and signed by both Parties, and completed in compliance with the procedures listed in SCCC and/or the Government Code for Development Agreement Amendments.

25. NO THIRD PARTY BENEFICIARY

25.1 No Third Party Beneficiary. This Agreement shall not be construed or deemed to be an Agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

26. DISPUTE RESOLUTION

26.1 Mediation. Any controversies between Developer and City regarding the construction or application of this Agreement, and claims arising out of this Agreement or its breach, shall be submitted to mediation within thirty (30) days of the written request of one Party after the service of that request on the other Party.

The Parties may agree on one mediator. If they cannot agree on one mediator, the Party demanding mediation shall request the Superior Court of Santa Clara County to appoint a mediator. The mediation meeting shall not exceed one day (eight (8) hours). The Parties may agree to extend the time allowed for mediation under this Agreement.

The costs of the mediator shall be borne by the Parties equally; however, each Party shall bear its own attorney, consultant, staff and miscellaneous fees and costs.

Mediation under this Section is a condition precedent to filing an action in any court, but it is not a condition precedent to the City's refusal to issue a Building Permit or any other entitlement under Section 5.

27. CONSENT

27.1 Consent. Where consent or approval of a Party is required or necessary under this Agreement, the consent or Agreement shall not be unreasonably withheld or delayed.

28. COVENANT OF GOOD FAITH AND FAIR DEALING

28.1 Covenant of Good Faith and Fair Dealing. Neither Party to this Agreement shall do anything which shall have the effect of harming or injuring the right of the other Party to receive benefits of this Agreement; each Party shall refrain from doing anything which would render its performance under this Agreement impossible; and, each Party shall do everything which this Agreement contemplates to accomplish the objectives and purpose of this Agreement.

29. AUTHORITY TO EXECUTE

29.1 Authority to Execute. The person or persons executing this Agreement on behalf of Developer warrant and represent that they have the authority to execute this Agreement on behalf of Developer, and further represent that they have the authority to bind Developer to the performance of its obligations in this Agreement.

30. COUNTERPARTS

30.1 Counterparts. This Agreement may be executed in multiple originals, each of which is deemed an original, and may be signed in Counterparts. The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

SIGNATURES FOLLOW ON NEXT PAGE

**CITY OF SANTA CLARA, CALIFORNIA,
a chartered California municipal corporation**

APPROVED AS TO FORM:

GLEN R. GOOGINS
City Attorney

JÖVAN D. GROGAN
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

“CITY”

DEVELOPER
INNOVATION COMMONS OWNER LLC,
A DELAWARE LIMITED LIABILITY COMPANY

By: _____
Signature of Person executing the Agreement on behalf of Developer

Name: _____

Title: _____

Local Address: _____

Email Address: _____

Telephone: () _____

Fax: () _____

EXHIBIT A

LEGAL PROPERTY DESCRIPTION & PLAT

TRACT ONE:

ALL OF PARCELS 7 AND 8, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "PARCEL MAP BEING A SUBDIVISION OF ALL OF PARCEL 3, [BOOK 368 PM 31, 32, 33](#) AND A PORTION OF THE LANDS FORMERLY OF FESPAR ENTERPRISES, INC., DESCRIBED IN PARCEL ONE OF [0426 OFFICIAL RECORDS 659](#)", WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, ON MARCH 16, 1976 IN [BOOK 368 OF MAPS, PAGES 36 AND 37](#).

TRACT TWO:

ALL OF PARCELS 35, 36 AND 37, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "PARCEL MAP BEING A RESUBDIVISION OF PARCEL 6 AS SHOWN ON PARCEL MAP 3399 RECORDED IN [BOOK 368 OF MAPS, PAGES 36 AND 37](#) AND ALSO BEING A RESUBDIVISION OF PARCELS 26, 30 AND 31 AS SHOWN ON PARCEL MAP RECORDED IN [BOOK 386 OF MAPS, PAGES 4 AND 5](#), SANTA CLARA COUNTY RECORDS", WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON JANUARY 25, 1977 IN [BOOK 387 OF MAPS, PAGE 44](#).

TRACT THREE:

PARCEL 2, AS SHOWN ON PARCEL MAP FILED AUGUST 07, 1978 IN [BOOK 424 OF MAPS, PAGE\(S\) 24](#), SANTA CLARA COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION GRANTED IN THE DEED TO THE CITY OF SANTA CLARA, A CALIFORNIA MUNICIPAL CORPORATION, RECORDED SEPTEMBER 09, 1987 IN [BOOK K287, PAGE 1136](#), OFFICIAL RECORDS, AS FOLLOWS:

BEGINNING AT THAT CERTAIN POINT OF INTERSECTION OF THE SOUTHERLY LINE OF TASMAN DRIVE (55.00 FEET HALF STREET) WITH THE COMMON LINE BETWEEN PARCEL 2 AND PARCEL 3, AS SAID SOUTHERLY LINE OF TASMAN DRIVE AND SAID COMMON LINE ARE SHOWN UPON SAID PARCEL MAP; THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF TASMAN DRIVE NORTH 89° 28' 06" WEST 42.75 FEET; THENCE LEAVING SAID SOUTHERLY LINE OF TASMAN DRIVE AND PROCEEDING SOUTH 86° 28' 04" EAST 42.81 FEET TO A POINT ON SAID COMMON LINE BETWEEN PARCELS 2 AND 3; THENCE NORTHERLY ALONG SAID COMMON LINE NORTH 00° 31' 54" EAST 2.24 FEET TO THE POINT OF BEGINNING.

TRACT FOUR:

ALL OF PARCEL 3, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "PARCEL MAP BEING ALL OF PARCELS 41 AND 42, AS SHOWN ON THAT CERTAIN "PARCEL MAP" RECORDED IN [BOOK 405 OF MAPS, PAGE 3](#), SANTA CLARA COUNTY RECORDS", WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON AUGUST 07, 1978 IN [BOOK 424, OF MAPS, PAGE 24](#).

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF SANTA CLARA, A MUNICIPAL CORPORATION BY GRANT DEED RECORDED SEPTEMBER 09, 1987 IN [BOOK K287, PAGE 1123](#), OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THAT CERTAIN POINT OF INTERSECTION OF THE SOUTHERLY LINE OF TASMAN DRIVE (55.00 FEET HALF STREET) WITH THE EASTERLY LINE OF SAID PARCEL 3, AS SAID DRIVE AND PARCEL ARE SHOWN UPON THE MAP ABOVE REFERRED TO, SAID EASTERLY LINE OF PARCEL 3 ALSO BEING THE WESTERLY LINE OF PARCEL 40, AS SAID LINE AND PARCEL 40 ARE SHOWN UPON THAT CERTAIN PARCEL MAP FILED IN [BOOK 405 OF MAPS, PAGE 3](#), RECORDS OF SANTA CLARA COUNTY, CALIFORNIA; THENCE PROCEEDING WESTERLY ALONG SAID SOUTHERLY LINE OF TASMAN DRIVE NORTH 89° 28' 06" WEST 200.00 FEET TO THE COMMON LINE BETWEEN SAID PARCEL 3 AND PARCEL 2, AS SAID PARCELS ARE SHOWN UPON THE FIRST PARCEL MAP ABOVE REFERRED TO; THENCE PROCEEDING

SOUTHERLY ALONG SAID COMMON LINE, SOUTH 00° 31' 54" WEST 2.24 FEET; THENCE SOUTH 86° 28' 04" EAST 200.27 FEET TO SAID COMMON LINE BETWEEN PARCEL 3 AND PARCEL 40; THENCE NORTHERLY ALONG SAID COMMON LINE NORTH 00° 31' 54" EAST 12.72 FEET TO THE POINT OF BEGINNING.

TRACT FIVE:

ALL OF PARCEL 1, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "PARCEL MAP BEING ALL OF PARCEL 41 AND 42, AS SHOWN ON THAT CERTAIN PARCEL MAP, RECORDED IN [BOOK 405 OF MAPS, PAGE 3](#) SANTA CLARA COUNTY RECORDS", WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON AUGUST 07, 1978 IN [BOOK 424 OF MAPS, PAGE 24](#).

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THE DEED TO THE SANTA CLARA COUNTY TRANSIT DISTRICT RECORDED MAY 15, 1998 AS INSTRUMENT NO. [14185766](#), AS FOLLOWS:

ALL OF THAT CERTAIN PROPERTY SITUATED IN THE CITY OF SANTA CLARA, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, AND BEING A PORTION OF PARCEL 1, AS SAID PARCEL 1 IS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN [BOOK 424 OF MAPS, PAGE 24](#), RECORDS OF SANTA CLARA COUNTY, CALIFORNIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTERLINES OF TASMAN DRIVE AND PATRICK HENRY DRIVE AS SAID DRIVES ARE SHOWN ON SAID PARCEL MAP, THENCE EASTERLY ALONG THE CENTERLINE OF SAID TASMAN DRIVE SOUTH 82° 00' 43" EAST 159.80 FEET TO A CURVE; THENCE CONTINUING EASTERLY ALONG SAID CENTERLINE OF TASMAN DRIVE ALONG SAID CURVE CONCAVE NORTHERLY WITH A RADIUS OF 2864.84 FEET THROUGH A CENTRAL ANGLE OF 1° 31' 41" AND AN ARC LENGTH OF 76.41 FEET; THENCE SOUTH 6° 27' 35" WEST 55.00 FEET TO THE SOUTHERLY LINE OF TASMAN DRIVE AND TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE NORTH 88° 21' 09" WEST 32.18 FEET; THENCE SOUTH 7° 09' 18" WEST 3.43 FEET; THENCE FROM A TANGENT BEARING OF NORTH 82° 56' 21" WEST ALONG A CURVE CONCAVE NORTHERLY WITH A RADIUS OF **30.2 FEET** THROUGH A CENTRAL ANGLE OF 0° 56' 35" AND AN ARC LENGTH OF 50.19 FEET;

THENCE NORTH 7° 54' 36" EAST 3.00 FEET; THENCE WESTERLY ALONG A LINE PARALLEL WITH THE SOUTHERLY LINE OF TASMAN DRIVE NORTH 82° 00' 43" WEST 65.02 FEET TO A CURVE; THENCE LEAVING SAID PARALLEL LINE AND PROCEEDING SOUTHWESTERLY ALONG SAID CURVE CONCAVE SOUTHEASTERLY WITH A RADIUS OF 50.00 FEET THROUGH A CENTRAL ANGLE OF 63° 26' 29" AND AN ARC LENGTH OF 55.36 FEET; THENCE NORTH 51° 02' 20" WEST 1.32 FEET TO THE EASTERLY LINE OF PATRICK HENRY DRIVE; THENCE NORTHEASTERLY ALONG SAID EASTERLY LINE FROM A TANGENT BEARING OF NORTH 31° 10' 39" EAST ALONG A CURVE CONCAVE SOUTHEASTERLY WITH A RADIUS OF 50.00 FEET THROUGH A CENTRAL ANGLE OF 66° 48' 38" AND AN ARC LENGTH OF 58.30 FEET TO THE SOUTHERLY LINE OF TASMAN DRIVE; THENCE CONTINUING EASTERLY ALONG SAID SOUTHERLY LINE SOUTH 82° 00' 43" EAST 69.18 FEET TO A CURVE; THENCE CONTINUING ALONG SAID SOUTHERLY LINE OF TASMAN DRIVE FROM A TANGENT BEARING OF SOUTH 82° 00' 44" EAST ALONG A CURVE CONCAVE NORTHERLY WITH A RADIUS OF 2919.84 FEET THROUGH A CENTRAL ANGLE OF 1° 31' 41" AND AN ARC LENGTH OF 77.87 FEET TO THE TRUE POINT OF BEGINNING.

TRACT SIX:

ALL OF PARCEL 40, AS SAID PARCEL IS SHOWN UPON THAT CERTAIN MAP ENTITLED, "PARCEL MAP, BEING A RESUBDIVISION OF PARCELS 22 AND 23 ON PARCEL MAP RECORDED IN BOOK 386 OF MAPS, PAGES 4 AND 5...", WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON SEPTEMBER 29, 1977 IN [BOOK 405 OF MAPS, PAGE 3](#).

EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO THE CITY OF SANTA CLARA, A MUNICIPAL CORPORATION BY THAT CERTAIN GRANT DEED RECORDED JANUARY 26, 1988 IN [BOOK K428, PAGE 465](#), OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO THE SANTA CLARA COUNTY

TRANSIT DISTRICT BY THAT CERTAIN GRANT DEED RECORDED MAY 08, 1998 AS INSTRUMENT NO. [14176548](#), OFFICIAL RECORDS.

TRACT SEVEN:

ALL THAT PORTION OF DEMOCRACY WAY LYING WESTERLY OF THE WESTERLY LINE OF OLD IRONSIDES DRIVE AND EASTERLY OF THE EASTERLY LINE OF PATRICK HENRY DRIVE, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED MARCH 12, 1976 IN [BOOK 368 OF MAPS, PAGES 36 AND 37](#), SANTA CLARA COUNTY RECORDS.

TRACT EIGHT:

EASEMENT RESERVED IN THAT CERTAIN DEED RECORDED NOVEMBER 3, 1950 IN [BOOK 2089, PAGE 315](#), OFFICIAL RECORDS

[Insert Plat]

EXHIBIT B
ALLOCATION OF FAIR SHARE TRAFFIC FEES

	Kylli Traffic Infrastructure and Fair Share Fee						
	#	Intersection Name	Improvement Description	Fair Share %	Fair Share Costs	Development Trigger	
Row						%	non-resid ksf ¹
Project-Specific Fair Share ¹							
0	60	McCarthy Blvd/O'Toole Av and Montague Expwy (CMP)	Construct a partial grade separated interchange	0.0% ³	\$0	0%	N/A
1	20	Great America Parkway and Great America Way	Extend WBL lane striping	13.8%	\$14,017	5%	184
2	53	Lick Mill Boulevard and Montague Expressway	Extend SBL pocket	1.6%	\$1,657	5%	184
3	25	Great America Parkway and Patrick Henry Drive	Class IV separated bikeway on Great America Pkwy/ Bowers Ave (between Bay Trail & Old Glory Lane and between US 101 & Chromite Dr.)	15.1%	\$394,782 ⁴	7%	245
4	25	Great America Parkway and Patrick Henry Drive	Hetch Hetchy trail (between Guadalupe River Pkwy & Great America Pkwy & between Patrick Henry Dr & Calabazas Creek Trail)	15.1%	\$1,490,909 ⁴	7%	245
6	20	Great America Parkway and Great America Way	Extend SBL pocket	13.8%	\$43,781	11%	388
7	3	Lawrence Expwy and Sandia Av/Lakehaven Dr	New signalized intersection at Lawrence Expressway and Bridgewood Way/Lakewood Dr (VTP 2040)	5.8%	\$30,523	14%	489
8	51	Lafayette Street and Agnew Road	Class IV separated bikeway on Lafayette (between SR 237 & Agnew)	7.3%	\$128,886	20%	699
9	40	Mission College Blvd and Montague Expwy (CMP)	Add 3rd EBL lane and reconfigure the north leg to include 3 receiving lanes	4.3%	\$18,878	24%	839

Kylli Traffic Infrastructure and Fair Share Fee							
Row	#	Intersection Name	Improvement Description	Fair Share %	Fair Share Costs	Development Trigger	
						%	non-resid ksf ¹
10	41	San Tomas Expressway and Scott Boulevard (CMP)	Reconfigure EB approach to include 3 LT lanes, 1 TH lane, and 1 shared TH/RT lane, remove triangular islands, reduce RT radii, signal modifications.	1.2%	\$27,180	40%	1,398
11	54	N. 1st Street and Montague Expressway (CMP)	Construct a grade separated interchange	1.5%	\$388,103	46%	1,608
12	2	Lawrence Expressway and Tasman Drive	Extend SBL pocket	1.6%	\$3,616	50%	1,747
13	23	Great America Parkway and Tasman Drive	Extend NBL pocket	1.4%	\$3,300	50%	1,747
14	23	Great America Parkway and Tasman Drive	Extend WBL pocket	1.4%	\$3,300	50%	1,747
15	31	Bowers Avenue and Central Expressway (CMP)	Class IV separated bikeway on Great America Pkwy/ Bowers Ave (between Bay Trail & Old Glory Lane and between US 101 & Chromite Dr.)	4.6%	\$120,436	50%	1,747
16	48	De la Cruz Boulevard and Central Expressway (CMP)	Class IV separated bikeway on De La Cruz Boulevard (between Central & Reed)	1.6%	\$14,338	58%	2,027
17	48	De la Cruz Boulevard and Central Expressway (CMP)	Install crosswalk motion sensors, accessible pedestrian signals, upgraded safety lighting, travel time data collection systems, traffic monitoring cameras, and periodic retiming of signal coordination at intersections along De La Cruz Boulevard (Multimodal Improvement Plan).	1.6%	\$18,287	58%	2,027
18	52	Agnew Rd/De La Cruz Blvd and Montague Expwy (CMP)	Install crosswalk motion sensors, accessible pedestrian signals, upgraded safety lighting, travel time data collection systems, traffic	2.5%	\$81,629	58%	2,027

DEVELOPMENT AGREEMENT

Kylli Traffic Infrastructure and Fair Share Fee							
Row	#	Intersection Name	Improvement Description	Fair Share %	Fair Share Costs	Development Trigger	
						%	non-resid ksf ¹
			monitoring cameras, and periodic retiming of signal coordination at intersections along Agnew Road/De La Cruz Boulevard (Multimodal Improvement Plan).				
19	44	San Tomas Expressway and El Camino Real (CMP)	Class IV separated bikeway on El Camino Real (from city limit to city limit)	2.0%	\$ 85,576	74%	2,586
20	44	San Tomas Expressway and El Camino Real (CMP)	VTA TSP improvement at this intersection	2.0%	\$ 1,818	74%	2,586
21	24	Great America Parkway and Old Glory Lane	Class IV separated bikeway on Great America Pkwy/ Bowers Ave (between Bay Trail & Old Glory Lane and between US 101 & Chromite Dr.)	20.4%	\$533,471	76%	2,656
22	45	Scott Boulevard and Central Expressway	Reconfigure southbound approach on Scott Ave. to include 2 LT lanes, 2 TH lanes, and 1 exclusive RT lane, signal modifications, remove triangular island, reduce RT radii, construct ADA curb ramps	3.1%	\$ 40,730	85%	2,970
23	47	Lafayette Street and Central Expressway	Class IV separated bikeway on Lafayette St (between Laurelwood & Reed)	2.7%	\$39,839	94%	3,285
24	47	Lafayette Street and Central Expressway	Remove triangular islands, reduce corner radii, realign crosswalks, and install ADA curb ramps.	2.7%	\$62,930	94%	3,285
Cumulative Fair Share Contributions²							
	6	Lawrence Expressway and E. Arques Ave.	Construct grade separated interchange	1.8%	\$291,694	Cumulative ²	

Kylli Traffic Infrastructure and Fair Share Fee							
Row	#	Intersection Name	Improvement Description	Fair Share %	Fair Share Costs	Development Trigger	
						%	non-resid ksf ¹
	7	Lawrence Expressway and Kifer Road	Construct grade separated interchange	1.0%	\$164,006	Cumulative ²	
	8	Lawrence Expressway and Reed Ave/Monroe St	Construct grade separated interchange	1.4%	\$170,924	Cumulative ²	
	14	Old Ironsides Drive and Tasman Drive	Extend WBL pocket	28.7%	\$62,888	Cumulative ⁴	
	14	Old Ironsides Drive and Tasman Drive	Spot improvements (tighten turning radii on northeast corner)	28.7%	\$56,913	Cumulative ²	
	16	Old Ironsides Drive and Old Glory Lane	Add NB RT lane	52.2%	\$198,522	Cumulative ²	
	20	Great America Parkway and Great America Way	Class IV separated bikeway on Great America Pkwy/ Bowers Ave (between Bay Trail & Old Glory and between US 101 & Chromite)	13.8%	\$358,959	Cumulative ²	
	26	Great America Pkwy and Mission College Blvd	Class IV separated bikeway on Great America Pkwy/ Bowers Ave (between Bay Trail & Old Glory and between US 101 & Chromite)	10.0%	\$261,136	Cumulative ²	
	26	Great America Pkwy and Mission College Blvd	Install transit signal priority, trail crossing improvements, crosswalk motion sensors, upgraded safety lighting, enhance crosswalks, travel time data collection systems, adaptive traffic signals and periodic retiming of signal coordination at intersections along Mission College Boulevard (Multimodal Improvement Plan).	10.0%	\$311,418	Cumulative ²	
	37	Agnew/Freedom Circle E & Mission College Blvd	Class IV bikeway on Mission College Boulevard (between Great America & Montague)	3.3%	\$29,485	Cumulative ²	

Kylli Traffic Infrastructure and Fair Share Fee							
Row	#	Intersection Name	Improvement Description	Fair Share %	Fair Share Costs	Development Trigger	
						%	non-resid ksf ¹
	40	Mission College Blvd and Montague Expwy (CMP)	Class IV bikeway on Mission College Boulevard (between Great America & Montague)	2.4%	\$21,543	Cumulative ²	
	42	San Tomas Expressway and Walsh Avenue	Class IV Separated Bikeway on Walsh Ave (between city limit & Lafayette)	3.2%	\$104,623	Cumulative ²	
	42	San Tomas Expressway and Walsh Avenue	Spot improvements (protected intersection consistent with VTA Bike Plan)	3.2%	\$63,280	Cumulative ²	
	45	Scott Boulevard and Central Expressway	Class II buffered bicycle lane on Scott Blvd (between city limit & Monroe)	3.1%	\$45,397	Cumulative ²	
	45	Scott Boulevard and Central Expressway	Implement bus duckouts and pedestrian pads, crosswalk motion sensors, accessible pedestrian signals, upgraded safety lighting, and periodic retiming of signal coordination at intersections along Scott Boulevard (Multimodal Improvement Plan).	3.1%	\$80,296	Cumulative ²	
	46	Scott Boulevard and Walsh Avenue	Class IV Separated Bikeway on Walsh Ave (between city limit & Lafayette)	4.2%	\$137,854	Cumulative ²	
	50	Lick Mill Boulevard and Tasman Drive	Class IV separated bikeway on Lick Mill Blvd (between Tasman & Montague)	5.7%	\$83,387	Cumulative ²	
	53	Lick Mill Boulevard and Montague Expressway	Class IV separated bikeway on Lick Mill Blvd (between Tasman & Montague)	1.1%	\$15,477	Cumulative ²	
	55	Zanker Road and Montague Expressway (CMP)	HOV-type signal improvements that could support future Bus Rapid Transit facilities (North San José Deficiency Plan)	0.7%	\$146,419	Cumulative ²	

	Kylli Traffic Infrastructure and Fair Share Fee						
	#	Intersection Name	Improvement Description	Fair Share %	Fair Share Costs	Development Trigger	
Row						%	non-resid ksf ¹
	56	De la Cruz Boulevard and W Trimble Road	Class IV separated bikeway on De La Cruz (between Montague Park & Trimble)	1.6%	\$10,187	Cumulative ²	
					Cumulative Subtotal: \$2,614,408		

Grand Total: \$6,162,396

¹**Project-Specific Fair Share Contributions.** The development level triggering need for improvement is shown only for intersection improvements that were identified under the background plus project scenario. For the purpose of this sensitivity analysis, residential development should be converted to non-residential floor area at a rate of 212 square feet (0.212 ksf) per dwelling unit.

The amount listed under “Fair Share Costs” column shall be paid at issuance of building permit(s) that meet or exceed the square footage total under the “Development Trigger” column. Note, certain development may trigger more than one Fair Share Costs payment depending on the development size.

For illustrative example only, if 500 residential units were submitted for building permit, first the units would be converted (0.212 ksf per dwelling unit) or 500 units x 0.212 ksf = 106 ksf. At 106,000 sf, no project specific Fair Share Costs would be due. However, under footnote 2, below, \$79,500 would be due. For another example, if a 500,000 sf office/R&D project were submitted for building permit (500 ksf), the following project-specific Fair Share Costs would be due: Rows 1-7, plus the cumulative contribution of \$375,000 under Footnote 2, below.

² **Cumulative Fair Share Contributions.** The need for this improvement would only arise under cumulative plus project conditions. Thus, a sensitivity analysis was not conducted because the Project alone would not trigger the need for this improvement. Fair share payments towards this improvement will be collected at a rate of \$0.75 per sf of non-residential

development with each phase of development in proportion to the development size using the same non-residential equivalency ratio (0.212 ksf per dwelling unit).

The cumulative contribution rate has been set by adding all the cumulative fair share contributions (\$2,614,408) divided by the total maximum development square footage using the residential conversion (3,100 ksf non-residential plus 1,800 x .212 ksf or 382 ksf = 3,392 ksf) or $2,614,408 / 3,482,000 = \0.75 per square foot of non-residential development (subject to the re-conversion for residential of 0.212 ksf per unit). Note that if residential is developed on Area C, there would be a reduction in maximum non-residential and the overall cumulative fair share contribution would be correspondingly reduced because residential has a lower traffic rate than non-residential uses.

For illustrative example only, a 500 unit residential project (or 106 ksf non-residential) would pay $106 \text{ ksf} \times 0.75 = \$79,500$ toward cumulative fair share costs. For another example only, a 500,000 office/R&D project would pay, in addition to the project-specific amounts listed under footnote 1 above, $500,000 \times 0.75 = \$375,000$ toward cumulative fair share costs.

³ 100% funded by City of San Jose under the terms of the North San Jose Settlement.

⁴ Subject to credits pursuant Public Works Conditions of Approval Nos. E43 and E44 in Resolution No. _____)

EXHIBIT C

DEFINITIONS

“Affiliate of Developer” as defined in Section 13.3 of this Agreement.

“Agreement” as defined on page 1 (first paragraph) of this Agreement.

“AHP” as defined in Recital D of this Agreement.

“Allocation of Fair Share Traffic Fees” as defined in Section 4.9 of this Agreement.

“Approvals” as defined in Section 2.3 of this Agreement.

“Approved Childcare Alternative” as defined in Section 4.17 of this Agreement.

“Approved Grocery Store Alternative” as defined in Section 4.16 of this Agreement.

“Building Permit” as defined in Section 1.2a(i) of this Agreement.

“CEQA” as defined in Recital L of this Agreement.

“Changes in the Law” as defined in Section 3.1 of this Agreement.

“Childcare Facility” as defined in Section 4.17 of this Agreement.

“Childcare Facility Marketing Period” as defined in Section 4.17 of this Agreement.

“Childcare Performance Milestone” as defined in Section 1.2a(i)(B) of this Agreement.

“City” as defined on page 1 (first paragraph) of this Agreement.

“COAs” as defined in Recital F of this Agreement.

“Compliance Letter” as defined in Section 8.2 of this Agreement.

“Conflicting City Law” as defined in Section 3.2a of this Agreement.

“Developer” as defined on page 1 (first paragraph) of this Agreement.

“Development Fee Vesting Locking Periods” as defined in Section 4.1 of this Agreement.

“Development Fee Vested Period” as defined in Section 4.1 of this Agreement.

“Development Plan” as defined in Recital D of this Agreement.

“Director” as defined in Section 8.2 of this Agreement.

“Effective Date” as defined in Recital N of this Agreement.

“EIR” as defined in Recital L of this Agreement.

“Existing Public Utilities” as defined in Section 4.11 of this Agreement.

“Fair Share Traffic Fees” as defined in Section 4.9 of this Agreement.

“Fees” as defined in Section 4.1 of this Agreement.

“FMV” as defined in Section 4.11 of this Agreement.

“General Plan Amendment” as defined in Recital D of this Agreement.

“Grocery Performance Milestone” as defined in Section 1.2a(i)(A) of this Agreement.

“Grocery Store” as defined in Section 4.16 of this Agreement.

“Grocery Store Marketing Period” as defined in Section 4.16 of this Agreement.

“gsf” as defined in Recital E of this Agreement.

“Indemnified Parties” as defined in Section 15.8 of this Agreement.

“Local Rules” as defined in Section 3.4 of this Agreement.

“Maintenance Period” as defined in Section 4.7b of this Agreement.

“Minor Change” as defined in Section 11.2b of this Agreement.

“Mitigations” as defined in Section 4.5 of this Agreement.

“MMRP” as defined in Recital L of this Agreement.

“Mortgage” as defined in Section 12.1 of this Agreement.

“Mortgagees” as defined in Section 12.1 of this Agreement.

“Operating Memoranda” as defined in Section 22.1 of this Agreement.

“Other Regulations” as defined in Section 2.4d of this Agreement.

“Parties” as defined on page 1 (first paragraph) of this Agreement.

“PD” as defined in Recital D of this Agreement.

“POSP” as defined in Recital D of this Agreement.

“Processing Fees” as defined in Section 4.2 of this Agreement.

“Project” as defined in Recital E of this Agreement.

“Project Approvals” as defined in Recital D of this Agreement.

“Property” as defined in Recital C of this Agreement.

“Public Art Funding” as defined in Section 4.8 of this Agreement.

“Public Arts/Cultural Features” as defined in Section 4.8 of this Agreement.

“Rezoning” as defined in Recital D of this Agreement.

“R&D” as defined in Recital E of this Agreement.

“Relocation Cost” as defined in Section 4.11 of this Agreement.

“Relocation Work” as defined in Section 4.11 of this Agreement.

“ROW Appraisal” as defined in Section 4.11 of this Agreement.

“SCCC” as defined in Recital B of this Agreement.

“SOC” as defined in Recital L of this Agreement.

“Street Easement Vacation” as defined in Section 4.11 of this Agreement.

“Subsequent Project Approval” as defined in Section 2.3 of this Agreement.

“SVP” as defined in Recital E of this Agreement.

“Target Maximum Maintenance Cost” as defined in Section 4.7a of this Agreement.

“TDMP” as defined in Recital D of this Agreement.

“Term” as defined in Section 1.1 of this Agreement.

“Transfer” as defined in Section 13.1 of this Agreement.

“Vested Elements” as defined in Section 2.4 of this Agreement.

“VTM” as defined in Recital D of this Agreement.



Agenda Report

24-1101

Agenda Date: 12/3/2024

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Action on the Stadium Manager's Request for Approval of an Agreement with Jones Sign Co. Inc. to Replace the Naming Rights Signage at Levi's Stadium (Levi's Naming Rights Signage Refurbishment/Replacement CapEx Project) and Approve Related Budget Amendment

BOARD PILLAR

Ensure Compliance with Measure J and Manage Levi's Stadium

BACKGROUND

On May 9, 2013, the Santa Clara Stadium Authority (Stadium Authority) and Levi Strauss & Co. (Levi's) entered into a Naming Rights Agreement (Attachment 1). Under the agreement, Levi's provides an annual payment to the Stadium Authority that increases at a rate of 3% per year in exchange for exclusive naming rights and branding at the Stadium. The payments total approximately \$154 million over the initial agreement term of twenty (20) years. These payments go into the Stadium Authority's "operating fund" and are used for the reduction of the Stadium Authority's debt from the initial stadium construction, and to support stadium operations and maintenance.

The Naming Rights Agreement provides Levi's naming rights entitlements that include various exclusive privileges such as signage, media, and tickets to stadium events, in addition to naming the Stadium. The signage includes two Exterior Stadium and two Interior Stadium signs (Naming Rights signage). Under the Naming Rights Agreement, the Stadium Authority is responsible, at its sole cost, for cleaning, repairing, and maintaining the Naming Rights signage.

On January 30, 2024, a multi-component proposal related to the Naming Rights extension was presented to the City Council/Stadium Authority Board for consideration. The proposal included extending the term of the Naming Rights Agreement for an additional ten (10) years to terminate on February 29, 2044. During the extension period, Levi's will continue paying the annual fee to the Stadium Authority, increasing at a rate of 3% per year. The total anticipated revenue over the 10-year extension period is approximately \$119 million, bringing the total anticipated revenue over the Naming Rights Agreement's thirty (30) year term to approximately \$273 million.

As part of the Naming Rights extension, the Stadium Authority would provide a one-time enhancement of the Naming Rights signage (Enhanced Signage Project) that includes the stadium Name Letters on the east and west exteriors of the Stadium and the two signs above the Stadium scoreboards in the interior of the Stadium. Concurrent with the First Amendment to the Naming Rights Agreement, the Stadium Authority and Forty Niners SC Stadium Company LLC (StadCo) would enter into a Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement (Implementation Agreement) to coordinate the Enhanced Sign Project and share in the costs for the design, construction, and installation of the signage which needs to be

completed no later than December 31, 2025.

The Implementation Agreement outlines the following cost allocation to share the costs of the Enhanced Signage Project: Stadium Authority will fund the first \$2 million of total project costs and any costs over the initial \$2 million will be shared 70% Stadium Authority and 30% StadCo. Total project costs include demolition and disposal of the existing signage, third-party design and construction of the Enhanced Signage, City permitting fees for the initial installation of the Enhanced Signage, and the initial 3-year warranty for the Enhanced Signage. At the time of the proposal, StadCo provided a preliminary cost estimate of approximately \$3 million for the project, including the removal of the existing signs and the design and installation of the Naming Rights Signage.

The Implementation Agreement also requires StadCo to solely fund a project to enlarge the stadium video display screens attached to portions of the Enhanced Signage at the north and south ends of the Stadium (StadCo's Video Display Project) that will happen concurrently with the Enhanced Signage Project. Additional terms for the implementation of the Enhanced Signage Project include (a) project design, procurement, and construction to maximize project value to meet industry standards while minimizing project construction and long-term maintenance costs; (b) project implementation to minimize impacts on NFL and Non-NFL events at the Stadium; (c) accounting that separates StadCo's Video Display Project costs from Enhanced Signage Project costs; and (d) a 3-year sign warranty (with coverage consistent with industry standards), with the cost of any extended warranty to be borne by the Stadium Authority.

Lastly, as part of the proposed extension, the Implementation Agreement includes StadCo's commitment, beginning in 2024, to provide \$4 million (\$200,000/annually over the next 20 years) for grants to non-profits or community projects serving the Santa Clara community.

The City Council/Stadium Authority Board took the following actions as part of the January 30, 2024, Naming Rights extension proposal:

1. Approved the First Amendment to the Naming Rights Agreement with Levi's that will provide a 10-year extension and additional Naming Rights revenue to the Stadium Authority on the terms presented, in a final form approved by Authority Counsel (Attachment 2);
2. Approved the Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement with StadCo to coordinate the Enhanced Sign Project and the share in the costs for the design, construction, and installation of the signage, and memorialize StadCo's \$4 million charitable commitment over 20 years, on the terms presented, in a final form approved by Authority Counsel (Attachment 3); and
3. Authorized the City Manager to negotiate and execute a grants agreement and take other actions as may be required to implement StadCo's charitable commitment, in final form(s) approved by the City Attorney.

As result of the Board's January 30, 2024 action and the related Implementation Agreement, a line item for the Levi's Naming Rights Enhanced Signage Project (also referred as the Levi's Naming Rights Signage Refurbishment/Replacement CapEx Project) in the amount of \$2.7 million plus a 5% contingency (a total of \$2,835,000) was included in the FY 2024/25 Capital Expense (CapEx) Budget. The line item covers the Stadium Authority's anticipated share of the Enhanced Signage Project, which had a preliminary cost estimate of \$3.0 million.

As the Stadium Manager, Forty Niners Stadium Management Company, LLC is responsible for maintaining “the Stadium in the Required Condition and operate the Stadium as a quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility” as required by the Stadium Management Agreement between the Stadium Authority, StadCo, and Stadium Manager. The Implementation Agreement provides that the Stadium Manager is responsible for managing and implementing both the Enhanced Signage Project and StadCo’s Video Display Project.

The Stadium Manager completed a competitive solicitation process for the project and is now requesting approval for the following actions related to the Levi’s Naming Rights Signage Refurbishment/Replacement CapEx Project:

1. Award a one-time agreement to Jones Sign Co. Inc., in the amount of \$3,978,555.87 to replace the four Naming Rights signs at Levi’s Stadium;
2. Approve a budget amendment to increase the total budget amount for this CapEx project by \$1,026,082, from \$2,835,000 to \$3,861,082;
3. Authorize the Stadium Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of the project; and
4. Authorize the Stadium Manager to execute change orders up to \$397,855.59 for a total not to exceed construction agreement amount of \$4,376,411.46.

If approved, the amended line item will cover the Stadium Authority’s share of costs related to the CapEx Project, which includes a one-time agreement (\$3,978,555.87), a 10% contingency for change orders (\$397,855.59), newspaper publication fees (\$1,216.78), estimated permit fees (\$67,059.10), and design services through a Stadium Authority Board approved agreement with Populous Design (\$214,000.00). It should be noted that the agreement covers one (1) year warranty from the prime contractor for all work on the Enhanced Signage Project and extended five (5) year extended warranty for the flex face (one of the major weak points of large-scale sign), which is described in greater detail below. A separate request to fulfill the Implementation Agreement’s initial 3-year warranty requirement and consideration of an extended warranty will be presented to the Stadium Authority Board for approval at a later time.

A Recommendation for Award Memo was submitted by the Stadium Manager describing the project, solicitation process, and the request (Attachment 4).

DISCUSSION

As discussed in more detail in the Stadium Manager’s Recommendation for Award memo, the Request for Bids (RFB) process for this project began on August 27, 2024, when the Stadium Manager issued an initial RFB that resulted in three bids, two of which were deemed non-responsive and non-responsible. The third bid was determined to be cost prohibitive. As result, the Stadium Manager cancelled the bid.

On September 28, 2024, the Stadium Manager reissued the RFB with changes to the bid documents (e.g., revised licensing requirements, allowed for an extension to complete two of the four signs, expanded the schedule of value with detailed definition of what was to be included in the lump sum, and revised the plans and specifications). This second bid resulted in six bids, five of which were deemed non-responsive and non-responsible, and the highest bid was deemed cost prohibitive. The

Stadium Manager cancelled the bid for the second time. In both RFBs, the Stadium Manager included language reserving the right to reject any and all bids.

After cancelling the second bid, the Stadium Manager's Director of Procurement reached out to City/Stadium Authority staff to provide an update and discuss potential next steps. The Stadium Manager was advised that the RFB could be reissued for 10 days. Additionally, the Stadium Manager contacted each of the non-responsive bidders to provide feedback on their submissions and scheduled specific training for their staff responsible for preparing the bid responses prior to reissuing the bid.

On October 17, 2024, the Stadium Manager issued a new RFB and subsequently two addendums. This third RFB resulted in four bid responses, and the Stadium Manager is now recommending award to the apparent low bidder, Jones Signs Co. Inc., whose bid includes construction of new signage, demolition and disposal of the existing signage, and warranty.

Stadium Authority staff reviewed the Stadium Manager's Recommendation for Award memo, supporting documentation, and draft agreement (Attachment 5) for consistency against the City's public works bidding practices (City Charter Section 1310) and the requirements outlined the First Amendment to the Naming Rights Agreement and Implementation Agreement.

Under the Implementation Agreement, the Stadium Authority is responsible for funding the first \$2 million of total project costs and any costs over the initial \$2 million will be shared between the Stadium Authority (70%) and StadCo (30%). Below is a breakdown of the current project costs:

Description	Cost
Design Services	\$214,000.00
City of Santa Clara Permits	\$67,059.10
Newspaper Publications	\$1,216.78
Jones Signs Co. Inc. Bid Amount	\$3,978,555.87
Contingency for Construction Contract (10%)	\$397,855.59
Total	\$4,658,687.34
Stadium Authority's Obligation	\$3,861,081.14
StadCo's Obligation	\$797,606.20

The Implementation Agreement defines total project costs for the Enhanced Signage Project as demolition and disposal of the existing signage, third-party design and construction of the Enhanced Signage, City permitting fees for the initial installation of the Enhanced Signage, and the initial 3-year warranty for the Enhanced Signage. Any costs for a warranty longer than 3 years would be at Stadium Authority's sole cost and expense.

During the Stadium Authority's review of the agreement and supporting documentation, it was noticed that the warranty provided under the bid/agreement only partially fulfilled the 3-year warranty required

under the Implementation Agreement. The warranty includes 1-year warranty from the prime contractor for all work on the Enhanced Signage Project and 5-year extended warranty for the flex face (one of the major weak points of any large-scale sign). Stadium Authority staff reached out to the Stadium Manager for clarification.

As described in the Stadium Manager's Recommendation for Award Memo, the baseline project bid included a warranty on all Work that may prove to be defective in its workmanship, materials furnished, methods of installation or fail to conform to the Contract Document requirements together with any other Work which may be damaged or displaced by such defect(s) within a period of one (1) year from the date of the Notice of Completion of the Project without any expense whatever to the Stadium Manager, ordinary wear and tear and unusual abuse and neglect excepted. All costs associated with such corrective actions shall be the sole responsibility of the Contractor. The Contractor shall obtain for Stadium Manager all warranties that would be given in normal commercial practice and assign to Stadium Manager any and all manufacturer's or installer's warranties for equipment or materials not manufactured by Contractor and provided as part of the Work, to the extent that such third-party warranties are assignable and extend beyond the warranty period. The baseline bid also includes extended warranty on specific materials such as a five (5) year written warranty on flexible (panaflex) sign faces for defects in material and workmanship from the date of installation, including provisions for repair or replacement of flexible sign faces showing premature wear or failure.

In order to fill the gap between the baseline project bid warranty requirements and the Implementation Agreement, the Stadium Manager worked with the Stadium Authority staff and bidder to provide additional warranty options. The bidder is willing and able to provide a full three-year parts and labor warranty for the signs at an additional cost of \$48,794.88. This warranty will extend coverage of all manufacturers and installer warranties for a full three years and meet the requirements of the Implementation Agreement.

The bidder is also willing to provide a full ten-year stand-alone parts warranty for signage materials at the additional cost of \$229,840.87. Items covered in the ten-year warranty include LED lighting, power supplies, flex face, vinyl, and paint. However, the bidder's requirement is to select the full three-year parts and labor warranty or the ten-year stand-alone parts warranty. This requires further discussion and alignment on the options provided by bidder. Any costs for a warranty longer than 3 years would be at Stadium Authority's sole cost and expense per the terms agreed upon in the Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement.

The Request for Bids, a method of formal solicitation utilized to receive the bids, precludes the Stadium Manager and Stadium Authority from unanimously including new requirements after the bid has been closed and before an award. Therefore, Stadium Manager's recommendation is for the Stadium Authority Board to review and approve the recommended actions first. Subsequently, Stadium Manager will submit a recommendation to issue a change order to the contract to include the additional warranties at a later time. Staff agrees with this approach and will review the additional warranty with subject matter experts before the subsequent request is presented to the Stadium Authority Board.

In the months leading up to the procurement, City/Stadium Authority staff met regularly with the Stadium Manager's Stadium Operations team to ensure the project design, procurement, and permit

approvals remained on schedule for project completion no later than December 31, 2025. Both Stadium Authority and StadCo staff will continue to coordinate efforts to minimize impacts on NFL and Non-NFL events while ensuring that project implementation complies with the sign visibility and functionality requirements outlined in the Naming Rights Agreement. City/Stadium Authority staff also reviewed the project scope to confirm that all aspects belonging to the Levi's Naming Rights signage were separate from StadCo's Video Display Project which sit directly below the north and south interior signs. Pending the Stadium Authority Board's approval, all work associated with the north and south interior signage is scheduled to be completed by June 2025 and all work associated with the east and west exterior signage is scheduled to be complete in December of 2025.

As the FY 2024/25 CapEx Budget only includes \$2,835,000 for the Levi's Naming Rights Signage Refurbishment/Replacement CapEx Project, a budget amendment in the amount of \$1,026,082 is requested. While the project cost at \$4,658,687 is higher than the preliminary cost estimate of \$3 million, and therefore the Stadium Authority's share of costs is higher than budgeted, the Stadium Authority is receiving an additional \$119 million in anticipated revenue over the 10-year extension with Levi's, which included the Enhanced Signage Project as part of the extension package. In the current year (2024-25), Levi's annual payment to the Stadium Authority is \$7.8 million. Additionally, the Stadium Authority was able to successfully negotiate a 70/30 cost sharing of the Enhanced Signage Project for which StadCo will contribute \$797,606. Both Stadium Authority and Stadium Manager have approached the Enhanced Signage Project with a mutual interest to minimize construction and maintenance costs.

Based on the documentation provided by the Stadium Manager and the analysis above, staff recommends approval of the Stadium Manager's request related to the Levi's Naming Rights Signage Refurbishment/Replacement CapEx Project. A separate request to fulfill the Implementation Agreement's initial 3-year warranty requirement and consideration of extended warranty beyond the initial 3-years will be presented to the Stadium Authority Board a later time.

The Stadium Authority reserves all rights to confirm and dispute charges by and payments to the Stadium Manager during a fiscal year-end reconciliation/true-up, including but not limited to changes based on improper allocation, calculation, lack of support, or failure to comply with the Parties' contracts or California law. The Stadium Authority may raise related questions before the fiscal year-end reconciliation/true-up, which the Stadium Manager agrees to assess and respond to in good faith.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The Implementation Agreement outlines the following cost allocation to share the costs of Enhanced Signage Project: Stadium Authority will fund the first \$2 million of total project costs and any costs over the initial \$2 million will be shared 70% Stadium Authority and 30% StadCo.

The FY 2024/25 CapEx Budget contains \$2,835,000 for the Stadium Authority's anticipated cost

share of the Levi's Naming Rights Signage Refurbishment/Replacement CapEx Project.

Approval of the Stadium Manager's request will require a budget amendment to increase the line item by \$1,026,082 to a total budget amount of \$3,861,082. The original budget estimate was based on conceptual drawings and assumptions. As the design progressed and more detailed drawings were developed, it became clear that additional structural support was necessary to accommodate the larger signage. Additionally, material and labor costs have risen over the past year, leading to an increase in overall project costs.

The table below summarizes the budget amendment as discussed above:

CapEx Budget

Description	Current	Increase/ Decrease	Revised
Construction Expense	\$14,537,872	\$1,026,082	\$15,563,954
Ending Fund Balance - Capital Expenditure Reserve	\$2,473,460	(\$1,026,082)	\$1,447,378

COORDINATION

This report has been coordinated with the City's Purchasing Manager and the Stadium Authority Treasurer's and Stadium Authority Counsel's Offices.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov.

RECOMMENDATION

1. Approve a budget amendment for the Levi's Naming Rights Signage Refurbishment/Replacement line item in the Stadium Authority FY 2024/25 CapEx Budget to increase the budget by \$1,026,082 from the Capital Budget Ending Fund Balance, for a total budget amount of \$3,861,082;
2. Approve the Stadium Manager's request to award a one-time agreement to Jones Sign Co. Inc. in the amount of \$3,978,555.87 to replace the four (4) Naming Rights signs at Levi's Stadium (Levi's Naming Rights Signage Refurbishment/Replacement CapEx Project), pursuant to the First Amendment to the Naming Rights Agreement with Levi Strauss & Co. and Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement with Forty Niners SC Stadium Company LLC;
3. Authorize the Stadium Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of the project, in a form substantially similar to Attachment 5; and
4. Authorize the Stadium Manager to execute change orders for the agreement up to \$397,855.59, for a total not to exceed amount of \$4,376,411.46.

5. Authorize the Stadium Manager to select an additional extended warranty period and execute up to a full ten-year stand-alone parts warranty for signage materials at the additional cost of \$229,840.87.

Reviewed by: Chuck Baker, Assistant Executive Director

Approved by: Jovan D. Grogan, Executive Director

ATTACHMENTS

1. Naming Rights Agreement with Levi's
2. First Amendment to the Naming Rights Agreement with Levi's
3. Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement with StadCo
4. Stadium Manager's Recommendation Memo
5. Draft Agreement with Jones Sign Co. Inc.

NAMING RIGHTS AGREEMENT

between

SANTA CLARA STADIUM AUTHORITY

and

LEVI STRAUSS & CO.

May 9, 2013

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NAMING RIGHTS AGREEMENT

This NAMING RIGHTS AGREEMENT (this "Agreement") is made and entered into as of May 9, 2013 (the "Effective Date"), by and between the Santa Clara Stadium Authority, a California joint powers authority (the "SCSA"), and Levi Strauss & Co., a Delaware corporation ("Naming Rights Sponsor"). For purposes of this Agreement, the SCSA and Naming Rights Sponsor may each be referred to individually as a "Party" and may be collectively referred to as the "Parties."

Recitals

WHEREAS, the SCSA is building a new multi-purpose sports and entertainment stadium on the Premises (as defined in the Stadium Lease) in Santa Clara, California (the "Stadium"), which the SCSA will own and operate;

WHEREAS, the SCSA has entered into a Lease Agreement dated March 28, 2012 (as amended from time to time, the "Ground Lease") with the City of Santa Clara, California, a California municipal corporation (the "City"), pursuant to which the SCSA has the right to possess and use the Premises;

WHEREAS, the SCSA has entered into (i) a Stadium Lease Agreement dated as of March 28, 2012 (as amended from time to time, the "Stadium Lease") with Forty Niners SC Stadium Company LLC, a Delaware limited liability company ("Forty Niners SC"), pursuant to which Forty Niners SC has the right to sell certain sponsorship rights at the Stadium and (ii) an Intangible Property License Agreement with Forty Niners SC pursuant to which Forty Niners SC has the right to use the Stadium Name and Stadium Logo in connection with the sale of merchandise;

WHEREAS, Forty Niners SC is an affiliate of Forty Niners Football Company LLC (together with any successor owner of the Team, "TeamCo"), a Delaware limited liability company that owns the National Football League ("NFL") franchise for the professional football team known as the San Francisco 49ers (the "Team");

WHEREAS, TeamCo has entered into a Sublease Agreement with Forty Niners SC and, commencing on the opening date of the Stadium, the Team will play substantially all of its home NFL Team Games at the Stadium;

WHEREAS, Naming Rights Sponsor and Forty Niners SC have entered in a letter of intent dated March 7, 2013 (the "LOI") which contemplated that (i) Naming Rights Sponsor would enter into an agreement with the SCSA to become the naming rights partner of the Stadium and receive the rights and entitlements set forth on Schedule 1 (collectively, the "Naming Rights Entitlements"), and (ii) Naming Rights Sponsor would enter into an agreement with Forty Niners SC to receive certain other sponsorship rights and entitlements relating to the Team and the Stadium (the "Forty Niners SC Entitlements"); and

WHEREAS, this Agreement sets forth all of the understandings and agreements between the SCSA and the Naming Rights Sponsor with respect to the Naming Rights Entitlements, and Naming Rights Sponsor has separately entered into a Sponsorship Agreement dated as of

May 7, 2013 with Forty Niners SC (as amended or otherwise modified from time to time, the "Sponsorship Agreement") with respect to the Forty Niners SC Entitlements.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants, promises and obligations set forth herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

Agreement

1. Definitions.

"Additional Teams" means any professional, collegiate or amateur sports team (other than the Team) that plays all or a substantial portion of its "home" games at the Stadium in any year or season.

"Affiliate" means a person or entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, a Person. As used in this definition, the term "controls" or "controlled by" means the possession of the power to direct the management and policies of the person or entity, whether through ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, TeamCo shall in all events be deemed to be an "Affiliate" of Forty Niners SC, and vice versa, regardless of the ownership or control of either Person.

"Agreement" has the meaning set forth in the initial paragraph.

"Appraiser" has the meaning set forth in Section 15(i)(ii).

"Annual Proportionate Increase" has the meaning set forth in Section 9(e).

"Assign" has the meaning set forth in Section 15(g)(i).

"Assignment" has the meaning set forth in Section 15(g)(i).

"Casualty Event" has the meaning set forth in Section 8(d).

"Casualty Period" has the meaning set forth in Section 8(d).

"Casualty Year" has the meaning set forth in Section 8(d).

"Category Competitor" means any Person (other than the Naming Rights Sponsor) (i) that, by itself or in combination with any of its subsidiaries or affiliates, is known primarily or exclusively as a manufacturer, distributor or provider of products or services in the Exclusive Category, or (ii) that operates under a brand name (including trademarks, trade names, and service marks that are generally recognized as identifying the brand, or any material portion of the foregoing) that is used by any Person described in the foregoing clause (i).

"City" has the meaning set forth in the Recitals.

“Contract Year” means the Initial Contract Year and each subsequent twelve (12) month period beginning on March 1st and ending on the immediately following February 28th (or 29th, if applicable) during the Term.

“Domain Names” has the meaning set forth in Section 10(f).

“Effective Date” has the meaning set forth in the initial paragraph.

“Exclusive Category” means all non-athletic apparel (including outerwear), footwear and accessories. For the avoidance of doubt, the Exclusive Category shall (i) specifically exclude, without limitation, (x) football jerseys and other sports team jerseys, and (y) apparel (including outerwear), footwear or accessories commonly referred to as “athletic apparel,” “athletic footwear,” “athletic accessories,” or “performance apparel,” “performance footwear,” or “performance accessories” and (ii) specifically include, without limitation, jeans, khakis, other denim products, and all other fashion apparel (including fashion outerwear), fashion footwear (but specifically excluding sneakers) and fashion accessories.

“Expiration Date” has the meaning set forth in Section 2(a).

“Extension Period” has the meaning set forth in Section 8(d).

“Final Contract Year” means the final Contract Year under this Agreement, which is currently scheduled to end on the Expiration Date, but as it may be extended pursuant to Section 2(f), 8(d) or 9(b).

“Finance Counterparty” has the meaning set forth in Section 15(g)(ii).

“Financing” has the meaning set forth in Section 15(g)(ii).

“First Post-Casualty Year” has the meaning set forth in Section 8(d).

“Force Majeure” means, with respect to any Party, an event or condition that is caused by facts or circumstances that are beyond the reasonable control of such Party and that prohibits, prevents or materially impedes such Party from performing its obligations (other than payment obligations) under this Agreement, including, without limitation, the enactment, imposition or modification of any Law after the Effective Date that prohibits or materially impedes the performance of the obligations (other than payment obligations) of the Parties hereunder, confiscation or seizure by any governmental authority, condemnations by any governmental authority, wars or war-like action (whether actual and pending or expected, and whether de jure or de facto), arrests or other restraints of government (civil or military), blockades, insurrections, civil disturbances, epidemics, landslides, lightning, earthquakes, hurricanes, storms, wash-outs, explosions, nuclear reaction or radiation, radioactive contamination, acts of God, fire, explosion, national emergency, flood, drought, war, acts of terrorism, riot, sabotage, embargo, strikes or other labor trouble (but excluding all Work Stoppages and other events described in clause (y) below), failure of utility providers, interruption of or delay in transportation and national health emergencies. Notwithstanding the foregoing, (x) in no event shall economic conditions, economic hardship or the inability to pay debts or other obligations in a timely manner constitute a “Force Majeure,” (y) in no event shall any strike, labor unrest, labor dispute, lock-out or other

unavailability of labor involving the employees of Forty Niners SC, TeamCo or any of their respective affiliates (including any Work Stoppage) or any event or condition arising therefrom constitute a "Force Majeure" and (z) in no event shall any act or omission by the SCSA, the City or any branch, agency, instrumentality or Affiliate of the City constitute a "Force Majeure," unless such act by the City (or any branch, agency, instrumentality or Affiliate of the City, other than the SCSA) is generally applicable to the population at large.

"Forty Niners SC" has the meaning set forth in the Recitals.

"Forty Niners SC Entitlements" has the meaning set forth in the Recitals.

"Forty Niners SC Extension Notice" has the meaning set forth in Section 2(g).

"Ground Lease" has the meaning set forth in the Recitals.

"Indemnified Person" has the meaning set forth in Section 12(c).

"Indemnifying Party" has the meaning set forth in Section 12(c).

"Initial Contract Year" means the period beginning on March 1st of the calendar year in which the NFL Opening Date occurs, and ending on February 28th (or 29th, if applicable) of the following calendar year.

"JAMS" has the meaning set forth in Section 14(a).

"Landlord Affiliate" has the meaning set forth in the Stadium Lease.

"Law" means any federal, state, local or foreign constitution, treaty, law, statute, ordinance, rule, code, regulation, order, writ, decree, injunction, judgment, stay or restraining order, provisions and conditions of permits, licenses, registrations and other operating authorizations, and any judgment, opinion or ruling of, any governmental authority, in each case, whether currently in effect or which may hereinafter be enacted as existing or amended. Notwithstanding the foregoing, no resolution, order, rule, regulation, decision or other act or omission of the SCSA shall be deemed to be a "Law" for purposes of this Agreement.

"LOI" has the meaning set forth in the Recitals.

"Losses" has the meaning set forth in Section 12(a).

"Lost Year" has the meaning set forth in Section 9(a)

"Major Events" has the meaning set forth in Section 9(d).

"Major Signage" means those Naming Rights Entitlements that are identified with an asterisk (*) on Schedule 1 hereto.

"Marks" means, collectively, the Stadium Marks and the Naming Rights Sponsor Marks.

"Name Change Notice" has the meaning set forth in Section 3(f)(ii).

“Naming Rights Entitlements” has the meaning set forth in the Recitals and are more particularly set forth on Schedule 1.

“Naming Rights Sponsor” has the meaning set forth in the initial paragraph.

“Naming Rights Sponsor Default” has the meaning set forth in Section 6(a).

“Naming Rights Sponsor Indemnified Parties” has the meaning set forth in Section 12(b).

“Naming Rights Sponsor Marks” means those trademarks and service marks set forth in Schedule 2 (as it may be updated from time to time).

“Negotiating Period” has the meaning set forth in Section 2(g).

“New Opening Date” has the meaning set forth in Section 7(d).

“NFL” has the meaning set forth in the Recitals.

“NFL Entities” means the NFL, NFL Enterprises LLC, NFL Properties LLC, NFL Ventures, Inc., NFL Ventures, L.P., NFL Productions LLC, NFL International LLC, any successor or future entity that is, directly or indirectly, jointly owned and/or controlled by all or substantially all of the NFL member clubs under the NFL Constitution and each and all of their respective affiliates, subsidiaries, successors and assigns.

“NFL Opening Date” means the date on which the first NFL Team Game is held at the Stadium.

“NFL Rules” means the Constitution and Bylaws of the NFL and the Articles of Association and Bylaws of the NFL Management Council, including any amendments to either such document and any interpretations of either such document issued from time to time by the Commissioner which are in the Commissioner’s jurisdiction; all operative NFL or NFL Management Council resolutions that are within the NFL’s or the NFL Management Council’s respective jurisdictions; any existing or future agreements entered into by the NFL or the NFL Management Council, including, without limitation, any television agreements or any collective bargaining or other labor agreements (including, without limitation, any NFL player salary guarantees and pension fund agreements), and any agreements made in settlement of any litigation against the NFL, the NFL Management Council, or the NFL member clubs (including litigation against such clubs, or agreements made by such clubs, jointly or collectively); and such other rules or policies as the NFL, the NFL Management Council, or the Commissioner may issue from time to time that are within the issuing party’s jurisdiction.

“NFL Team Games” means all pre-season, regular season and post-season football games played by the Team that are scheduled by the NFL.

“Non-NFL Events” means all events in the Stadium, such as concerts, conferences and sporting events, but excluding all NFL Team Games; provided, that for the avoidance of doubt, the term “Non-NFL Events” shall include any NFL game played at the Stadium which is not a home NFL Team Game.

“Non-Relocation Agreement” means that Non-Relocation Agreement by and between the SCSA and TeamCo dated as of March 28, 2012.

“Objection Notice” has the meaning set forth in Section 3(f)(ii).

“Obscure” means to remove, obscure, mask, cover, obstruct or otherwise block from view.

“Off Premises Parking Areas” has the meaning set forth in Schedule 1.

“Opening Date” means the date on which the first NFL Team Game or Non-NFL Event is held at the Stadium.

“Other Event Materials” has the meaning set forth in Section 4(c)(i).

“Parties” and/or “Party” has the meaning set forth in the initial paragraph.

“Pass Through Partners” has the meaning set forth in Section 3(c).

“Person” means any natural person, corporation, partnership, limited partnership, limited liability company, estate, trust, joint venture, association, government (and any branch, agency or instrumentality thereof), governmental entity or other form of entity or business organization.

“Premises” has the meaning set forth in the Stadium Lease.

“Rights Fees” has the meaning set forth in Section 5(a).

“Rights Fee Credit” has the meaning set forth in Section 9(c).

“Scheduled Opening Date” has the meaning set forth in Section 7(a).

“SCSA” has the meaning set forth in the initial paragraph.

“SCSA Default” has the meaning set forth in Section 6(c).

“SCSA Extension Notice” has the meaning set forth in Section 2(g).

“SCSA Indemnified Parties” has the meaning set forth in Section 12(a).

“Significant Events” means any of the following events: (i) the Super Bowl, (ii) the Olympic Games, (iii) the Olympic Trials, (iv) FIFA sanctioned international soccer matches (including World Cup Soccer), and (v) any other event of significant national or international importance the promoter, organizer or operator of which restricts or requires the restriction of advertising, sponsorship or marketing activities at the locations at which such event is played or held; provided that in no event shall any NFL Team Game or any other NFL game be deemed to be a “Significant Event.”

“Specified Signage” means, collectively, (i) the “Suite Tower – Marquee Sign” described in paragraph 1(b)(i) of Schedule 1, (ii) the “East Façade Marquee Sign” described in

paragraph 1(b)(iii) of Schedule 1, and (iii) the channel cut or panel signs above the Stadium scoreboards described in paragraph 1(c)(i) of Schedule 1.

“Sponsorship Agreement” has the meaning set forth in the Recitals.

“Stadium” has the meaning set forth in the Recitals.

“Stadium Lease” has the meaning set forth in the Recitals.

“Stadium Logo” has the meaning set forth in Section 3(d).

“Stadium Marks” means, collectively, the Stadium Name, the Stadium Logo, and such other indicia that incorporate the Naming Rights Sponsor Marks as the Parties may mutually agree upon in writing to identify the Stadium; provided, however, that no trademark or service mark that includes all or any portion of any Team Mark shall be considered a Stadium Mark for purposes of this Agreement.

“Stadium Name” means the name of the Stadium, which shall initially be “Levi’s Stadium” but may be changed from time to time by the Naming Rights Sponsor only in accordance with Section 3(f).

“Stadium Naming Rights” has the meaning set forth in the Stadium Lease.

“Stadium Website” has the meaning set forth in Section 10(f).

“Style Guide” has the meaning set forth in Section 13(a).

“Substitute Entitlements” has the meaning set forth in Section 15(i).

“Team” has the meaning set forth in the Recitals.

“TeamCo” has the meaning set forth in the Recitals.

“Team Mark” has the meaning set forth in the Sponsorship Agreement.

“Temporary Signage” has the meaning set forth in Section 3(h).

“Term” has the meaning set forth in Section 2(a).

“Third Party Claim” has the meaning set forth in Section 12(c).

“Three-Year Period” has the meaning set forth in Section 9(b).

“Transportation Signage” has the meaning set forth in the Sponsorship Agreement.

“USPTO” means the United States Patent and Trademark Office.

“Work Stoppage” means any strike, slow-down, lock-out, walk-out, work stoppage or other labor dispute involving NFL players or NFL referees that result in the cancellation of one or more regular season or post-season NFL Team Games.

2. Term.

(a) Term. The term of this Agreement shall commence on the Effective Date and shall expire (i) on the last day of the twentieth (20th) Contract Year or (ii) if Naming Rights Sponsor provides the SCSA with the Extension Notice described in Section 2(f), upon completion of the twenty-fifth (25th) Contract Year (such last day, as applicable, the “Expiration Date”), unless earlier terminated or extended in accordance with the terms of this Agreement (the “Term”).

(b) Special Termination Right of Naming Rights Sponsor. In addition to and without limiting any other provision of this Agreement that provides for the termination of this Agreement, the Naming Rights Sponsor shall have the right to terminate this Agreement by giving written notice to the SCSA upon (i) the Team permanently relocating the playing site of all its home NFL Team Games to a facility other than the Stadium; (ii) the termination or revocation of the Team’s membership in the NFL; or (iii) if, at any time after the Opening Date, zero (0) home NFL Team Games are played at the Stadium for a period of two (2) consecutive NFL seasons for any reason. Upon any such termination, neither Party shall have any further obligation to the other or rights hereunder, other than those that expressly survive termination hereunder.

(c) Special Termination Right of the SCSA. In addition to and without limiting any other provision of this Agreement that provides for the termination of this Agreement, the SCSA shall have the right to terminate this Agreement by giving written notice to Naming Rights Sponsor if Naming Rights Sponsor becomes involved in any business or industry, or undertakes any activities, such that the NFL determines that NFL Rules prohibit the Team from playing its home NFL Team Games at the Stadium as a result thereof. Upon any such termination, neither Party shall have any further obligation to the other or rights hereunder, other than those that expressly survive termination hereunder.

(d) Termination of Sponsorship Agreement. Notwithstanding anything to the contrary in this Agreement, this Agreement shall automatically and immediately terminate, without any further action by or notice to any Party, upon any termination of the Sponsorship Agreement in accordance with its terms. In such event, the termination of this Agreement shall become effective at the same time that the termination of the Sponsorship Agreement becomes effective.

(e) No Continued Use of Name Upon Termination. Immediately following the Expiration Date or earlier termination of this Agreement in accordance with the terms of this Agreement, the SCSA shall be free to rename the Stadium, which renaming will not be effective until such expiration or termination of this Agreement, provided that the agreement relating to such renaming may, subject to Section 2(g), be entered into prior to the Expiration Date. Subject to any permitted historical and inventory run-out uses pursuant to Section 10, the SCSA and all Landlord Affiliates shall cease all use of the Marks promptly upon the Expiration Date or such earlier termination and thereafter shall no longer refer to the Stadium by the Stadium Name in

any of its advertising or promotional materials or any other communications, and shall use commercially reasonable efforts to notify all parties contracting with the SCSA not to use the Stadium Name after the Expiration Date or the earlier termination of this Agreement, provided, however, that the SCSA shall have a period of ninety (90) days after the termination of this Agreement to remove any references to, or displays of, the Marks on the signs or advertisements on and in the Stadium provided for hereunder. Upon termination of this Agreement, subject to any permitted historical uses and inventory run-off uses pursuant to Section 10, Naming Rights Sponsor and its Affiliates shall cease all use of the Stadium Marks (including through its in-market retail network and other point of sale locations) and shall no longer refer to the Stadium by the Stadium Name or use the Stadium Logo in its or their advertising or promotional materials or other communications by or on behalf of Naming Rights Sponsor or its Affiliates. Notwithstanding anything to the contrary, the terms of this Section 2(e) are not intended to, and shall not, limit the licenses for historical purposes as set forth in Section 10(c)(iv).

(f) Extension Right. Provided that no Naming Rights Sponsor Default exists at the time the Extension Notice is delivered, Naming Rights Sponsor shall have the right to continue the initial Term for an additional five (5) year period and extend the Expiration Date to reflect such additional five (5) year period by delivery of written notice to the SCSA (an “Extension Notice”) not later than the last day of the fifth (5th) Contract Year. If Naming Rights Sponsor delivers an Extension Notice by such date, this Agreement shall continue during such additional five (5) year period on the same terms and conditions as those contained herein, including those set forth in Section 5(b). Notwithstanding the foregoing, Naming Rights Sponsor shall not have the right to extend this Agreement in accordance with the terms of this Section 2(f) unless it has contemporaneously exercised its right to extend the Sponsorship Agreement pursuant to Section 2(f) of the Sponsorship Agreement.

(g) Right of First Negotiation. Not later than the last day of the seventeenth (17th) Contract Year (or, if the Term is extended in accordance with Section 2(f) above, the last day of the twenty-second (22nd) Contract Year), the Naming Rights Sponsor may, in its sole discretion, provide the SCSA with written notice (the “SCSA Extension Notice”) of its intention to negotiate with the SCSA for a new naming rights agreement or an extension of this Agreement, in either case, to commence on the day immediately following the end of the Final Contract Year. Provided that Sponsor has provided a similar written notice to Forty Niners SC (“Forty Niners SC Extension Notice”) pursuant to Section 2(g) of the Sponsorship Agreement, the SCSA and the Naming Rights Sponsor shall negotiate in good faith for a period of sixty (60) days from the date on which the Naming Rights Sponsor delivers such written notice (the “Negotiating Period”) with respect to such new naming rights agreement or extension. If either the SCSA Extension Notice or the Forty Niners SC Extension Notice has not been timely delivered, then SCSA shall have no obligations under this Section 2(g). During and prior to the Negotiating Period, the SCSA may not, directly or indirectly (including through Forty Niners SC, TeamCo or any of their Affiliates), negotiate with, or solicit or respond to proposals from, any Person (other than the Naming Rights Sponsor) with respect to any agreement or arrangement that would prevent the SCSA from granting Naming Rights Sponsor the Naming Rights Entitlements. Notwithstanding anything to the contrary in this Section 2(g) or any other provision of this Agreement, if the SCSA and the Naming Rights Sponsor do not enter into a binding agreement with respect to such new naming rights agreement or extension by the end of the Negotiating Period, the SCSA shall be free to negotiate and enter into any agreement with any third party

without future notice or obligation to the Naming Rights Sponsor. Notwithstanding the foregoing, Naming Rights Sponsor shall have no right under this Section 2(g) to enter into an extension of this Agreement unless it is entering into a contemporaneous extension of the Sponsorship Agreement.

3. Grant of Naming Rights.

(a) Naming Rights Entitlements. Commencing on the Effective Date and continuing throughout the Term, the name of the Stadium shall be "Levi's Stadium," subject to change only in accordance with Section 3(f) below. In addition, the SCSA will provide the Naming Rights Sponsor with the Naming Rights Entitlements as soon as reasonably practicable after the Effective Date but no later than the Opening Date. The Naming Rights Sponsor acknowledges and agrees that the signage and other similar physical Naming Rights Entitlements, if any, that are intended to be displayed outside the Stadium and its surrounding plazas, parking lots, landscaped areas and approaching roadways may be subject to any required approvals of any governmental or regulatory authorities and any limitations imposed by such authorities, provided that no such acknowledgement is made and no such restriction exists with respect to any signage or other Naming Rights Entitlements that are intended to be displayed inside or anywhere on the interior of the Stadium, on the exterior walls of the Stadium itself or anywhere else on the Premises, except that the overall signage plan for the Stadium (the "Signage Plan") must be approved by the planning director of the City. If the Signage Plan is not approved by the planning director of the City or the Signage Plan prevents Naming Rights Sponsor from receiving any of the Naming Rights Entitlements hereunder, then the SCSA shall ensure that the Signage Plan is adopted or modified, as applicable, such that it is reasonably satisfactory to the Naming Rights Sponsor and the SCSA. Notwithstanding anything to the contrary in this Agreement, in the event that the SCSA does not provide the Naming Rights Sponsor with any of the Naming Rights Entitlements on account of any failure to obtain any required approvals of any governmental or regulatory authorities, any limitations imposed by such authorities or any failure by any such authorities or agencies to identify the Stadium by the Stadium Name (regardless of whether or not the SCSA has used its commercially reasonable efforts), then the SCSA shall provide the Naming Rights Sponsor with Substitute Entitlements pursuant to Section 15(i) in lieu of the Naming Rights Entitlements that the SCSA did not provide. The Naming Rights Sponsor shall not be entitled to use any Naming Rights Entitlements to promote or advertise any particular products or services that are not within the Exclusive Category; provided that the foregoing sentence shall not prohibit the Naming Rights Sponsor from advertising or promoting itself or its brand generally.

(b) Official Designation and Right to Use Image of Stadium. Subject to the terms and conditions set forth in this Agreement, Naming Rights Sponsor shall have the right, during the Term, to use the designation "Official Apparel Company of Levi's Stadium" (or the successor name of the Stadium as determined under Section 3(f)) solely in connection with the advertisement, promotion, provision and sale of Naming Rights Sponsor's products and services within the Exclusive Category. In addition, Naming Rights Sponsor shall have the right, subject to Forty Niners SC's prior written approval (not to be unreasonably withheld, conditioned or delayed) to use such other designations relating to the Exclusive Category as are reasonably requested by Naming Rights Sponsor, including, the "Official Jeans of Levi's Stadium" and the "Official Khakis of Levi's Stadium." The SCSA grants to Naming Rights Sponsor for the

duration of the Term a royalty-free, world-wide, non-exclusive, irrevocable license to use and exploit any image, likeness, drawing, replica, model, rendering, photograph or other visual or symbolic representative reproduction of the Stadium that accurately reflects the Stadium's image or likeness or any substantial portion thereof (in any medium, whether now existing or hereafter created) for the purpose of advertising and promoting Naming Rights Sponsor's products and services in the Exclusive Category. Naming Rights Sponsor shall not use any image or likeness of the Stadium or any portion thereof for any other purpose other than to advertise and promote its products and services within the Exclusive Category.

(c) Pass Through of Rights. The Naming Rights Sponsor may authorize or grant the right to one or more Affiliates of Naming Rights Sponsor and/or one or more of Naming Rights Sponsor's (and its Affiliates') retail partners, licensees, franchisees and other Persons with whom the Naming Rights Sponsor has entered into an alliance, joint venture or other similar arrangement to jointly market, produce or distribute products within the Exclusive Category (collectively, including the Affiliates of Naming Rights Sponsor, "Pass Through Partners") to utilize any of the rights, benefits or privileges provided to the Naming Rights Sponsor hereunder (including, without limitation, the Naming Rights Entitlements) throughout Naming Rights Sponsor's (and its Affiliates') in-market retail network and other point of sale locations in connection with the sale of Naming Rights Sponsor's products and services in the Exclusive Category; provided, however, that (i) such utilization shall be in accordance with the terms of this Agreement and subject to the reasonable approval of the SCSA, (ii) such utilization shall not relieve Naming Rights Sponsor of any of its obligations hereunder (including its payment obligations hereunder), (iii) Naming Rights Sponsor shall be solely responsible for any acts (or omissions) of any Pass Through Partner to the extent such acts (or omissions) would, if taken (or omitted to be taken) by the Naming Rights Sponsor, constitute a violation of the Naming Rights Sponsor's obligations hereunder, and (iv) such utilization must comply with all of the terms and provisions of this Agreement applicable to its uses of the Naming Rights Entitlements, including any consent or approval requirements set forth herein.

(d) Stadium Logo; Signage, Displays and other Collateral. The Parties shall work together and cooperate in good faith to create and develop a mutually acceptable logo for the Stadium (the "Stadium Logo"), which will incorporate the Stadium Name and certain Naming Rights Sponsor Marks. Any signage and displays in the Stadium that incorporate the Stadium Logo shall be subject to the SCSA's prior written approval (not to be unreasonably withheld, conditioned or delayed). For avoidance of doubt, the Parties acknowledge that all signage, displays and other associated collateral bearing any Team Marks shall be subject to the terms of Section 10(i) of the Sponsorship Agreement (including the approval process provided for therein).

(e) Stadium Name References. At all times from and after the Effective Date, the SCSA shall, and shall take all steps that may be necessary to ensure that each of the Landlord Affiliates will, (i) refer to the Stadium only by the Stadium Name (and not by any other name) in all public references to the Stadium, (ii) use commercially reasonable efforts to promptly change all public references to the Stadium that are within the control of the SCSA or any Landlord Affiliate from "Santa Clara Stadium" or any other name to the Stadium Name, (iii) use commercially reasonable efforts to require all third parties with whom the SCSA or any Landlord Affiliate does business to refer to the Stadium only by the Stadium Name and not by any other

name and use commercially reasonable efforts to enforce such requirement, (iv) require any Person who rents, leases, licenses or otherwise uses the Stadium or any material portion of the Stadium (excluding suites or individual seats) to refer to the Stadium only by the Stadium Name and not by any other name and use good faith efforts to enforce such provision, and (v) not airbrush, delete, or otherwise intentionally remove or obscure the Stadium Name, Stadium Logo or any signage or advertising in the Stadium or elsewhere on the Premises that includes any of the Marks from any photographs, videos or any other images of the Stadium without the Naming Rights Sponsor's prior written approval. Notwithstanding anything to the contrary in this Agreement, in no event shall the SCSA grant any other Person the right to use or otherwise exploit any of the Stadium Naming Rights (as such term is defined in the Stadium Lease) at any time during the Term; provided that the foregoing shall not prohibit the SCSA from granting any such rights effective after the end of the Term, subject to the terms of Section 2(f) above. For the avoidance of doubt, employees and officers of the SCSA and the Landlord Affiliates may refer to the location of the Stadium as being in Santa Clara, California in oral or spoken statements or in other materials in which the reference to such location is sufficiently far removed from the Stadium Name and Stadium Logo so as to avoid any confusion that such location is part of such name or logo, provided that the foregoing shall not limit the Naming Rights Sponsor's rights under Sections 10(d) and 13 with respect to any such materials that are intended for public distribution or public display. Furthermore, nothing in this Agreement shall prohibit the SCSA or any Landlord Affiliate from including the Stadium's mailing address in any written materials in which such address would customarily be included.

(f) Name Changes.

(i) Naming Rights Sponsor shall be entitled to change the name of the Stadium at any time before the date that is twenty four (24) months prior to the Expiration Date (A) following a merger, corporate restructuring, reorganization or consolidation or other change of control of Naming Rights Sponsor or any of its material businesses or assets, which either results in the successor of Naming Rights Sponsor or its such business or assets having or using a different name or brand name or results in a change in the name or brand name under which Naming Rights Sponsor does business in the United States or (B) for a reasonable business purpose in connection with a strategic marketing objective (including a decision to promote a specific brand, e.g., Dockers) in Naming Rights Sponsor's sole discretion; provided, however, that if the proposed name (1) would violate the category exclusivity granted to any third party pursuant to a sponsorship or similar marketing agreement then existing between Forty Niners SC and such third party, (2) would violate any Law or NFL Rules, (3) is offensive, discriminatory against a protected class or offensive to the sensibilities of the community at large, (4) would reasonably cause embarrassment to the SCSA or Forty Niners SC (such as names containing slang, barbarisms or profanity), (5) is related to any business or enterprise that could reasonably be deemed to be immoral, (6) contains any overt or publicly offensive political reference, (7) relates or refers to any sexually oriented subject matter, business or enterprise or (8) is unduly long, large or awkward, in each case in clauses (4)-(8) as reasonably determined by the SCSA in its reasonable discretion, then Naming Rights Sponsor shall not have the right to change the name of the Stadium without the prior written consent of the SCSA and Forty Niners SC.

(ii) If the Naming Rights Sponsor desires to change the name of the Stadium in accordance with the terms and conditions of Section 3(f)(i), then the Naming Rights Sponsor

shall provide at least one hundred eighty (180) days' prior written notice to the SCSA and Forty Niners SC (which notice shall be delivered to Forty Niners SC at the notice address listed in the Sponsorship Agreement and to the SCSA at the notice address listed in Section 15(e)) of the desired name change (the "Name Change Notice"), and the SCSA shall have thirty (30) days from the receipt of the Name Change Notice to object by delivering to Naming Rights Sponsor a written objection (the "Objection Notice") to any proposed name, provided that the SCSA shall have no right to object other than on the basis of any of the categories described in Section 3(f)(i)(1)-(8)). In the event the SCSA delivers an Objection Notice to Naming Rights Sponsor within such thirty (30) day period, Naming Rights Sponsor shall not be permitted to change the name of the Stadium to the name identified in the Name Change Notice unless otherwise determined pursuant to Section 14 or otherwise approved by the SCSA. Notwithstanding anything to the contrary in this Agreement, if (A) the SCSA delivers an Objection Notice, (B) the Naming Rights Sponsor's proposed name change is either the corporate or primary trade name of the Naming Rights Sponsor or its successor (accompanied by an appropriate descriptor such as "Stadium" or "Field," etc.) and (C) the SCSA's objection (as expressly stated in the Objection Notice) is based on clause (4), (5) or (8) of Section 3(f)(i), then the Naming Rights Sponsor may terminate this Agreement effective upon written notice to the SCSA.

(iii) Notwithstanding Section 3(f)(i) above, on and after the date which is twenty four (24) months prior to the Expiration Date, Naming Rights Sponsor may not change the name of the Stadium for any reason without the prior written consent of each of the SCSA and Forty Niners SC, which consents may be withheld in the SCSA's or Forty Niners SC's sole discretion.

(iv) In the event of any name change of the Stadium under this Section 3(f), Naming Rights Sponsor shall bear all out of pocket costs and expenses incurred by the SCSA, Forty Niners SC or any of their Affiliates in connection with such change, including without limitation, attorneys' fees, other professionals' fees and all other out of pocket costs and expenses relating to signage, promotions, branding, advertising and marketing (and everywhere else the Stadium Name or Stadium Logo appears) and obtaining any required consents and approvals associated with such change, including without limitation, to replace, modify, reprogram, reproduce or otherwise change signs and signage, banners, building elements, wall and floor coverings, printed, electronic and video materials, publications, video graphics and materials, staff uniforms and concessionaire uniforms and supplies and all other materials regardless of format that need to be changed to effect the renaming and rebranding of the Stadium with the new name. Specifically, but without limitation, in the event of any name change of the Stadium under this Section 3(f), Naming Rights Sponsor shall bear all out of pocket costs and expenses associated with (a) creating and developing the new Stadium Name, Stadium Logo and Stadium Marks, (b) producing and installing the new Stadium Name, Stadium Logo and Stadium Marks on all elements of the Stadium that bear the Stadium Name, Stadium Logo and/or the Stadium Marks, (c) reprinting current publications and other written materials bearing the Stadium Name, Stadium Logo and/or the Stadium Marks to include the new Stadium Name, Stadium Logo and/or the Stadium Marks and (d) creating and producing signage, print and other advertising copy to replace the former Stadium Name, Stadium Logo and/or the Stadium Marks. The Parties shall work together and cooperate in good faith with respect to the transition from the existing Stadium Name, Stadium Logo and/or the Stadium Marks to the new

Stadium Name, Stadium Logo and/or the Stadium Marks, including without limitation, notifying the SCSA's and Forty Niner SC's advertisers, sponsors and media partners of the change and minimizing the disruption to the operation of the Stadium during Stadium events. For avoidance of doubt, the Parties acknowledge and agree that the SCSA and Forty Niners SC, as applicable, shall have no liability in connection with any name change of the Stadium under this Section 3(f) for any inability to have applicable local, state, regional or federal transportation authorities or agencies install and erect the Transportation Signage or any other signs that refer to the new Stadium Name on any highway or roadway in the vicinity of the Stadium; provided, that the SCSA shall use good faith efforts to effectuate all of the foregoing.

(g) Signage Activation. Except for changes requested by Naming Rights Sponsor after the Effective Date pursuant to Section 5(f), all of the signage and other advertising opportunities granted to the Naming Rights Sponsor hereunder shall be designed, produced, installed, illuminated (only with respect to the Specified Signage described in clauses (i) and (ii) of the definition of such term) and maintained by the SCSA at the SCSA's expense (except that Naming Rights Sponsor shall provide any required artwork and design, including any revisions, at Naming Rights Sponsor's cost and expense). Except for the signage on the exterior walls of the Stadium (which shall be activated each day, 365 days per year, between sundown and midnight (or, if later, the conclusion of any NFL Team Game or Non-NFL Event held on such day)), all other electronic or illuminated signage bearing the Stadium Name, the Stadium Logo, or any other Stadium Marks or Naming Rights Sponsor Marks (i) shall be activated during all home NFL Team Games and Non-NFL Events (excluding any period during any such event when electronic or illuminated signage is not activated as part of the performance of such event (for example, during a musical performance)) and (ii) shall be activated when the comparable signage (if any) of any other Stadium sponsor or advertiser is illuminated.

(h) Implementation of Major Signage. The Parties shall work together and cooperate in good faith in connection with the design, approval, construction and build-out of the Naming Rights Entitlements. The SCSA shall use commercially reasonable efforts to have all of the Major Signage constructed, installed and fully operational by August 31, 2014. If the Major Signage is not constructed, installed and fully operational by August 31, 2014, the SCSA shall, during all home NFL Team Games and Non-NFL Events held at the Stadium, provide the Naming Rights Sponsor with temporary signage that is a reasonable temporary substitute for any uninstalled or non-operational portion of the Major Signage, which shall be subject to approval by Naming Rights Sponsor ("Temporary Signage"). If the SCSA fails to provide Naming Rights Sponsor with Temporary Signage in lieu thereof, then, as Naming Rights Sponsor's sole remedy therefor, each home NFL Team Game held at the Stadium that takes place after August 31, 2014 and before the earlier of (x) the date on which the Major Signage is constructed, installed and fully operational and (y) the date on which the Temporary Signage is displayed, shall be treated as if such home NFL Team Game was not played at the Stadium for purposes of Section 9 of the Sponsorship Agreement. In the event that the SCSA fails to construct, install and make fully operational the Major Signage by August 31, 2014, then, in addition to the remedies expressly set forth above in this Section 3(h), as Naming Rights Sponsor's sole remedy for the SCSA's failure to construct and install such Major Signage (but without limiting any other provision of this Agreement), the Naming Rights Sponsor shall be entitled to a One Hundred Thousand Dollar (\$100,000.00) Rights Fee Credit for each home NFL Team Game held at the Stadium after August 31, 2014 for which the Major Signage is not yet constructed, installed and fully

operational; provided, however, that if the Stadium Name Lettering (as defined on Schedule 1) is not yet constructed, installed and fully operational, then the amount of such Rights Fee Credit shall be Two Hundred Fifty Thousand Dollars (\$250,000.00). Notwithstanding anything to the contrary in this Section 3(h), the SCSA shall not be responsible for missing a deadline under this Section 3(h) to the extent that such failure (i) was the fault of, or caused by any delay or other act or omission by Naming Rights Sponsor (including any failure by Naming Rights Sponsor to approve any plans, drawings or other matter within the time period(s) specified in this Agreement), or (ii) was the result of a Force Majeure event that affects the delivery of any specific item of Major Signage or Temporary Signage (e.g., lightning destroys a specific item of Major Signage).

4. Exclusivity and Certain Other Rights.

(a) Category Exclusivity. During the Term, subject only to Section 4(c) below, the SCSA hereby grants to the Naming Rights Sponsor, and during the Term the Naming Rights Sponsor shall enjoy, exclusive branding and promotion rights in respect of the Exclusive Category. In furtherance thereof, (i) the SCSA shall not, and shall cause the Landlord Affiliates not to, display (or cause, authorize or permit the display of) any signage or other advertisement or promotion in the Stadium or anywhere else on the Premises that promotes, identifies or refers to any products or services in the Exclusive Category (other than products or services in the Exclusive Category of or concerning Naming Rights Sponsor), (ii) the SCSA shall not display (or cause, authorize or permit the display of) any signage or other advertisement or promotion in the Exclusive Category on any real estate or improvement that is within a one (1) mile radius of the Stadium for which the SCSA has the ability to control advertising rights or exclusivity without incurring any expense, except to the extent such expense is paid or reimbursed by the Naming Rights Sponsor, (iii) the SCSA shall not grant any Category Competitor the right to name any portion of the Stadium or the Premises or display any signage, advertising or promotion in the Stadium, anywhere on the Premises or on any real estate or improvement that is within a one (1) mile radius of the Stadium and which the SCSA has the ability to control advertising or exclusivity without incurring any expense, except to the extent such expense is paid or reimbursed by Naming Rights Sponsor, (iv) the SCSA shall not, and shall cause the Landlord Affiliates not to, grant any Person (other than the Naming Rights Sponsor) any right or license to use the Stadium Name, Stadium Logo or any of the Stadium Marks in connection with any products or services in the Exclusive Category, (v) the SCSA shall not, and shall cause the Landlord Affiliates not to, grant any Category Competitor any right or license to use the Stadium Name, Stadium Logo or any of the Stadium Marks for any reason, (vi) the SCSA shall not grant any Person the right to advertise, promote, sell or provide any products or services in the Exclusive Category on the Stadium Website, the City's website, the SCSA's website or any other Internet site, web page, social media or other media that is controlled by the SCSA, (vii) the SCSA shall not, and shall cause the Landlord Affiliates not to, grant any Category Competitor the right to advertise or promote any of such Category Competitor's products or services or conduct such Category Competitor's general corporate advertising on the Stadium Website, the City's website, the SCSA's website or any other Internet site, web page, social media or other media that is controlled by the SCSA, (viii) the SCSA shall not engage in or authorize any Person to conduct any activation or promotional activity with respect to products or services in the Exclusive Category, and (ix) the SCSA shall not sell, provide, commit to sell, give away or otherwise distribute any products or services in the Exclusive Category in the Stadium or

anywhere else on the Premises, except that with respect to this clause (ix), (A) the SCSA or Forty Niners SC may sell products in the Exclusive Category (other than jeans, other denim products and khakis) that are licensed by the NFL and branded with marks of NFL clubs or the NFL, and (B) the SCSA may sell or distribute (or allow the sale or distribution of) products in the Exclusive Category on behalf of or by the title sponsor, promoter, organizer or performer of any Non-NFL Event immediately prior to, during and immediately following such Non-NFL Event solely to the extent such products relate directly to such Non-NFL Event (i.e., concert T-shirts and similar items). Unless it obtains the prior written consent of the SCSA (which may be withheld in the SCSA's sole discretion), Naming Rights Sponsor may not use any of the Stadium Marks in connection with the advertisement or promotion of any products or services that are not within the Exclusive Category (other than advertisements and promotions that advertise or promote Naming Rights Sponsor or its brand generally).

(b) Prominence. During the Term, the SCSA shall ensure that the Naming Rights Entitlements provided to Naming Rights Sponsor under this Agreement will result in Naming Rights Sponsor having the most prominent (with such prominence being viewed in the aggregate, including any entitlements received pursuant to the Sponsorship Agreement, as opposed to on an entitlement by entitlement basis) promotions and advertising in the Stadium during all Stadium events (subject to Section 4(c) only with respect to Significant Events), as compared with any other sponsor or advertiser. Naming Rights Sponsor shall be the prime and most prominent sponsor in the Stadium and SCSA shall not activate any other sponsor at a similar level in or on the Premises. The SCSA shall cooperate with Naming Rights Sponsor in good faith to implement reasonable suggestions regarding changes (at Naming Rights Sponsor's sole cost and expense) to the designs, sizes and placement of signage and the utilization of other Naming Rights Entitlements (including, without limitation, by relocating the Naming Rights Sponsor's signage and other advertisements (at Naming Rights Sponsor's sole cost and expense) to other available locations within the Stadium) in order to maximize the camera-visibility of the Naming Rights Entitlements. Except for signage that identifies or brands specific locations at the Stadium (e.g., entrances, box office, etc.) that is (A) substantially smaller than the Specified Signage identified in clauses (i) and (ii) of the definition of such term and (B) (with the exception of branded solar panels on the roof) significantly lower in height than such Specified Signage, SCSA shall not grant any Person (other than Naming Rights Sponsor) the right to display any signage, advertising or promotional materials on the exterior façade of the Stadium.

(c) Exceptions to Exclusivity and Prominence. Naming Rights Sponsor agrees that the exclusivity described in Section 4(a) (and, solely with respect to Significant Events, Naming Rights Sponsor's rights under the first sentence of Section 4(b)) are limited as follows:

(i) Sponsor acknowledges that in connection with any Significant Event or other Non-NFL Event (other than any games played by any Additional Team) that has one or more third party sponsors, the SCSA and such third parties may conduct promotional activities, activate electronic signage (including electronic signage that projects an image), display temporary banners, signs and similar event-specific banners, signs and other materials and/or advertising on admissions tickets, and/or on the stadium information systems, the exterior message boards and elsewhere in the Stadium and on the Premises (whether affixed to the structure of the Stadium or otherwise), announcing, promoting, advertising or acknowledging such sponsors or such Significant Event or Non-NFL Event (which may include the name of the

advertiser or sponsor thereof) ("Other Event Materials"), provided that: (A) Other Event Materials that contain a reference to a Category Competitor or any products in the Exclusive Category cannot be displayed on the exterior façade of the Stadium or in the inner bowl of the Stadium during home NFL Team Games, or any games played by any Additional Team, (B) Other Event Materials that are not on LED displays cannot be displayed in the inner bowl of the Stadium during home NFL Team Games, or any games played by any Additional Team, and (C) any Other Event Materials located on the exterior facade of the Stadium (or, to the extent the Other Event Materials contain any reference to a Category Competitor or reference or promote any products in the Exclusive Category, located elsewhere in the Stadium) may only be displayed at such location for a reasonable period of time, such period of time not to exceed ninety (90) days (in the case of any Other Event Materials located on LED displays or other electronic signage) and thirty (30) days (in the case of any Other Event Materials). Sponsor acknowledges that, subject to clauses (A) and (C) of the proviso in this Section 4(c)(i), any Other Event Materials may include advertising, signs and other materials that advertise or promote products or services within the Exclusive Category.

(ii) The Parties agree that, except for the benefits expressly granted to Naming Rights Sponsor under this Agreement and the restrictions expressly imposed on the SCSA under this Agreement and as set forth in the Sponsorship Agreement, all other rights, benefits and privileges of the SCSA are expressly reserved by the SCSA and any benefits not explicitly granted exclusively to Naming Rights Sponsor pursuant to this Agreement may be sold or licensed by the SCSA to other Persons, provided that the sale or license of such benefits does not conflict with Naming Rights Sponsor's rights under this Agreement or violate any of the SCSA's obligations under this Agreement. The Parties acknowledge that while the sole name of the Stadium is the Stadium Name, certain areas within the Stadium will be referred to or associated with other names, in each case, subject to Sections 4(a) and 4(b) above, and the SCSA, itself or through rights granted to Forty Niners SC, may permit additional Persons to sponsor and/or name one or more localized areas within the Stadium, in each case, subject to Sections 4(a) and 4(b) above; provided, however that in no event shall the SCSA, Forty Niners SC or any other Person grant any Person the right or otherwise authorize or permit any Person to name (i) the playing field of the Stadium, (ii) the seating bowl of the Stadium, (iii) the exterior walls of the Stadium or (iv) any area of the Stadium that is named for or otherwise entitled to the Naming Rights Sponsor under this Agreement or the Sponsorship Agreement.

(iii) Except as expressly provided in the Sponsorship Agreement, Naming Right Sponsor's exclusivity pursuant to Section 4(a) and prominence pursuant to Section 4(b) do not extend to telecasts and broadcasts (whether by radio, television, Internet or any other audio-visual medium, live or recorded, whether now existing or hereafter developed) of NFL Team Games (other than (x) with respect to radio broadcasts of NFL Team Games, as set forth in the Sponsorship Agreement and (y) with respect to telecasts and radio broadcasts of pre-season NFL Team Games, as set forth in the Sponsorship Agreement) and Non-NFL Events, and, as a result, such telecasts and broadcasts may include advertising or promotion of the products or services of third parties within the Exclusive Category.

(iv) The Parties anticipate that, in addition to NFL Team Games, the Stadium will host a variety of Significant Events and other Non-NFL Events, including Significant Events and other Non-NFL Events that are promoted or operated by third parties. Naming Rights

Sponsor acknowledges that during certain Significant Events and other Non-NFL Events, and for reasonable periods before and after such events for setup and breakdown, the SCSA may be required to, and shall have the right to Obscure all or any portion of Naming Right Sponsor's signage, recognition and other advertising in the Stadium or on the Premises, in each case if and only to the extent (A) reasonably necessary for the conduct or performance of such Non-NFL Event (for example, because of the configuration of the stage for a particular concert or other Non-NFL Event), (B) required by Law during such Non-NFL Event, or (C) required by any Person (other than the SCSA, Forty Niners SC, TeamCo or any Affiliate of Forty Niners SC or of TeamCo) that is organizing, conducting or promoting such Non-NFL Event; provided, however, that in the case of clause (C), if any third party that is organizing, conducting or promoting any Non-NFL Event (but not any Significant Event) requests that the SCSA Obscure all or any portion of the Naming Rights Sponsor's signage, recognition or other advertising, the SCSA shall not Obscure such signage, recognition or other advertising without first obtaining the prior written consent of Naming Rights Sponsor (which consent may be withheld, conditioned or delayed in its sole discretion). Other than as specified with respect to clause (C) above, the Parties agree that such advertising may be Obscured during Significant Events without Naming Rights Sponsor's prior written consent.

(d) *Additional Teams.* The SCSA acknowledges and agrees that the Naming Rights Entitlements granted hereunder will apply, and will be provided by the SCSA to the Naming Rights Sponsor, with respect to any Additional Teams that may, from time to time, play its home games in the Stadium. In connection therewith, Naming Rights Sponsor shall not be required to pay any additional Rights Fees in connection with any Additional Team. Except as expressly provided in Section 4(c), the SCSA shall ensure that all games and other events involving any Additional Team will be subject to the exclusive rights of Naming Rights Sponsor set forth in Section 4(a), except that the exclusivity set forth in Section 4(a) shall not apply (i) to any programs, magazines, yearbooks or other printed materials sold by such Additional Team at its games or events and (ii) to such Additional Team's performance of, and SCSA's compliance with, any agreement of such Additional Team that was in effect prior to the effectiveness of such Additional Team's agreement to play its home games at the Stadium, for the lesser of (x) the remainder of the term of any such agreement (including any extension thereto pursuant to a contractual right exercised by the counterparty to such agreement (but not any right exercised by such Additional Team)) and (y) two years from the date of the first home game played by such Additional Team at the Stadium; provided that in no event shall this Section 4(d) permit any advertising on any fixed signage at the Stadium that promotes or references any Category Competitor or any products or services in the Exclusive Category.

(e) *Naming Rights Sponsor's Right to Block its Signage and Benefits.* If, in Naming Rights Sponsor's sole discretion, Naming Rights Sponsor does not wish to be associated with any particular Non-NFL Event, Naming Rights Sponsor shall have the right, upon written notice to the SCSA at least thirty (30) days prior to such event (or ten (10) days after the Naming Rights Sponsor receives notice of the event by the SCSA pursuant to Section 4(g), whichever is later), (i) to Obscure (as and to the extent determined by Naming Rights Sponsor), to the extent reasonably practicable, any portion of the Naming Rights Sponsor's advertising recognition or signage for the duration of the Non-NFL Event and/or (ii) to require the SCSA to include an appropriate disclaimer provided by Naming Rights Sponsor in a manner reasonably requested by Naming Rights Sponsor to the effect that the views expressed in such Non-NFL Event do not

necessarily reflect the Naming Rights Sponsor's views. If Naming Rights Sponsor exercises its right under this Section 4(e), the SCSA shall, to the extent reasonably practicable, cover such Naming Rights Sponsor signage using customary techniques and Naming Rights Sponsor shall reimburse the SCSA for all out-of-pocket costs or expenses incurred by the SCSA in connection therewith.

(f) Ambush Marketing. The SCSA shall, to the extent within its reasonable control, use good faith efforts and take appropriate measures (but in no event shall such measures include any obligation to expend funds unless Naming Rights Sponsor has agreed to reimburse the SCSA for all such funds expended) as are necessary to protect the rights granted to Naming Rights Sponsor and ensure that the Naming Rights Sponsor's rights are not undermined, encroached, compromised, curtailed, infringed or ambushed by any third parties, including, without limitation, as a result of or from any attempt by any Person, without Naming Rights Sponsor's written approval, to (a) associate any products within the Exclusive Category with the Stadium in conflict with Naming Rights Sponsor's rights hereunder, (b) sell any unauthorized merchandise featuring the Stadium in conflict with Naming Right Sponsor's rights hereunder, or (c) directly or indirectly suggest that any products within the Exclusive Category are endorsed by or otherwise associated with the Stadium in conflict with Naming Rights Sponsor's rights hereunder. At the request of the Naming Rights Sponsor, the SCSA shall take reasonable steps, in reasonable cooperation with the Naming Rights Sponsor, to prevent any Category Competitor from engaging in such activities or any other Person (other than the Naming Rights Sponsor) from engaging in such activities with respect to any products within the Exclusive Category, which steps may include, but shall not be limited to, sending a cease and desist letter, filing appropriate legal actions (including actions for temporary and permanent injunctive relief), or a combination thereof as the Naming Rights Sponsor and the SCSA may mutually agree. Any measures or steps taken by the SCSA under this Section 4(f) at the Naming Rights Sponsor's request shall be at the Naming Rights Sponsor's sole cost and expense. If the SCSA fails to reasonably cooperate with Naming Rights Sponsor in preventing any Category Competitor or other Person from engaging in such activities, then the Naming Rights Sponsor shall have the right to take appropriate legal action against such Category Competitor or other Person and, in connection therewith, the SCSA shall cooperate with the Naming Rights Sponsor and take such reasonable actions as may be requested by the Naming Rights Sponsor (at the Naming Rights Sponsor's sole cost and expense) to the extent necessary to prosecute such legal action.

(g) Stadium Events. The SCSA shall, on a quarterly basis, and otherwise promptly upon the request of Naming Rights Sponsor, provide Naming Rights Sponsor with a list of all NFL Team Games and Non-NFL Events scheduled to be held at the Stadium at any time in the future.

5. Rights Fees.

(a) Fees. In exchange for the Naming Rights Entitlements and other rights, benefits and privileges to be provided to Naming Rights Sponsor under this Agreement, during each Contract Year of the Term, Naming Rights Sponsor shall pay the SCSA an annual fee, net of any commissions that may be payable by Naming Rights Sponsor (the "Rights Fees"), in the amount provided for in Section 5(b) for such Contract Year.

(b) *Rights Fees Adjustment.* The Rights Fees due and payable for each Contract Year shall be as follows, subject to credit, refund or other adjustment only in accordance with the express terms of this Agreement:

Contract Year	Rights Fee
Initial Contract Year	\$ 5,740,000
Second Contract Year	\$ 5,912,200
Third Contract Year	\$ 6,089,566
Fourth Contract Year	\$ 6,272,253
Fifth Contract Year	\$ 6,460,421
Sixth Contract Year	\$ 6,654,233
Seventh Contract Year	\$ 6,853,860
Eighth Contract Year	\$ 7,059,476
Ninth Contract Year	\$ 7,271,260
Tenth Contract Year	\$ 7,489,398
Eleventh Contract Year	\$ 7,714,080
Twelfth Contract Year	\$ 7,945,502
Thirteenth Contract Year	\$ 8,183,867
Fourteenth Contract Year	\$ 8,429,384
Fifteenth Contract Year	\$ 8,682,265
Sixteenth Contract Year	\$ 8,942,733
Seventeenth Contract Year	\$ 9,211,015
Eighteenth Contract Year	\$ 9,487,345
Nineteenth Contract Year	\$ 9,771,966
Twentieth Contract Year	\$ 10,065,125
Twenty-first Contract Year (If extension right has been exercised.)	\$ 10,367,078
Twenty-second Contract Year (If extension right has been exercised.)	\$ 10,678,090
Twenty-third Contract Year (If extension right has been exercised.)	\$ 10,998,432
Twenty-fourth Contract Year (If extension right has been exercised.)	\$ 11,328,384
Twenty-fifth Contract Year (If extension right has been exercised.)	\$ 11,668,235

(c) *Payment Schedule.* Subject to Section 5(d) below, the Rights Fee for each Contract Year shall be payable to the SCSA in two (2) equal semi-annual installments per year on or before March 1st and October 1st of such Contract Year. The first installment of the Rights Fee for the Initial Contract Year shall be due on March 1, 2014. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, Naming Rights Sponsor shall have no obligation to pay any portion of the Rights Fees (other than the first installment of the Rights Fee for the Initial Contract Year) unless and until the NFL Opening Date has occurred.

(d) *Termination Prior to NFL Opening Date.* If, for any reason, this Agreement is terminated prior to the NFL Opening Date, the SCSA shall refund to the Naming Rights Sponsor

all amounts previously paid by Naming Rights Sponsor hereunder within thirty (30) days of such termination in accordance with instructions to be provided by Naming Rights Sponsor.

(e) Taxes. Each Party shall be responsible for and pay any and all taxes or similar charges (if any) that may be payable by such Party under applicable Law in respect of this Agreement. The SCSA confirms to the Naming Rights Sponsor that, as of the Effective Date, the SCSA is not obligated to collect any taxes in respect of the Naming Rights Entitlements or otherwise in respect of this Agreement.

(f) Cost of Materials; Cleaning, Repairing and Maintenance. Except as otherwise expressly provided herein or otherwise agreed in writing between the SCSA and the Naming Rights Sponsor, the SCSA shall be responsible for all costs and expenses associated with the initial design, construction, production, delivery or installation of signage and other physical advertising included in the Naming Rights Entitlements and for the cleaning, repairing and maintenance of all such signage; provided, that Naming Rights Sponsor shall be responsible, at its sole cost and expense, for the preparation of all conceptual drawings and designs and any other content for all signage in respect of this Agreement or the Naming Rights Entitlements. Naming Rights Sponsor shall be entitled, at its sole cost and expense, to replace, update, change, refresh or refurbish any such initial signage at any time and from time to time (and for any reason); provided, that the content of such signage will remain subject to the SCSA's prior written approval (not to be unreasonably withheld, conditioned or delayed). For the avoidance of doubt, the Parties acknowledge that Transportation Signage is a Forty Niners SC Entitlement and not a Naming Rights Entitlement and consequently, the SCSA shall not have any obligations with respect to Transportation Signage (and all costs and expenses related thereto shall be the responsibility of Forty Niners SC under the Sponsorship Agreement). In the event the SCSA terminates this Agreement prior to the Expiration Date as the result of a Naming Rights Sponsor Default, Naming Rights Sponsor shall reimburse the SCSA for all out of pocket costs incurred in connection with the removal of its signage from the Stadium. In the event this Agreement expires or is terminated for any reason (other than as the result of a Naming Rights Sponsor Default), the SCSA shall be responsible for all such costs and expenses.

(g) Costs and Expenses. Except as expressly set forth in this Agreement, the Naming Rights Sponsor shall not be responsible for any costs and expenses in connection with the provision of the Naming Rights Entitlements or any other rights, benefits or privileges to which the Naming Rights Sponsor is entitled to receive under this Agreement. For the avoidance of doubt, Naming Rights Sponsor shall have no obligations under this Agreement with respect to the Transportation Signage and all costs and expenses related to the Transportation Signage shall be the responsibility of Forty Niners SC under the Sponsorship Agreement.

(h) Interest on Late Payments. Any payment required to be made by any Party to the other Party hereunder that is not paid within five (5) business days from the date such payment becomes due and owing shall bear interest at an annual rate of twelve percent (12%) per annum or, if lower, the maximum allowed by law, from the due date to the date payment is actually made. The right of a Party to receive interest under this Section 5(h) shall be in addition to all other rights it may have as a result of the other Party's failure to make payments when due.

6. Default and Remedies.

(a) Default by Naming Rights Sponsor. The occurrence of one or more of the following matters shall constitute a default by Naming Rights Sponsor (a "Naming Rights Sponsor Default"):

(i) Naming Rights Sponsor's failure to pay any of the Rights Fees when due (subject to any credit, refund or adjustment provided for hereunder) and the continuation of such failure for five (5) business days after written notice by the SCSA to the Naming Rights Sponsor specifying the failure.

(ii) Naming Rights Sponsor's failure to pay any other amounts when due to the SCSA hereunder (unless such amount is being contested by the Naming Rights Sponsor in good faith and in accordance with the terms of this Agreement), within thirty (30) days after written notice by the SCSA to the Naming Rights Sponsor specifying the failure and demanding that it be corrected.

(iii) Naming Rights Sponsor's failure to perform or comply in any material respect with any other material term or condition of this Agreement and the continuation of such non-performance or non-compliance for a period of ninety (90) days after written notice by the SCSA to Naming Rights Sponsor specifying the failure and demanding that it be corrected; provided, however, if Naming Rights Sponsor has taken reasonable steps to cure such failure within such ninety (90) days, but the failure is of a type or character which is not reasonably susceptible of cure within such ninety (90) days, and would otherwise be capable of cure by Naming Rights Sponsor using reasonable efforts, Naming Rights Sponsor shall have such additional time as may be necessary in order to effect such cure, but not to exceed an additional ninety (90) days.

(iv) Naming Rights Sponsor files a petition in bankruptcy or is adjudicated a bankrupt, or if a petition in bankruptcy is filed against Naming Rights Sponsor which is not dismissed within sixty (60) days of filing, or if Naming Rights Sponsor becomes insolvent, makes an assignment for the benefit of its creditors or an arrangement pursuant to any bankruptcy law, or if Naming Rights Sponsor discontinues its business or if a receiver is appointed for it or its business.

(v) Naming Rights Sponsor has made any representation or warranty hereunder that was untrue in any material respect as of the Effective Date.

(b) Rights and Remedies of the SCSA.

(i) Upon the occurrence of a Naming Rights Sponsor Default, the SCSA shall have the right to do any one or more of the following: (A) enforce any rights provided for herein with respect to such Naming Rights Sponsor Default, (B) seek to recover all damages and other sums available at law or in equity to which it is entitled with respect to such Naming Rights Sponsor Default, (C) exercise any other right or remedy at law or in equity with respect to such Naming Rights Sponsor Default, including seeking an injunction or order of specific performance, and (D) solely to the extent provided in Section 6(b)(ii), terminate this Agreement in accordance with Section 6(b)(ii).

(ii) Except as otherwise provided in this Agreement (and without limiting any termination right expressly provided in any other provision of this Agreement), the SCSA shall only have the right to terminate this Agreement as a result of a Naming Rights Sponsor Default, which termination shall become effective thirty (30) days after delivery of written notice thereof to Naming Rights Sponsor, upon the occurrence of any of the following:

- (A) a Naming Rights Sponsor Default specified in Section 6(a)(i);
- (B) a Naming Rights Sponsor Default specified in Section 6(a)(ii) involving an arbitration award pursuant to Section 14(d) in an amount equal to or greater than \$2,500,000;
- (C) a Naming Rights Sponsor Default specified in Section 6(a)(iv); or
- (D) repeated and recurring Naming Rights Sponsor Defaults (after expiration of all applicable notice and cure periods, if any, provided for herein).

(c) Default by the SCSA. The occurrence of one or more of the following matters shall constitute a default by the SCSA (an "SCSA Default"):

(i) The SCSA's failure to pay any amount when due to the Naming Rights Sponsor hereunder (unless such amount is being contested by the SCSA in good faith and in accordance with the terms of this Agreement), within thirty (30) days after written notice by the Naming Rights Sponsor to the SCSA specifying the failure and demanding that it be corrected.

(ii) The SCSA's failure to perform or comply in any material respect with any other material term or condition of this Agreement and the continuation of such non-performance or non-compliance for a period of ninety (90) days after written notice by the Naming Rights Sponsor to the SCSA specifying the failure and demanding that it be corrected; provided, however, if the SCSA has taken reasonable steps to cure such failure within such ninety (90) days, but the failure is of a type or character which is not reasonably susceptible of cure within such ninety (90) days, and would otherwise be capable of cure by the SCSA using reasonable efforts, the SCSA shall have such additional time as may be necessary in order to effect such cure, but not to exceed an additional ninety (90) days.

(iii) The SCSA has made any representation or warranty hereunder that was untrue in any material respect as of the Effective Date.

(iv) The SCSA files a petition in bankruptcy or is adjudicated a bankrupt, or if a petition in bankruptcy is filed against the SCSA which is not dismissed within sixty (60) days of filing, or the SCSA becomes insolvent, makes an assignment for the benefit of its creditors or an arrangement pursuant to any bankruptcy law, or the SCSA discontinues its business or if a receiver is appointed for it or its business.

(v) The Stadium Lease or the Ground Lease is amended, terminated, invalidated or otherwise modified and such amendment, termination, invalidation or other modification could reasonably be expected to materially and adversely affect the Naming Rights

Sponsor's rights, benefits or privileges under this Agreement or the SCSA's ability to provide the Naming Rights Sponsor with any of the Naming Rights Entitlements hereunder.

(d) Rights and Remedies of Naming Rights Sponsor.

(i) Upon the occurrence of an SCSA Default, Naming Rights Sponsor shall have the right to do any one or more of the following: (A) enforce any rights provided for herein with respect to such SCSA Default, (B) seek to recover all damages and other sums available at law or in equity to which it is entitled with respect to such SCSA Default, (C) exercise any other right or remedy at law or in equity with respect to such SCSA Default, including seeking an injunction or order of specific performance, and (D) solely to the extent provided in Section 6(d)(ii), terminate this Agreement in accordance with Section 6(d)(ii).

(ii) Except as otherwise provided in this Agreement (and without limiting any termination right expressly provided in any other provision of this Agreement), the Naming Rights Sponsor shall only have the right to terminate this Agreement as a result of an SCSA Default, which termination shall become effective thirty (30) days after delivery of written notice thereof to the SCSA, upon the occurrence of any of the following:

- (A) an SCSA Default specified in Section 6(c)(iv);
- (B) an SCSA Default specified in Section 6(c)(v);
- (C) an SCSA Default specified in Section 6(c)(i) involving an arbitration award pursuant to Section 14(d) in an amount equal to or greater than \$2,500,000; or
- (D) repeated and recurring SCSA Defaults (after expiration of all applicable notice and cure periods, if any, provided for herein).

7. Opening of Stadium.

(a) Scheduled Opening Date. Naming Rights Sponsor acknowledges that the NFL Opening Date is currently anticipated to occur on September 15, 2014 (the "Scheduled Opening Date"). Naming Rights Sponsor further acknowledges that, due to the complexity of constructing the Stadium, the possibility exists that the NFL Opening Date could occur after the Scheduled Opening Date. In the event that the NFL Opening Date occurs after the Scheduled Opening Date, then Naming Rights Sponsor agrees that the following terms shall apply:

(b) Opening Date Not Prior to October 1, 2014. If the NFL Opening Date does not occur prior to October 1, 2014 but does occur on or before December 31, 2014, then, subject to the Naming Rights Sponsor's rights set forth in Sections 7(c) and 7(d) below, (i) the Naming Rights Sponsor shall have all of its rights under Section 4(a) at all times, (ii) the Naming Rights Sponsor shall have no obligation to pay any portion of the Rights Fees (other than the first installment of the Rights Fee for the Initial Contract Year payable March 1, 2014) unless and until the NFL Opening Date occurs, and (iii) this Agreement shall continue to be in full force and effect with no other remedy relating to the date of opening.

(c) If Stadium Opens After 2014. If the NFL Opening Date does not occur prior to January 1, 2015, but does occur on or after January 1, 2015, then, subject to the Naming Rights Sponsor's termination rights set forth in Section 7(d) below, (i) the Naming Rights Sponsor shall have all of its rights under Section 4(a) at all times, (ii) no Rights Fee shall be payable in respect of any period prior to March 1, 2015, (iii) the first installment of the Rights Fees previously paid by Naming Rights Sponsor with respect to the Initial Contract Year shall be applied towards the Initial Contract Year (which will commence on March 1 of the year in which the NFL Opening Date occurs), (iv) the Naming Rights Sponsor shall pay the remainder of the Rights Fees for the Initial Contract Year on the later to occur of (x) October 1 of such Initial Contract Year and (y) the NFL Opening Date, and (v) this Agreement shall continue to be in full force and effect with no other remedy relating to the NFL Opening Date.

(d) If Stadium Does Not Open Within One Year. Notwithstanding anything to the contrary in this Agreement, if the NFL Opening Date does not occur by September 15, 2015, then the Naming Rights Sponsor shall have the right to terminate this Agreement by giving written notice to the SCSA at any time after September 15, 2015, provided however that if, at any time, the SCSA provides Naming Rights Sponsor with written notice of a revised and future anticipated NFL Opening Date which is later than September 15, 2015 (a "New Opening Date"), the Naming Rights Sponsor shall have thirty (30) days from the date of receipt of such notice to exercise such termination right; provided that if the NFL Opening Date does not occur by the New Opening Date, then the Naming Rights Sponsor shall have the right to terminate this Agreement by giving written notice to the SCSA no later than ninety (90) days after the New Opening Date.

(e) No Impairment or Modification. For the avoidance of doubt, nothing in this Section 7 shall impair or otherwise modify any of the Naming Rights Sponsor's rights under Section 9 below with respect to any NFL Team Games or Major Events that are not held during the Initial Contract Year or any subsequent Contract Year, whether as a result of any delay in the opening of the Stadium or otherwise.

8. Force Majeure; Eminent Domain.

(a) Effect of Force Majeure. Except if and to the extent any of Sections 3(h), 8(b), 8(c), 8(d), 9 or 15(i) applies, if a Party is prevented, prohibited or materially impaired from performing its obligations under this Agreement (other than a payment obligation hereunder) as a result of a Force Majeure event, then (i) such Party shall promptly give notice thereof to the other Party and shall thereafter act diligently and in good faith to bring about the termination or removal of such Force Majeure event as promptly as reasonably possible, (ii) such Party shall be excused from the performance of such obligations to the extent, but only to the extent, made necessary by such Force Majeure event and only until such time as such Force Majeure event terminates or is removed or resolved, upon which time the notifying Party shall provide notice to the other Party that it is able to resume performance, and (iii) if such Party does not perform such obligations, then the other Party shall not be obligated to perform any of its obligations that correspond to the obligations that such party has not performed (such that, for example, if the SCSA fails to provide the Naming Rights Sponsor with any of the Naming Rights Entitlements due to the occurrence of a Force Majeure event in accordance with clause (ii) above, then, unless any of Sections 8(b), 8(c), 8(d), 9 or Section 15(i) applies, the Naming Rights Sponsor shall not

be obligated to pay any portion of the Rights Fee to the extent such portion is attributable to such Naming Rights Entitlements and, if any such payments have previously been made, the Naming Rights Sponsor shall be entitled to a credit, on a pro rata basis, in the amount of such payments).

(b) Total Condemnation of Stadium. If the Stadium, substantially all of the Stadium, or the right of the SCSA to occupancy or possession of all or substantially all of the Stadium shall be taken by eminent domain or condemnation by any governmental authority (other than by the SCSA or any Landlord Affiliate, which shall be a material breach of this Agreement) for any public or private use or purpose, then (i) the SCSA shall promptly notify the Naming Rights Sponsor thereof and (ii) this Agreement shall automatically terminate upon the earlier of (x) the date when the possession of the portion of the Stadium or right so taken shall be required for such use or purpose or (y) the effective date of the taking. In such event, the Rights Fees paid or due shall be apportioned as of the date of such taking or condemnation (and the SCSA shall refund to the Naming Rights Sponsor an amount equal to the difference between (x) the aggregate amount of Rights Fees previously paid in respect of such Contract Year and (y) an amount equal to the Rights Fees for such Contract Year multiplied by a fraction the numerator of which is the number of days in such Contract Year elapsed prior to the effective date of such termination and the denominator is 365 (or 366, as applicable)) and neither Party shall have any further obligations to the other or rights hereunder, other than those that expressly survive termination hereunder.

(c) Partial Condemnation of Stadium. If less than all or substantially all of the Stadium shall be taken or condemned by any governmental authority for any public or private use or purpose, then (i) if the SCSA determines, in its sole discretion, within thirty (30) days after such taking or condemnation, that the remaining portion of the Stadium cannot economically and feasibly be used to host Stadium events, including by the Team for playing NFL football games, then the SCSA shall promptly notify the Naming Rights Sponsor thereof and thereafter this Agreement may be terminated by either Party, by written notice to the other Party, and the Rights Fees paid or due for the period during which the taking or condemnation occurs shall be apportioned as of the date of such taking or condemnation (and the SCSA shall refund to the Naming Rights Sponsor an amount equal to the difference between (x) the aggregate amount of Rights Fees previously paid in respect of such Contract Year and (y) an amount equal to the Rights Fees for such Contract Year multiplied by a fraction the numerator of which is the number of days in such Contract Year elapsed prior to the date of such taking or condemnation and the denominator is 365 (or 366, as applicable)), in which event neither Party shall have any further obligations to the other or rights hereunder, other than those that expressly survive termination hereunder; or (ii) if the SCSA does not make the determination described in the preceding clause (i) within thirty (30) days of after such taking or condemnation, then the Rights Fees for the then-current Contract Year and for each subsequent Contract Year of the Term shall be equitably adjusted based on the portion of the Stadium that has been taken or condemned and the diminishment in value of the Naming Rights Entitlements as a result thereof (and if the Parties are unable to agree on the amount of such adjustment within ninety (90) days of the date of such taking or condemnation, then such adjustment shall be determined in accordance with Section 14). Notwithstanding the foregoing, (x) a taking or condemnation by the SCSA or the City that materially and adversely affects the Naming Rights Sponsor's rights hereunder shall constitute a material breach of this Agreement by the SCSA, and (y) a taking or condemnation by the SCSA or the City that does not materially and adversely affect the Naming

Rights Sponsor's rights hereunder but results in any Naming Rights Entitlements being unavailable for purposes of Section 15(i) shall entitle the Naming Rights Sponsor to receive Substitute Entitlements therefor pursuant to Section 15(i).

(d) Casualty Event. If, at any time during the Term, the Stadium is damaged or otherwise rendered unusable for NFL Team Games for more than one (1) calendar year as a result of any event, cause or occurrence (any such event, cause or occurrence, and including a substantial destruction of the Stadium, a "Casualty Event"), whether or not such Casualty Event constitutes a Force Majeure event, then the SCSA shall give the Naming Rights Sponsor a written notice within six (6) months after the end of the Casualty Event stating whether the SCSA will rebuild or restore the Stadium such that it will be usable for NFL Team Games; provided that the SCSA shall provide such notice as soon as reasonably practicable after its decision to rebuild or restore the Stadium is made. If the notice states that the SCSA will not rebuild or restore the Stadium, then this Agreement shall automatically terminate (except for those provisions that expressly survive termination). If the notice states that the SCSA will rebuild or restore the Stadium, then the Naming Rights Sponsor shall not have the right to terminate this Agreement as a result of the Casualty Event and this Agreement shall remain in full force and effect, provided that the Naming Rights Sponsor shall have the right, as its sole remedy for such Casualty Event, to terminate this Agreement if the first NFL Team Game at the Stadium following delivery of such rebuild notice does not occur on or prior to the first scheduled regular season home NFL Team Game of the NFL season following the second (2nd) anniversary of the Casualty Event. If a Casualty Event occurs and the SCSA notifies the Naming Rights Sponsor that it will rebuild or restore the Stadium, then, unless the Naming Rights Sponsor elects to terminate this Agreement in accordance with the immediately preceding sentence, as Naming Rights Sponsor's sole remedy for such Casualty Event: (i) following receipt by the Naming Rights Sponsor of the rebuild notice from the SCSA, the SCSA and the Naming Rights Sponsor shall negotiate in good faith regarding the Naming Rights Entitlements that the SCSA will provide to the Naming Rights Sponsor, and the appropriate reduction in the Rights Fees to be paid by the Naming Rights Sponsor, in each Contract Year during the period in which the Casualty Event renders the Stadium unusable (the "Casualty Period"), (and, to the extent the Naming Rights Sponsor has previously paid the full amount of the Rights Fees for such Contract Year, the SCSA shall refund any amount in excess of the reduced Rights Fees to the Naming Rights Sponsor within thirty (30) days of the end of such Contract Year), provided that if the Parties are unable to agree on the Naming Rights Entitlements to be received and the Rights Fees to be paid during any Contract Year during the Casualty Period, the Naming Rights Sponsor shall not be entitled to receive any Naming Rights Entitlements, nor obligated to pay Rights Fees or any other fee or payment, during the Casualty Period (and, to the extent the Naming Rights Sponsor has previously paid the full amount of the Rights Fees for such Contract Year, the SCSA shall refund the full amount of such Rights Fees to the Naming Rights Sponsor within thirty (30) days of the end of such Contract Year); (ii) to the extent the Rights Fees are reduced in accordance with the foregoing clause (i), the SCSA shall refund any portion of the Rights Fees for such Contract Year already paid by the Naming Rights Sponsor to the extent such amount exceeds the reduced Rights Fees within thirty (30) days of the Parties' agreement on the reduced Rights Fees; (iii) unless the Naming Rights Sponsor notifies the SCSA in writing to the contrary, the Term (and the Expiration Date) will be extended by a period equal to the Casualty Period, rounded down in the case of any partial Contract Year (an "Extension Period"); and (iv) the Rights Fees for each Contract Year for the remainder of the Term shall be as set

forth in Section 5(b), except that (A) the Rights Fees for the first Contract Year beginning after the end of the Casualty Period (the “First Post-Casualty Year”) will be equal to the scheduled Rights Fees for the Contract Year in which the Casualty Event occurred (the “Casualty Year”) and (B) the Rights Fees for each subsequent Contract Year shall be equal to one hundred three percent (103%) of the Rights Fees for the immediately preceding Contract Year.

9. Lost Year; Major Events.

(a) Lost Year. Unless any of Sections 8(b), 8(c) or 8(d) apply, if in any Contract Year, zero (0) regular season NFL Team Games are played in the Stadium for any reason (a “Lost Year”), then as Naming Rights Sponsor’s sole and exclusive remedy for such Lost Year, (i) Sponsor shall continue to receive all of the Naming Rights Entitlements with respect to such Lost Year, (ii) the Rights Fees payable by Naming Rights Sponsor with respect to such Lost Year shall be reduced such that it is equal to the product of (x) \$1,375,000 multiplied by (y) the Annual Proportionate Increase, (iii) Naming Rights Sponsor shall receive a Rights Fee Credit in an amount equal to the difference between (x) the scheduled amount of the Rights Fee for such Contract Year as provided for in Section 5(b) and (y) the amount of the Rights Fee as reduced pursuant to the foregoing clause (ii), and (iv) the Naming Rights Sponsor shall have the option, exercisable in its sole discretion by delivering written notice to the SCSA, to extend the Term (and the Expiration Date) by one (1) additional Contract Year for each Lost Year that occurs (and, in such event, the Rights Fee for such additional Contract Year shall be equal to one hundred three percent (103%) of the scheduled Rights Fee for the Final Contract Year).

(b) Required Major Events. Commencing with and including the first Contract Year during which the Stadium has been opened for the entire Contract Year (i.e., from March 1 through February 28 (or 29)), at the end of every three Contract Years during the Term, if during the previous three (3) Contract Years (a “Three-Year Period”), fewer than thirty-six (36) Major Events were held at the Stadium, then Naming Rights Sponsor shall receive a Rights Fee Credit equal to the product of (x) \$15,000 multiplied by (y) the difference between thirty-six (36) and the number of Major Events actually held at the Stadium during such Three-Year Period multiplied by (z) the Annual Proportionate Increase.

(c) Credit Process. For purposes of this Agreement, the term “Rights Fee Credit” shall mean a cash credit towards the remaining installments of the Rights Fees payable hereunder. If the Naming Rights Sponsor is entitled to a Rights Fee Credit under any of Sections 3(h), 9(a) or 9(b) or any other provision of this Agreement with respect to any Contract Year, then the next installment(s) of the Rights Fees due for the Contract Year immediately following the Contract Year for which the Naming Rights Sponsor is entitled to such Rights Fee Credit shall be reduced by the aggregate amount of such Rights Fee Credit until such Rights Fee Credit is recouped or, if the aggregate amount of such Rights Fee Credit exceeds the remaining amount of such installment(s) of the Rights Fees for the Term, the Naming Rights Sponsor shall be entitled to receive payment of any excess amount from the SCSA within ninety (90) days of the expiration of the Term.

(d) Major Events Definition. For purposes of this Agreement, the term “Major Events” shall mean all Non-NFL Events held at the Stadium for which attendance (measured based on actual turnstile count, regardless of weather conditions or other circumstances) equals

or exceeds twenty-five thousand (25,000), except that any Non-NFL Event during which the Naming Rights Entitlements on any of the Specified Signage is Obscured pursuant to Section 4(c)(iv) shall not be treated as a Major Event for purposes of this Agreement. Notwithstanding the foregoing, (i) any Super Bowl that is played in the Stadium shall count as eight (8) Major Events (unless any of the Specified Signage is Obscured), and (ii) for the avoidance of doubt any NFL games played by an Additional Team in the Stadium shall be deemed to be Major Events, provided that none of the Specified Signage is Obscured and the attendance requirement of the immediately preceding sentence is satisfied.

(e) Annual Proportionate Increase. For purposes of this Agreement, the term “Annual Proportionate Increase” means, with respect to the calculation of any credit or refund payable under this Section 9, an amount equal to (x) the Rights Fee for the Contract Year in which such credit or refund is payable divided by (y) the Rights Fee for the Initial Contract Year.

10. Intellectual Property.

(a) Ownership of Marks. As between the Parties, Naming Rights Sponsor shall own all right, title and interest in and to the Naming Rights Sponsor Marks and the Stadium Marks, and all intellectual property rights inherent therein and appurtenant thereto. Naming Rights Sponsor represents and warrants that the trademark “LEVI’S” is presently registered as a trademark with the USPTO in classes 18, 25 and 35. The SCSA shall not take any action that is inconsistent with Naming Rights Sponsor’s ownership of the Marks, including without limitation granting or attempting to grant a security interest in any Mark or otherwise encumbering any Mark (or application or registration relating thereto). The SCSA agrees that all uses by it of the Marks shall inure to the benefit of Naming Rights Sponsor, and any trademark rights that may accrue to the SCSA related thereto and any goodwill associated therewith is hereby granted and assigned to Naming Rights Sponsor. The SCSA shall not, whether during the Term or thereafter, challenge (i) the rights of Naming Rights Sponsor in and to any of the Marks, or (ii) the validity of the Marks. During the Term and thereafter, the SCSA shall not use or file, nor assist any third party in using or filing, any application for any trade name, domain name or trademark derivative of, similar to, incorporating or resembling any of the Marks as to be likely to cause confusion, deception or mistake with respect to such Marks. During the Term, Naming Rights Sponsor shall not, either directly or through its Affiliates or licensees, use the Stadium Name or Stadium Logo in connection with the naming, operation or marketing of any other sports venue in the United States; provided, that for avoidance of doubt, the foregoing is not intended to preclude Naming Rights Sponsor from using the name “Levi’s” in connection with other sports venues or facilities so long as the word mark “Levi’s Stadium” is not used (such that, for example, the Naming Rights Sponsor may use “Levi’s Center,” “Levi’s Arena” or “Levi’s Field,” in connection therewith).

(b) Registration and Protection of Stadium Marks. Naming Rights Sponsor shall file appropriate Intent to Use Applications for registration of the Stadium Marks with the USPTO at its sole expense. During the Term, Naming Rights Sponsor agrees not to abandon, forfeit, or cancel any United States federal or foreign applications or registrations sought or obtained by Naming Rights Sponsor relating to the Stadium Marks without the prior written consent of the SCSA (which consent shall not be unreasonably withheld, conditioned or delayed), and will take all reasonable steps to maintain, demonstrate usage, and renew said applications or registrations.

The SCSA agrees to cooperate with Naming Rights Sponsor to prosecute and maintain said applications and registrations including by providing specimens of use and other documents that may be required and requested by Naming Rights Sponsor. If the Stadium Logo is reasonably deemed by Naming Rights Sponsor to be a creative work capable of protection and registration with the United States Copyright Office, it also will consider in good faith (but will not be obligated to) whether to file an appropriate copyright application for that work.

(c) Licenses to the SCSA. Subject to the terms and conditions of this Agreement (including Naming Rights Sponsor's reserved rights set forth below in this Section 10(c)), the Naming Rights Sponsor hereby grants to the SCSA the following licenses:

(i) during the Term, an exclusive, royalty-free, worldwide, fully paid-up, license to use the Stadium Marks and the goodwill associated therewith solely in connection with the operation, merchandising, marketing and promotion of the Stadium and Stadium events, including without limitation, with respect to any broadcasts or other transmissions of Stadium events, for any reproductions of the Stadium likeness in such broadcasts or other transmissions, and to allow the SCSA to designate the Stadium by the Stadium Name and to fulfill its obligations to Naming Rights Sponsor hereunder;

(ii) during the Term, the right to sublicense its right to use the Stadium Marks to (A) the NFL Entities, (B) vendors and concessionaires of the Stadium and promoters of Stadium events, who may, in turn, subcontract the manufacture of products, related supplies, novelties, souvenirs, and any other goods or items sold, used, consumed, or given away by the SCSA in connection with their respective use and operation of the Stadium, and (C) subject to Section 11(c)(vii) below, sponsors of the Stadium for promotion and advertising of goods and services other than those in the Exclusive Category (e.g., "Official Pizza Provider of Levi's Stadium"); provided, that in each case such sublicense shall not permit the sublicensee to take any action that the SCSA is not authorized to take under this Agreement and the SCSA shall be liable for all breaches of the terms and conditions of this Agreement by any such sublicensee;

(iii) during the Term, a non-exclusive, royalty-free, worldwide, fully paid-up license to use the Naming Rights Sponsor Marks (excluding the Stadium Marks) to fulfill its obligation to Naming Rights Sponsor hereunder, to identify Naming Rights Sponsor as the naming sponsor of the Stadium and for related business purposes consistent with Naming Rights Sponsor's status as the naming sponsor of the Stadium; and

(iv) during and after the Term, a non-exclusive, royalty-free, worldwide, fully paid-up, license to use the Stadium Marks for historical uses (i.e., providing historical information and commentary and for literary, photographic, video, digital, or other documentary works that discuss the Stadium and its history).

Notwithstanding the foregoing grants to the SCSA, the Naming Rights Sponsor reserves the exclusive right to use the Stadium Marks to advertise and promote products and services in the Exclusive Category.

(d) Limitations on Licenses to the SCSA; Quality Control. All uses by the SCSA (or any sublicensee thereof) of the Marks shall conform to the trademark use guidelines provided in

writing to the SCSA by Naming Rights Sponsor, or shall be approved in writing by Naming Rights Sponsor prior to use, which approval shall not be unreasonably withheld, conditioned or delayed. Neither the SCSA nor any sublicensee thereof shall be entitled to use such Marks in combination with, or in such close proximity to, its own trademarks and/or service marks, or trademarks and/or service marks of a third party, so as to create a composite mark or create a likelihood of consumer confusion regarding the Stadium or the goods or services offered under the Marks. The SCSA and any sublicensee thereof shall maintain the same high quality control standards for all goods and services that the Naming Rights Sponsor presently uses for its trademarks and/or service marks. Naming Rights Sponsor, or its designee, shall have the right to reasonably inspect each use of the Marks. Neither the SCSA nor any sublicensee thereof shall use any Mark in a way that invalidates, disparages or dilutes such Mark or disparages Naming Rights Sponsor. Without limiting the foregoing, prior to each Contract Year, representatives of Naming Rights Sponsor and representatives of the SCSA shall meet to discuss the nature of the SCSA's proposed uses of the Marks in the then-upcoming Contract Year (which discussions may include a review of samples or descriptions of possible advertisements, premiums, promotions, press materials, merchandise, uniforms, tickets, food wrappers, food or beverage containers, napkins and plates or other materials or activities using or displaying any of the Marks). Naming Rights Sponsor shall have the right to provide input and comments on the proposed uses and the SCSA shall not go forward with any planned use that Naming Rights Sponsor reasonably determines is not consistent with the maintenance of the reputation, goodwill and brand of Naming Rights Sponsor. Further, with regard to any actual use of the Marks by the SCSA, in the event that Naming Rights Sponsor notifies the SCSA that it has determined in good faith that such use is not consistent with the reputation, goodwill and brand of Naming Rights Sponsor and expected uses of its Marks, the SCSA will use commercially reasonable efforts to halt such usage as soon as reasonably practicable.

(e) Use of Stadium Image or Likeness. The Naming Rights Sponsor shall have the right to use photographs or other visual depictions of the Stadium, Stadium image or likeness in Naming Rights Sponsor's advertising and other publications in all media now known or hereafter developed throughout the world. The Naming Rights Sponsor shall not use any such photograph, image or likeness of the Stadium or any portion thereof in a way that intentionally disparages or dilutes the SCSA's goodwill with respect to the Stadium. The Naming Rights Sponsor shall be responsible for (i) clearing copyright ownership of all photographs, images or likenesses of the Stadium not provided to the Naming Rights Sponsor by the SCSA, Forty Niners SC, TeamCo or any of their respective Affiliates and obtaining appropriate licenses from their respective owners, and (ii) all royalties and license fees payable to the copyright owners which arise from the Naming Rights Sponsor's use of such photographs, images or likenesses of the Stadium. For the avoidance of doubt, the foregoing sentence shall not apply to any photographs, images or likenesses that may be provided by the SCSA, Forty Niners SC, TeamCo or any of their respective Affiliates.

(f) Stadium Website. During the Term, the SCSA shall maintain, manage and control an Internet website to be initially located at "www.levistadium.com" (or, alternatively, "www.levisstadium.com") (the "Stadium Website"). The Stadium Website shall prominently feature the Stadium Name and the Stadium Logo and provide information about the Stadium and events scheduled to be held at the Stadium. The SCSA shall consult with the Naming Rights Sponsor during the initial design of the Stadium Website's homepage and the Naming Rights

Sponsor shall have the right to review and approve (not to be unreasonably withheld) the final design of the homepage immediately prior to its initial launch (and the SCSA shall consult with Sponsor in connection with any material changes to such design thereafter). The Stadium Website shall include prominent "above-the-fold" advertisements and links to the Naming Rights Sponsor's website at "www.levis.com" or other web sites owned and operated by the Naming Rights Sponsor; provided that in no event shall the content of any of the Naming Rights Sponsor's advertising that appears on the Stadium Website refer to any particular products or services that are not in the Exclusive Category. The SCSA will cause the domain name(s) for the Stadium Website (and such other existing Stadium-related URLs maintained by the SCSA) to be changed and redirected to the domain name registration "www.[Stadium Name].com" and all similar variants of such domain (the "Domain Names") or such other domain name as mutually agreed. Naming Rights Sponsor agrees, at its sole expense, to seek domain name registrations for the Domain Names and Naming Rights Sponsor shall own full right, title and interest to all such Domain Names. Naming Rights Sponsor hereby agrees, upon acquisition of the Domain Names, to grant the SCSA a fully-paid up, royalty-free license to the Domain Names for use solely in connection with the Stadium Website. Excluding any Naming Rights Sponsor intellectual property incorporated in the Stadium Website, at the request of the Naming Rights sponsor and provided to the SCSA by Naming Rights Sponsor, including without limitation, the Stadium Marks and the Naming Rights Sponsor Marks, the SCSA shall own all right, title and interest in and to the Stadium Website. The SCSA shall be responsible for the development, design, maintenance, updating and hosting of the Stadium Website and all costs and expenses related thereto, including without limitation, the implementation and maintenance of all Naming Rights Entitlements thereon. Immediately upon any early termination of this Agreement, the Parties will cooperate in good faith in the design and posting of a page that will re-direct visitors through hyperlinks to both a website designated by Naming Rights Sponsor and a website designated by the SCSA and the SCSA will maintain the re-direct page at such Stadium Domain Name URLs as the Parties may agree for a period of time to be reasonably determined by the Parties not to exceed twelve (12) months (taking into account the SCSA's need to provide information for annually recurring events and Naming Rights Sponsor's need otherwise to use the associated URL). Promptly after any expiration or termination of this Agreement, the Parties will cooperate in the prompt return of all copyright and other materials associated with the Stadium Domain Names websites belonging to the other Party.

(g) Conformance with Law and NFL Rules. Notwithstanding anything herein, the SCSA shall have no obligation to install or display the Marks or signs in violation of, and all uses of the Marks at the Stadium or elsewhere on the Premises shall comply with and be subject to: (i) any and all applicable Laws, including, without limitation, laws regulating trademarks, copyrights, and other forms of intellectual property, and (ii) the NFL Rules and any other requirements, policies and limitations as may be imposed by the NFL. The SCSA reserves the right, to be exercised in its reasonable discretion, to determine whether any display or use of the Marks is suitable for such use in accordance with the requirements of the preceding sentence.

(h) Inventory Run-Out. Following the expiration or termination of this Agreement for any reason, the SCSA and its permitted sublicensees shall have the right to market and sell or otherwise dispose of then-existing inventory containing the Marks until the earlier of: (i) the depletion of such inventory; and (ii) six (6) months after the termination or expiration of this Agreement. Naming Rights Sponsor recognizes that some advertising or promotional material

bearing the Marks may be developed and/or contracted for prior to termination or expiration of this Agreement and may not be immediately capable of being retracted or terminated, if at all, without material penalty. In such circumstances, following expiration or termination of this Agreement, the SCSA will take all steps reasonably necessary to preclude or limit the distribution of such advertising or promotional material following expiration or termination. Except as contemplated in this Section 10(h) and the historical use contemplated above, no Party shall have any other right to use the Stadium Marks after the Term without the written consent of the other Party.

(i) Notification of Infringement. Each Party shall notify the other Party of any unauthorized use or other infringement of the trademark rights or copyright in the Marks of which it becomes aware. If the unauthorized use or other infringement of the Marks occurs without infringement of any trademarks, service marks or copyrights of the SCSA, then Naming Rights Sponsor shall have the right (in its sole discretion), but not the obligation, to initiate and be responsible for the costs, expenses and control of any legal action. In any such legal action, the SCSA shall cooperate fully with Naming Rights Sponsor. If the unauthorized use or other infringement of the Marks occurs in conjunction with infringement of any trademarks, service marks or copyrights of the SCSA, then the parties shall cooperate in taking any legal action and the parties shall equitably apportion all related costs, expenses and amounts awarded.

11. Representations and Warranties; Covenants.

(a) Representations and Warranties by the SCSA. The SCSA represents and warrants to Naming Rights Sponsor the following:

(i) The SCSA is a joint powers authority with full power and authority to enter into and fully perform its obligations under this Agreement. The execution and delivery of this Agreement on behalf of the SCSA has been duly authorized, and no consent or approval of any other Person is required for execution, delivery or performance by the SCSA of this Agreement.

(ii) This Agreement has been duly executed and delivered by the SCSA and constitutes a legal and binding obligation of the SCSA enforceable in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and for limitations imposed by general principles of equity.

(iii) The execution, delivery and performance of this Agreement by the SCSA (A) do not and will not conflict with the joint powers agreement or other governing documents of the SCSA, (B) do not and will not conflict with any applicable Law in effect as of the Effective Date, and (C) do not and will not conflict with, or result in the breach, acceleration, cancellation or termination of, or constitute a default under, any material lease (including the Ground Lease and the Stadium Lease), agreement, note, bond, mortgage, indenture, deed of trust, license, franchise commitment or other instrument (including any financing document), or any order, judgment or decree, to which the SCSA is a party or by which the SCSA is bound, except in each case in clauses (A) – (C) for any of the foregoing that could not reasonably be expected to materially and adversely affect the Naming Rights Sponsor's rights hereunder.

(iv) All votes, approvals and proceedings required to be taken by or on behalf of the SCSA to authorize the SCSA to execute and deliver this Agreement and to perform its covenants, obligations and agreements hereunder have been duly taken, and no consent or approval to the execution and delivery of this Agreement by the SCSA or the performance by the SCSA of its covenants, obligations and agreements hereunder are required from the SCSA's board of directors, any other governing body of the SCSA, the Santa Clara City Council, any Landlord Affiliate or any other governmental entity or other Person.

(v) Forty Niners SC has, to the extent required by the Stadium Lease or any other agreement or arrangement, authorized the SCSA to enter into this Agreement and to grant to the Naming Rights Sponsor all of the rights, benefits, privileges and Naming Rights Entitlements contemplated to be granted to the Naming Rights Sponsor hereunder.

(vi) The SCSA is not a party to or otherwise bound by any agreement regarding the Stadium Naming Rights or any promotion of or advertising relating to the Stadium that, in each case, conflicts with the provisions of this Agreement or otherwise impairs any of the Naming Rights Entitlements, rights or other benefits Naming Rights Sponsor is entitled to receive hereunder.

(vii) The SCSA has not granted any rights pertaining to the subject matter of this Agreement to any Person in a manner which would (A) cause the SCSA to be in default under any agreement between the SCSA and any other Person, except for any default that could not reasonably be expected to materially and adversely affect the Naming Rights Sponsor's rights hereunder, or (B) prevent the SCSA from granting any of the Naming Rights Entitlements to Naming Rights Sponsor under this Agreement.

(b) Representations and Warranties by Naming Rights Sponsor. Naming Rights Sponsor represents and warrants to the SCSA the following, in each case as of the Effective Date:

(i) Naming Rights Sponsor is a corporation in good standing under the laws of the State of Delaware and is duly authorized to transact business in the State of California. The Naming Rights Sponsor has sufficient power and authority to enter into and fully perform its obligations under this Agreement. The execution and delivery of this Agreement on behalf of Naming Rights Sponsor has been duly authorized by Naming Rights Sponsor and no consent or approval of any other Person is required for execution of and performance by Naming Rights Sponsor of this Agreement.

(ii) This Agreement has been duly executed and delivered by the Naming Rights Sponsor and constitutes a legal and binding obligation of the Naming Rights Sponsor enforceable in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and for limitations imposed by general principles of equity.

(iii) The execution, delivery and performance of this Agreement by the Naming Rights Sponsor (A) do not and will not conflict with the certificate of incorporation or bylaws of the Naming Rights Sponsor, (B) do not and will not conflict with any applicable Law

in effect as of the Effective Date, and (C) do not and will not conflict with, or result in the breach, acceleration, cancellation or termination of, or constitute a default under, any material lease, agreement, note, bond, mortgage, indenture, deed of trust, license, franchise commitment or other instrument (including any financing document), or any order, judgment or decree, to which the Naming Rights Sponsor is a party or by which the Naming Rights Sponsor is bound, except in each case in clauses (A) - (C) for any of the foregoing that could not reasonably be expected to materially and adversely affect the SCSA's rights hereunder.

(iv) Naming Rights Sponsor has not granted any rights to use the Stadium Marks to any Person in a manner which would (A) cause the Naming Rights Sponsor to be in default under any agreement between the Naming Rights Sponsor and any other Person, except for any default that could not reasonably be expected to materially and adversely affect the SCSA's rights hereunder, or (B) prevent the Naming Rights Sponsor from entering into and performing its obligations under this Agreement.

(v) Naming Rights Sponsor is the sole owner of all right, title and interest in and to the Naming Rights Sponsor Marks (it being understood that such right, title and interest has been pledged and otherwise encumbered to secure certain obligations of Naming Rights Sponsor and its Affiliates).

(c) Covenants of the SCSA. The SCSA covenants that:

(i) The SCSA shall clean, maintain, repair and operate the Stadium in a manner consistent with other comparable stadiums of a similar age in the United States at which NFL clubs are then playing and shall keep the Stadium in a good, clean and safe condition fit for the hosting of NFL games and Non-NFL Events.

(ii) The SCSA shall operate and maintain the Stadium in accordance with all Laws and NFL Rules, to the extent that noncompliance of such Laws and NFL Rules could materially and adversely affect the Naming Rights Sponsor's rights hereunder.

(iii) The SCSA will provide Naming Rights Sponsor with reasonable prior consultation rights regarding the construction and placement of all signage and other advertisements that Naming Rights Sponsor is entitled to receive pursuant to the terms of this Agreement. Except to the extent otherwise specified on Schedule 1, the precise size and location of each item of Naming Rights Sponsor's signage, recognition and other advertising at the Stadium or elsewhere on the Premises shall be proposed by the SCSA in accordance with Schedule 1 and the other provisions of this Agreement and shall be subject to approval by the Naming Rights Sponsor (such approval not to be unreasonably withheld, conditioned or delayed).

(iv) The SCSA shall not assign or otherwise transfer its interest in the Stadium Lease or the Ground Lease to any other Person unless the assignee or transferee assumes all of the obligations of the SCSA under this Agreement.

(v) The SCSA shall enforce all obligations of the City under Sections 2.4.8 of the Ground Lease with respect to any advertisement, sponsorship or promotional activity that

promotes, identifies or refers to any Category Competitor or any products or services in the Exclusive Category.

(vi) The SCSA shall provide the Naming Rights Sponsor with prompt written notice of (A) any amendment or modification to the Ground Lease or Stadium Lease that could reasonably be expected to materially and adversely affect the Naming Rights Sponsor's rights hereunder, (B) any written notice of default delivered by any Person under the Ground Lease or Stadium Lease that could reasonably be expected to materially and adversely affect the Naming Rights Sponsor's rights hereunder or (C) any termination (or delivery of written notice of termination) of the Ground Lease or Stadium Lease.

(vii) The SCSA shall not authorize or permit the display of any signage, advertising or promotional activity at the Stadium or elsewhere on the Premises that (A) is related to tobacco products, illegal substances, guns, gun clubs, gun organizations, other weapons or pornography, or (B) otherwise violates any of the NFL Rules.

(viii) The SCSA shall enforce all obligations of TeamCo under the Non-Relocation Agreement.

(ix) The SCSA covenants and agrees that in the event of any termination of the Stadium Lease or any other Stadium Lease Document (as defined in the Stadium Lease), (i) the SCSA will not terminate or otherwise disturb the rights of Naming Rights Sponsor under the Sponsorship Agreement (including, without limitation, Naming Rights Sponsor's exclusivity rights under Section 4(a) of the Sponsorship Agreement) for the duration of the Term (as such term is defined in the Sponsorship Agreement), provided no Sponsor Default (as such term is defined in the Sponsorship Agreement) has occurred and is then continuing under the Sponsorship, and (ii) the SCSA will honor the Sponsorship Agreement as if the Sponsorship Agreement had been entered into directly between the Naming Rights Sponsor and the SCSA. Accordingly, in the event of any termination of the Stadium Lease, the Sponsorship Agreement shall become and shall thereafter be deemed to be a direct agreement between the SCSA and Naming Rights Sponsor, provided that (x) the SCSA shall not be liable to the Naming Rights Sponsor for any breach or default of Forty Niners SC under the Sponsorship Agreement arising prior to the termination of the Stadium Lease, (y) the Naming Rights Sponsor shall not be liable to the SCSA for any breach or default by the Naming Rights Sponsor under the Sponsorship Agreement arising prior to the termination of the Stadium Lease, and (z) the SCSA shall only be responsible for performing those obligations of Forty Niners SC under the Sponsorship Agreement that relate to rights that were granted to Forty Niners SC under the Stadium Lease (e.g., obligations related to signage and other advertising at the Premises).

12. Indemnification and Insurance.

(a) Indemnification by Naming Rights Sponsor. Naming Rights Sponsor agrees to indemnify, defend and hold harmless the SCSA, Forty Niners SC, TeamCo, Forty Niners Stadium Management Company LLC, each of their Affiliates, and each of their and their Affiliates' respective officers, directors, employees, agents and representatives (the "SCSA Indemnified Parties") from all losses, settlements, claims, actions, suits, proceedings, investigations, judgments, awards, damages, liabilities, costs and expenses (including reasonable

attorneys' fees) (collectively, "Losses") incurred by any SCSA Indemnified Party arising out of or relating to (i) any Third Party Claim alleging that any Naming Rights Sponsor Marks that the SCSA is entitled to use pursuant to a grant of rights by the Naming Rights Sponsor under this Agreement or any material provided by the Naming Rights Sponsor to the SCSA under this Agreement infringes the copyrights, patents, trademarks, service marks or trade secrets, or violates any privacy or publicity rights, of any Person, or that the Naming Rights Sponsor does not own or have the right to license the use of any such Naming Rights Sponsor Marks or material, as applicable; (ii) any Third Party Claim of unfair competition or false advertising or related to the use, adoption or display of the Stadium Marks by the Naming Rights Sponsor or to the advertising or promotion by Naming Rights Sponsor of its products or services in the Exclusive Category; or (iii) any breach or misrepresentation by the Naming Rights Sponsor under this Agreement, except, in each case in clauses (i)-(iii), to the extent such Losses were the direct result of any negligence, misconduct, error or omission by any SCSA Indemnified Party.

(b) Indemnification by the SCSA. The SCSA shall indemnify, defend and hold harmless Naming Rights Sponsor, each of its Affiliates, and each of its and its Affiliates' respective officers, directors, employees, agents and representatives (the "Naming Rights Sponsor Indemnified Parties") from all Losses incurred by any Naming Rights Sponsor Indemnified Party arising out of or relating to (i) any Third Party Claim alleging that any of the Naming Rights Entitlements or any other rights, benefits or privileges granted by the SCSA hereunder violate the rights of any other Person; (ii) any breach or misrepresentation by the SCSA under this Agreement; (iii) any Third Party Claim alleging that any intellectual property that the Naming Rights Sponsor is entitled to use pursuant to a grant of rights by the SCSA under this Agreement or any material provided by the SCSA to the Naming Rights Sponsor under this Agreement infringes the copyrights, patents, trademarks, service marks or trade secrets, or violates any privacy or publicity rights, of any Person, or that the SCSA does not own or have the right to license the use of any such intellectual property or material; (iv) any Third Party Claim relating to the design, construction, operation, condition, renovation or maintenance of the Stadium or any other portion of the Premises (other than to the extent such Third Party Claim relates to any use or action by the Naming Rights Sponsor or any of its officers, agents, employees or invitees), including, without limitation, all so-called slip and fall cases; or (v) any Third Party Claim filed or otherwise asserted against any Naming Rights Sponsor Indemnified Party that is directly related to the Stadium or the Premises and that does not involve any act, omission or other wrongdoing by Naming Rights Sponsor, except, in each case in clauses (i)-(v), to the extent such Losses were the direct result of any negligence, misconduct, error or omission by any Naming Rights Sponsor Indemnified Party.

(c) Notice and Defense. Promptly after receipt by a Person entitled to indemnification pursuant to this Section 12 (an "Indemnified Person") of notice of the commencement of any action, suit, proceeding, investigation or assertion of any claim by any third party (each of the foregoing, a "Third Party Claim") in respect of which a claim for indemnification may be made under this Section 12 by such Indemnified Person, such Indemnified Person will give written notice thereof to the Party required to provide indemnification pursuant to this Section 12 (the "Indemnifying Party"); provided, that the failure to so notify the Indemnifying Party will not relieve the Indemnifying Party from any liability or obligation that the Indemnifying Party may have to the Indemnified Person under this Agreement, except to the extent of any material prejudice to the Indemnifying Party resulting

from such failure. If any Third Party Claim is brought against an Indemnified Person, the Indemnifying Party will be entitled to participate (at its expense) therein and, if it wishes to assume the defense thereof with counsel of its choice reasonably satisfactory to the Indemnified Person (who shall not, except with the consent of the Indemnified Person, be counsel to the Indemnified Person in such Third Party Claim) and gives written notice to the Indemnified Person of its election so to assume the defense thereof within fifteen (15) days after notice shall have been given to it by the Indemnified Person pursuant to the preceding sentence, will be entitled to assume the defense thereof. In all events, each Indemnified Person shall cooperate reasonably with the Indemnifying Party, at the expense of the Indemnifying Party, in connection with such defense of any such Third Party Claim. If the Indemnifying Person assumes such defense pursuant to this Section 12(c), the Indemnified Person shall have the right (but not the duty) to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Person.

(d) Settlement or Compromise. Any settlement or compromise made or caused to be made by the Indemnified Person or the Indemnifying Party as the case may be, of any Third Party Claim shall also be binding upon the Indemnifying Party or the Indemnified Person, as the case may be, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise, and shall in any case, be subject to the conditions of this Section 12(d). If any Indemnifying Party has assumed the defense of a Third Party Claim pursuant to Section 12(c) or the final proviso of this Section 12(d), such Indemnifying Party shall have the right to settle or compromise such Third Party Claim at any time; provided, however, that (i) no obligation, restriction, loss or prejudice against future actions shall be imposed on the Indemnified Person as a result of such settlement or compromise without such Indemnified Person's prior written consent, and (ii) such settlement or compromise must fully release the Indemnified Person from any liability related to such Third Party Claim, unless such Indemnified Person provides its prior written consent to the contrary. If the Indemnifying Party has not assumed the defense of any Third Party Claim pursuant to Section 12(c), the Indemnified Person shall have the right to settle or compromise such Third Party Claim at any time; provided, however, that (i) such Indemnified Person shall give the Indemnifying Party at least five (5) days' prior written notice of any proposed settlement or compromise of any such Third Party Claim that it is defending, during which time the Indemnifying Party may reject such proposed settlement or compromise; provided, further, that from and after such rejection, the Indemnifying Party shall be obligated to assume the defense of and full and complete liability and responsibility for such Third Party Claim and any and all Losses in excess of the amount, if any, that the Indemnifying Party would have been obligated to pay under the proposed settlement or compromise.

(e) Naming Rights Sponsor Insurance. During the Term, the Naming Rights Sponsor shall, at no cost to the SCSA, maintain (or cause to be maintained) the following insurance coverage with insurers having a "Best's" rating of A-VIII or better: commercial general liability insurance, including coverage for bodily injury, property damage, personal and advertising injury, products/completed operations and contractual liability with a minimum amount of Ten Million Dollars (\$10,000,000.00) for each occurrence. Naming Rights Sponsor shall furnish the SCSA with one or more certificates of insurance, evidencing that such insurance has been obtained, is in full force and effect and names the SCSA as an additional insured thereunder. Naming Rights Sponsor shall give the SCSA no less than ten (10) days' prior written notice of

any modification, termination, lapse or cancellation of any insurance coverage required to be maintained pursuant to this Section 12(e).

(f) SCSA Insurance. During the Term, the SCSA shall, at no cost to the Naming Rights Sponsor, maintain (or cause to be maintained) the following insurance coverage with insurers having a "Best's" rating of A-VIII or better: commercial general liability insurance, including coverage for bodily injury, property damage, personal and advertising injury, products/completed operations and contractual liability with a minimum amount of Ten Million Dollars (\$10,000,000.00) for each occurrence. The SCSA shall furnish Naming Rights Sponsor with one or more certificates of insurance, evidencing that such insurance has been obtained and is in full force and effect and names Naming Rights Sponsor as an additional insured thereunder. The SCSA shall give Naming Rights Sponsor no less than ten (10) days' prior written notice of any modification, termination, lapse or cancellation of any insurance coverage required to be maintained pursuant to this Section 12(f).

(g) Limitation of Damages. Notwithstanding anything to the contrary contained herein, in no event shall a Party be liable to the other Party for any consequential or indirect damages which the other Party may suffer, nor any punitive, special exemplary or similar damages, including but not limited to any such damages for loss of use, loss of business, loss of profit, even if advised of the possibility of such damages or if such damage could have been reasonably foreseen; provided, however, that the foregoing limitation of damages shall not apply with respect to either Party's indemnification obligations under this Section 12 with respect to any Losses arising out of or related to Third Party Claims.

13. Approval Process for Use of Marks.

(a) Style Guide. As soon as reasonably practicable after the Effective Date, the SCSA and the Naming Rights Sponsor shall jointly develop, in good faith, a style guide that sets forth approved uses of the Stadium Marks and the Naming Rights Sponsor Marks (the "Style Guide"). Any use by the SCSA or any Landlord Affiliate of any Mark that complies with the Style Guide in all material respects (other than any use in connection with the sale or distribution of merchandise, which shall require Naming Rights Sponsor's approval under Section 13(b)(ii) below) shall be deemed to have been approved by Naming Rights Sponsor for all purposes of this Agreement, whether or not Naming Rights Sponsor has specifically approved the particular use of such Mark.

(b) Approval by Naming Rights Sponsor. Any use of any of the Marks by the SCSA or any Landlord Affiliate (i) that departs in any material respect from the agreed upon Style Guide or (ii) in connection with the sale or distribution of merchandise, shall, in each case, be submitted to Naming Rights Sponsor for its prior written approval (which approval shall not be unreasonably withheld, conditioned or delayed). Naming Rights Sponsor shall have three (3) business days from the date that it receives any written request for approval from the SCSA to approve or reject (and, if a rejection, such rejection shall describe with particularity the reasons for the rejection), and a failure to respond within such timeframe shall be deemed approval. The SCSA may also request in writing that Naming Rights Sponsor pre-approve certain types or categories of usage. The SCSA acknowledges that Naming Rights Sponsor will not approve any usage of the Marks that Naming Rights Sponsor believes (A) reflects unfavorably upon or

disparages, or would reasonably cause embarrassment to, Naming Rights Sponsor or any of its Affiliates, (B) relates or refers to any subject matter, business or enterprise that might reasonably be deemed to be immoral (including any sexually oriented subject matter, business or enterprise), (C) contains any political reference, or (D) involves any lottery or game of chance.

14. Arbitration.

(a) Disputes Subject to Arbitration. Any dispute arising under or relating to this Agreement shall be resolved exclusively by arbitration under the Comprehensive Arbitration Rules and Procedures of Judicial Arbitration & Mediation Service, Inc. (together with any successor, "JAMS") before a single arbitrator. The venue of any such arbitration proceeding shall be in Santa Clara, California or such other location as may be mutually agreed by the Parties. Notwithstanding the foregoing, either Party may at any time seek interim equitable relief pursuant to Section 15(v) below.

(b) Arbitrator. The arbitrator for any dispute shall be selected according to the Comprehensive Arbitration Rules and Procedures of JAMS.

(c) The Arbitration. Either Party may initiate an arbitration proceeding under this Section 14 utilizing the Comprehensive Arbitration Rules and Procedures of JAMS. Either Party may also seek and obtain discovery in connection with any such arbitration proceeding consistent with the Federal Rules of Civil Procedure.

(d) Arbitration Award. The award rendered by the arbitrator shall be final and shall identify the prevailing Party, and judgment may be entered upon the award in accordance with applicable law in any court having jurisdiction thereof.

(e) Expenses; Attorneys' Fees and Costs. The fees and expenses of the arbitrator shall be paid by the non-prevailing Party. In addition, in accordance with Section 15(s) below, the prevailing Party's reasonable attorneys' fees and costs shall be paid by the non-prevailing Party.

(f) Pre-Arbitration Dispute Resolution. In the event of any dispute arising under or relating to this Agreement, prior to commencing any arbitration proceeding under this Section 14, senior executives of each Party shall confer about the dispute for reasonable periods of time during the succeeding ten (10) business days (at least one such conference being in person (either in San Francisco, California or at the Stadium) between persons having the duties of chief operating officer, chief executive officer, chief sales officer or chief marketing officer, or their respective designees). If the Parties cannot resolve the dispute during such ten (10) business day period, then either Party may commence an arbitration proceeding following the expiration of such period.

15. Miscellaneous Provisions.

(a) Relationship of Parties. The SCSA and Naming Rights Sponsor shall at all times be independent contractors with respect to each other, and this Agreement shall not constitute either as the principal, agent, partner, joint venture partner or legal representative of the other for any purpose whatsoever.

(b) Third Party Beneficiaries. This Agreement does not and is not intended to confer any rights upon any Person other than the Parties, except that it is expressly agreed that (i) Forty Niners SC is an intended third party beneficiary of the rights expressly granted to Forty Niners SC under Section 3(f)(iii) above and (ii) the SCSA Indemnified Parties and Naming Rights Sponsor Indemnified Parties are intended third party beneficiaries of Section 12.

(c) Compliance. This Agreement is subject and subordinate to (i) NFL Rules, (ii) solely with respect to Significant Events, if and to the extent applicable, the rules and regulations of FIFA, the U.S. Olympic Committee or the International Olympic Committee and all other similar sanctioning bodies and governing authorities for the applicable Significant Event, as the same may be amended or adopted from time to time, (iii) the terms and conditions of the Ground Lease (as in effect on the Effective Date) and (iv) all Laws as they currently exist or as they may be amended or modified from time to time hereafter.

(d) Waiver. The failure by either Party to exercise any right, power or option given to it by this Agreement, or to insist upon strict compliance with the provisions of this Agreement, shall not constitute a waiver of the provisions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such Party of its rights at any time thereafter to require exact and strict compliance with all the provisions hereof. The rights or remedies under this Agreement are cumulative to any other rights or remedies which may be granted by Law.

(e) Notices. All notices, requests, or offers required or permitted to be made under this Agreement shall be in writing and shall be deemed properly delivered on the earlier of actual receipt or three days after the date deposited in the U.S. Mail, by certified mail, return receipt requested, or by recognized overnight delivery service with signature required (e.g., FedEx, UPS) addressed as follows (or to such other address(es) as a Party may designate as its new address(es) for such purpose by notice given to the other in accordance with this Section 15(e)):

If to the SCSA:

Santa Clara Stadium Authority
Attn: Executive Director
1500 Warburton Ave.
Santa Clara, CA 95050

With copies to:

Forty Niners SC Stadium Company LLC
Attn: Legal Affairs
4949 Centennial Blvd.
Santa Clara, CA 95054

and:

Goldfarb & Lipman LLP
Attn: Karen Tiedemann
1300 Clay Street, 11th Floor
Oakland, CA 94612

If to Naming Rights Sponsor:

Levi Strauss & Co.
Attn: Chief Executive Officer
1155 Battery Street
San Francisco, CA 94111

With copies to:

Proskauer Rose LLP
Attn: Jon H. Oram, Esq.
Eleven Times Square
New York, NY 10036

and

Levi Strauss & Co.
Attn: General Counsel
1155 Battery Street
San Francisco, CA 94111

(f) Severability. Should any provision of this Agreement be determined to be invalid for any reason, such invalidity shall not affect the validity of any other provisions, which other provisions shall remain in full force and effect as if this Agreement had been executed with the invalid provision eliminated, and it is hereby declared the intention of the Parties that they would have executed the other provisions of this Agreement without including therein any such provisions which may for any reason be hereafter determined invalid.

(g) Assignment by the SCSA.

(i) The SCSA may not assign, sell, transfer, pledge, grant a security interest in, collaterally assign or otherwise encumber (in each case, "Assign") its interest in this Agreement or any of its rights hereunder and may not assign, delegate or otherwise transfer any of its obligations hereunder to any Person, in each case, without the prior written consent of the Naming Rights Sponsor (which may be withheld or conditioned in its sole discretion); provided, however, that (x) the SCSA may Assign (in whole or in part, by operation of law or otherwise), whether by security agreement, collateral assignment or transfer of any other kind (each an "Assignment"), all (but not less than all) its interest in this Agreement, upon written notice to (but without the prior written consent of) the Naming Rights Sponsor, to any Person in connection with a simultaneous Assignment to such Person of all of the SCSA's right, title and interest in both the Ground Lease and the Stadium Lease and (y) the SCSA shall have the right to assign all (but not less than all) of its right, title and interest in and to this Agreement to Forty Niners SC, upon written notice to (but without the prior consent of) the Naming Rights Sponsor, if the SCSA exercises the Stadium Authority Put Right (as such term is defined in the Stadium Lease), provided that such assignment occurs simultaneously with the SCSA's exercise of the Stadium Authority Put Right. In connection with any such Assignment that is permitted under clause (x) or (y) of the foregoing sentence, the SCSA shall require the assignee or transferee to be bound by all the terms and provisions hereof and assume all of the obligations of the SCSA hereunder from and after the date of such Assignment, pursuant to an instrument reasonably satisfactory to the Naming Rights Sponsor. In the event of such Assignment, the SCSA shall be relieved of any further obligations under this Agreement.

(ii) Notwithstanding the first sentence of Section 15(g)(i), the SCSA shall have the right to pledge, grant a security interest in or collaterally assign its interest in this Agreement and any or all of its rights under this Agreement, including, without limitation, its right to receive payments from Naming Rights Sponsor hereunder to any bank, lending or financing institution or any other lender or trustee or any source of or guarantor or insurer of any financing, or any trustee, collateral agent, fiduciary or other entity appointed in connection with

such financing (collectively, a "Finance Counterparty"), to secure any indebtedness of the SCSA, including any securitization (in each case, a "Financing"). If the SCSA notifies Naming Rights Sponsor of any such Assignment to a Finance Counterparty, then Naming Rights Sponsor shall, if and when requested by any such Finance Counterparty in writing, pay all amounts payable by Naming Rights Sponsor to the SCSA hereunder directly to such Finance Counterparty or designated servicer of any of the foregoing in accordance with written instructions provided by the SCSA. In connection therewith, Naming Rights Sponsor agrees to provide such further assurances and additional documentation as may be reasonably requested by any such Finance Counterparty; provided, however, that no such assurances or documentation shall in any way increase the Naming Rights Sponsor's obligations hereunder or create any new obligations of the Naming Rights Sponsor. Each Finance Counterparty shall have the right, but not the obligation, to remedy any default of the SCSA under this Agreement in accordance with the applicable cure provisions set forth herein, and, for such purpose, Naming Rights Sponsor hereby grants each Finance Counterparty such additional period of time as set forth below. Naming Rights Sponsor shall accept performance by any Finance Counterparty of any term, covenant, condition or agreement to be performed by the SCSA under this Agreement with the same force and effect as though performed by the SCSA, provided that in no event shall such additional period extend beyond ninety (90) days. No default of the SCSA under this Agreement shall exist or shall be deemed to exist (A) as long as any Finance Counterparty, in good faith, shall have commenced to cure such default within the above-referenced time period and shall be prosecuting the same to completion with reasonable diligence and, in any event, cures such default within one hundred eighty (180) days, or (B) if possession of the Stadium is required in order to cure such default, or if such default is not susceptible of being cured by a Finance Counterparty, as long as such Finance Counterparty, in good faith, shall have notified Naming Rights Sponsor that such Finance Counterparty intends to institute proceedings under the applicable security instruments, and, in any event, cures such default within one hundred eighty (180) days.

(h) Assignments by Naming Rights Sponsor. The Naming Rights Sponsor shall not Assign its interest in this Agreement or any of its rights under this Agreement without the prior written consent of the SCSA (which may be given or withheld in its sole discretion); provided, however, that (i) Naming Rights Sponsor may Assign all or any portion of its interest in this Agreement to any successor, acquirer or transferee of Naming Rights Sponsor's business in connection with a merger, corporate restructuring, reorganization or consolidation or any sale or other transfer of all or substantially all of the Naming Rights Sponsor's assets, provided that (x) the assignee assumes in writing for the benefit of the SCSA all obligations in respect of the rights assigned or transferred to such assignee under this Agreement pursuant to an instrument reasonably satisfactory to the SCSA and (y) unless Naming Rights Sponsor's assignee or successor has a consolidated bona fide net worth, net of goodwill, equal to or greater than that of Naming Rights Sponsor at the time of such Assignment, such Assignment shall not relieve Naming Rights Sponsor of any of its obligations under this Agreement, (ii) Naming Rights Sponsor may Assign this Agreement to an Affiliate of Naming Rights Sponsor without the approval of the SCSA, provided that Naming Rights Sponsor shall remain responsible for all obligations of Naming Rights Sponsor under this Agreement and such Assignment shall not relieve Naming Rights Sponsor of any of its obligations under this Agreement, and (iii) the Naming Rights Sponsor shall have the right to pledge, grant a security interest in, collaterally assign or otherwise encumber its interest in this Agreement and any or all of its rights under this

Agreement as security for any indebtedness or other obligations of the Naming Rights Sponsor or any of its Affiliates.

(i) Substitute Entitlements.

(i) The Parties hereby acknowledge and agree that certain of the Naming Rights Entitlements may become unavailable during periods of the Term, including without limitation, as the result of changes to the NFL Rules or applicable Laws. Except as otherwise expressly provided in this Agreement, if any individual Naming Rights Entitlement becomes unavailable during the Term, then the SCSA shall provide to the Naming Rights Sponsor, as its sole and exclusive remedy for any such unavailability during such period of unavailability, substitute advertising or promotional inventory or other benefits or consideration (in each case, related to the Stadium) by the SCSA of an equal or comparable value, as mutually agreed upon by the Parties in good faith ("Substitute Entitlements"). If the SCSA is unable to provide Substitute Entitlements of equal or comparable value during such period of unavailability, then the Parties shall attempt in good faith to agree upon additional mutually acceptable Substitute Entitlements to be provided to Naming Rights Sponsor during other periods during the Term. Alternatively, the Parties may mutually agree (each in its sole discretion) to extend some or all of the use of available Naming Rights Entitlements for additional periods to provide Naming Rights Sponsor advertising or promotional inventory or other benefits or consideration substantially equivalent to those that are unavailable during any given period.

(ii) If the Parties are unable in good faith to agree on additional mutually acceptable Substitute Entitlements to be provided to Naming Rights Sponsor after thirty (30) days of good faith discussions, then, upon the written request of either Party, the Parties shall jointly retain a mutually acceptable third party with expertise in the valuation of sports media rights and/or sports promotional rights (the "Appraiser") to determine whether the proposed Substitute Entitlements have substantially the same sponsorship or promotional value as the unavailable Naming Rights Entitlements and, if not, to deliver a written report to Naming Rights Sponsor and the SCSA setting forth the Appraiser's determination of the difference between such values. If the Appraiser determines that the sponsorship or promotional value of the unavailable Naming Rights Entitlements exceeds that of the SCSA's proposed Substitute Entitlements, then the SCSA shall have the right to propose one or more additional Substitute Entitlements equal to the deficiency in value (and the provisions of this Section 15(i) shall again apply). The Appraiser's determination shall be binding on the Parties (absent manifest error). Each of Naming Rights Sponsor and the SCSA shall be responsible for fifty percent (50%) of all costs and expenses incurred in connection with such Appraiser. Each Party shall be responsible for all other costs and expenses incurred by such Party in connection with the appraisal, including legal, accounting and expert fees.

(iii) Notwithstanding anything to the contrary in this Section 15(i), no right, benefit, privilege or other Naming Rights Entitlement shall be deemed to be "unavailable" for purposes of this Section 15 as a result of (A) any increase in the cost of obtaining, producing or providing such right, benefit, privilege or Naming Rights Entitlement, (B) the fact that it has become more difficult for the SCSA or any other Person to obtain, produce or provide such right, benefit, privilege or Naming Rights Entitlement, provided that it is still possible to obtain, produce or provide such right, benefit, privilege or Naming Rights Entitlement, or (C) such right,

benefit, privilege or Naming Rights Entitlement having been granted or provided to any other Person.

(iv) In the event of any amendment, modification, supplement or other change in any NFL Rule, or any implementation or application of any NFL Rule (including any change in any NFL Rule relating to the Super Bowl), at any time during the Term the effect of which would be to (A) prohibit, prevent or materially impede Naming Rights Sponsor from receiving any of the Naming Rights Entitlements or any other rights, benefits or privileges contemplated to be provided to the Naming Rights Sponsor hereunder during or otherwise with respect to any NFL games or NFL-organized events (including the Super Bowl or any event held in connection with the Super Bowl) or (B) otherwise reduce materially the value of the Naming Rights Entitlements or any other rights, benefits or privileges contemplated to be provided to the Naming Rights Sponsor hereunder and, for purposes of evaluating such reduction, without regard to the provisions of Section 15(c), the Parties shall negotiate in good faith appropriate equitable adjustments in the other Naming Rights Entitlements and/or an appropriate reduction in the amount of Rights Fees payable by Naming Rights Sponsor hereunder. If the Parties are unable to agree on such appropriate equitable adjustments or an appropriate reduction in the Rights Fees, then the provisions of Section 15(i)(ii) shall apply. Notwithstanding the foregoing, if any amendment, modification, supplement or other change to NFL Rules during the Term shall be sufficiently fundamental to constitute a frustration of purposes for which the Naming Rights Sponsor entered into this Agreement, the Naming Rights Sponsor shall have the right to terminate this Agreement upon thirty (30) days' prior written notice to the SCSA, in which event neither Party shall have any further obligation to the other or rights hereunder other than those that expressly survive termination.

(j) Media Releases. Any public statement, public announcement or other media release to be issued in connection with this Agreement must be approved by the Parties, in writing, prior to its release. The Parties will agree in advance on any press announcements regarding this Agreement, and the timing of the release of any such announcements. The Parties contemplate issuing a mutually approved press release following the Effective Date.

(k) Headings. The Section headings in this Agreement are for convenience only and shall not be used in the interpretation nor considered part of this Agreement.

(l) Survival. The provisions set forth in Sections 2(e), 5(d)-(h), 6, 9(c), 10(a), 10(h), 10(i), 12, 14 and 15 (other than Section 15(i)) shall survive any expiration or termination of this Agreement. In addition, any payment obligation of either Party that (i) accrues or arises prior to or at the time of expiration or earlier termination of this Agreement and (ii) that is contemplated under the terms of this Agreement to be paid after such expiration or earlier termination shall survive such expiration or earlier termination until paid.

(m) Entire Agreement and Effect. This Agreement, including all Schedules and Exhibits hereto, constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, including the LOI. All representations and negotiations relative to the matters contemplated by this Agreement are merged herein, and there are no contemporaneous understandings or agreements relating to the matters set forth herein other than those incorporated herein.

Notwithstanding the foregoing, this Agreement shall not supersede the Sponsorship Agreement, which is separate from this Agreement and is not in any way modified or otherwise affected hereby.

(n) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its conflict of laws provisions. FOR PURPOSES OF SECTION 15(V) AND TO ENFORCE OR CONFIRM ANY ARBITRATION AWARD RENDERED PURSUANT TO SECTION 14, EACH OF THE PARTIES AGREES TO SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE STATE COURTS LOCATED IN SANTA CLARA COUNTY, CALIFORNIA AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA (AND ALL APPELLATE COURTS THEREFROM), AND WAIVES ANY OBJECTION BASED ON VENUE OR *FORUM NON CONVENIENS* WITH RESPECT TO ANY ACTION INSTITUTED IN SUCH COURTS.

(o) Amendments/Modification. This Agreement may not be amended or modified except by written agreement executed by both Parties.

(p) Execution In Counterpart. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile signature, which signature shall be deemed to be an original. An electronic, PDF or facsimile copy of a signed counterpart of this Agreement shall be deemed, and shall have the same legal force and effect as, an original document.

(q) Exculpation.

(i) Naming Rights Sponsor agrees that in pursuing its rights and remedies against the SCSA under this Agreement, it shall look only to the SCSA or its property for the satisfaction of Naming Rights Sponsor's remedies or for the collection of a judgment (or other judicial process) requiring the payment of money by the SCSA in the event of any default by the SCSA hereunder, and Naming Rights Sponsor will not have recourse against or otherwise look to the property or assets of any the SCSA's officers, directors (whether disclosed or undisclosed) or employees, or any of the officers, directors or principals (whether disclosed or undisclosed) of any entity or public body which is an Affiliate of the SCSA.

(ii) The SCSA agrees that in pursuing its rights and remedies against the Naming Rights Sponsor under this Agreement, it shall look only to the Naming Rights Sponsor or its property for the satisfaction of the SCSA's or for the collection of a judgment (or other judicial process) requiring the payment of money by such the Naming Rights Sponsor in the event of any default by the Naming Rights Sponsor hereunder, and the SCSA will not have recourse against or otherwise look to the property or assets of any of the Naming Rights Sponsor's officers, directors, employees, shareholders, subsidiaries or other Affiliates for any reason whatsoever.

(r) No Inferences Against Author. Each Party acknowledges that this Agreement was fully negotiated by the Parties and agrees, therefore, that no provision of this Agreement shall be

interpreted against any Party because such Party or its counsel drafted such provision. No prior draft of this Agreement, nor any negotiations or proceedings in pursuit of this Agreement, shall be offered or received as evidence to explain, construe, interpret, contradict or clarify the terms of this Agreement or the intent of the Parties or their counsel.

(s) Prevailing Party Fees. In the event that any dispute resulting in an arbitration in accordance with Section 14 or a proceeding for interim equitable relief in accordance with Section 15(v) arises out of this Agreement between the Parties hereto, the non-prevailing Party shall pay the prevailing Party's reasonable attorneys' fees and expenses incurred in connection with such arbitration or proceeding.

(t) WAIVER OF JURY TRIAL. THE PARTIES WAIVE ANY RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY ON, OR IN RESPECT OF, ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY DOCUMENT OR INSTRUMENT DELIVERED IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP OF PARTIES HEREUNDER, AND/OR ANY CLAIM OF INJURY OR DAMAGE.

(u) Stadium Authority Approval. Whenever this Agreement calls for the SCSA's approval, consent, or waiver, the written approval, consent or waiver of the Executive Director of the SCSA, or his or her designee, shall constitute the approval, consent or waiver of the SCSA, without further authorization required from the Board of the SCSA. The SCSA shall authorize the Executive Director, or his or her designee, in this Agreement to deliver such approvals or consents as are required by this Agreement, or to waiver requirements under this Agreement, on behalf of the SCSA.

(v) Equitable Relief.

(i) Naming Rights Sponsor acknowledges that the rights granted by the SCSA to the Naming Rights Sponsor under this Agreement possess a special, unique and extraordinary character that makes difficult the assessment of monetary damage that would be sustained by the SCSA as a result of any breach or threatened breach by Naming Rights Sponsor of this Agreement. Accordingly, the SCSA shall have the right, in addition to such other contractual, legal and equitable rights and remedies that may be available, during the Term and after the termination or expiration of this Agreement, to take such steps as are necessary to prevent such actual or threatened breach, including petitioning a court of competent jurisdiction for a temporary restraining order or a preliminary injunction and/or a decree for specific performance in aid of arbitration, in each case without being required to prove actual damages or furnish a bond or other security.

(ii) The SCSA acknowledges that the rights granted by Naming Rights Sponsor to the SCSA under this Agreement possess a special, unique and extraordinary character that makes difficult the assessment of monetary damage that would be sustained by the Naming Rights Sponsor as a result of any breach or threatened breach by the SCSA under this Agreement. Accordingly, the Naming Rights Sponsor, in addition to such other contractual, legal and equitable rights and remedies that may be available, during the Term and after the

termination or expiration of this Agreement, shall have the right to take such steps as are necessary to prevent such actual or threatened breach, including petitioning a court of competent jurisdiction for a temporary restraining order or a preliminary injunction and/or a decree for specific performance in aid of arbitration, in each case without being required to prove actual damages or furnish a bond or other security.

(w) Waiver of Immunity. The SCSA hereby unconditionally and irrevocably (i) agrees that the execution, delivery and performance by it of this Agreement constitute private, proprietary, and commercial acts rather than public or governmental acts; (ii) agrees that should any action, arbitration, litigation or other proceeding be brought against the SCSA or its assets in relation to this Agreement or any transaction contemplated hereunder, no immunity (sovereign or otherwise) from such action, arbitration, litigation or proceeding (which shall be deemed to include suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) shall be claimed by or on behalf of the SCSA or with respect to its assets; (iii) waives any such right of immunity (sovereign or otherwise) which the SCSA or its assets now has or may acquire in the future; and (iv) consents to the enforcement of any arbitral award or judgment against the SCSA in any such action, arbitration, litigation or proceeding and to the giving of any relief or the issue of any process in collection with any such action, arbitration, litigation or proceeding.

(x) Further Assurances. Each of the Naming Rights Sponsor and the SCSA shall execute, acknowledge and deliver, without additional consideration, such further assurances, instruments and documents, and shall take such further actions, as the other party shall reasonably request in order to fulfill the intent of this Agreement and the transactions contemplated hereby.

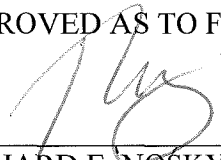
(y) Time Is of the Essence. With regard to all dates, deadlines and time periods set forth or referred to in this Agreement, time is of the essence.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the Effective Date.


SANTA CLARA STADIUM AUTHORITY
a joint exercise of powers entity,
created through Government Code Section 6500 *et seq.*

APPROVED AS TO FORM

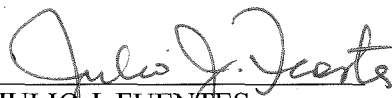


RICHARD E. NOSKY, JR.
Authority General Counsel

ATTEST:



ROD DIRIDON, JR.
Authority Secretary



JULIO J. FUENTES
Executive Director
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

Date

5/9/13

Naming Rights Agreement

LEVI STRAUSS & CO.

By: _____



Name: _____

Charles V Bergh

Title: _____

President + CEO

SCHEDULE 1

NAMING RIGHTS ENTITLEMENTS

During each Contract Year of the Term:

1. **Signage.**

(a) **Landmark Integration.**

(i) **Club Entitlement.** Naming Rights Sponsor shall have exclusive brand and name recognition in the approximately 23,000 square foot space located on the 400 level on the east side of the Stadium, which is currently referred to colloquially as the "Loft Club" (the "**Club Space**"). The name of the Club Space will be mutually agreed upon by the Parties (such as "Club 501" or "Denim Lounge"), and the Club Space will have a capacity of approximately 2,400 patrons. To the extent practicable, the Stadium Name and Stadium Logo will be displayed in all print, online and on-site references under the SCSA's control to refer to Naming Rights Sponsor's brand and name recognition of such club. Naming Rights Sponsor's logo shall be included on all direction, identification and entrance signage at the Stadium that refers to the Club Space. Details and implementation of such naming and branding rights will be mutually determined and agreed upon and may include, by way of example, wall graphics, furniture accents, fixed/digital displays, logo inclusion on food service items, and staff uniforms (if different than the uniforms described in paragraph (iii) below). All other advertising, sponsorship and promotional activities in the Club Space shall be subject to approval by Naming Rights Sponsor in its reasonable discretion. Naming Rights Sponsor shall receive, at no charge, at least twenty (20) passes to the club for each Stadium event.

(ii) **Levi's Branded Apparel in Club Space.** Naming Rights Sponsor shall have the right to provide, at Naming Rights Sponsor's cost, branded apparel containing Naming Rights Sponsor Marks for all Stadium employees' (such as Levi's club service crew), subject to the SCSA and Forty Niners SC approval of the design of such apparel (not to be unreasonably withheld). The SCSA will require such employees (such as Levi's club service crew) to wear such apparel during all NFL Team Games and Non-NFL Events at the Stadium.

(iii) **Uniforms for Stadium Personnel.** The Stadium Name or Stadium Logo shall be included on all uniforms of Stadium personnel, including ushers, concession services personnel, security personnel, premium level service staff and maintenance crew, subject to approval by the applicable vendors if and to the extent required by the applicable vendor contracts. The SCSA will require such personnel to wear such uniforms during all NFL Team Games and Non-NFL Events at the Stadium.

For the avoidance of doubt, except as expressly set forth in this Agreement or the Sponsorship Agreement, nothing in this Agreement shall be construed to require any person to wear or use any product of Naming Rights Sponsor or to wear any branded apparel.

(b) Exterior Stadium Signage. Naming Rights Sponsor shall receive:

(i) Suite Tower – Marquee Sign. One (1) primary exterior stadium identification banner sign displaying the Stadium Name in large lettering (the “West Side Lettering”). Such sign shall be a minimum of seven (7) feet tall and will be of a proportionate length (approximately 160 feet), and will be illuminated 365 days per year from sundown until midnight.*

(ii) Suite Tower – Theme Graphics. Two (2) theme graphics on either side of marquee banner shall include the Stadium Name and/or Stadium Logo. *

(iii) East Façade Marquee Sign. One (1) large centered sign across the east-facing exterior displaying the Stadium Name in large lettering (the “East Side Lettering” and, together with the West Side Lettering, the “Stadium Name Lettering”), visible to surrounding corporate and residential areas. *

(iv) Stadium Gate Signage. Signs at each of four (4) gates displaying “Levi’s Stadium” in three-dimensional metal letters across face. *

(v) Street Level – Pole Banners. Flag signage displaying Stadium Name or Stadium Logo digitally printed on banner fabric hung from all light poles on the Premises. *

(vi) Street Level – Wayfinding. The Stadium Name will be included on all informational and navigational signage placed along the Stadium’s perimeter.

(c) Interior Stadium Signage. Naming Rights Sponsor shall be permitted to display in Stadium:

(i) Two (2) primary seating bowl stadium identification channel cut or panel signs above the Stadium scoreboards displaying the Stadium Name. Each sign will be a minimum of ten (10) feet tall and will span the length of the scoreboard (approximately 190 feet). The signage will face the inner bowl of the Stadium and will be illuminated during all Stadium events. *

(ii) Canopy signs located on top of each of three field tunnels, which signage shall be subject to any required approvals of the NFL. *

(iii) The Stadium Name will be included on all informational and navigational signage placed in the Stadium’s main and upper concourses. The final signage package shall be mutually determined by the Parties.

(d) Stadium Site Signage.

(i) Stadium Parking Signage. “Levi’s Stadium” inclusion on all informational and navigational signage placed in Stadium’s complete parking overlay on Non-NFL Event days.

(ii) **Stadium Construction Site Signage.** The SCSA shall display temporary signage with the phrase "Future Home of Levi's Stadium" around the Stadium site, including at the intersection of Tasman and Marie P. DeBartolo Way.

Naming Rights Sponsor acknowledges and agrees that certain of the signage set forth in clause (d)(i) is intended to be displayed in areas of the parking overlay that are outside of the Premises and outside the control of SCSA (such areas, the "Off Premises Parking Areas"). Naming Rights Sponsor further acknowledges that the SCSA's obligation to provide the signage set forth in clause (d)(i) in the Off Premises Parking Areas is expressly limited to the SCSA's obligation to use commercially reasonable efforts to obtain and display such signage, without having to incur any additional out-of-pocket cost.

2. **Media.** The following media assets shall be provided during each Contract Year of the Term:

(a) **Press Backdrop.** Stadium Logo inclusion on press backdrop to be used at all Stadium-related press conferences, except where inclusion would not be practical or appropriate, as one (1) of two (2) press backdrop partners, the other currently being SAP, with each such partner having equal prominence relative to individual logo size, logo quantities and logo placements.

(b) **Stadium Online Portal.** URL shall include the Stadium Name, and Naming Rights Sponsor shall receive significant content and advertising presence on Stadium's home page of the Stadium Website.

(c) **Stadium Construction Web Cam.** Naming Rights Sponsor shall receive live streaming of the Stadium construction site for duration of construction period.

(d) **Stadium Social Media.** If Stadium has social media platforms, all such platforms will include the Stadium Name and Stadium Logo, except where inclusion would not be practical or appropriate.

(e) **Stadium Corporate Collateral.** Stadium Name shall be included on all Stadium event and other collateral used by the SCSA, such as press releases, letterhead, business cards, credentials, will call envelopes, media credentials vehicles, equipment, tickets, ticket stock and parking passes, except where inclusion of such name would not be practical or appropriate. There shall be no commercial advertising on or adjacent to the Team's lockers.

(f) **Pre-Opening Promotion.** The SCSA shall use commercially reasonable efforts to include Naming Rights Sponsor in all press events, media opportunities and other public events and announcements related to the Stadium prior to the Opening Date.

(g) **Launch Event.** The "launch event" which was held on May 8, 2013.

3. **Corporate Stadium Events.** The Naming Rights Sponsor shall have the right to host up to four (4) private events per year at the Stadium (by way of example only, conferences, holiday parties, etc.) No fee shall be charged for event space use, but all other reasonable out-of-pocket costs of event shall be reimbursed by Naming Rights Sponsor, including all reasonable

out-of-pocket costs related to event staffing, parking, food and beverage service, security, clean-up, operations and other expenses incurred by Naming Rights Sponsor in connection with its use of the Stadium. The dates for which Naming Rights Sponsor will have the right to host such events at the Stadium, in each Contract Year, will be mutually agreed to by the Parties. Naming Rights Sponsor agrees to give the SCSA at least three (3) months' advance notice of such dates; provided, however, that if Naming Rights Sponsor does not give such advance notice to the SCSA, the SCSA shall not be responsible for unavailability of the Stadium which results in Naming Rights Sponsor receiving less than four (4) opportunities. Naming Rights Sponsor will be required to maintain such liability insurance reasonably requested by the SCSA covering such event of the same type and having the same limits as other licensees of the Stadium that use the Stadium for a similar purpose, and Naming Rights Sponsor shall provide the SCSA with all certificates of insurance evidencing such insurance. Naming Rights Sponsor shall provide the SCSA with copies of all governmental permits that are generally required to be obtained by third party users of the Stadium in order to conduct the applicable event. Naming Rights Sponsor shall indemnify, defend and hold harmless the SCSA Indemnified Parties from and against all Losses arising out of any claim against any SCSA Indemnified Party made by a third party, resulting from, imposed upon, asserted against or incurred in connection with, arising out of or relating to any such private event, except, in each case, to the extent such Losses were the result of any negligence, misconduct, error or omission by any SCSA Indemnified Party.

4. Sustainability Initiative. The SCSA directly or through its appointed designee shall design a co-branded sustainability program that is consistent with Naming Rights Sponsor's objectives and approved by Naming Rights Sponsor.

5. Suite Tickets to Stadium Events. In addition to the Suite tickets for NFL Team Games which Naming Rights Sponsor will receive pursuant to the Sponsorship Agreement, Naming Rights Sponsor will receive thirty-two (32) admission tickets (plus eight (8) passes for standing room) to one double executive suite # T1-17/T1-18 at the Stadium for all Non-NFL Events, other than events for which no tickets are sold to the public, such as political and private conventions, trade shows and civic events. Due to the potential logistical and contractual limitation and characteristics of certain Non-NFL Events, the location of such suite for certain Non-NFL Events (other than the Super Bowl) may be other than the location provided pursuant to the Sponsorship Agreement, provided that the site and location of such suite shall be comparable to Suite # T1-17 / T-18. In no event shall the Naming Rights Sponsor's suite be used by other Person without Naming Rights Sponsor's prior written consent, not to be unreasonably withheld.

6. Club Seat Tickets to Stadium Events. In addition to the Club Seat tickets for NFL Team Games which Naming Rights Sponsor will receive pursuant to the Sponsorship Agreement, Naming Rights Sponsor will receive an equal number of Club Seat tickets as set forth in the Sponsorship Agreement in comparable locations for all Non-NFL Events, other than events for which no tickets are sold to the public such as political and private conventions, trade shows and civic events. Due to the potential logistical and contractual limitations and characteristics of certain Non-NFL Events, the location of such Club Seat tickets may be other than in the locations provided pursuant to the Sponsorship Agreement, provided that such location shall be comparable to those provided under the Sponsorship Agreement.

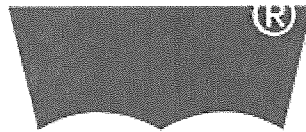
7. Annual Naming Rights Review. The SCSA shall provide, at its sole cost and expense, the Naming Rights Sponsor with an annual review of the Naming Rights Entitlements. Subject to Naming Right Sponsor's request and availability of alternate assets, the SCSA and Naming Rights Sponsor will discuss and mutually agree on reasonable asset adjustments to provide Naming Rights Sponsor with assets of comparable value, including the replacement of any assets that have become obsolete or that are no longer useful to or desired by the Naming Rights Sponsor. The Naming Rights Sponsor may request that the SCSA replace any such assets with other assets, provided that any replacement shall require the mutual agreement of the SCSA and the Naming Rights Sponsor. In addition, the SCSA, at its sole cost and expense, shall provide the Naming Rights Sponsor with a comprehensive annual performance audit and valuation conducted by a mutually agreed upon third party, comprised of impressions review and estimated equivalent media value across mediums for all impressions generated through the Naming Rights Sponsors Entitlements. The Parties acknowledge that Forty Niners SC (or such other entity designated by the SCSA) may provide such annual review on behalf of the SCSA, and such annual review may be performed in conjunction with the annual review to be provided by Forty Niners SC to Naming Rights Sponsor pursuant to the Sponsorship Agreement.

The SCSA shall have the right to pre-approve (i) the form and content of all artwork, advertising and other items created by or for Naming Rights Sponsor under this Agreement, and (ii) the design and content of all signage or other promotional materials. Such approval shall not be unreasonably withheld, conditioned or delayed. After any such approval has been granted, the Naming Rights Sponsor may continue to use such artwork, advertising, signage or other promotional materials in accordance with this Agreement, and the SCSA may not withdraw such approval so long as such artwork, advertising, signage or other promotional material does not depart in any material respect from the item as originally approved. For the avoidance of doubt, the SCSA shall have no right to approve the Naming Rights Sponsor's exercise or exploitation of any rights, benefits or privileges it may have or be entitled to under the Sponsorship Agreement.

SCHEDULE 2

NAMING RIGHTS SPONSOR MARKS

LEVI'S[®]



FIRST AMENDMENT TO NAMING RIGHTS AGREEMENT

This First Amendment to Naming Rights Agreement (“First Amendment”), effective as of January 30, 2024 (the “First Amendment Effective Date”), amends the Naming Rights Agreement entered into as of May 9, 2013 (the “Agreement”), by and between Santa Clara Stadium Authority (the “SCSA”) and Levi Strauss & Co. (“Naming Rights Sponsor”). Capitalized terms not defined herein have the meanings ascribed in the Agreement.

WHEREAS, the SCSA and Naming Rights Sponsor have entered into the Naming Rights Agreement pursuant to which SCSA granted the Naming Rights Entitlements to Naming Rights Sponsor for a term of 20 years;

WHEREAS, the Naming Rights Agreement is currently scheduled to expire on February 28, 2034;

WHEREAS, the Parties wish to extend the Term for 10 additional years; and

WHEREAS, the Parties have agreed to modify certain terms of the Agreement to reflect the extension of the Term and a one-time right for Naming Rights Sponsor to receive Enhanced Signage (as defined below) installed at no cost to Naming Rights Sponsor.

NOW THEREFORE, in consideration of the mutual representations, warranties, promises and obligations set forth herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Section 2(f) of the Table of Contents of the Agreement shall be deleted and replaced with the following:

“(f) *Reserved.*”

2. In Section 1 of the Agreement, the term “Final Contract Year” shall be amended and restated in its entirety as follows:

““Final Contract Year” means the final Contract Year under this Agreement, which is currently scheduled to end on the Expiration Date, but as it may be extended pursuant to Section 8(d) or 9(b).”

3. Section 2(a) of the Agreement shall be amended in its entirety and restated as follows:

“(a) Term. The initial term of this Agreement shall commence on the Effective Date and shall end on the last day of the twentieth (20th) Contract Year (the “Initial Term”), unless earlier terminated or extended in accordance with the terms of this Agreement. Following the Initial Term, this Agreement shall continue for an additional ten (10) Contract Years (the “Extended Term”), and shall expire on the last day of the thirtieth (30th) Contract Year (such last day, the “Expiration Date”), unless earlier terminated or extended in accordance

with the terms of this Agreement. The Initial Term and the Extended Term shall collectively be referred to herein as the “Term”.”

4. Section 2(f) of the Agreement shall be deleted in its entirety and replaced with the following:

“(f) *Reserved.*”

5. Section 2(g) of the Agreement shall be deleted in its entirety and replaced with the following:

“(g) *Right of First Negotiation.* Not later than the last day of the twenty-seventh (27th) Contract Year, the Naming Rights Sponsor may, in its sole discretion, provide the SCSA with written notice (the “SCSA Extension Notice”) of its intention to negotiate with the SCSA for a new naming rights agreement or an extension of this Agreement, in either case, to commence on the day immediately following the end of the Final Contract Year. Provided that Sponsor has provided a similar written notice to Forty Niners SC (“Forty Niners SC Extension Notice”) pursuant to Section 2(g) of the Sponsorship Agreement, the SCSA and the Naming Rights Sponsor shall negotiate in good faith for a period of sixty (60) days from the date on which the Naming Rights Sponsor delivers such written notice (the “Negotiating Period”) with respect to such new naming rights agreement or extension. If either the SCSA Extension Notice or the Forty Niners SC Extension Notice has not been timely delivered, then SCSA shall have no obligations under this Section 2(g). During and prior to the Negotiating Period, the SCSA may not, directly or indirectly (including through Forty Niners SC, TeamCo or any of their Affiliates), negotiate with, or solicit or respond to proposals from, any Person (other than the Naming Rights Sponsor) with respect to any agreement or arrangement that would prevent the SCSA from granting Naming Rights Sponsor the Naming Rights Entitlements. Notwithstanding anything to the contrary in this Section 2(g) or any other provision of this Agreement, if the SCSA and the Naming Rights Sponsor do not enter into a binding agreement with respect to such new naming rights agreement or extension by the end of the Negotiating Period, the SCSA shall be free to negotiate and enter into any agreement with any third party without future notice or obligation to the Naming Rights Sponsor. Notwithstanding the foregoing, Naming Rights Sponsor shall have no right under this Section 2(g) to enter into an extension of this Agreement unless it is entering into a contemporaneous extension of the Sponsorship Agreement.”

6. The following new Section 3(i) shall be added to the end of Section 3 of the Agreement:

“(i) *Enhanced Signage Following Tenth Contract Year.* Following the tenth Contract Year, the SCSA shall provide Naming Rights Sponsor with a one-time enhancement of the following signage: (i) the Stadium Name Lettering (as defined in Section 1(b)(iii) of Schedule 1 of the Agreement), and (ii) the two (2) signs above the Stadium scoreboards set forth in Section 1(c)(i) of Schedule 1 of the Agreement (clauses (i) and (ii), collectively, the “Enhanced Signage”). A preliminary design of the Enhanced Signage is attached hereto as Schedule 3. The Enhanced Signage will be equal or superior in quality and functionality

to comparable signage installed during the past five (5) years at other stadiums in which NFL clubs play their home games and is anticipated to cost approximately \$3,000,000. The size and design of the Enhanced Signage shall be mutually agreed upon by the Parties and shall be installed in connection with the replacement of the videoboards (which form part of the scoreboards). Notwithstanding the foregoing, the parties agree that the size of the signage above the replacement Stadium scoreboards will be at least proportionately the same as the current signage is in relation to the current scoreboards, and that it will be installed at the same location as the current signage. The SCSA shall work with Forty Niners SC to cause the construction and installation of the Enhanced Signage to be completed by no later than December 31, 2025. The construction and installation of the Enhanced Signage shall be without cost to Naming Rights Sponsor. Naming Rights Sponsor understands that SCSA and Forty Niners SC have concurrently entered into a cost allocation agreement amongst themselves for the design and installation of the Enhanced Signage described in this Section 3(i). After the installation of the Enhanced Signage, in the event that circumstances arise where SCSA determines that it may be in the Parties' mutual interest to replace the Enhanced Signage, or any subsequent replacement thereof, upon written notice to the Naming Rights Sponsor, the Parties agree to meet and confer to discuss such potential replacement, including possible terms for the sharing the costs of such a project between the Parties. For the avoidance of doubt, nothing in the foregoing sentence is intended to modify (x) SCSA's responsibilities to clean, repair and maintain the Enhanced Signage at its cost, or the Naming Rights Sponsor's rights to replace, update, change, refresh or refurbish the Enhanced Signage at its cost, in each case, as more specifically provided in Section 5(f) of this Agreement or (y) any of SCSA's responsibilities under Section 8 of this Agreement."

7. The last five rows of the table in Section 5(b) shall be deleted and replaced with the following:

Twenty-first Contract Year	\$10,367,078
Twenty-second Contract Year	\$10,678,091
Twenty-third Contract Year	\$10,998,434
Twenty-fourth Contract Year	\$11,328,387
Twenty-fifth Contract Year	\$11,668,238
Twenty-sixth Contract Year	\$12,018,285
Twenty-seventh Contract Year	\$12,378,834
Twenty-eighth Contract Year	\$12,750,199
Twenty-ninth Contract Year	\$13,132,705
Thirtieth Contract Year	\$13,526,686

8. The SCSA represents and warrants to Naming Rights Sponsor the following, in each case as of the First Amendment Effective Date:
- (a) The SCSA is a joint powers authority with full power and authority to enter into and fully perform its obligations under this First Amendment. The execution and delivery of this First Amendment on behalf of the SCSA has been duly

authorized, and no consent or approval of any other Person is required for execution, delivery or performance by the SCSA of this First Amendment.

- (b) This First Amendment has been duly executed and delivered by the SCSA and constitutes a legal and binding obligation of the SCSA enforceable in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and for limitations imposed by general principles of equity.
- (c) The execution, delivery and performance of this First Amendment by the SCSA (i) do not and will not conflict with the joint powers agreement or other governing documents of the SCSA, (ii) do not and will not conflict with any applicable Law in effect as of the First Amendment Effective Date, and (iii) do not and will not conflict with, or result in the breach, acceleration, cancellation or termination of, or constitute a default under, any material lease (including the Ground Lease and the Stadium Lease), agreement, note, bond, mortgage, indenture, deed of trust, license, franchise commitment or other instrument (including any financing document), or any order, judgment or decree, to which the SCSA is a party or by which the SCSA is bound, except in each case in clauses (i)-(iii) for any of the foregoing that could not reasonably be expected to materially and adversely affect the Naming Rights Sponsor's rights under the Agreement (as amended by this First Amendment).
- (d) All votes, approvals and proceedings required to be taken by or on behalf of the SCSA to authorize the SCSA to execute and deliver this First Amendment and to perform its covenants, obligations and agreements hereunder have been duly taken, and no consent or approval to the execution and delivery of this First Amendment by the SCSA or the performance by the SCSA of its covenants, obligations and agreements hereunder are required from the SCSA's board of directors, any other governing body of the SCSA, the Santa Clara City Council, any Landlord Affiliate or any other governmental entity or other Person.
- (e) Forty Niners SC has, to the extent required by the Stadium Lease or any other agreement or arrangement, authorized the SCSA to enter into this First Amendment and to grant to the Naming Rights Sponsor all of the rights, benefits, privileges and Naming Rights Entitlements contemplated to be granted to the Naming Rights Sponsor under the Agreement (as amended by this First Amendment).
- (f) Except as provided in the following sentence, the SCSA is not a party to or otherwise bound by any agreement regarding the Stadium Naming Rights or any promotion of or advertising relating to the Stadium that, in each case, conflicts with the provisions of this First Amendment or otherwise impairs any of the Naming Rights Entitlements, rights or other benefits Naming Rights Sponsor is entitled to receive under the Agreement (as amended by this First Amendment). Naming Rights Sponsor acknowledges and accepts the potential limitations on

its Naming Rights Entitlements set forth in that certain Stadium Agreement between United States Soccer Federation Inc. and Forty Niners Stadium Management Company LLC, entered into in 2018, as amended by that certain Addendum to Hosting Agreements FIFA World Cup 2026, entered into in June of 2022.

9. Naming Rights Sponsor represents and warrants to the SCSA the following, in each case as of the First Amendment Effective Date:


- (a) Naming Rights Sponsor is a corporation in good standing under the laws of the State of Delaware and is duly authorized to transact business in the State of California. The Naming Rights Sponsor has sufficient power and authority to enter into and fully perform its obligations under this First Amendment. The execution and delivery of this First Amendment on behalf of Naming Rights Sponsor has been duly authorized by Naming Rights Sponsor and no consent or approval of any other Person is required for execution of and performance by Naming Rights Sponsor of this First Amendment.
- (b) This First Amendment has been duly executed and delivered by the Naming Rights Sponsor and constitutes a legal and binding obligation of the Naming Rights Sponsor enforceable in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and for limitations imposed by general principles of equity.
- (c) The execution, delivery and performance of this First Amendment by the Naming Rights Sponsor (i) do not and will not conflict with the certificate of incorporation or bylaws of the Naming Rights Sponsor, (ii) do not and will not conflict with any applicable Law in effect as of the First Amendment Effective Date, and (iii) do not and will not conflict with, or result in the breach, acceleration, cancellation or termination of, or constitute a default under, any material lease, agreement, note, bond, mortgage, indenture, deed of trust, license, franchise commitment or other instrument (including any financing document), or any order, judgment or decree, to which the Naming Rights Sponsor is a party or by which the Naming Rights Sponsor is bound, except in each case in clauses (i)-(iii), for any of the foregoing that could not reasonably be expected to materially and adversely affect the SCSA's rights under the Agreement (as amended by this First Amendment).

10. Except as expressly set forth in this First Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

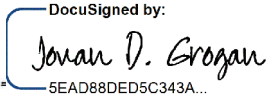
[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their duly authorized representatives as of the First Amendment Effective Date set forth above.

LEVI STRAUSS & CO.

By: 
Name: Charles V. Bergh
Title: President & Chief Executive Officer

SANTA CLARA STADIUM AUTHORITY

By: 
Name: Jovan D. Grogan
Title: Executive Director

Approved as to Form

By: 
Glen R. Googins, Authority Counsel

SCHEDULE 3

CURRENT - WEST ELEVATION



CURRENT - WEST ELEVATION SIGNAGE SURFACE AREA APPROX. 1400 SQ FT.

ENLARGED - WEST ELEVATION



NOTE: ENLARGED STATIC SIGNAGE IS APPROX. 20-25% LARGER THAN CURRENT SIGNAGE. SURFACE AREA IS APPROX. 2,600 SQ. FT.

CURRENT LEVI'S SIGNAGE = 18'-0" VERTICAL
ENLARGED LEVI'S SIGNAGE = 22'-0" VERTICAL [+4' HT VERTICAL]

Note: Potential impact the louvers with signage increase in size. current sign location is where the fresh air intake is for the smoke systems lives.

CURRENT - EAST ELEVATION



NOTE: CURRENT SURFACE AREA FOR SIGNAGE IS APPROX 480 SQ FT.

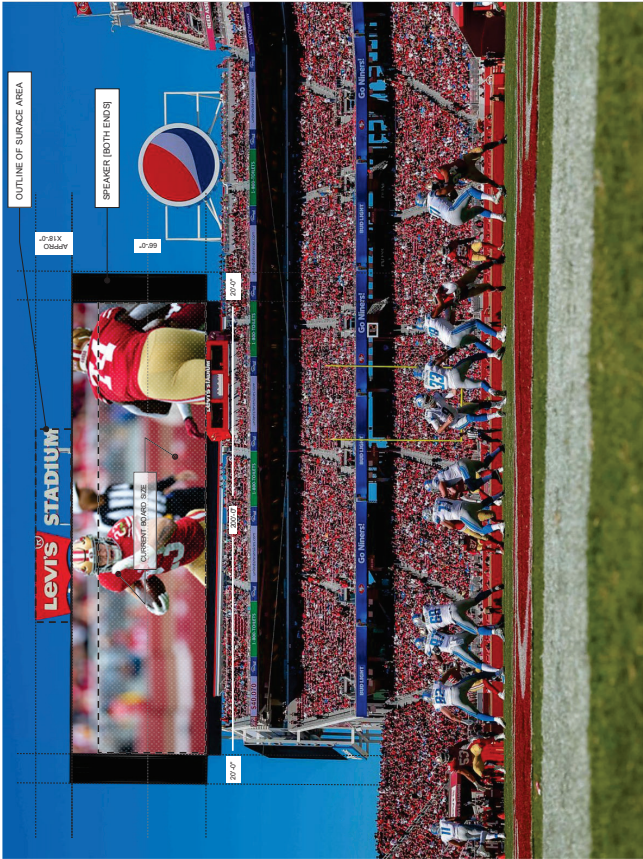
ENLARGED - EAST ELEVATION



NOTE: ENLARGED SIGNAGE IS APPROX. 30-35% **LARGER** THAN CURRENT SIGNAGE. SURFACE AREA: APPROX 1280 SQ. FT.

CURRENT LEVI'S SIGNAGE = 10'-0" VERTICAL
ENLARGED LEVI'S SIGNAGE = 16'-0" VERTICAL [+6' HT VERTICAL]

ENLARGED BOARD + CURRENT SIGNAGE

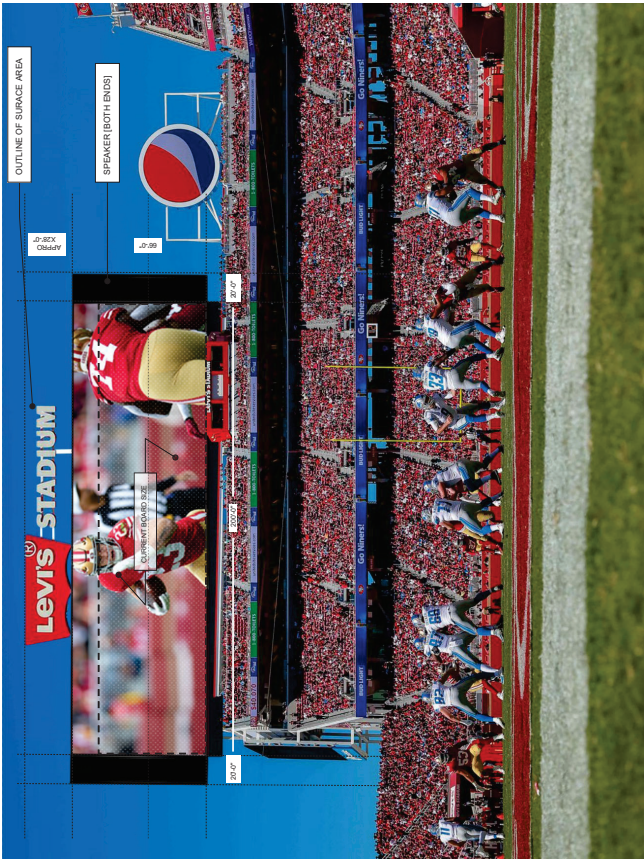


NOTE: SIGNAGE SURFACE AREA: APPROX 1,800 SQ FT.

CURRENT LEVI'S SIGNAGE = 18'-0" VERTICAL

ENLARGED LEVI'S SIGNAGE = 28'-0" VERTICAL [+10' HT VERTICAL]

ENLARGED BOARD + ENLARGED SIGNAGE



NOTE: ENLARGED SIGNAGE IS APPROX. 50-55% LARGER THAN CURRENT SIGNAGE. SURFACE AREA: APPROX 4000 SQ. FT.



LEVI'S STADIUM NAMING RIGHTS EXTENSION AND ENHANCED SIGNAGE PROJECT IMPLEMENTATION AGREEMENT

This Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement ("Agreement") is entered into effective as of January 30, 2024 ("Effective Date"), by and between the Santa Clara Stadium Authority ("SCSA"), and Forty Niners SC Stadium Company LLC ("StadCo"), (sometimes referred to collectively herein as the "Parties"), with reference to the following facts:

RECITALS

- A. SCSA and Levi's Strauss & Co. ("Levi's") have previously entered into that certain Naming Rights Agreement dated May 9, 2013 ("Naming Rights Agreement") pursuant to which SCSA granted certain "Naming Rights Entitlements" as defined therein, to Levi's for a term of 20 years.
- B. Concurrently herewith, SCSA and Levi's are entering into that certain First Amendment to Naming Rights Agreement pursuant to which the parties are agreeing to a 10 year extension of the Naming Rights Agreement, subject to certain terms and conditions that includes a one-time enhancement of certain Levi's stadium signage (the "Enhanced Signage") at no cost to Levi's, all as more particularly described therein.
- C. Concurrently herewith, StadCo is also extending its Sponsorship Agreement with Levi's to run concurrent with the SCSA and Levi's Naming Rights Agreement.
- D. It is in the Parties' mutual interest to implement the Enhanced Signage project at this time in light of StadCo's pending proposal to upgrade the stadium video display screens that attach to portions of the Enhanced Signage at the north and south ends of the Stadium (the StadCo Video Display Project").
- E. As a result of various factors and considerations relating to the concurrent extensions of the Parties' agreements with Levi's and the mutual interest in coordinating their sign projects, SCSA and StadCo have agreed to share in the cost for the design, construction and installation of the Enhanced Signage and StadCo has agreed to formalize its ongoing commitment to support charitable causes impacting the City of Santa Clara community.

NOW, THEREFORE, in consideration of the above-recitals, and other valuable consideration the receipt and sufficiency of which the parties hereby acknowledge, the Parties hereby agree as follows:

1. In General: The Parties shall cooperate to implement the “Enhanced Signage” project consistent with the terms of Section 3(i) of the First Amendment to Naming Rights Agreement. The project shall include removal of existing signage and the design and installation of the Enhanced Signage. Consistent with the terms in the Naming Rights Agreement, the final design of the Enhanced Signage shall be subject to SCSA approval.
2. Project Implementation:
 - a. The implementation of the Enhanced Signage shall include design, procurement and construction processes and approvals designed to maximize project “value.” Project “value” means a high-quality project, consistent with industry standards, taking into consideration the Parties’ mutual interest in minimizing construction and maintenance costs. Further, the project shall be implemented so as to minimize impacts on Stadium NFL and non-NFL events, and in a manner consistent with the sign visibility and functionality requirements in the Naming Rights Agreement.
 - b. The Parties shall manage and record project costs to assure that costs related to the StadCo Video Display Project, to be funded by StadCo and costs related to the Enhanced Signage Project, to be funded by SCSA and StadCo under the terms of this Agreement, except as provided herein, are properly accounted for and allocated.
 - c. The projects shall be managed and implemented by Forty Niners Stadium Management Company LLC (“ManCo”) in accordance with the existing terms of ManCo’s agreements with the SCSA and StadCo.
3. Warranty: The sign shall come with a minimum 3-year warranty (with coverage consistent with industry standards), with options presented to extend the warranty up to 10 years, subject to availability. Any costs for a warranty longer than 3 years would be at SCSA’s sole cost and expense.
4. Cost Allocation: The Parties agree to share the costs of the Enhanced Signage project (“Total Project Costs”) as follows:
 - a. SCSA shall bear the first \$2 million of Total Project Costs
 - b. Any Total Project Costs incurred in excess of \$2 million shall be shared 70% SCSA and 30% StadCo.
 - c. “Total Project Costs” shall include all demolition and disposal costs of the existing signage, third-party design and construction costs of the initial Enhanced Signage, City permitting cost and fees for the initial installation of the Enhanced Signage, and the cost of the initial 3-year warranty for the Enhanced Signage.

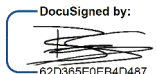
5. Annual Charitable Funding Commitment: StadCo shall cause, through its related companies and/or charitable affiliates, grants and/or donations in the amount of \$200,000 for each “Contract Year” of the remainder of the amended term of StadCo’s Sponsorship Agreement with Levi’s (beginning April 1, 2024). Such grants and/or donations shall benefit non-profit organizations or community projects serving or impacting the City of Santa Clara community. In consideration of the mutual benefits derived from the extension of the Parties’ respective agreements with Levi’s, this commitment will be implemented through the execution of a grant agreement between an affiliated charity or entity designated by StadCo and the City of Santa Clara (“City”) for the dedication of grant funds through the City’s Community Grants Program.
6. Other Agreements; Further Assurances. As reasonably necessary to implement the terms of this Agreement, the Parties agree to enter into such additional agreements, and take such additional actions as are reasonably necessary in order to fulfill their respective obligations under the terms of this Agreement.

[NEXT PAGE IS SIGNATURE PAGE]

**SIGNATURE PAGE TO
LEVI'S STADIUM NAMING RIGHTS EXTENSION AND
ENHANCED SIGNAGE PROJECT
IMPLEMENTATION AGREEMENT**

IN WITNESS WHEREOF, the undersigned have executed this Agreement and agreed to be bound by its terms as of the Effective Date.

**FORTY NINERS SC STADIUM COMPANY
LLC**

By:  _____
Name: Brent Schoeb
Title: Chief Revenue Officer

SANTA CLARA STADIUM AUTHORITY

By:  _____
JOVAN D. GROGAN
EXECUTIVE DIRECTOR

Approved as to Form

By:  _____
Glen R. Googins, Authority Counsel



FORTY NINERS STADIUM MANAGEMENT COMPANY

Date: November 22, 2024

To: Jovan Grogan
Executive Director
Santa Clara Stadium Authority

From: Jenti Vandertuig
Procurement Director
Forty Niners Stadium Management Company LLC

Subject: Revised Recommendation for Award RFB FY24-0069 Levi's Stadium Levi's
Naming Rights Signage Replacement Project

Recommendation

1. Recommend approval and award of a one-time contract to Jones Sign Co. Inc., in the amount of \$3,978,555.87, for the replacement of Levi's naming rights signage replacement project at Levi's Stadium (Project).
2. The total cost of the Project is \$4,658,687.34, of which \$3,861,081.14 is allocated to the Santa Clara Stadium Authority (SCSA) and \$787,606.20 is allocated to StadCo. Recommend an augmentation of the SCSA budget of \$1,026,081.14 which will increase the SCSA budget amount for this Project from \$2,835,000 to \$3,861,081.14. The Project budget was approved by the SCSA as part of the FY24/25 SCSA Capital Expenditures Budget.
3. Authorize Stadium Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project; and
4. Authorize Stadium Manager to execute change orders up to 10% or \$397,855.59 for a total not to exceed construction contract amount of \$4,376,411.46.

Solicitation Process

Forty Niners Stadium Management Company LLC (Stadium Manager) has a need to replace the Levi's naming rights signage at Levi's Stadium (Stadium). The Project was approved as part of the FY24/25 SCSA Capital Expenditures budget.

Formal Solicitations for the Project

On August 27, 2024, Stadium Manager issued a Request for Bids (RFB) FY24-0065 for the Project. A mandatory Pre-Bid Conference and site walk was held on September 4, 2024 at 10:00 a.m. (PT). Nineteen representatives from twelve companies attended the Pre-Bid conference and site walk. Electronic bid submissions were due on September 23, 2024 at 3:00 p.m. Three bids were received before the due date and time. Two bidders did not meet the responsiveness and responsibility factors, and the third bidder's bid amount was determined to be cost prohibitive.

Therefore, Stadium Manager cancelled the bid. Stadium Manager reached out to the prospective bidders to inquire on their submission and decided to rebid with changes to the bid documents. In preparation of the rebid of the Project, Stadium Manager revised the licensing requirements, allowed for an extension of timelines to complete two of the four signs, expanded the schedule of values with a detailed definition of what was to be included in the lump sum, and revised the plans and specifications.

On September 28, 2024, Stadium Manager reissued the bid (RFB FY24-0068) for the Project. A non-mandatory Pre-Bid Conference and site walk was held on October 3, 2024 at 1:00 p.m. (PT). Electronic bid submissions were due on October 14, 2024 at 3:00 p.m. (PT). Six bids were received before the due date and time. Five bidders did not meet the responsiveness and responsibility factors, and the bidder with the highest bid amount was again determined to be cost prohibitive. Therefore, Stadium Manager cancelled the bid for the second time.

Stadium Manager contacted the SCSA administrative personnel to provide status and discuss next steps. Stadium Manager was advised to reissue the bid for the third time but shorten the time to receive bids to ten days from date of issuance. Stadium Manager contacted each of the non-responsive bidders regarding their submissions and scheduled specific training for their respective staff responsible for assembling the bid responses prior to reissuing the bid.

On October 17, 2024 Stadium Manager issued RFB FY24-0069 for the Project.

Stadium Manager published the RFB on Bonfire Interactive, Stadium Manager's eProcurement portal <https://49ers.bonfirehub.com/portal/>. In addition to inviting a list of contractors on our established supplier list, Stadium Manager also selected contractors registered on the portal with specific commodity codes offering such services.

Stadium Manager published the Notice Inviting Bids for the Project in the Silicon Valley Voice publication. Notices were also emailed on October 17, 2024 to prospective bidders, the Builders' Exchange of Santa Clara County and Bay Area Builders Exchange to communicate with their respective member communities regarding the solicitation for the Project.

Stadium Manager held a non-mandatory pre-bid conference on October 21, 2024 at 10:00 a.m. (PT) and facilitated a site walk the same day at 2:00 p.m. (PT) to provide an overview of the Project, answer any questions from the prospective bidders, and conduct a site walk.

On October 23, 2024, Stadium Manager issued Addendum No. 2 addressing an issue raised by one of the prospective bidders regarding the qualification requirements, revising the requirements and extending the due date for receipt of bids from October 29, 2024 to October 31, 2024 as requested by numerous bidders.

Electronic bid submissions were due on or before October 31, 2024 at 1:00 p.m. (PT). Four bids were received on or before the closing due date and time from the following firms:

1. Triangle Sign Service LLC - \$8,499,735

2. Jones Sign Co. Inc. - \$3,978,555.87
3. YESCO LLC - \$5,164,699
4. SSC Signs - \$4,485,280

Public Bid Opening

A public bid opening was held on October 31, 2024, at 2:00 p.m. (PT). The RFB provided the public bid opening webcast information including a meeting ID and password for bidders to log on via Zoom to attend. Multiple callers were in attendance. Stadium Manager announced the receipt of the four bids on or before the due date and time, announced the name of the bidders and the base bid amounts and declared Jones Sign Co. Inc., the apparent low bidder.

The protest period ended on November 7, 2024 with no protest.

Evaluation of Apparent Low Bidder

Stadium Manager reviewed and confirmed the bid from Jones Sign Co. Inc. met the responsiveness and responsibility factors.

Next Steps

The Project was approved as part of the FY24/25 SCSA Capital Expenditures budget. The current approved amount for this Project is \$2,835,000.

In accordance with the Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement ("Implementation Agreement"), the cost allocation for the project is as follows: (i) the SCSA shall bear the first \$2 million in total project costs (i.e., all costs attributable to the project including, without limitation, permitting costs and fees, design, construction, demolition and disposal of existing, and an initial 3-year warranty); (ii) any total project costs in excess of \$2 million shall be shared 70% SCSA and 30% StadCo. The lowest responsive bid submitted is in the amount of \$3,978,555.87, which includes all construction, demolition and disposal of existing signage, and the warranty. The total design fees are in the amount of \$214,000.00. The total permit fee budget is in the estimated amount of \$67,059.10. The proposed construction contingency in the amount of 10% of the construction bid amount is \$397,855.59. The total publication fees are in the amount of \$1,216.78. Therefore, the total project costs are \$4,658,687.34. The current project budget is in the amount of \$2,835,000.00. Based upon the cost allocation specified in the Implementation Agreement, the additional budget allocable to the SCSA for which a budget augmentation is needed is in the amount of \$1,026,081.14.

Levi's Naming Rights Signage Replacement Project

Populous Design	\$	144,000.00
Populous CA/Fabrication Support Allowance	\$	70,000.00
City of Santa Clara - Permit Fee	\$	33,529.55

City of Santa Clara - Permit Fee	\$ 33,529.55
Jones Signs Co. Inc. Bid Amount	\$ 3,978,555.87
Silicon Valley Voice Publication (10/27/24)	\$ 380.00
Mercury News Publication (9/27/24)	\$ 278.93
Mercury News Publication (8/30/24)	\$ 340.91
Mercury News Publication (8/28/24)	\$ 216.94
<hr/>	
Subtotal	\$ 4,260,831.75
Contingency (10%)	\$ 397,855.59
<hr/>	
	\$ 4,658,687.34
SCSA Obligation**:	\$ 3,861,081.14
StadCo Obligation:	\$ 797,606.20
<hr/>	
	\$ 4,658,687.34
FY24 Project Budget	\$ 2,835,000.00
SCSA Obligation	\$ 3,861,081.14
<hr/>	
Variance/SCSA Augmentation	\$ (1,026,081.14)

**SCSA Pays first \$2M; 70% (SCSA) / 30% (StadCo) Split over \$2M

Once Stadium Manager receives approval from the SCSA Board, a contract (included in the RFB) will be executed with Jones Sign Co. Inc., and a fully executed copy of the contract will be forwarded to the SCSA. In addition, Stadium Manager requests authorization to issue change orders up to \$397,855.59 or 10% of the Project cost which will allow Stadium Manager to take timely administrative action if required and not delay completion of the Project.

Supporting documentation has been provided for review and approval. Stadium Manager's request to publish legal notices in the San Jose Mercury News for various solicitations, including public works, was approved by the SCSA Board on July 13, 2021. This Project is a public works project.

Update on Alignment with Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement

On November 1, 2024 Stadium Manager submitted the Recommendation for Award to the SCSA staff for review and approval. Based on the review, SCSA staff requested Stadium Manager to address the warranty requirements in the Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement.

Under the Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement, total project costs include demolition and disposal costs of the

existing signage, third-party design and construction costs of the Enhanced Signage, City permitting cost and fees for the initial installation of the Enhanced Signage, and the cost of the initial 3-year warranty for the Enhanced Signage.

The baseline project bid included a warranty on all Work that may prove to be defective in its workmanship, materials furnished, methods of installation or fail to conform to the Contract Document requirements together with any other Work which may be damaged or displaced by such defect(s) within a period of one (1) year from the date of the Notice of Completion of the Project without any expense whatever to the Stadium Manager, ordinary wear and tear and unusual abuse and neglect excepted. All costs associated with such corrective actions shall be the sole responsibility of the Contractor. The Contractor shall obtain for Stadium Manager all warranties that would be given in normal commercial practice and assign to Stadium Manager any and all manufacturer's or installer's warranties for equipment or materials not manufactured by Contractor and provided as part of the Work, to the extent that such third-party warranties are assignable and extend beyond the warranty period. The baseline bid also includes extended warranty on specific materials such as a five (5) year written warranty on flexible (panaflex) sign faces for defects in material and workmanship from the date of installation, including provisions for repair or replacement of flexible sign faces showing premature wear or failure.

In order to fill the gap between the baseline project bid warranty requirements and the Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement, the Stadium Manager worked with the SCSA staff and bidder to provide additional warranty options. The bidder is willing and able to provide a full three-year parts and labor warranty for the signs at an additional cost of \$48,794.88. This warranty will extend coverage of all manufacturers and installer warranties for a full three years and meet the requirements of the Implementation Agreement.

Additionally, the bidder is also willing to provide a full ten-year stand-alone parts warranty for signage materials at the additional cost of \$229,840.87. Items covered in the ten-year warranty include LED lighting, power supplies, flex face, vinyl, and paint. However, the bidder's requirement is to select the full three-year parts and labor warranty or the ten-year stand-alone parts warranty. This requires further discussion and alignment on the options provided by bidder. Any costs for a warranty longer than 3 years would be at SCSA's sole cost and expense per the terms agreed upon in the Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement.

Irrespective of the option to select a three-year parts and labor warranty or a ten-year parts warranty, the Request for Bids, a method of formal solicitation utilized to receive the bids, precludes us from unanimously including new requirements after the bid has been closed and before an award. Therefore, Stadium Manager's recommendation is for the SCSA Board to review and approve the recommended actions first. Subsequently, Stadium Manager will submit a recommendation to issue a change order to the contract to include the additional warranties.

Stadium Manager appreciates working with the SCSA administrative staff to ensure these provisions are met.

Submitted By:  Date: 11/22/2024
Jenti Vandertuig, Procurement Director

CONTRACT

This CONTRACT, No. _____ is made and entered into this ____ day of _____, _____, by and between Forty Niners Stadium Management Company LLC, sometimes hereinafter called "Stadium Manager," and _____, sometimes hereinafter called "Contractor."

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

a. **SCOPE OF WORK.** The Contractor shall perform all Work within the time stipulated in the Contract, and shall provide all labor, materials, equipment, tools, utility services, and transportation to complete all of the Work required in strict compliance with the Contract Documents as specified in Section (e), below, for the following Project:

Levi's Stadium Levi's Naming Rights Signage Refurbishment/Replacement Project

The Contractor and its surety shall be liable to the Stadium Manager for any damages arising as a result of the Contractor's failure to comply with this obligation.

b. **TIME FOR COMPLETION.** Time is of the essence in the performance of the Work. The Work shall be commenced on the date stated in the Stadium Manager's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within three hundred eighty five (385) from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the time for completion set forth above is adequate and reasonable to complete the Work.

c. **CONTRACT PRICE.** The Stadium Manager shall pay to the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of _____ Dollars (\$ _____). Payment shall be made as set forth in the General Conditions.

d. **LIQUIDATED DAMAGES.** In accordance with Government Code Section 53069.85, it is agreed that the Contractor will pay the Stadium Manager the sum set forth in Section 00 73 13, Article 1.11 for each and every calendar day of delay beyond the time prescribed in the Contract Documents for finishing the Work, as Liquidated Damages and not as a penalty or forfeiture. In the event this is not paid, the Contractor agrees the Stadium Manager may deduct that amount from any money due or that may become due the Contractor under the Contract. This Article does not exclude recovery of other damages specified in the Contract Documents.

e. **COMPONENT PARTS OF THE CONTRACT.** The "Contract Documents" include the following:

Notice Inviting Bids
Instructions to Bidders
Bid Form
Bid Bond

Designation of Subcontractors
Information Required of Bidders
Non-Collusion Declaration Form
Iran Contracting Act Certification
Public Works Contractor Registration Certification
Performance Bond
Payment (Labor and Materials) Bond
General Conditions
Special Conditions
General Requirements
Technical Specifications
Addendum No. 1 and all other Addenda
Plans and Specifications
Standard Specifications for Public Works Construction "Greenbook", latest edition, Except Sections 1-9
Procurement and Contract Process Integrity and Conflict of Interest Guidelines
Levi's Stadium Jobsite Rules
Approved and fully executed change orders
Any other documents contained in or incorporated into the Contract

The Contractor shall complete the Work in strict accordance with all of the Contract Documents.

All of the Contract Documents are intended to be complementary. Work required by one of the Contract Documents and not by others shall be done as if required by all. This Contract shall supersede any prior agreement of the parties.

f. **PROVISIONS REQUIRED BY LAW AND CONTRACTOR COMPLIANCE.** Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of applicable federal, state and local laws, rules and regulations, including, but not limited to, the provisions of the California Labor Code and California Public Contract Code which are applicable to this Work.

g. **INDEMNIFICATION.** Contractor shall provide indemnification and defense as set forth in the General Conditions.

h. **PREVAILING WAGES; PROOF OF COMPLIANCE.** It shall be Contractor's sole responsibility to comply with, and maintain adequate records of its adherence to, all applicable state prevailing wage requirement. Contractor is responsible for maintaining and providing the following documentation to Stadium Manager for review and approval within the timeframes specified below.

1. Division of Apprenticeship Standards (DAS) 140 Form (applicable if Contract Price is \$30,000 or more). Contractor, on behalf of itself and its subcontractors, must provide a copy of DAS 140 forms filed with the appropriate apprenticeship committee(s) the earlier of Contractor's first application for payment for Work performed under this Contract or ten (10) Days of Contract execution.
2. DAS 142 Form (applicable if Contract Price is \$30,000 or more). Contractor, on behalf of itself and its subcontractors, must provide a copy of DAS 142 forms filed

with the appropriate apprenticeship committee(s) or evidence of an approved exemption with its first application for payment for Work involving an apprenticeable craft or trade classification – additional DAS 142 forms or evidence of approved exemptions must be provided following this initial submission with future applications for payment in the event those applications are for Work involving an apprenticeable craft or trade classification not covered under the first application for payment.

3. California Apprenticeship Council (CAC) Form CAC-2; Training Fee Contributions (applicable if Contract Price is \$30,000 or more). Contractor, on behalf of itself and its subcontractors, must submit evidence of mandatory training contributions required under Labor Code section 1777.5, as it may be amended from time to time, via submission of completed Form CAC-2 and/or confirmation of payment to a valid union trust fund with each application for payment submitted to Stadium Manager.
4. Certified Payroll Records; Statement of Compliance. Contractor, on behalf of itself and its subcontractors, must submit complete payroll records on forms substantially similar to the Department of Industrial Relations Form A-1-131 with each application for payment submitted to Stadium Manager. Each set of certified payroll records submitted to Stadium Manager with any application for payment must be accompanied by a signed Statement of Compliance certifying the information on the certified payroll records is true and correct. For the period covered by any application for payment in which Contractor and its subcontractors did not perform Work, Contractor must additionally submit a signed Statement of Non-Performance certifying no work was performed. Contractors are advised the submission of electronic certified payroll records to the Department of Industrial Relations via the eCPR system is not an acceptable substitute to maintaining and providing full certified payroll records as required by this provision and applicable law.
5. Fringe Benefit Statement. Contractor, on behalf of itself and its subcontractors, must submit complete Fringe Benefit Statement(s) for the crafts and trade classifications utilized to perform the Work covered by any application for payment. All Fringe Benefit Statements must be submitted with the application for payment to which each applies.
6. Demand for Compliance Records. At any time during or subsequent to the full performance of the Work under this Contract and in addition to the obligations set forth above, Stadium Manager and/or the Santa Clara Stadium Authority may require Contractor to produce and or correct and re-submit any prevailing wage compliance records, which must be reviewed and approved by Stadium Manager and/or the Santa Clara Stadium Authority, prior to full release of payment.
7. Withholding for Non-Compliance. In the event Contractor or any subcontractor is found not to be in compliance with the foregoing requirements for any application for payment whether for progress payments or final payment, Stadium Manager has the right to withhold up to ten percent (10%) of the amount owed to Contractor under the affected application for payment until full compliance is achieved.

Contractor acknowledges and agrees the foregoing amount is a reasonable estimate of the value of the documentation specified above.

IN WITNESS WHEREOF, this Contract has been duly executed by the above-named parties, on the day and year above written.

FORTY NINERS STADIUM
MANAGEMENT COMPANY LLC

[INSERT NAME OF CONTRACTOR]

By: _____
Francine Hughes
EVP & General Manager

By: _____

Its: _____

Printed Name: _____

**(CONTRACTOR’S SIGNATURE MUST BE
NOTARIZED AND CORPORATE
SEAL AFFIXED, IF APPLICABLE)**

END OF CONTRACT

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
☐ General

- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

00 61 13 – BOND FORMS

1.1 Performance Bond.

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Forty Niners Stadium Management Company LLC, (hereinafter referred to as "Stadium Manager") has awarded to _____ (hereinafter referred to as the "Contractor") an agreement for the **Levi's Stadium Levi's Naming Rights Signage Refurbishment/Replacement Project** (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the Stadium Manager in the sum of _____ DOLLARS, (\$_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the guarantee of all materials and workmanship; and shall indemnify and save harmless the Indemnified Parties as stipulated and defined in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by Stadium Manager in enforcing such obligation.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by Stadium Manager, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the Stadium Manager from loss or damage resulting from or caused by defective materials or faulty workmanship. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the Stadium Manager's rights or the

Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure Section 337.15.

Whenever Contractor shall be, and is declared by the Stadium Manager to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the Stadium Manager's option:

- i. Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- ii. Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the Stadium Manager, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the Stadium Manager under the Contract and any modification thereto, less any amount previously paid by the Stadium Manager to the Contractor and any other set offs pursuant to the Contract Documents.
- iii. Permit the Stadium Manager to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the Stadium Manager under the Contract and any modification thereto, less any amount previously paid by the Stadium Manager to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the Stadium Manager may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the Stadium Manager, when declaring the Contractor in default, notifies Surety of the Stadium Manager's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

By their signatures hereunder, Surety and Contractor hereby confirm under penalty of perjury that surety is an admitted surety insurer authorized to do business in the State of California.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20____.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

The rate of premium on this bond is _____ per thousand. The total amount of premium charges is \$_____.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of Agent or Representative for service of process in California, if different from above)

(Telephone number of Surety and Agent or Representative for service of process in California)

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
 ☐ General

- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Notary Acknowledgment

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STATE OF CALIFORNIA

COUNTY OF _____

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evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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Signature of Notary Public

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☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of Attorney to local representatives of the bonding company must also be attached.

END OF PERFORMANCE BOND

1.2 Payment Bond (Labor and Materials).

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the Forty Niners Stadium Management Company LLC (hereinafter designated as the "Stadium Manager"), by action taken or a resolution passed _____, 20_____, has awarded to _____ hereinafter designated as the "Principal," a contract for the work described as follows: **Levi's Stadium Levi's Naming Rights Signage Refurbishment/Replacement Project** (the "Project"); and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the Stadium Manager in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Civil Code Section 9100, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Revenue and Taxation Code Section 18663, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the Stadium Manager in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 9100 so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants

otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or Stadium Manager and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Civil Code Section 9100, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned, including but not limited to the provisions of Sections 2819 and 2845 of the California Civil Code.

By their signatures hereunder, Surety and Principal hereby confirm under penalty of perjury that surety is an admitted surety insurer authorized to do business in the State of California.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
 ☐ General

- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Notary Acknowledgment

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STATE OF CALIFORNIA

COUNTY OF _____

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of-Attorney to local representatives of the bonding company must also be attached.

END OF PAYMENT BOND

00 72 13 – GENERAL CONDITIONS

ARTICLE 1. DEFINED TERMS

Whenever used in the Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof. In addition to terms specifically defined below, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.

- A. Act of God – An earthquake of magnitude of 3.5 or higher on the Richter scale or a tidal wave.
- B. Addenda -- Written or graphic instruments issued prior to the submission of Bids which clarify, correct, or change the Contract Documents.
- C. Additional Work -- New or unforeseen work will be classified as “Additional Work” when the Stadium Manager’s Representative determines that it is not covered by the Contract.
- D. Applicable Laws -- The laws, statutes, ordinances, rules, codes, regulations, permits, and licenses of any kind, issued by local, state or federal governmental authorities or private authorities with jurisdiction (including utilities), to the extent they apply to the Work.
- E. Bid -- The offer or proposal of a Bidder submitted on the prescribed form setting forth the prices and other terms for the Work to be performed.
- F. Bidder -- The individual or entity who submits a Bid directly to the Stadium Manager.
- G. Change Order (“CO”) -- A document that authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Contract, in accordance with the Contract Documents and in the form contained in the Contract Documents.
- H. Change Order Request (“COR”) -- A request made by the Contractor for an adjustment in the Contract Price and/or Contract Times as the result of a Contractor-claimed change to the Work. This term may also be referred to as a Change Order Proposal (“COP”), or Request for Change (“RFC”).
- I. Claim -- A demand or assertion by the Stadium Manager or Contractor seeking an adjustment of Contract Price or Contract Times, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.
- J. Contract -- The entire integrated written agreement between the Stadium Manager and Contractor concerning the Work. “Contract” may be used interchangeably with “Agreement” in the Contract Documents. The Contract supersedes prior

negotiations, representations, or agreements, whether written or oral, and includes all Contract Documents.

- K. Contract Documents -- The documents listed in Section 00 52 13, Article 5. Some documents provided by the Stadium Manager to the Bidders and Contractor, including but not limited to reports and drawings of subsurface and physical conditions are not Contract Documents.
- L. Contract Price -- Amount to be paid by the Stadium Manager to the Contractor as full compensation for the performance of the Contract and completion of the Work, subject to any additions or deductions as provided in the Contract Documents and including all applicable taxes and costs.
- M. Contract Times -- The number of days or the dates stated in the Contract Documents to achieve defined Milestones, if any; and to complete the Work so that it is ready for final payment.
- N. Contractor -- The individual or entity with which the Stadium Manager has contracted for performance of the Work.
- O. Contractor's Designated On-Site Representative -- The Contractor's Designated On-Site Representative will be as identified during the preconstruction conference pursuant to Article 3 in Section 00 72 13 and shall not be changed without prior written consent of the Stadium Manager.
- P. Critical Supply Shortage -- An unusual shortage in materials that is (a) supported by documented proof that Contractor made every effort to obtain such materials from all available sources; (b) such shortage is due to the fact that such materials are not physically available from single or multiple sources or could have been obtained only at exorbitant prices entirely inconsistent with current and standard rates taking into account the quantities involved and the usual industry practices in obtaining such quantities; and (c) such shortages and the difficulties in obtaining alternate sources of materials could not have been known or anticipated by Contractor at the time it submitted its bid or entered the Contract. Market fluctuations in prices of materials, whether or not resulting from a Force Majeure Event, does not constitute a Critical Supply Shortage.
- Q. Daily Rate -- The Daily Rate stipulated in the Contract Documents as full compensation to the Contractor due to the Stadium Manager's unreasonable delay to the Project that was not contemplated by the parties.
- R. Day -- A calendar day of 24 hours measured from midnight to the next midnight.
- S. Defective Work -- Work that is unsatisfactory, faulty, or deficient; or that does not conform to the Contract Documents; or that does not meet the requirements of any inspection, reference standard, test, or approval referenced in the Contract Documents.
- T. Demobilization -- The complete dismantling and removal by the Contractor of all of the Contractor's temporary facilities, equipment, and personnel at the Site.

- U.** Drawings -- That part of the Contract Documents prepared by the Stadium Manager which graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop Drawings and other Contractor submittals are not Drawings as so defined.
- V.** Effective Date of the Contract -- The date indicated in the Contract on which it becomes effective, but if no such date is indicated, it means the date on which the Contract is signed and delivered by the last of the two parties to sign and deliver.
- W.** Force Majeure Event -- An event that materially affects a party's performance and is one or more of the following: (1) Acts of God or other natural disasters occurring at the Site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the Work); (4) pandemics, epidemics or quarantine restrictions; (5) strikes and other organized labor action occurring at the Site and the effects thereof on the Work, only to the extent such strikes and other organized labor action are beyond the control of Contractor and its Subcontractors, of every tier, and to the extent the effects thereof cannot be avoided by use of replacement workers; and (6) a Critical Supply Shortage. For purposes of this section, "orders of governmental authorities," includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety, and other actions of governmental authorities with jurisdiction over the Project.
- X.** Green Book -- The current edition of the Standard Specifications for Public Works Construction.
- Y.** Hazardous Waste -- The term "Hazardous Waste" shall have the meaning provided in Section 104 of the Solid Waste Disposal Act (42 U.S.C. § 6903) as amended from time to time or, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a class I, class II, or class III disposal site in accordance with provisions of existing law, whichever is more restrictive.
- Z.** Holiday -- The Holidays occur on:
- New Year's Day - January 1
President's Day -- Third Monday in February
Memorial Day - Last Monday in May
Independence Day - July 4
Labor Day - First Monday in September
Veteran's Day - November 11
Thanksgiving Day - Fourth Thursday in November
Friday after Thanksgiving
Christmas Eve -- December 24
Christmas Day - December 25
Day After Christmas -- December 26
New Year's Eve -- December 31

If any Holiday listed above falls on a Saturday, Saturday and the preceding Friday are both Holidays. If the Holiday should fall on a Sunday, Sunday and the following Monday are both Holidays.

- AA.** Indemnified Parties -- The Stadium Manager, the Santa Clara Stadium Authority, the City of Santa Clara, their affiliates, and each of their respective officers, directors, managers, members, partners, owners, employees, agents and authorized volunteers, each tenant and event promoter of Levi's Stadium, and any mortgagee, bond trustee or other financial institution from time to time holding a line or indenture upon an interest in Levi's Stadium, and each of them.
- BB.** Notice of Award -- The written notice by the Stadium Manager to the Successful Bidder stating that upon timely compliance by the Successful Bidder with the conditions precedent listed therein, the Stadium Manager will sign and deliver the Contract.
- CC.** Notice of Completion -- The form which may be executed by the Stadium Manager and recorded by the county where the Project is located constituting final acceptance of the Project.
- DD.** Notice to Proceed -- A written notice given by the Stadium Manager to Contractor fixing the date on which the Contractor may proceed with the Work and when Contract Times will commence to run.
- EE.** Project -- The total construction of which the Work to be performed under the Contract Documents may be the whole, or a part.
- FF.** Recyclable Waste Materials -- Materials removed from the Site which are required to be diverted to a recycling center rather than an area landfill. Recyclable Waste Materials include asphalt, concrete, brick, concrete block, and rock.
- GG.** Schedule of Submittals -- A schedule, prepared and maintained by Contractor, of required submittals and the time requirements to facilitate scheduled performance of related construction activities.
- HH.** Shop Drawings -- All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work.
- II.** Specifications -- That part of the Contract Documents consisting of written requirements for materials, equipment, systems, standards and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable thereto.
- JJ.** Stadium Manager -- The Forty Niners Stadium Management Company LLC.
- KK.** Stadium Manager's Representative -- The individual, partnership, corporation, joint venture, or other legal entity named as such in Section 00 73 13, Article 1.1. or any succeeding entity designated by the Stadium Manager acting either directly or through properly authorized agents, such agents acting severally within the scope

of the particular duties entrusted to them. On all questions concerning the acceptance of materials, machinery, the classifications of material, the execution of work, conflicting interest of the contractors performing related work and the determination of costs, the decision of the Stadium Manager's Representative, duly authorized by the Stadium Manager, shall be binding and final upon both parties.

- LL.** Stop Payment Notice -- A written notice as defined in Civil Code Section 8044.
- MM.** Subcontractor -- An individual or entity other than a Contractor having a contract with any other entity than the Stadium Manager for performance of any portion of the Work at the Site.
- NN.** Submittal -- Written and graphic information and physical samples prepared and supplied by the Contractor demonstrating various portions of the Work.
- OO.** Successful Bidder -- The Bidder submitting a responsive Bid to whom the Stadium Manager makes an award.
- PP.** Supplier -- A manufacturer, fabricator, supplier, distributor, material man, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment used in the performance of the Work or to be incorporated in the Work.
- QQ.** Underground Facilities -- All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.
- RR.** Unit Price Work -- Work to be paid for on the basis of unit prices as provided by the Contractor in its bid or as adjusted in accordance with the Contract Documents.
- SS.** Warranty -- A written guarantee provided to the Stadium Manager by the Contractor that the Work will remain free of defects and suitable for its intended use for the period required by the Contract Documents or the longest period permitted by the law of this State, whichever is longer.
- TT.** Work -- The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.

ARTICLE 2. CONTRACT DOCUMENTS

- A. Contract Documents.** The Contract Documents are complementary, and what is called for by one shall be as binding as if called for by all.

B. Interpretations. The Contract Documents are intended to be fully cooperative and complementary. If the Contractor observes that any documents are in conflict, the Contractor shall promptly notify the Stadium Manager's Representative in writing. In case of conflicts between the Contract Documents, the order of precedence shall be as follows:

1. Change Orders, most recent first
2. Addenda, most recent first
3. Procurement and Contract Process Integrity and Conflict of Interest Guidelines
4. Levi's Stadium Jobsite Duties
5. Special Conditions
6. General Requirements
7. Technical Specifications
8. Plans (Contract Drawings)
9. Contract
10. General Conditions
11. Instructions to Bidders
12. Notice Inviting Bids
13. Contractor's Bid Forms
14. Standard Specifications for Public Works Construction (Sections 1-9 Excluded)
15. Standard Drawings
16. Reference Documents

With reference to the Drawings, the order of precedence shall be as follows:

1. Figures govern over scaled dimensions
2. Detail drawings govern over general drawings
3. Addenda or Change Order drawings govern over Contract Drawings
4. Contract Drawings govern over Standard Drawings
5. Contract Drawings govern over Shop Drawings

C. Conflicts in Contract Documents. Notwithstanding the orders of precedence established above, in the event of conflicts, the higher standard, higher quality, and most expensive shall always apply.

D. Organization of Contract Documents. Organization of the Contract Documents into divisions, sections, and articles, and arrangement of drawings shall not control the Contractor in dividing Project Work among subcontractors or in establishing the extent of Work to be performed by any trade.

ARTICLE 3. PRECONSTRUCTION AND CONSTRUCTION COMMUNICATION

Before any Work at the site is started, a conference attended by the Stadium Manager, Contractor, Stadium Manager's Representative, and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to herein, procedures for handling Shop Drawings and other submittals, processing Applications for Payment, and maintaining required records.

At this conference the Stadium Manager and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities

under the Contract. Such individuals shall have the authority to transmit instructions, receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

The authorized representatives of Stadium Manager, Contractor and others as appropriate must meet weekly at the Project site at a location designated by Stadium Manager to keep abreast of construction activities and maintain familiarity with the progress of the Work as well as address any other Project related issues. Stadium Manager may waive the scheduled weekly meeting in Stadium Manager's discretion. Contractor is responsible for writing and distributing meeting minutes, which shall at a minimum include information regarding the following: (1) Project name and location; (2) Name of preparer of the minutes and position in Contractor's organization; (3) Meeting number, time and date; (4) List of attendees and what entity each represents; (5) total contract time elapsed since Notice to Proceed – to be reported in calendar days; (6) anticipated date of completion of the Work; (6) a summary of each item addressed in the meeting organized chronologically based on when it was discussed during the meeting; and (7) any other information Stadium Manager deems appropriate to be included in the meeting minutes. The meeting minutes shall be submitted by Contractor to Stadium Manager for review and verification within two (2) business days of the date of the meeting. Stadium Manager may direct Contractor to revise the meeting minutes to the extent there are factual inaccuracies or inconsistencies therein.

ARTICLE 4. CONTRACT DOCUMENTS: COPIES & MAINTENANCE

Contractor will be furnished free of charge, an electronic copy of the Contract Documents. Contractor shall maintain a clean, undamaged set of Contract Documents, including submittals, at the Project site.

ARTICLE 5. EXAMINATION OF DRAWINGS, SPECIFICATIONS AND SITE OF WORK

- A. Examination of Contract Documents.** Before commencing any portion of the Work, Contractor shall again carefully examine all applicable Contract Documents, the Project site, and other information given to Contractor as to materials and methods of construction and other Project requirements. Contractor shall immediately notify the Stadium Manager's Representative of any potential error, inconsistency, ambiguity, conflict, or lack of detail or explanation. If Contractor performs, permits, or causes the performance of any Work which is in error, inconsistent or ambiguous, or not sufficiently detailed or explained, Contractor shall bear any and all resulting costs, including, without limitation, the cost of correction. In no case shall the Contractor or any subcontractor proceed with Work if uncertain as to the applicable requirements.
- B. Additional Instructions.** After notification of any error, inconsistency, ambiguity, conflict, or lack of detail or explanation, the Stadium Manager's Representative will provide any required additional instructions, by means of drawings or other written direction, necessary for proper execution of Work.
- C. Quality of Parts, Construction and Finish.** All parts of the Work shall be of the best quality of their respective kinds and the Contractor must use all diligence to inform itself fully as to the required construction and finish.
- D. Contractor's Variation from Contract Document Requirements.** If it is found that the Contractor has varied from the requirements of the Contract Documents including

the requirement to comply with all applicable laws, ordinances, rules and regulations, the Stadium Manager's Representative may at any time, before or after completion of the Work, order the improper Work removed, remade or replaced by the Contractor at the Contractor's expense.

ARTICLE 6. MOBILIZATION

- A.** When a bid item is included in the Bid Form for mobilization, the costs of Work in advance of construction operations and not directly attributable to any specific bid item will be included in the progress estimate ("Initial Mobilization"). When no bid item is provided for "Initial Mobilization," payment for such costs will be deemed to be included in the other items of the Work.
- B.** Payment for Initial Mobilization based on the lump sum provided in the Bid Form, which shall constitute full compensation for all such Work. No payment for Initial Mobilization will be made until all of the listed items have been completed to the satisfaction of the Stadium Manager's Representative. The scope of the Work included under Initial Mobilization shall include, but shall not be limited to, the following principal items:
1. Obtaining and paying for all bonds, insurance, and permits.
 2. Moving on to the Project site of all Contractor's plant and equipment required for the first month's operations.
 3. Installing temporary construction power, wiring, and lighting facilities, as applicable.
 4. Establishing fire protection system, as applicable.
 5. Developing and installing a construction water supply, if applicable.
 6. Providing and maintaining the field office trailers for the Contractor, if necessary, and the Stadium Manager's Representative (if specified), complete, with all specified furnishings and utility services.
 7. Furnishing, installing, and maintaining all storage buildings or sheds required for temporary storage of products, equipment, or materials that have not yet been installed in the Work. All such storage shall meet manufacturer's specified storage requirements, and the specific provisions of the specifications, including temperature and humidity control, if recommended by the manufacturer, and for all security.
 8. Arranging for and erection of Contractor's work and storage yard.
 9. Posting all OSHA required notices and establishment of safety programs per Cal-OSHA.
 10. Full-time presence of Contractor's superintendent at the job site as required herein.
 11. Submittal of Construction Schedule as required by the Contract Documents.

ARTICLE 7. EXISTENCE OF UTILITIES AT THE WORK SITE

- A. The Stadium Manager has endeavored to determine the existence of utilities at the Project site from the records of the owners of known utilities in the vicinity of the Project. The positions of these utilities as derived from such records are shown on the Plans.
- B. Unless indicated otherwise on the Plans and Specifications, no excavations were made to verify the locations shown for underground utilities. The service connections to these utilities are not shown on the Plans. Water service connections may be shown on the Plans showing general locations of such connections. It shall be the responsibility of the Contractor to determine the exact location of all service connections. The Contractor shall make its own investigations, including exploratory excavations, to determine the locations and type of service connections, prior to commencing Work which could result in damage to such utilities. The Contractor shall immediately notify the Stadium Manager in writing of any utility discovered in a different position than shown on the Plans or which is not shown on the Plans.
- C. If applicable, all water meters, water valves, fire hydrants, electrical utility vaults, telephone vaults, gas utility valves, and other subsurface structures shall be relocated or adjusted to final grade by the Contractor. Locations of existing utilities shown on the Plans are approximate and may not be complete. The Contractor shall be responsible for coordinating its Work with all utility companies during the construction of the Work.
- D. Notwithstanding the above, pursuant to Section 4215 of the Government Code, the Stadium Manager has the responsibility to identify, with reasonable accuracy, main or trunkline facilities on the plans and specifications. In the event that main or trunkline utility facilities are not identified with reasonable accuracy in the plans and specifications made a part of the invitation for Bids, the Stadium Manager shall assume the responsibility for their timely removal, relocation, or protection.
- E. Contractor, except in an emergency, shall contact the appropriate regional notification center, **California Underground Service Alert** at 811 or 1-800-227-2600 or on-line at www.digalert.org at least two working days prior to commencing any excavation if the excavation will be performed in an area which is known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the Stadium Manager, and obtain an inquiry identification number from that notification center. No excavation shall be commenced or carried out by the Contractor unless such an inquiry identification number has been assigned to the Contractor or any subcontractor of the Contractor and the Stadium Manager has been given the identification number by the Contractor.

ARTICLE 8. SOILS INVESTIGATIONS

- A. Reports and Drawings. The Special Conditions identify:
 - 1. those reports known to the Stadium Manager of explorations and tests of subsurface conditions at or contiguous to the site; and

2. those drawings known to the Stadium Manager of physical conditions relating to existing surface or subsurface structures at the site (except Underground Facilities).
- B. Limited Reliance by Contractor on Technical Data Authorized.** Contractor may rely upon the accuracy of the “technical data” contained in such reports and drawings, which were expressly not created or obtained to evaluate or assist in the evaluation of constructability and are not Contract Documents. Contractor shall make its own interpretation of the “technical data” and shall be solely responsible for any such interpretations. Except for reliance on the accuracy of such “technical data,” Contractor may not rely upon or make any claim against the Stadium Manager or Stadium Manager’s Representative, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:
1. the completeness of such reports and drawings for Contractor’s purposes, including without limitation any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
 2. other data, interpretations, opinions, conclusions and information contained in such reports or shown or indicated in such drawings; or
 3. any Contractor interpretation of or conclusion drawn from any “technical data” or any such other data, interpretations, opinions, or information.

ARTICLE 9. CONTRACTOR’S SUPERVISION

Contractor shall continuously keep at the Project site, a competent and experienced full-time Project superintendent acceptable to the Stadium Manager. Superintendent must be able to proficiently speak, read and write in English and shall have the authority to make decisions on behalf of the Contractor. Contractor shall continuously provide efficient supervision of the Project.

ARTICLE 10. WORKERS

- A.** Contractor shall at all times enforce strict discipline and good order among its employees. Contractor shall not employ on the Project any unfit person or any one not skilled in the Work assigned to him or her.
- B.** Any person in the employ of the Contractor whom the Stadium Manager may deem incompetent or unfit shall be dismissed from the Work and shall not be employed on this Project.

ARTICLE 11. INDEPENDENT CONTRACTORS

Contractor shall be an independent contractor for the Stadium Manager and not an employee. Contractor understands and agrees that it and all of its employees shall not be considered officers, employees, or agents of Stadium Manager and are not entitled to benefits of any kind normally provided employees of Stadium Manager, including but not limited to, state unemployment compensation or workers’ compensation. Contractor assumes full responsibility for the acts and omissions of its employees or agents related to the Work.

ARTICLE 12. SUBCONTRACTS

- A.** Contractor agrees to bind every subcontractor to the terms of the Contract Documents as far as such terms are applicable to subcontractor's portion of the Work. Contractor shall be as fully responsible to the Stadium Manager for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by its subcontractors, as Contractor is for acts and omissions of persons directly employed by Contractor. Nothing contained in these Contract Documents shall create any contractual relationship between any subcontractor and the Stadium Manager.
- B.** The Stadium Manager reserves the right to accept all subcontractors. The Stadium Manager's acceptance of any subcontractor under this Contract shall not in any way relieve Contractor of its obligations in the Contract Documents.
- C.** Prior to substituting any subcontractor listed in the Bid Forms, Contractor must comply with the requirements of the Subletting and Subcontracting Fair Practices Act pursuant to California Public Contract Code Section 4100 et seq.

ARTICLE 13. VERIFICATION OF EMPLOYMENT ELIGIBILITY

By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors, sub-subcontractors and consultants to comply with the same. Each person executing this Contract on behalf of Contractor verifies that he or she is a duly authorized officer of Contractor and that any of the following shall be grounds for the Stadium Manager to terminate the Contract for cause: (1) failure of the Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for in this Article; (2) any misrepresentation or material omission concerning compliance with such requirements; or (3) failure to immediately remove from the Work any person found not to be in compliance with such requirements.

ARTICLE 14. REQUESTS FOR SUBSTITUTION

- A.** For the purposes of this provision, the term "substitution" shall mean the substitution of any material, method or service substantially equal to or better in every respect to that indicated in the Standard Specifications or otherwise referenced herein.
- B.** Pursuant to Public Contract Code Section 3400(b), the Stadium Manager may make a finding that is described in the Notice Inviting Bids that designates certain products, things, or services by specific brand or trade name.
- C.** Unless specifically designated in the Special Conditions, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such specifications shall be deemed to be used for the purpose of facilitating the description of the material, process, or article desired and shall be deemed to be followed by the words "or equal." Contractor may, unless otherwise stated, offer for substitution any material, process, or article which may be substantially equal to or better in every respect to that so indicated or specified in the Contract

Documents. However, the Stadium Manager has adopted uniform standards for certain materials, processes, and articles.

- D.** The Contractor shall submit substitution requests, together with substantiating data, for substitution of any “or equal” material, process, or article no later than the amount of calendar days prior to the bid submission deadline set forth in the Notice Inviting Bids as it may be amended. Provisions regarding submission of substitution requests shall not in any way authorize an extension of time for the performance of this Contract. If a substitution request is rejected by the Stadium Manager, the Contractor shall provide the material, method or service specified herein. The Stadium Manager shall not be responsible for any costs incurred by the Contractor associated with substitution requests. The burden of proof as to the equality of any material, process, or article shall rest with the Contractor. The Stadium Manager’s Representative has the complete and sole discretion to determine if a material, process, or article is substantially equal to or better than that specified and to approve or reject all substitution requests.
- E.** Substantiating data as described above shall include, at a minimum, the following information:

 - 1. A signed Request Approved Equals Form from the Contractor stating that the material, process, or article proposed as a substitution is substantially equal to or better than that specified in every way except as may be listed on the form.
 - 2. Illustrations, specifications, catalog cut sheets, and any other relevant data required to prove that the material, process, or article is substantially equal to or better than that specified.
 - 3. A statement of the cost implications of the substitution being requested, indicating whether and why the proposed substitution will reduce or increase the amount of the Contract.
 - 4. Information detailing the durability and lifecycle costs of the proposed substitution.
- F.** Failure to submit all the required substantiating data detailed above in a timely manner so that the substitution request can be adequately reviewed may result in rejection of the substitution request. The Stadium Manager’s Representative is not obligated to review multiple submittals related the same substitution request resulting from the Contractor’s failure to initially submit a complete package.
- G.** Time limitations within this Article shall be strictly complied with and in no case will an extension of time for completion of the contract be granted because of Contractor’s failure to provide substitution requests at the time and in the manner described herein.
- H.** The Contractor shall bear the costs of all Stadium Manager work associated with the review of substitution requests.
- I.** If substitution requests approved by the Stadium Manager’s Representative require that Contractor furnish materials, methods or services more expensive than that specified, the increased costs shall be borne by Contractor.

ARTICLE 15. SHOP DRAWINGS

- A.** Contractor shall check and verify all field measurements and shall submit with such promptness as to provide adequate time for review and cause no delay in its own Work or in that of any other contractor, subcontractor, or worker on the Project, six (6) copies of all shop drawings, calculations, schedules, and materials list, and all other provisions required by the Contract Documents. Contractor shall sign all submittals affirming that submittals have been reviewed and approved by Contractor prior to submission to Stadium Manager's Representative. Each signed submittal shall affirm that the submittal meets all the requirements of the Contract Documents except as specifically and clearly noted and listed on the transmittal letter of the submittal.
- B.** Contractor shall make any corrections required by the Stadium Manager's Representative, and file with the Stadium Manager's Representative six (6) corrected copies each and furnish such other copies as may be needed for completion of the Work. Stadium Manager's Representative's acceptance of shop drawings shall not relieve Contractor from responsibility for deviations from the Contract Documents unless Contractor has, in writing, called Stadium Manager's Representative's attention to such deviations at time of submission and has secured the Stadium Manager's Representative's written acceptance. Stadium Manager's Representative's acceptance of shop drawings shall not relieve Contractor from responsibility for errors in shop drawings.

ARTICLE 16. SUBMITTALS

- A.** Contractor shall furnish to the Stadium Manager's Representative for approval, prior to purchasing or commencing any Work, a log of all samples, material lists and certifications, mix designs, schedules, and other submittals, as required in the Contract Documents. The log shall indicate whether samples will be provided in accordance with other provisions of this Contract.
- B.** Contractor will provide samples and submittals, together with catalogs and supporting data required by the Stadium Manager's Representative, to the Stadium Manager's Representative within a reasonable time period to provide for adequate review and avoid delays in the Work.
- C.** These requirements shall not authorize any extension of time for performance of this Contract. Stadium Manager's Representative will check and approve such samples, but only for conformance with design concept of work and for compliance with information given in the Contract Documents. Work shall be in accordance with approved samples and submittals.

ARTICLE 17. MATERIALS

- A.** Except as otherwise specifically stated in the Contract Documents, Contractor shall provide and pay for all materials, labor, tools, equipment, lights, power, transportation, superintendence, temporary constructions of every nature, and all other services and facilities of every nature whatsoever necessary to execute and complete this Contract within specified time.

- B. Unless otherwise specified, all materials shall be new and the best of their respective kinds and grades as noted and/or specified, and workmanship shall be of good quality.
- C. Materials shall be furnished in ample quantities and at such times as to ensure uninterrupted progress of the Work and shall be stored properly and protected as required by the Contract Documents. Contractor shall be entirely responsible for damage or loss by weather or other causes to materials or Work.
- D. No materials, supplies, or equipment for Work under this Contract shall be purchased subject to any chattel mortgage or under a conditional sale or other agreement by which an interest therein or in any part thereof is retained by the seller or supplier. Contractor warrants good title to all material, supplies, and equipment installed or incorporated in the Work and agrees upon completion of all work to deliver the Project, to the Stadium Manager free from any claims, liens, or charges.
- E. Materials shall be stored on the Project site in such manner so as not to interfere with any operations of the Stadium Manager or any independent contractor.
- F. Contractor shall verify all measurements, dimensions, elevations, and quantities before ordering any materials or performing any Work, and the Stadium Manager shall not be liable for Contractor's failure to do so. No additional compensation, over and above payment for the actual quantities at the prices set out in the Bid Form, will be allowed because of differences between actual measurements, dimension, elevations and quantities and those indicated on the Plans and in the Specifications. Any difference therein shall be submitted to the Stadium Manager's Representative for consideration before proceeding with the Work.

ARTICLE 18. PERMITS AND LICENSES

- A. Contractor shall obtain all necessary permits and licenses for the construction of the Project, including encroachment permits, and shall pay all fees required by law and shall comply with all laws, ordinances, rules and regulations relating to the Work and to the preservation of public health and safety. Before acceptance of the Project, the Contractor shall submit all licenses, permits, certificates of inspection and required approvals to the Stadium Manager.
- B. On some projects, the Bid Form contains an allowance for the Contractor's cost of acquiring all permits and construction inspection fees that may be charged to the Contractor by the Agency of Jurisdiction. The allowance is included within the Bid Form to eliminate the need by bidders to research or estimate the costs of permits and construction inspection fees prior to submitting a bid. The allowance is specifically intended to account for the costs of permits and construction inspection fees charged by the local Agency of Jurisdiction only. No other costs payable by Contractor to the Agency of Jurisdiction are included within the allowance. Payment by Stadium Manager to Contractor under the Permit and Inspection Allowance Bid Item shall be made based on actual cost receipts only and in accordance with the provisions of these specifications.

ARTICLE 19. TRENCHES

- A. Trenches Five Feet or More in Depth.** Contractor shall submit to the Stadium Manager's Representative at the preconstruction meeting, a detailed plan showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from hazards of caving ground during the excavation of any trench or trenches five feet or more in depth. If such plan varies from shoring system standards established by the Construction Safety Orders of the California Code of Regulations, Department of Industrial Relations, the plan shall be prepared by a California registered civil or structural engineer. The plan shall not be less effective than the shoring, bracing, sloping, or other provisions of the Construction Safety Orders, as defined in the California Code of Regulations. The Contractor shall designate in writing the "competent person" as defined in Title 8, California Code of Regulations, who shall be present at the Work Site each day that trenching/excavation is in progress. The "competent person" shall prepare and provide daily trenching/excavation inspection reports to the Stadium Manager's Representative. Contractor shall also submit a copy of its annual California Occupational Safety and Health Administration (Cal/OSHA) trench/excavation permit.
- B. Excavations Deeper than Four Feet.** If the Work involves excavating trenches or other excavations that extend deeper than four feet below the surface, Contractor shall promptly, and before the excavation is further disturbed, notify the Stadium Manager in writing of any of the following conditions:
1. Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
 2. Subsurface or latent physical conditions at the site differing from those indicated.
 3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract

The Stadium Manager shall promptly investigate the conditions, and if it finds that the conditions do so materially differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the Work, shall issue a change order under the procedures described in the Contract Documents.

In the event that a dispute arises between the Stadium Manager and the Contractor as to whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the Work, the Contractor shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all Work to be performed under the Contract. Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the parties.

ARTICLE 20. TRAFFIC CONTROL

- A.** Traffic control plan(s) for the Work may be required by the Agency(s) of Jurisdiction. Traffic control plans, if required, shall be prepared at Contractor's expense, and traffic control shall be performed at Contractor's expense in accordance with the requirements of the Agency(s) of Jurisdiction. If a Permit and Inspection Allowance is included within the Bid Form, it includes the cost of required traffic control permit(s) by the Agency(s) of Jurisdiction only. The Permit and Inspection Allowance does not include costs for preparation of any required traffic control plans, implementation of any traffic control requirements or for any traffic signal services that may be required. Costs for traffic control plans, implementation of traffic control, or traffic signal services required by the Agency(s) of Jurisdiction shall be included in the Contractor's Bid.
- B.** All warning signs and safety devices used by the Contractor to perform the Work shall conform to the requirements contained in the State of California, Department of Transportation's current edition of "Manual of Traffic Controls for Construction and Maintenance Work Zones" or to the requirements of the local agency. The Contractor shall also be responsible for all traffic control required by the agency having jurisdiction over the project on the intersecting streets. Contractor must submit a traffic control plan to the agency having jurisdiction over the project for approval prior to starting work.
- C.** The Contractor's representative on the site responsible for traffic control shall produce evidence that he/she has completed training acceptable to the California Department of Transportation for safety through construction zones. All of the streets in which the Work will occur shall remain open to traffic and one lane of traffic maintained at all times unless otherwise directed by the agency of jurisdiction. Businesses and residences adjacent to the Work shall be notified forty-eight (48) hours in advance of closing of driveways. The Contractor shall make every effort to minimize the amount of public parking temporarily eliminated due to construction in areas fronting businesses. No stockpiles of pipe or other material will be allowed in traveled rights-of-way after working hours unless otherwise approved by the Stadium Manager's Representative.

ARTICLE 21. DIVERSION OF RECYCLABLE WASTE MATERIALS

In compliance with the applicable Stadium Manager's waste reduction and recycling efforts, Contractor shall divert all Recyclable Waste Materials to appropriate recycling centers as required for compliance with the local jurisdiction's waste diversion ordinances. Contractor will be required to submit weight tickets and written proof of diversion with its monthly progress payment requests. Contractor shall complete and execute any certification forms required by Stadium Manager or other applicable agencies to document Contractor's compliance with these diversion requirements. All costs incurred for these waste diversion efforts shall be the responsibility of the Contractor.

ARTICLE 22. REMOVAL OF HAZARDOUS MATERIALS

Should Contractor encounter material reasonably believed to be polychlorinated biphenyl (PCB) or other toxic wastes and hazardous materials which have not been rendered harmless at the Project site, the Contractor shall immediately stop work at the affected Project site and shall report

the condition to the Stadium Manager in writing. The Stadium Manager shall contract for any services required to directly remove and/or abate PCBs and other toxic wastes and hazardous materials, if required by the Project site(s), and shall not require the Contractor to subcontract for such services. The Work in the affected area shall not thereafter be resumed except by written agreement of the Stadium Manager and Contractor.

ARTICLE 23. SANITARY FACILITIES

Contractor shall coordinate with the Stadium Manager for access and use of stadium restroom facilities during performance of the Work on the Project site.

ARTICLE 24. AIR POLLUTION CONTROL

Contractor shall comply with all air pollution control rules, regulations, ordinances and statutes. All containers of paint, thinner, curing compound, solvent or liquid asphalt shall be labeled to indicate that the contents fully comply with the applicable material requirements.

ARTICLE 25. LAYOUT AND FIELD ENGINEERING

All field engineering required for laying out the Work and establishing grades for earthwork operations shall be furnished by the Contractor at its expense.

ARTICLE 26. TESTS AND INSPECTIONS

- A.** If the Contract Documents, the Stadium Manager's Representative, or any instructions, laws, ordinances, or public authority requires any part of the Work to be tested or approved, Contractor shall provide the Stadium Manager's Representative at least four (4) calendar days' notice of its readiness for observation or inspection. If inspection is by a public authority other than the Stadium Manager, Contractor shall promptly inform the Stadium Manager of the date fixed for such inspection. Required certificates of inspection (or similar) shall be secured by Contractor. Costs for Stadium Manager testing, and Stadium Manager inspection shall be paid by the Stadium Manager. Costs of tests for Work found not to be in compliance shall be paid by the Contractor.
- B.** If any Work is done or covered up without the required testing or approval, the Contractor shall uncover or deconstruct the Work, and the Work shall be redone after completion of the testing at the Contractor's cost in compliance with the Contract Documents.
- C.** Where inspection and testing are to be conducted by an independent laboratory or agency, materials or samples of materials to be inspected or tested shall be selected by such laboratory or agency, or by the Stadium Manager, and not by Contractor. All tests or inspections of materials shall be made in accordance with the commonly recognized standards of national organizations.
- D.** In advance of manufacture of materials to be supplied by Contractor which must be tested or inspected, Contractor shall notify the Stadium Manager so that the Stadium Manager may arrange for testing at the source of supply. Any materials which have

not satisfactorily passed such testing and inspection shall not be incorporated into the Work.

- E. If the manufacture of materials to be inspected or tested will occur in a plant or location greater than sixty (60) miles from the Stadium Manager, the Contractor shall pay for any excessive or unusual costs associated with such testing or inspection, including but not limited to excessive travel time, standby time and required lodging.
- F. Reexamination of Work may be ordered by the Stadium Manager. If so ordered, Work must be uncovered or deconstructed by Contractor. If Work is found to be in accordance with the Contract Documents, the Stadium Manager shall pay the costs of reexamination and reconstruction. If such work is found not to be in accordance with the Contract Documents, Contractor shall pay all costs.

ARTICLE 27. PROTECTION OF WORK AND PROPERTY

- A. The Contractor shall be responsible for all damages to persons or property that occurs as a result of the Work. Contractor shall be responsible for the proper care and protection of all materials delivered and Work performed until completion and final Acceptance by the Stadium Manager. All Work shall be solely at the Contractor's risk. Contractor shall adequately protect adjacent property from settlement or loss of lateral support as necessary. Contractor shall comply with all applicable safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent to the Project site where Work is being performed. Contractor shall erect and properly maintain at all times, as required by field conditions and progress of work, all necessary safeguards, signs, barriers, lights, and watchmen for protection of workers and the public, and shall post danger signs warning against hazards created in the course of construction.
- B. In an emergency affecting safety of life or of work or of adjoining property, Contractor, without special instruction or authorization from the Stadium Manager's Representative, is hereby permitted to act to prevent such threatened loss or injury; and Contractor shall so act, without appeal, if so authorized or instructed by the Stadium Manager's Representative or the Stadium Manager. Any compensation claimed by Contractor on account of emergency work shall be determined by and agreed upon by the Stadium Manager and the Contractor.

ARTICLE 28. CONTRACTOR'S MEANS AND METHODS

Contractor is solely responsible for the means and methods utilized to perform the Work. In no case shall the Contractor's means and methods deviate from commonly used industry standards.

ARTICLE 29. AUTHORIZED REPRESENTATIVES

The Stadium Manager shall designate representatives, who shall have the right to be present at the Project site at all times. The Stadium Manager may designate an inspector who shall have the right to observe all of the Contractor's Work. The inspector shall not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents. Contractor shall provide safe and proper facilities for such access.

ARTICLE 30. HOURS OF WORK

- A. As provided in Article 3 (commencing at Section 1810), Chapter 1, Part 7, Division 2 of the Labor Code, Contractor stipulates that eight (8) hours of labor shall constitute a legal day's work. The time of service of any worker employed at any time by the Contractor or by any subcontractor on any subcontract under this Contract upon the Work or upon any part of the Work contemplated by this Contract is limited and restricted to eight (8) hours during any one calendar day and 40 hours during any one calendar week, except as hereinafter provided. Notwithstanding the provisions herein above set forth, work performed by employees of Contractor in excess of eight (8) hours per day, and 40 hours during any one week, shall be permitted upon this public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half times the basic rate of pay.
- B. The Contractor and every subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed in connection with the Work or any part of the Work contemplated by this Contract. The record shall be kept open at all reasonable hours to the inspection of the Stadium Manager and to the Division of Labor Law Enforcement, Department of Industrial Relations of the State of California.
- C. The Contractor shall pay to the Stadium Manager a penalty of twenty-five dollars (\$25.00) for each worker employed in the execution of this Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and 40 hours in any one calendar week in violation of the provisions of Article 3 (commencing at Section 1810), Chapter 1, Part 7, Division 2 of the Labor Code.
- D. Any work necessary to be performed after regular working hours, or on Saturdays and Sundays or other holidays, shall be performed without additional expense to the Stadium Manager.
- E. No Work will be allowed on the Project site 48 hours prior and 24 hours after any event with a projected attendance greater than 10,000 people without prior written approval from the Stadium Manager.
- F. Stadium Manager will provide inspection during normal working hours from 7:00 a.m. to 3:30 p.m. Monday through Friday. Inspection before or after this time will be charged to the Contractor as reimbursable inspection time. Inspections on weekends requires two days' notice for review and approval. Upon written request and approval, the 8.5 hour working day may be changed to other limits subject to city/county ordinance.
- G. It shall be unlawful for any person to operate, permit, use, or cause to operate any of the following at the Project site, other than between the hours of 7:00 a.m. to 5:00 p.m., Monday through Friday, with no Work allowed on the Stadium Manager-observed holidays, unless otherwise approved by the Stadium Manager:
 - 1. Powered Vehicles
 - 2. Construction Equipment

3. Loading and Unloading Vehicles
4. Domestic Power Tools

ARTICLE 31. PAYROLL RECORDS; LABOR COMPLIANCE

- A.** Pursuant to Labor Code Section 1776, Contractor and all subcontractors shall maintain weekly certified payroll records, showing the names, addresses, Social Security numbers, work classifications, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by them in connection with the Work under this Contract. Contractor shall certify under penalty of perjury that records maintained and submitted by Contractor are true and accurate. Contractor shall also require subcontractor(s) to certify weekly payroll records under penalty of perjury.
- B.** In accordance with Labor Code Section 1771.4, the Contractor and each subcontractor shall furnish the certified payroll records directly to the Department of Industrial Relations ("DIR") on the specified interval and format prescribed by the DIR, which may include electronic submission. Contractor shall comply with all requirements and regulations from the DIR relating to labor compliance monitoring and enforcement. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code Section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.
- C.** Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the Stadium Manager. Contractor shall defend, indemnify and hold the Indemnified Parties free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.
- D.** The payroll records described herein shall be certified and submitted by the Contractor at a time designated by the Stadium Manager. The Contractor shall also provide the following:
 1. A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.
 2. A certified copy of all payroll records described herein shall be made available for inspection or furnished upon request of the DIR.
- E.** Unless submitted electronically, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement ("DLSE") of the DIR or shall contain the same information as the forms provided by the DLSE.

- F. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency, the Stadium Manager, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor awarded the Contract or performing the contract shall not be marked or obliterated.
- G. In addition to requirements associated with submission of labor compliance records under state laws and regulations, the Contractor and each of its subcontractors performing work on the Project shall submit the labor compliance records required herein via the LCPTracker platform as directed by the Stadium Manager.
- H. In the event of noncompliance with the requirements of this Article, the Contractor shall have ten (10) Days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this Article. Should noncompliance still be evident after such 10-day period, the Contractor shall pay a penalty of one hundred dollars (\$100.00) to the Stadium Manager for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payment then due.
- I. The responsibility for compliance with this Article shall rest upon the Contractor.

ARTICLE 32. PREVAILING RATES OF WAGES

- A. The Contractor is aware of the requirements of Labor Code Sections 1720 *et seq.* and 1770 *et seq.*, as well as California Code of Regulations, Title 8, Section 16000 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Project involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. The Contractor shall obtain a copy of the prevailing rates of per diem wages at the commencement of this Contract from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations located at www.dir.ca.gov. In the alternative, the Contractor may view a copy of the prevailing rate of per diem wages which are on file at the Stadium Manager's Administration Office and shall be made available to interested parties upon request. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to perform work on the Project available to interested parties upon request and shall post copies at the Contractor's principal place of business and at the Project site. Contractor shall defend, indemnify and hold the Indemnified Parties free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or allege failure to comply with the Prevailing Wage Laws.
- B. The Contractor shall forfeit as a penalty to the Stadium Manager not more than Two Hundred Dollars (\$200.00), pursuant to Labor Code Section 1775, for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate as determined by the Director of the Department of Industrial Relations for such work or

craft in which such worker is employed for any public work done under the Contract by it or by any subcontractor under it. The difference between such prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by the Contractor.

- C. Contractor shall post, at appropriate conspicuous points on the Project site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned.

ARTICLE 33. PUBLIC WORKS CONTRACTOR REGISTRATION

Pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and its subcontractors must be registered with the Department of Industrial Relations prior to the execution of a contract to perform public works. By entering into this Contract, Contractor represents that it is aware of the registration requirement and is currently registered with the DIR. Contractor shall maintain a current registration for the duration of the Project. Contractor shall further include the requirements of Labor Code Sections 1725.5 and 1771.1 in any subcontract and ensure that all subcontractors are registered at the time this Contract is entered into and maintain registration for the duration of the Project. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

ARTICLE 34. EMPLOYMENT OF APPRENTICES

- A. Contractor and all subcontractors shall comply with the requirements of Labor Code Sections 1777.5 and 1777.6 in the employment of apprentices.
- B. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.
- C. Knowing violations of Labor Code Section 1777.5 will result in forfeiture not to exceed one hundred dollars (\$100.00) for each calendar day of non-compliance pursuant to Labor Code Section 1777.7.
- D. The responsibility for compliance with this Article shall rest upon the Contractor.

ARTICLE 35. NONDISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY

Pursuant to Labor Code Section 1735 and other applicable provisions of law, the Contractor and its subcontractors shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by law on this Project. The Contractor will take affirmative action to insure that employees are treated during employment or training without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by

law.

Employment Eligibility; Contractor. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Contract and shall not violate any such law at any time during the term of the Contract. Contractor shall avoid any violation of any such law during the term of this Contract by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification and shall make them available to the Stadium Manager or its representatives for inspection and copy at any time during normal business hours. The Stadium Manager shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for or referred to herein.

Employment Eligibility; Subcontractors, Sub-subcontractors and Consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any part of the Work or of this Contract to make the same verifications and comply with all requirements and restrictions provided for herein.

Employment Eligibility; Failure to Comply. Each person executing this Contract on behalf of Contractor verifies that he or she is a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the Stadium Manager to terminate the Contract for cause: (1) failure of Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for herein; (2) any misrepresentation or material omission concerning compliance with such requirements; or (3) failure to immediately remove from the Work any person found not to be in compliance with such requirements.

ARTICLE 36. DEBARMENT OF CONTRACTORS AND SUBCONTRACTORS

Contractors or subcontractors may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Labor Code Section 1777.1 or 1777.7. Any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any money for performing work as a subcontractor on a public works contract. Any money that is paid or may have been paid to a debarred subcontractor by a contractor on the project shall be returned to the Stadium Manager. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the project.

ARTICLE 37. LABOR/EMPLOYMENT SAFETY

The Contractor shall comply with all applicable laws and regulations of the federal, state, and local government, including Cal/OSHA requirements and requirements for verification of employees' legal right to work in the United States.

The Contractor shall maintain emergency first aid treatment for his employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 *et seq.*), and California Code of Regulations, Title 8, Industrial Relations Division 1, Department of Industrial Relations, Chapter 4. The Contractor shall ensure the availability of emergency medical services for its employees in accordance with California Code of Regulations, Title 8, Section 1512.

The Contractor shall submit the Illness and Injury Prevention Program and a Project site specific safety program to the Stadium Manager prior to beginning Work at the Project site. Contractor shall maintain a confined space program that meets or exceeds the Stadium Manager Standards. Contractor shall adhere to the Stadium Manager's lock out tag out program.

ARTICLE 38. INSURANCE

The Contractor shall obtain, and at all times during performance of the Work of Contract, maintain all of the insurance described in this Article. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the Stadium Manager that it has secured all insurance required hereunder. Contractor shall cause each subcontractor to purchase and maintain such required insurance. Contractor is also responsible for assuring that all subcontractors' insurance policies required herein comply with the additional insured, primary and non-contributory and waiver of subrogation requirements. Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the Stadium Manager that the subcontractor has secured all insurance required under this Article. Failure to provide and maintain all required insurance shall be grounds for the Stadium Manager to terminate this Contract for cause. Contractor shall furnish Stadium Manager with original certificates of insurance and endorsements effective coverage required by this Contract on forms satisfactory to the Stadium Manager. If requested by Stadium Manager, Contractor shall provide Stadium Manager with certificates of insurance and additional insured, primary and non-contributory and waiver of subrogation endorsements for the insurance required for all subcontractors. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall be on forms acceptable to the Stadium Manager. All certificates and endorsements must be received and approved by the Stadium Manager before Work commences.

- A. Additional Insureds; Waiver of Subrogation.** The Stadium Manager, its officials, officers, employees, agents and authorized volunteers shall be named as Additional Insureds on Contractor's All Risk policy and on Contractor's and its subcontractors' policies of Commercial General Liability and Automobile Liability insurance using, for Contractor's policy/ies of Commercial General Liability insurance, ISO CG forms 20 10 07 04 and 20 37 07 04 (or endorsements providing the exact same coverage, including completed operations), and, for subcontractors' policies of Commercial General Liability insurance, ISO CG form 20 38 (or endorsements providing the exact same coverage). The Santa Clara Stadium Authority, the City of Santa Clara, their affiliates, and each of their respective officers, directors, managers, members, partners, owners, employees, agents and authorized volunteers shall be named as additional insureds on Contractor's and its subcontractors' policy/ies of Automobile Liability insurance and Commercial General Liability insurance. Notwithstanding the minimum limits set forth in this Contract for any type of insurance coverage, all available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as Additional Insureds herein.

Contractor and its insurance carriers shall provide a Waiver of Subrogation in favor of all additional insured parties noted above.

- B. Workers' Compensation Insurance.** The Contractor shall provide workers' compensation insurance for all of the employees engaged in Work under this Contract, on or at the Site, and, in case of any sublet Work, the Contractor shall require the subcontractor similarly to provide workers' compensation insurance for all the latter's employees as prescribed by State law. Any class of employee or employees not covered by a subcontractor's insurance shall be covered by the Contractor's insurance. In case any class of employees engaged in work under this Contract, on or at the Site, is not protected under the Workers' Compensation Statutes, the Contractor shall provide or shall cause a subcontractor to provide, adequate insurance coverage for the protection of such employees not otherwise protected. The Contractor is required to secure payment of compensation to his employees in accordance with the provisions of Section 3700 of the Labor Code. The Contractor shall file with the Stadium Manager certificates of his insurance protecting workers. Company or companies providing insurance coverage shall be acceptable to the Stadium Manager, if in the form and coverage as set forth in the Contract Documents.
- C. Employer's Liability Insurance.** Contractor shall provide Employer's Liability Insurance, including Occupational Disease, in the amount of at least one million dollars (\$1,000,000.00) per person per accident. Contractor shall provide Stadium Manager with a certificate of Employer's Liability Insurance. Such insurance shall comply with the provisions of the Contract Documents. The policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement and contain a Waiver of Subrogation in favor of the Stadium Manager.
- D. Commercial General Liability Insurance.** Contractor shall provide "occurrence" form Commercial General Liability insurance coverage at least as broad as the most current ISO CGL Form 00 01, including but not limited to, premises liability, contractual liability, products/completed operations, personal and advertising injury which may arise from or out of Contractor's operations, use, and management of the Site, or the performance of its obligations hereunder. The policy shall not contain any exclusion contrary to this Contract including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26 or 21 39); or (2) cross-liability for claims or suits against one insured against another. Policy limits shall not be less than \$3,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Defense costs shall be paid in addition to the limits.
1. Such policy shall comply with all the requirements of this Article. The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Contractor from liability in excess of such coverage, nor shall it limit Contractor's indemnification obligations to the Stadium Manager and shall not preclude the Stadium Manager from taking such other actions available to the Stadium Manager under other provisions of the

Contract Documents or law. The insurance requirements set forth in minimum amounts shall not be construed to relieve Contractor for liability in excess of such coverage, nor shall it preclude Stadium Manager from taking such other actions as is available to it under any other provisions of the Contract Documents. To the extent Contractor maintains insurance greater than these minimum requirements, Contractor agrees that such insurance shall be applicable to any of Contractor's liability obligations under the Contract Documents.

2. All general liability policies provided pursuant to the provisions of this Article shall comply with the provisions of the Contract Documents.
3. All general liability policies shall be written to apply to all bodily injury, including death, property damage, personal injury, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, under-ground excavation, removal of lateral support, and other covered loss, however occasioned, occurring during the policy term, and shall specifically insure the performance by Contractor of that part of the indemnification contained in these General Conditions relating to liability for injury to or death of persons and damage to property.
4. If the coverage contains one or more aggregate limits, a minimum of 50% of any such aggregate limit must remain available at all times; if over 50% of any aggregate limit has been paid or reserved, the Stadium Manager may require additional coverage to be purchased by Contractor to restore the required limits. Contractor may combine primary, umbrella, and as broad as possible excess liability coverage to achieve the total limits indicated above. Any umbrella or excess liability policy shall include the additional insured endorsement described in the Contract Documents and shall be at least as broad as the primary coverage it supplements.
5. All policies of general liability insurance shall permit, and Contractor does hereby waive any right of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss.

E. Automobile Liability Insurance. Contractor shall provide "occurrence" form Automobile Liability Insurance at least as broad as ISO CA 00 01 (Any Auto) in the amount of, at least, one million dollars (\$1,000,000) per accident for bodily injury and property damage. Such insurance shall provide coverage with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible, in a form and with insurance companies acceptable to the Stadium Manager. All policies of automobile insurance shall permit, and Contractor does hereby waive any right of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss.

F. Contractor's Equipment Insurance. Contractor shall provide Contractor's Equipment Insurance applying to loss or damage on an "all risk" basis to any equipment, small tools, or other machinery whether owned, leased, rented, borrowed or otherwise in the care, custody and control of the Contractor for use in the performance of Work. The insurer shall agree to waive all rights of subrogation against

the Stadium Manager, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy.

ARTICLE 39. FORM AND PROOF OF CARRIAGE OF INSURANCE

- A.** Any insurance carrier providing insurance coverage required by the Contract Documents shall be admitted to and authorized to do business in the State of California unless waived, in writing, by the Stadium Manager's Risk Manager. Carrier(s) shall have an A.M. Best rating of not less than an A:VII. Insurance deductibles or self-insured retentions must be declared by the Contractor. At the election of the Stadium Manager the Contractor shall either 1) reduce or eliminate such deductibles or self-insured retentions, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses. If umbrella or excess liability coverage is used to meet any required limit(s) specified herein, the Contractor shall provide a "follow form" endorsement satisfactory to the Stadium Manager indicating that such coverage is subject to the same terms and conditions as the underlying liability policy.
- B.** Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or cancelled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Stadium Manager; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the Stadium Manager, its officials, officers, agents, employees, and volunteers.
- C.** The Certificate(s) and policies of insurance shall contain or shall be endorsed to contain the covenant of the insurance carrier(s) that it shall provide no less than thirty (30) days written notice be given to the Stadium Manager prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, the Stadium Manager may terminate the Contract or stop the Work in accordance with the Contract Documents, unless the Stadium Manager receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. Contractor shall not take possession, or use the Site, or commence operations under this Contract until the Stadium Manager has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Article. The original endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.
- D.** The Certificate(s) of Insurance, policies and endorsements shall so covenant and shall be construed as primary, and the Stadium Manager's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
- E.** Stadium Manager reserves the right to adjust the monetary limits of insurance coverages during the term of this Contract including any extension thereof if, in the

Stadium Manager's reasonable judgment, the amount or type of insurance carried by the Contractor becomes inadequate.

- F. Contractor shall report to the Stadium Manager, in addition to the Contractor's insurer, any and all insurance claims submitted by the Contractor in connection with the Work under this Contract.

ARTICLE 40. TIME FOR COMPLETION AND LIQUIDATED DAMAGES

- A. Time for Completion/Liquidated Damages.** Time is of the essence in the completion of the Work. Work shall be commenced within fourteen (14) calendar days of the date stated in the Stadium Manager's Notice to Proceed and shall be completed by Contractor in the time specified in the Contract Documents. The Stadium Manager is under no obligation to consider early completion of the Project; and the Contract completion date shall not be amended by the Stadium Manager's receipt or acceptance of the Contractor's proposed earlier completion date. Furthermore, Contractor shall not, under any circumstances, receive additional compensation from the Stadium Manager (including but not limited to indirect, general, administrative or other forms of overhead costs) for the period between the time of earlier completion proposed by the Contractor and the Contract completion date. If the Work is not completed as stated in the Contract Documents, it is understood that the Stadium Manager will suffer damage. In accordance with Government Code Section 53069.85, being impractical and infeasible to determine the amount of actual damage, it is agreed that Contractor shall pay to the Stadium Manager as fixed and liquidated damages, and not as a penalty, the sum stipulated in the Contract for each calendar day of delay until the Work is fully completed. Contractor and its surety shall be liable for any liquidated damages. Any money due or to become due the Contractor may be retained to cover liquidated damages.
- B. Inclement Weather.** Contractor shall abide by the Stadium Manager's Representative's determination of what constitutes inclement weather. Time extensions for inclement weather shall only be granted when the Work stopped during inclement weather is on the critical path of the Project schedule.
- C. Extension of Time.** Contractor shall not be charged liquidated damages because of any delays in completion of the Work due to unforeseeable causes beyond the control and without the fault or negligence of Contractor (or its subcontractors or suppliers). Contractor shall within five (5) Days of identifying any such delay notify the Stadium Manager in writing of causes of delay. The Stadium Manager shall ascertain the facts and extent of delay and grant extension of time for completing the Work when, in its judgment, the facts justify such an extension. Time extensions to the Project shall be requested by the Contractor as they occur and without delay. No delay claims shall be permitted unless the event or occurrence delays the completion of the Project beyond the Contract completion date.
- D. No Damages for Reasonable Delay.** The Stadium Manager's liability to Contractor for delays for which the Stadium Manager is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. In no case shall the Stadium Manager be liable for any costs which are borne by the Contractor in the regular course of business, including, but not limited to, home office

overhead and other ongoing costs. Damages caused by unreasonable Stadium Manager delay, including delays caused by items that are the responsibility of the Stadium Manager pursuant to Government Code Section 4215, shall be based on actual costs only, no proportions or formulas shall be used to calculate any delay damages.

ARTICLE 41. COST BREAKDOWN AND PERIODIC ESTIMATES

Contractor shall furnish on forms Approved by the Stadium Manager:

- A.** Within ten (10) Days of Notice to Proceed with the Contract, a detailed estimate giving a complete breakdown of the Contract price, if the Contract amount is a lump sum.
- B.** A monthly itemized estimate of Work done for the purpose of making progress payments. In order for the Stadium Manager to consider and evaluate each progress payment application, the Contractor shall submit a detailed measurement of Work performed and a progress estimate of the value thereof before the tenth (10th) Day of the following month.
- C.** Contractor shall submit, with each of its payment requests, an adjusted list of actual quantities, verified by the Stadium Manager's Representative, for unit price items listed, if any, in the Bid Form.
- D.** Following the Stadium Manager's Acceptance of the Work, the Contractor shall submit to the Stadium Manager a written statement of the final quantities of unit price items for inclusion in the final payment request.
- E.** The Stadium Manager shall have the right to adjust any estimate of quantity and to subsequently correct any error made in any estimate for payment.

Contractor shall certify under penalty of perjury, that all cost breakdowns and periodic estimates accurately reflect the Work on the Project.

ARTICLE 42. PROGRESS ESTIMATES AND PAYMENT

- A.** By the tenth (10th) Day of the following calendar month, Contractor shall submit to Stadium Manager's Representative a payment request which shall set forth in detail the value of the Work done for the period beginning with the date work was first commenced and ending on the end of the calendar month for which the payment request is prepared. Contractor shall include any amount earned for authorized extra work. From the total thus computed, a deduction shall be made in the amount of five percent (5%) for retention, except where the Stadium Manager has adopted a finding that the Work done under the Contract is substantially complex, and then the amount withheld as retention shall be the percentage specified in the Notice Inviting Bids. From the remainder a further deduction may be made in accordance with Section B below. The amount computed, less the amount withheld for retention and any amounts withheld as set forth below, shall be the amount of the Contractor's payment request.

- B.** The Stadium Manager may withhold a sufficient amount or amounts of any payment or payments otherwise due to Contractor, as in his judgment may be necessary to cover:
1. Payments which may be past due and payable for just claims against Contractor or any subcontractors for labor or materials furnished in and about the performance of work on the Project under this Contract.
 2. Defective work not remedied.
 3. Failure of Contractor to make proper payments to his subcontractor or for material or labor.
 4. Completion of the Contract if there is a reasonable doubt that the Work can be completed for balance then unpaid.
 5. Damage to another contractor or a third party.
 6. Amounts which may be due the Stadium Manager for claims against Contractor.
 7. Failure of Contractor to keep the record ("as-built") drawings up to date.
 8. Failure to provide update on construction schedule as required herein.
 9. Failure to comply with and timely submit all necessary prevailing wage compliance documentation as required under the Contract Documents.
 10. Site cleanup.
 11. Failure to comply with Contract Documents.
 12. Liquidated damages.
 13. Legally permitted penalties.
- C.** The Stadium Manager may apply such withheld amount or amounts to payment of such claims or obligations at its discretion with the exception of subsections (B)(1), (3), and (5) of this Article, which must be retained or applied in accordance with applicable law. In so doing, the Stadium Manager shall be deemed the agent of Contractor and any payment so made by the Stadium Manager shall be considered as a payment made under contract by the Stadium Manager to Contractor and the Stadium Manager shall not be liable to Contractor for such payments made in good faith. Such payments may be made without prior judicial determination of claim or obligations. The Stadium Manager will render Contractor a proper accounting of such funds disbursed on behalf of Contractor.
- D.** Upon receipt, the Stadium Manager's Representative shall review the payment request to determine whether it is undisputed and suitable for payment. If the payment request is determined to be unsuitable for payment, it shall be returned to Contractor as soon as practicable but not later than seven (7) Days after receipt, accompanied

by a document setting forth in writing the reasons why the payment request is not proper. The Stadium Manager shall make the progress payment within 30 calendar days after the receipt of an undisputed and properly submitted payment request from Contractor, provided that a release of liens and claims has been received from the Contractor pursuant to Civil Code Section 8132. The number of days available to the Stadium Manager to make a payment without incurring interest pursuant to this paragraph shall be reduced by the number of days by which the Stadium Manager's Representative exceeds the seven (7) Day requirement.

- E. A payment request shall be considered properly executed if funds are available for payment of the payment request and payment is not delayed due to an audit inquiry by the financial officer of the Stadium Manager.

ARTICLE 43. SECURITIES FOR MONEY WITHHELD

Pursuant to Section 22300 of the Public Contract Code of the State of California, Contractor may request the Stadium Manager to make retention payments directly to an escrow agent or may substitute securities for any money withheld by the Stadium Manager to ensure performance under the contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the Stadium Manager or with a state or federally chartered bank as the escrow agent who shall return such securities to Contractor upon satisfactory completion of the contract. Deposit of securities with an escrow agent shall be subject to a written agreement substantially in the form provided in Section 22300 of the Public Contract Code.

ARTICLE 44. CHANGES AND EXTRA WORK.

A. Contract Change Orders.

1. The Stadium Manager, without invalidating the Contract, may order changes in the Work consisting of additions, deletions or other revisions, and the Contract Price and Contract Time shall be adjusted accordingly. Except as otherwise provided herein, all such changes in the Work shall be authorized by Change Order and shall be performed under the applicable conditions of the Contract Documents. A Change Order signed by the Contractor indicates the Contractor's agreement therewith, including any adjustment in the Contract Price or the Contract Time, and the full and final settlement of all costs (direct, indirect and overhead) related to the Work authorized by the Change Order.
2. Contractor shall promptly execute changes in the Work as directed in writing by the Stadium Manager even when the parties have not reached agreement on whether the change increases the scope of Work or affects the Contract Price or Contract Time. All claims for additional compensation to the Contractor shall be presented in writing. No claim will be considered after the Work in question has been done unless a written Change Order has been issued or a timely written notice of claim has been made by Contractor.
3. Whenever any change is made as provided for herein, such change shall be considered and treated as though originally included in the Contract, and shall be subject to all terms, conditions, and provisions of the original Contract.

4. Contractor shall not be entitled to claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease or omission of any item or portion of Work to be done.
5. No dispute, disagreement, or failure of the parties to reach agreement on the terms of the Change Order shall relieve the Contractor from the obligation to proceed with performance of the work, including Additional Work, promptly and expeditiously.
6. Contractor shall make available to the Stadium Manager any of the Contractor's documents related to the Project immediately upon request of the Stadium Manager, as set forth in Article 52.
7. Any alterations, extensions of time, Additional Work, or any other changes may be made without securing consent of the Contractor's surety or sureties.

B. Contract Price Change.

1. Process for Determining Adjustments in Contract Price.

- a. Owner Initiated Change. The Contractor must submit a complete cost proposal, including any change in the Contract Price or Contract Time, within seven (7) Days after receipt of a scope of a proposed change order initiated by the Stadium Manager, unless the Stadium Manager requests that proposals be submitted in less than seven (7) Days.
- b. Contractor Initiated Change. The Contractor must give written notice of a proposed change order required for compliance with the Contract Documents within seven (7) Days of discovery of the facts giving rise to the proposed change order.
- c. Whenever possible, any changes to the Contract amount shall be in a lump sum mutually agreed to by the Contractor and the Stadium Manager.
- d. Price quotations from the Contractor shall be accompanied by sufficiently detailed supporting documentation to permit verification by the Stadium Manager, including but not limited to estimates and quotations from subcontractors or material suppliers, as the Stadium Manager may reasonably request. Contractor shall certify the accuracy of all Change Order Requests under penalty of perjury.
- e. If the Contractor fails to submit a complete cost proposal within the seven (7) Day period (or as requested), the Stadium Manager has the right to order the Contractor in writing to commence the Work immediately on a time and materials basis and/or issue a lump sum change to the Contract Price and/or Contract Time in accordance with the Stadium Manager's estimate. If the change is issued based on the Stadium Manager's estimate, the Contractor will waive its right to dispute the action unless within fifteen (15) Days following completion of the added/deleted work, the Contractor presents written proof that the Stadium Manager's estimate was in error.

2. Unit Price Change Orders.

- a. When the actual quantity of a Unit Price item varies from the Bid Form, compensation for the change in quantity will be calculated by multiplying the actual quantity by the Unit Price. This calculation may result in either an additive or deductive Final Change Order pursuant to the Contract Documents.
 - b. No Mark up for Overhead and Profit. Because the Contract Unit Prices provided in the Bid Form include Overhead and Profit as determined by Contractor at the time of Bid submission, no mark up or deduction for Overhead and Profit will be included in Unit Price Change Orders.
 - c. Bid items included on the Bid Form may be deducted from the Work in their entirety without any negotiated extra costs.
 - d. Contractor acknowledges that unit quantities are estimates and agrees that the estimated unit quantities listed on the Bid Form will be adjusted to reflect the actual unit quantities which may result in an adjustment to the Contract Unit Prices. Such an adjustment will be made by execution of a final additive or deductive Change Order following Contractor's completion of the Work. Upon notification, Contractor's failure to respond within seven (7) Days will result in Stadium Manager's issuance of a unit quantity adjustment to the Contract Unit Prices and/or Contract Time in accordance with the Contract Documents.
 - e. The Stadium Manager or Contractor may make a Claim for an adjustment in the Unit Price in accordance with the Contract Documents if:
 - i. the quantity of any item of Unit Price Work performed by Contractor differs by twenty-five percent (25%) or more from the estimated quantity of such item indicated in the Contract; and
 - ii. there is no corresponding adjustment with respect to any other item of Work; and
 - iii. Contractor believes that Contractor is entitled to an increase in Unit Price as a result of having incurred additional expense or the Stadium Manager believes that the Stadium Manager is entitled to a decrease in Unit Price and the parties are unable to agree as to the amount of any such increase or decrease.
3. Contractor shall incorporate the provisions of this Section into all agreements with Subcontractors. Compensation for Lump Sum Change Orders shall be limited to expenditures necessitated specifically by the Additional Work, and shall be according to the following:
- a. Overview. The Contractor will submit a properly itemized Lump Sum Change Order Proposal covering the Additional Work and/or the work to be deleted. This proposal will be itemized for the various components of the Additional Work and segregated by labor, material, and equipment in a detailed format satisfactory to the Stadium Manager. The Stadium Manager will require

itemized change orders on all change order proposals from the Contractor, subcontractors, and sub-subcontractors regardless of tier. Details to be submitted will include detailed line-item estimates showing detailed materials quantity take-offs, material prices by item and related labor hour pricing information and extensions (by line item or by drawing as applicable).

- b. Labor. The costs of labor will be the actual cost for wages prevailing locally for each craft or type of worker at the time the Additional Work is done, plus employer payments of payroll taxes and insurance, health and welfare, pension, vacation, apprenticeship funds, and other direct costs resulting from Federal, State or local laws, as well as assessment or benefits required by lawful collective bargaining agreements. The use of a labor classification which would increase the Additional Work cost will not be permitted unless the Contractor establishes the necessity for such new classifications. Labor costs for equipment operators and helpers shall be reported only when such costs are not included in the invoice for equipment rental.

Estimated labor hours must only include hours for those workmen and working foremen directly involved in performing the change order work. Supervision above the level of working foremen (such as general foremen, superintendent, project manager, etc.) is considered to be included in the markup percentages as outlined below. Note that no separate allowances for warranty expense will be allowed as a direct cost of a change order. Costs attributed to warranty expenses will be considered to be covered by the markup.

- c. Labor Burden. Labor burden allowable in change orders shall be defined as employer's net actual cost of payroll taxes (FICA, Medicare, SUTA, FUTA), net actual cost for employer's cost of union benefits (or other usual and customary fringe benefits if the employees are not union employees), and net actual cost to employer for worker's compensation insurance taking into consideration adjustments for experience modifiers, premium discounts, dividends, rebates, expense constants, assigned risk pool costs, net cost reductions due to policies with deductibles for self-insured losses, assigned risk rebates, etc. Contractor shall reduce their standard payroll tax percentages to properly reflect the effective cost reduction due to the estimated impact of the annual maximum wages subject to payroll taxes. An estimated percentage for labor burden may be used for pricing change orders. However, the percentage used for labor burden to price change orders will be examined at the conclusion of the Project and an adjustment to the approved change orders will be processed if it is determined that the actual labor burden percentage should have been more or less than the estimated percentage used.
- d. Materials. The cost of materials reported shall be at invoice or lowest current price at which such materials are locally available in the quantities involved, plus sales tax, freight, and delivery. Materials costs shall be based upon supplier or manufacturer's invoice. If invoices or other satisfactory evidence of cost are not furnished within fifteen (15) Days of delivery, then the Stadium Manager shall determine the materials cost, at its sole discretion. Estimated material change order costs shall reflect the Contractor's reasonably

anticipated net actual cost for the purchase of the material needed for the change order work. Estimated material costs shall reflect cost reductions available to the Contractor due to "non-cash" discounts, trade discounts, free material credits, and/or volume rebates. "Cash" discounts (i.e., prompt payment discounts of 2% or less) available on material purchased for change order work shall be credited to the Stadium Manager if the Contractor is provided the Stadium Manager funds in time for Contractor to take advantage of any such "cash" discounts. The portion of any "cash" discounts greater than 2% will not be considered "non-cash" discount for purposes of this provision. Price quotations from material suppliers must be itemized with unit prices for each specific item to be purchased. "Lot pricing" quotations will not be considered sufficient substantiating detail.

- e. Tool and Equipment Use. Costs for the use of small tools, which are tools that have a replacement value of \$1,000 or less, shall be considered included in the Overhead and Profit mark-ups established below. Allowable change order estimated costs may include appropriate amounts for rental of major equipment specifically needed to perform the change order work (defined as tools and equipment with an individual purchase cost of more than \$750). For Contractor owned equipment, the "bare" equipment rental rates allowed to be used for pricing change order proposals shall be 75% of the monthly rate listed in the most current publication of The AED Green Book divided by 176 to arrive at a maximum hourly rate to be applied to the hours the equipment is used performing the change order work. Further, for Contractor owned equipment, the aggregate equipment rent charges for any single piece of equipment used in all change order work shall be limited to 50% of the fair market value of the piece of equipment when the first change order is priced involving usage of the piece of equipment. Fuel necessary to operate the equipment will be considered as a separate direct cost associated with the change order work.
- f. Maximum Markup Percentage Allowable on Self-Performed Work. With respect to pricing change orders, the maximum markup percentage to be paid to any Contractor or subcontractor (regardless of tier) on self-performed work shall be a single markup percentage not-to-exceed fifteen percent (15%) of the net direct cost of (1) direct labor and allowable labor burden costs applicable to the change in the Work; (2) the net cost of material and installed equipment incorporated into the change in the Work, and (3) net rental cost of major equipment and related fuel costs necessary to complete the change in the Work.
- g. Maximum Markup Percentages Allowable on Work Performed by Lower Tier Subcontractors. With respect to pricing the portion of change order proposals involving Work performed by lower tier contractors, the maximum markup percentage allowable to the Contractor or subcontractor supervising the lower tier subcontractor's work shall not exceed five percent (5%) of the net of all approved change order work performed by all subcontractors combined for any particular change order proposal.

- h. No Markup on Bonds and Liability Insurance Costs. Change order cost adjustments due to increases or decreases in bond or insurance costs (if applicable) shall not be subject to any markup.
 - i. Direct and Indirect Costs Covered by Markup Percentages. As a further clarification, the agreed upon markup percentage set forth above is intended to cover the Contractor's profit and all indirect costs associated with the change order work. Items intended to be covered by the markup percentage include, but are not limited to: home office expenses, branch office and field office overhead expense of any kind, project management, superintendents, general foremen, estimating, engineering, coordinating, expediting, purchasing, detailing, legal, accounting, data processing or other administrative expenses, shop drawings, permits, auto insurance and umbrella insurance, pick-up truck costs, and warranty expense costs. The cost for the use of small tools is also to be considered covered by the markup percentage established above. Small tools shall be defined as tools and equipment (power or non-power) with an individual purchase cost of less than \$750.
 - j. Deduct Change Orders and Net Deduct Changes. The application of the markup percentages referenced above will apply to both additive and deductive change orders. In the case of a deductive change order, the credit will be computed by applying the sliding scale percentages as outlined above so that a deductive change order would be computed in the same manner as an additive change order. In those instances where a change involves both additive and deductive work, the additions and deductions will be netted, and the markup percentage adjustments will be applied to the net amount.
 - k. Contingency. In no event will any lump sum or percentage amounts for "contingency" be allowed to be added as a separate line item in change order estimates. Unknowns attributable to labor hours will be accounted for when estimating labor hours anticipated performing the work. Unknowns attributable to material scrap and waste will be estimated as part of material costs.
 - l. Insurance and Bonds. In the event the Contractor has been required to furnish insurance and/or bonds as part of the base contract price, a final contract change order will be processed to account for the Contractor's net increase or decrease in insurance costs and/or bond premium costs associated with change orders to Contractor's base Contract Price.
4. Time and Materials Change Orders.
- a. General. The term Time and Materials means the sum of all costs reasonably and necessarily incurred and paid by Contractor for labor, materials, and equipment in the proper performance of Additional Work. Except as otherwise may be agreed to in writing by the Stadium Manager, such costs shall be in amounts no higher than those prevailing in the locality of the Project and shall include only the following items.
 - b. Timely and Final Documentation.

- i. T&M Daily Sheets. Contractor must submit timesheets, materials invoices, records of equipment hours, and records of rental equipment hours to the Stadium Manager's Representative for an approval signature **each day** Additional Work is performed. Failure to get the Stadium Manager's Representative's approval signature each Day shall result in a waiver of Contractor's right to claim these costs. The Stadium Manager's Representative's signature on time sheets only serves as verification that the Work was performed and is not indicative of Stadium Manager's agreement to Contractor's entitlement to the cost.
 - ii. T&M Daily Summary Sheets. All documentation of incurred costs ("T&M Daily Summary Sheets") shall be submitted by Contractor within **three (3) Days** of incurring the cost for labor, material, equipment, and special services as Additional Work is performed. Contractor's actual costs shall be presented in a summary table in an electronic spreadsheet file by labor, material, equipment, and special services. Each T&M Daily Summary Sheet shall include Contractor's actual costs incurred for the Additional Work performed that day and a cumulative total of Contractor's actual costs incurred for the Additional Work. Contractor's failure to provide a T&M Daily Summary Sheet showing a total cost summary within three (3) Days but within five (5) Days of performance of the Work will result in the Contractor's otherwise allowable overhead and profit being reduced by 50% for that portion of Additional Work which was not documented in a timely manner. Contractor's failure to submit the T&M Daily Summary Sheet within five (5) Days of performance of the Work will result in a total waiver of Contractor's right to claim these costs.
 - iii. T&M Total Cost Summary Sheet. Contractor shall submit a T&M Total Cost Summary Sheet, which shall include total actual costs, within **seven (7) Days** following completion of Stadium Manager approved Additional Work. Contractor's total actual cost shall be presented in a summary table in an electronic spreadsheet file by labor, material, equipment, and special services. Contractor's failure to submit the T&M Total Cost Summary Sheet within seven (7) Days of completion of the Additional Work will result in Contractor's waiver for any reimbursement of any costs associated with the T&M Summary Sheets or the performance of the Additional Work.
- c. Labor. The Contractor will be paid the cost of labor for the workers used in the actual and direct performance of the Work. The cost of labor will be the sum of the actual wages paid (which shall include any employer payments to or on behalf of the workers for health and welfare, pension, vacation, and similar purposes) substantiated by timesheets and certified payroll for wages prevailing for each craft or type of workers performing the Additional Work at the time the Additional Work is done, and the labor surcharge set forth in the Department of Transportation publication entitled *Labor Surcharge and Equipment Rental Rates*, which is in effect on the date upon which the Work is accomplished and which is a part of the Contract. The labor surcharge shall constitute full compensation for all payments imposed by Federal, State, or

local laws and for all other payments made to, or on behalf of, the workers, other than actual wages.

- i. Equipment Operator Exception. Labor costs for equipment operators and helpers shall be paid only when such costs are not included in the invoice for equipment rental.
 - ii. Foreman Exception. The labor costs for foremen shall be proportioned to all of their assigned work and only that applicable to the Additional Work shall be paid. Indirect labor costs, including, without limitation, the superintendent, project manager, and other labor identified in the Contract Documents will be considered Overhead.
- d. Materials. The cost of materials reported shall be itemized at invoice or lowest current price at which materials are locally available and delivered to the Project site in the quantities involved, plus the cost of sales tax, freight, delivery, and storage.
- i. Trade discounts available to the purchaser shall be credited to the Stadium Manager notwithstanding the fact that such discounts may not have been taken by Contractor.
 - ii. For materials secured by other than a direct purchase and direct billing to the purchaser, the cost shall be deemed to be the price paid to the actual supplier as determined by the Stadium Manager's Representative.
 - iii. Payment for materials from sources owned wholly or in part by the purchaser shall not exceed the price paid by the purchaser for similar materials from said sources on Additional Work items or the current wholesale price for such materials delivered to the Project site, whichever price is lower.
 - iv. If, in the opinion of the Stadium Manager's Representative, the cost of materials is excessive, or Contractor does not furnish satisfactory evidence of the cost of such materials, then the cost shall be deemed to be the lowest current wholesale price for the total quantity concerned delivered to the Project site less trade discounts.
 - v. The Stadium Manager reserves the right to furnish materials for the Additional Work and no Claim shall be allowed by Contractor for costs of such materials or Indirect Costs or profit on Stadium Manager furnished materials.
- e. Equipment.
- i. Rental Time. The rental time to be paid for equipment on the Project site shall be the time the equipment is in productive operation on the Additional Work being performed and, in addition, shall include the time required to move the equipment to the location of the Additional Work and return it to the original location or to another location requiring no more time than that

required to return it to its original location; except that moving time will not be paid if the equipment is used on other than the Additional Work, even though located at the site of the Additional Work.

(a) Rental Time Not Allowed. Rental time will not be allowed while equipment is inoperative due to breakdowns.

(b) Computation Method. The following shall be used in computing the rental time of equipment on the Project site.

(i) When hourly rates are paid, any part of an hour less than 30 minutes of operation shall be considered to be 1/2-hour of operation, and any part of an hour in excess of 30 minutes will be considered one hour of operation.

(ii) When daily rates are paid, any part of a day less than 4 hours operation shall be considered to be 1/2-day of operation, and any part of an hour in excess of 4 hours will be considered one day of operation.

ii. Rental Rates. Contractor will be paid for the use of equipment at the lesser of (i) the actual rental rate, or (ii) the rental rate listed for that equipment in the California Department of Transportation publication entitled *Labor Surcharge and Equipment Rental Rates*, which is in effect on the date upon which the Contract was executed. Such rental rates will be used to compute payments for equipment whether the equipment is under Contractor's control through direct ownership, leasing, renting, or another method of acquisition. The rental rate to be applied for use of each item of equipment shall be the rate (i.e., daily, monthly) resulting in the least total cost to the Stadium Manager for the total period of use. If it is deemed necessary by Contractor to use equipment not listed in the publication, an equitable rental rate for the equipment will be established by the Stadium Manager's Representative. Contractor may furnish cost data which might assist the Stadium Manager's Representative in the establishment of the rental rate.

iii. Contractor-Owned Equipment.

(a) For Contractor-owned equipment, the allowed equipment rental rate will be limited to the monthly equipment rental rate using a utilization rate of 173 hours per month.

(b) For Contractor-owned equipment, the rental time to be paid for equipment on the Site shall be the time the equipment is in productive operation, unless, in the instance of standby time, the equipment could be actively used by Contractor on another project, then Stadium Manager shall pay for the entirety of the time the equipment is on Site. It shall be Contractor's burden to demonstrate to the Stadium Manager that the equipment could be actively used on another project.

- iv. All equipment shall, in the opinion of the Stadium Manager's Representative, be in good working condition and suitable for the purpose for which the equipment is to be used.
- v. Before construction equipment is used on the Additional Work, Contractor shall plainly stencil or stamp an identifying number thereon at a conspicuous location, and shall furnish to the Stadium Manager's Representative, in duplicate, a description of the equipment and its identifying number and the scheduled Additional Work activities planned.
- vi. Unless otherwise specified, manufacturer's rating and manufacturer approved modifications shall be used to classify equipment for the determination of applicable rental rates. Equipment which has no direct power unit shall be powered by a unit of at least the minimum rating recommended by the manufacturer.
- f. Special Services. Special work or services are defined as that Additional Work characterized by extraordinary complexity, sophistication, or innovation or a combination of the foregoing attributes which are unique to the construction industry.
 - i. Invoices for Special Services. When the Stadium Manager's Representative and Contractor determine that a special service is required which cannot be performed by the forces of Contractor or those of any of its Subcontractors, the special service may be performed by an entity especially skilled in the Additional Work. Invoices for special services based upon the current fair market value thereof may be accepted without complete itemization of labor, material, and equipment rental costs, after validation of market values by the Stadium Manager's Representative.
 - ii. Discount and Allowance. All invoices for special services will be adjusted by deducting all trade discounts offered or available, whether the discounts were taken or not. In lieu of Overhead and Profit specified herein, a total allowance not to exceed fifteen percent (15%) for Overhead and Profit will be added to invoices for Special Services.
 - iii. When the Stadium Manager determines, in its sole discretion, that competitive bidding is necessary for certain special services, Contractor shall solicit competitive bids for those special services.
- g. Excluded Costs. The term Time and Material shall not include any of the following costs or any other home or field office overhead costs, all of which are to be considered administrative costs covered by Contractor's allowance for Overhead and Profit.
 - i. Overhead Cost. Payroll costs and other compensation of Contractor's officers, executives, principals, general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, timekeepers, clerks, and other personnel employed by Contractor

whether at the Site or in Contractor's principal office or any branch office, material yard, or shop for general administration of the Additional Work;

- ii. Office Expenses. Expenses of Contractor's principal and branch offices;
 - iii. Capital Expenses. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Additional Work and charges against Contractor for delinquent payments;
 - iv. Negligence. Costs due to the negligence of Contractor or any Subcontractor or Supplier, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including without limitation the correction of Defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property;
 - v. Other. Other overhead or general expense costs of any kind and the cost of any item not specifically and expressly included in the Contract Documents;
 - vi. Small Tools. Cost of small tools valued at less than \$1,000 and that remain the property of Contractor;
 - vii. Administrative Costs. Costs associated with the preparation of Change Orders (whether or not ultimately authorized), cost estimates, or the preparation or filing of Claims;
 - viii. Anticipated Lost Profits. Expenses of Contractor associated with anticipated lost profits or lost revenues, lost income or earnings, lost interest on earnings, or unpaid retention;
 - ix. Home Office Overhead. Costs derived from the computation of a "home office overhead" rate by application of the *Eichleay, Allegheny*, burden fluctuation, or other similar methods;
 - x. Special Consultants and Attorneys. Costs of special consultants or attorneys, whether or not in the direct employ of Contractor, employed for services specifically related to the resolution of a Claim, dispute, or other matter arising out of or relating to the performance of the Additional Work.
- h. Overhead, Profit and Other Charges. The mark-up for overhead (including supervision) and profit on work added to the Contract shall be according to the following:
- i. "Net Cost" is defined as consisting of costs of labor, materials, and tools and equipment only excluding overhead and profit. The costs of applicable insurance and bond premium will be reimbursed to the Contractor and subcontractors at cost only, without mark-up. Contractor shall provide Stadium Manager with documentation of the costs, including, but not limited to, payroll records, invoices, and such other information as Stadium Manager may reasonably request.

- ii. For Work performed by the Contractor's forces, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the Net Cost of the Work.
 - iii. For Work performed by a subcontractor, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the subcontractor's Net Cost of the Work to which the Contractor may add five percent (5%) of the subcontractor's Net Cost.
 - iv. For Work performed by a sub-subcontractor, the added cost for overhead and profit shall not exceed fifteen percent (15%) of the sub-subcontractor's Net Cost for Work to which the subcontractor and general contractor may each add an additional five percent (5%) of the Net Cost of the lower tier subcontractor.
 - v. No additional mark-up will be allowed for lower tier subcontractors, and in no case shall the added cost for overhead and profit payable by Stadium Manager exceed twenty-five percent (25%) of the Net Cost as defined herein, of the party that performs the Work.
5. All of the following costs are included in the markups for overhead and profit described above, and Contractor shall not receive any additional compensation for: Submittals, drawings, field drawings, Shop Drawings, including submissions of drawings; field inspection; General Superintendence; General administration and preparation of cost proposals, schedule analysis, Change Orders, and other supporting documentation; computer services; reproduction services; Salaries of project engineer, superintendent, timekeeper, storekeeper, and secretaries; Janitorial services; Small tools, incidentals and consumables; Temporary On-Site facilities (Offices, Telephones, High Speed Internet Access, Plumbing, Electrical Power, Lighting; Platforms, Fencing, Water), Jobsite and Home office overhead or other expenses; vehicles and fuel used for work otherwise included in the Contract Documents; Surveying; Estimating; Protection of Work; Handling and disposal fees; Final Cleanup; Other Incidental Work; Related Warranties; insurance and bond premiums.
 6. For added or deducted Work by subcontractors, the Contractor shall furnish to the Stadium Manager the subcontractor's signed detailed record of the cost of labor, material and equipment, including the subcontractor markup for overhead and profit. The same requirement shall apply to sub-subcontractors
 7. For added or deducted work furnished by a vendor or supplier, the Contractor shall furnish to the Stadium Manager a detailed record of the cost to the Contractor, signed by such vendor or supplier.
 8. Any change in the Work involving both additions and deletions shall indicate a net total cost, including subcontracts and materials. Allowance for overhead and profit, as specified herein, shall be applied if the net total cost is an increase in the Contract Price; overhead and profit allowances shall not be applied if the net total cost is a deduction to the Contract Price. The estimated cost of deductions shall be based on labor and material prices on the date the Contract was executed.

9. Contractor shall not reserve a right to assert impact costs, extended job site costs, extended overhead, constructive acceleration and/or actual acceleration beyond what is stated in the Change Order for Work. No claims shall be allowed for impact, extended overhead costs, constructive acceleration and/or actual acceleration due to a multiplicity of changes and/or clarifications. The Contractor may not change or modify the Stadium Manager's change order form in an attempt to reserve additional rights.
10. If the Stadium Manager disagrees with the proposal submitted by Contractor, it will notify the Contractor and the Stadium Manager will provide its opinion of the appropriate price and/or time extension. If the Contractor agrees with the Stadium Manager, a Change Order will be issued by the Stadium Manager. If no agreement can be reached, the Stadium Manager shall have the right to issue a unilateral Change Order setting forth its determination of the reasonable additions or savings in costs and time attributable to the extra or deleted work. Such determination shall become final and binding if the Contractor fails to submit a claim in writing to the Stadium Manager within fifteen (15) Days of the issuance of the unilateral Change Order, disputing the terms of the unilateral Change Order, and providing such supporting documentation for its position as the Stadium Manager may require.

C. Change of Contract Times.

1. The Contract Times may only be changed by a Change Order.
2. All changes in the Contract Price and/or adjustments to the Contract Times related to each change shall be included in Contractor's COR pursuant to this Article. No cost or time will be allowed for cumulative effects of multiple changes. All Change Orders must state that the Contract Time is not changed or is either increased or decreased by a specific number of days. Failure to include a change to time shall waive any change to the time unless the parties mutually agree in writing to postpone a determination of the change to time resulting from the Change Order.
3. Notice of the amount of the request for adjustment in the Contract Times with supporting data shall be delivered within seven (7) Days after such start of occurrence, unless Stadium Manager's Representative allows an additional period of time to ascertain more accurate data in support of the request. No extension of time or additional compensation shall be given for a delay if the Contractor failed to give notice in the manner and within the time prescribed.
4. Stadium Manager may elect, at Stadium Manager's sole discretion, to grant an extension in Contract Times, without Contractor's request, because of delays or other factors.
5. Use of Float and Critical Path.
 - a. Float is for the benefit of the Project. Float shall not be considered for the exclusive use or benefit of either the Stadium Manager or the Contractor.

- b. Contractor shall not be entitled to compensation, and Stadium Manager will not compensate Contractor, for delays which impact early completion. Any difference in time between the Contractor's early completion and the Contract Time shall be considered a part of the Project float.
- 6. Contractor's entitlement to an extension of the Contract Times is limited to a Stadium Manager-caused extension of the critical path, reduced by the Contractor's concurrent delays, and established by a proper time impact analysis. No time extension shall be allowed unless, and then only to the extent that, the Stadium Manager-caused delay extends the critical path beyond the previously approved Contract Time. If approved, the increase in time required to complete the Work shall be added to the Contract Time.
 - a. Contractor shall not be entitled to an adjustment in the Contract Price or Contract Times for delays within the control of Contractor. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Contractor.
 - b. If Contractor is delayed in the performance or progress of the Work by a Force Majeure Event, acts or failures to act of utility owners not under the control of Stadium Manager, or other causes not the fault of and beyond control of Stadium Manager and Contractor, then Contractor shall be entitled to a time extension when the Work stopped is on the critical path. Such a non-compensable adjustment shall be Contractor's sole and exclusive remedy for such delays. Contractor must submit a timely request in accordance with the requirements of this Article.
 - c. Utility-Related Delays.
 - i. Contractor shall immediately notify in writing the utility owner and Stadium Manager's Representative of its construction schedule and any subsequent changes in the construction schedule which will affect the time available for protection, removal, or relocation of utilities. Requests for extensions of time arising out of utility relocation or repair delays shall be filed in accordance with this Article.
 - ii. Contractor shall not be entitled to damages or additional payment for delays attributable to utility relocations or alterations if correctly located, as noted in the Contract Documents or by the Underground Service Alert survey.
- 7. Content for Requests for Contract Extension. Contractor's justification for entitlement shall be clear and complete citing specific Contract Document references and reasons on which Contractor's entitlement is based. At a minimum, each request for a time extension must include:
 - a. Each request for an extension of Contract Time must identify the impacting event, in narrative form, providing a description of the delay event and sufficient justification as to why the Contractor is entitled to a time extension. Contractor must demonstrate that the delay arises from unforeseeable causes beyond the

control and without the fault or negligence of both Contractor and any Subcontractors or Suppliers, or any other persons or organizations employed by any of them or for whose acts any of them may be liable, and that such causes in fact lead to performance or completion of the Work, or specified part in question, beyond the corresponding Contract Times, despite Contractor's reasonable and diligent actions to guard against those effects.

- b. Each request for an extension of Contract Time must include a time impact analysis in CPM format, using the Contemporaneous Impacted As-Planned Schedule Analysis to calculate the impact of the delay event.

8. No Damages for Reasonable Delay.

- a. Stadium Manager's liability to Contractor for delays for which Stadium Manager is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. In no case shall Stadium Manager be liable for any costs which are borne by the Contractor in the regular course of business, including, but not limited to, home office overhead and other ongoing costs.
 - b. Damages caused by unreasonable Stadium Manager delay that impact the critical path, including delays caused by items that are the responsibility of the Stadium Manager pursuant to Government Code Section 4215, shall be compensated at the Daily Rate established in the Special Conditions. No other calculations, proportions or formulas shall be used to calculate any delay damages.
 - c. Stadium Manager and Stadium Manager's Representative, and the officers, members, partners, employees, agents, consultants, or subcontractors of each of them, shall not be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.
9. Contractor's failure, neglect, or refusal to comply with the requirements of the Contract Documents, or any portion thereof, shall bar Contractor's request for extensions of the Contract Times. Such failure, neglect, or refusal prejudices Stadium Manager's and Stadium Manager's Representative's ability to recognize and mitigate delay, and such failure, neglect, or refusal prevent the timely analysis of requests for extensions of Contract Times, and whether such extensions may be warranted. Contractor hereby waives all rights to extensions of Contract Times due to delays or accelerations that result from or occur during periods of time for which Contractor fails, neglects, or refuses to fully comply with the requirements of this Article.

ARTICLE 45. FINAL ACCEPTANCE AND PAYMENT

- A.** The acceptance of the Work on behalf of the Stadium Manager will be made by the Stadium Manager's Representative. Such acceptance by the Stadium Manager shall

not constitute a waiver of defects. When the Work has been accepted there shall be paid to Contractor a sum equal to the contract price less any amounts previously paid Contractor and less any amounts withheld by the Stadium Manager from Contractor under the terms of the Contract. The final five percent (5%), or the percentage specified in the Notice Inviting Bids where the Stadium Manager has adopted a finding of substantially complete, shall not become due and payable until five (5) calendar days shall have elapsed after the expiration of the period within which all claims may be filed under the provisions of Civil Code Section 9356. If the Contractor has placed securities with the Stadium Manager as described herein, the Contractor shall be paid a sum equal to one hundred percent (100%) of the contract price less any amounts due the Stadium Manager under the terms of the Contract.

- B.** Unless Contractor advises the Stadium Manager in writing prior to acceptance of the final five percent (5%) or the percentage specified in the Notice Inviting Bids where the Stadium Manager has adopted a finding of substantially complete, or the return of securities held as described herein, said acceptance shall operate as a release to the Stadium Manager of all claims and all liability to Contractor for all things done or furnished in connection with this work and for every act of negligence of the Stadium Manager and for all other claims relating to or arising out of this work. If Contractor advises the Stadium Manager in writing prior to acceptance of final payment or return of the securities that there is a dispute regarding the amount due the Contractor, the Stadium Manager may pay the undisputed amount contingent upon the Contractor furnishing a release of all undisputed claims against the Stadium Manager with the disputed claims in stated amounts being specifically excluded by Contractor from the operation of the release. No payments, however, final or otherwise, shall operate to release Contractor or its sureties from the Faithful Performance Bond, Labor and Material Payment Bond, or from any other obligation under this contract.
- C.** In case of suspension of the contract any unpaid balance shall be and become the sole and absolute property of the Stadium Manager to the extent necessary to repay the Stadium Manager any excess in the cost of the Work above the contract price.
- D.** Final payment shall be made no later than 60 Days after the date of acceptance of the Work by the Stadium Manager or the date of occupation, beneficial use and enjoyment of the Work by the Stadium Manager including any operation only for testing, start-up or commissioning accompanied by cessation of labor on the Work, provided that a release of liens and claims has been received from the Contractor pursuant to Civil Code Section 8136. In the event of a dispute between the Stadium Manager and the Contractor, the Stadium Manager may withhold from the final payment an amount not to exceed 150% of the disputed amount.
- E.** Within ten (10) Days from the time that all or any portion of the retention proceeds are received by Contractor, Contractor shall pay each of its subcontractors from whom retention has been withheld each subcontractor's share of the retention received. However, if a retention payment received by Contractor is specifically designated for a particular subcontractor, payment of the retention shall be made to the designated subcontractor if the payment is consistent with the terms of the subcontract.

ARTICLE 46. OCCUPANCY; BENEFICIAL USE

The Stadium Manager reserves the right to occupy or utilize any portion of the Work at any time before completion, and such occupancy or use shall not constitute acceptance of any part of Work covered by this Contract. This use shall not relieve the Contractor of its responsibilities under the Contract.

ARTICLE 47. INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall immediately defend (with counsel of the Stadium Manager's choosing), indemnify and hold harmless the Indemnified Parties from and against:

- A.** Any and all claims, demands, causes of action, costs, expenses, injuries, losses or liabilities, in law or in equity, of every kind or nature whatsoever, but not limited to, injury to or death, including wrongful death, of any person, and damages to or destruction of property of any person, arising out of, related to, or in any manner directly or indirectly connected with the Work or this Contract, including claims made by subcontractors for nonpayment, including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses, however caused, regardless of whether the allegations are false, fraudulent, or groundless, and regardless of any negligence of the Indemnified Parties (including passive negligence), except the sole negligence, active negligence or willful misconduct of the Indemnified Parties.
- B.** Contractor's defense and indemnity obligation herein includes, but is not limited to damages, fines, penalties, attorney's fees and costs arising from claims under the Americans with Disabilities Act (ADA) or other federal or state disability access or discrimination laws arising from Contractor's Work during the course of construction of the improvements or after the Work is complete, as the result of defects or negligence in Contractor's construction of the improvements.
- C.** Any and all actions, proceedings, damages, costs, expenses, fines, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of Contractor;
- D.** Any and all losses, expenses, damages (including damages to the Work itself), attorney's fees, and other costs, including all costs of defense which any of them may incur with respect to the failure, neglect, or refusal of Contractor to faithfully perform the Work and all of Contractor's obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorney's fees, incurred by the indemnified parties in any lawsuit to which they are a party.

Contractor shall immediately defend, at Contractor's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the Indemnified Parties. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against the Indemnified Parties in any such suit, action or other legal proceeding. Contractor shall reimburse the Indemnified Parties for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein

provided. The only limitations on this provision shall be those imposed by Civil Code Section 2782.

ARTICLE 48. PROCEDURE FOR RESOLVING DISPUTES

Contractor shall timely comply with all notices and requests for changes to the Contract Time or Contract Price, including but not limited to all requirements of Article 44, Changes and Extra Work, as a prerequisite to filing any claim governed by this Article. The failure to timely submit a notice of delay or notice of change, or to timely request a change to the Contract Price or Contract Time, or to timely provide any other notice or request required herein shall constitute a waiver of the right to further pursue the claim under the Contract or at law.

A. Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Article is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Article shall be construed to be consistent with said statutes.

B. Claims. For purposes of this Article, "Claim" means a separate demand by the Contractor, after a change order duly requested in accordance with Article 44 "Changes and Extra Work" has been denied by the Stadium Manager, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the Stadium Manager. Claims governed by this Article may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the procedures contained in Article 44, Changes and Extra Work, and Contractor's request for a change has been denied in whole or in part. Claims governed by this Article must be filed no later than thirty (30) Days after a request for change has been denied in whole or in part or after any other event giving rise to a Claim. The Claim shall be submitted in writing to the Stadium Manager and shall include on its first page the following in 16-point capital font: "THIS IS A CLAIM." Furthermore, the Claim shall include the documents necessary to substantiate the claim. Nothing herein is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of Claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

C. Supporting Documentation. The Contractor shall submit all Claims in the following format:

1. Summary of Claim merit and price, reference Contract Document provisions pursuant to which the claim is made
2. List of documents relating to Claim:

- a. Specifications
 - b. Drawings
 - c. Clarifications (Requests for Information)
 - d. Schedules
 - e. Other
3. Chronology of events and correspondence
 4. Analysis of Claim merit
 5. Analysis of Claim cost
 6. Time impact analysis in CPM format
 7. If Contractor's Claim is based in whole or in part on an allegation of errors or omissions in the Drawings or Specifications for the Project, Contractor shall provide a summary of the percentage of the Claim subject to design errors or omissions and shall obtain a certificate of merit in support of the claim of design errors and omissions.

D. Stadium Manager's Response. Upon receipt of a Claim pursuant to this Article, Stadium Manager shall conduct a reasonable review of the Claim and, within a period not to exceed 45 Days, shall provide the Contractor a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the Claim will be processed and made within 60 Days after the Stadium Manager issues its written statement.

1. If the Stadium Manager needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the Claim, and the Stadium Manager's governing body does not meet within the 45 Days or within the mutually agreed to extension of time following receipt of a Claim sent by registered mail or certified mail, return receipt requested, the Stadium Manager shall have up to three Days following the next duly publicly noticed meeting of the Stadium Manager's governing body after the 45-Day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.
2. Within 30 Days of receipt of a Claim, the Stadium Manager may request in writing additional documentation supporting the Claim or relating to defenses or claims the Stadium Manager may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of Stadium Manager and the Contractor. The Stadium Manager's written response to the Claim, as further documented, shall be submitted to the Contractor within 30 Days (if the Claim is less than \$15,000, within 15 Days) after receipt of the further documentation, or within a period of time

no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

- E. Meet and Confer.** If the Contractor disputes the Stadium Manager's written response, or the Stadium Manager fails to respond within the time prescribed, the Contractor may so notify the Stadium Manager, in writing, either within 15 Days of receipt of the Stadium Manager's response or within 15 Days of the Stadium Manager's failure to respond within the time prescribed, respectively, and demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, the Stadium Manager shall schedule a meet and confer conference within 30 Days for settlement of the dispute.
- F. Mediation.** Within 10 business days following the conclusion of the meet and confer conference, if the Claim or any portion of the claim remains in dispute, the Stadium Manager shall provide the Contractor a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 Days after the Stadium Manager issues its written statement. Any disputed portion of the Claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with the Stadium Manager and the Contractor sharing the associated costs equally. The Stadium Manager and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the Claim has been identified in writing, unless the parties agree to select a mediator at a later time.
1. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.
 2. For purposes of this Article, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this Article.
 3. Unless otherwise agreed to by the Stadium Manager and the Contractor in writing, the mediation conducted pursuant to this Article shall excuse any further obligation under Public Contract Code Section 20104.4 to mediate after litigation has been commenced.
 4. The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.
- G. Procedures After Mediation.** If following the mediation, the Claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code prior to initiating litigation. For

purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written Claim pursuant to subdivision (a) until the time the Claim is denied, including any period of time utilized by the meet and confer conference.

H. Civil Actions. The following procedures are established for all civil actions filed to resolve Claims of \$375,000 or less:

1. Within 60 Days, but no earlier than 30 Days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code Section 9204 and the terms of this Contract. The mediation process shall provide for the selection within 15 Days by both parties of a disinterested third person as mediator, shall be commenced within 30 Days of the submittal, and shall be concluded within 15 Days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.
2. If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration. In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

I. Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra Work, disputed Work, construction claims and/or changed conditions, the Contractor must comply with the claim procedures set forth in Government Code Sections 900, et seq. prior to filing any lawsuit against the Stadium Manager. Such Government Code claims, and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra Work, disputed Work, construction claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if the prerequisite contractual requirements are not satisfied, no action against the Stadium Manager may be filed. **A Government Code claim must be filed no earlier than the date the Work is completed or the date the Contractor last performs Work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted.**

J. Non-Waiver. The Stadium Manager's failure to respond to a claim from the Contractor within the time periods described in this Article or to otherwise meet the time

requirements of this Article shall result in the claim being deemed rejected in its entirety.

ARTICLE 49. STADIUM MANAGER'S RIGHT TO TERMINATE CONTRACT

A. Suspension of Work by the Stadium Manager:

1. Stadium Manager in its sole and absolute discretion for any reason or no reason whatsoever may at any time, with or without cause, suspend performance of all or any part of the Work by giving not less than five (5) Days written notice to the Contractor. Such notice of suspension of Work will designate the amount and type of plant, labor, and equipment to be committed to the Project during the period of suspension. Contractor shall use its best efforts to utilize its plant, labor, and equipment in such a manner as to minimize costs associated with suspension.
2. Upon receipt of any such notice, Contractor shall, unless the notice requires otherwise: (1) immediately discontinue Work on the date and to the extent specified in the notice; (2) place no further orders or subcontracts for material, services, or facilities with respect to suspended Work other than to the extent required in the notice; (3) promptly make every reasonable effort to obtain suspension upon terms satisfactory to the Stadium Manager of all orders, subcontracts, and rental agreements to the extent they relate to performance of Work suspended; and (4) continue to protect and maintain the Work including those portions on which Work has been suspended.
3. Stadium Manager shall not be liable for any additional costs, damages or anticipated profits incurred by Contractor or its Subcontractors and the Contract Price shall not be increased during the period of suspension, except the actual costs incurred by Contractor, excluding overhead and profit for (a) the purpose of safeguarding the Work and material and equipment in transit or at the Site during the period of suspension, (b) Contractor's or its Subcontractor's rented equipment which are maintained at the Site, or (c) other reasonable and unavoidable costs of shutting down the Work, or reassembling personnel and equipment resulting directly from such suspension. Contractor shall be granted an extension of the Contract Time equal to the number of days performance of Work is suspended; provided, however, that no actual costs or extension of Contract Time shall be granted if the suspension results from Contractor's non-compliance with the requirements of the Contract.

B. Termination for Cause by the Stadium Manager:

1. In the sole estimation of the Stadium Manager, if the Contractor refuses or fails to prosecute the Work or any separable part thereof with such diligence as will insure its completion within the time specified by the Contract Documents, or any extension thereof, or fails to complete such Work within such time, or if the Contractor should be adjudged a bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or the Contractor or any of its subcontractors should violate any of the provisions of this Contract, the Stadium Manager may serve written notice upon the Contractor and its Surety of the Stadium Manager's

intention to terminate this Contract. This notice of intent to terminate shall contain the reasons for such intention to terminate this Contract, and a statement to the effect that the Contractor's right to perform this Contract shall cease and terminate upon the expiration of ten (10) Days unless such violations have ceased and arrangements satisfactory to the Stadium Manager have been made for correction of said violations.

2. In the event that the Stadium Manager serves such written notice of termination upon the Contractor and the Surety, the Surety shall have the right to take over and perform the Contract. If the Surety does not: (1) give the Stadium Manager written notice of Surety's intention to take over and commence performance of the Contract within 15 calendar days of the Stadium Manager's service of said notice of intent to terminate upon Surety; and (2) actually commence performance of the Contract within 30 calendar days of the Stadium Manager's service of said notice upon Surety; then the Stadium Manager may take over the Work and prosecute the same to completion by separate contract or by any other method it may deem advisable for the account and at the expense of the Contractor.
3. In the event that the Stadium Manager elects to obtain an alternative performance of the Contract as specified above: (1) the Stadium Manager may, without liability for so doing, take possession of and utilize in completion of the Work such materials, appliances, plants and other property belonging to the Contractor that are on the site and reasonably necessary for such completion (A special lien to secure the claims of the Stadium Manager in the event of such suspension is hereby created against any property of Contractor taken into the possession of the Stadium Manager under the terms hereof and such lien may be enforced by sale of such property under the direction of the Stadium Manager without notice to Contractor. The proceeds of the sale after deducting all expenses thereof and connected therewith shall be credited to Contractor. If the net credits shall be in excess of the claims of the Stadium Manager against Contractor, the balance will be paid to Contractor or Contractor's legal representatives.); and (2) Surety shall be liable to the Stadium Manager for any cost or other damage to the Stadium Manager necessitated by the Stadium Manager securing an alternate performance pursuant to this Article.

C. Termination for Convenience by the Stadium Manager:

1. The Stadium Manager may terminate performance of the Work called for by the Contract Documents in whole or, from time to time, in part, if the Stadium Manager determines that a termination is in the Stadium Manager's interest.
2. The Contractor shall terminate all or any part of the Work upon delivery to the Contractor of a Notice of Termination specifying that the termination is for the convenience of the Stadium Manager, the extent of termination, and the Effective Date of such termination.
3. After receipt of Notice of Termination, and except as directed by the Stadium Manager's Representative, the Contractor shall, regardless of any delay in determining or adjusting any amounts due under this Termination for Convenience clause, immediately proceed with the following obligations:

- a. Stop Work as specified in the Notice.
 - b. Complete any Work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents.
 - c. Leave the property upon which the Contractor was working and upon which the facility (or facilities) forming the basis of the Contract Document is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety.
 - d. Terminate all subcontracts to the extent that they relate to the portions of the Work terminated.
 - e. Place no further subcontracts or orders, except as necessary to complete the continued portion of the Contract.
 - f. Submit to the Stadium Manager's Representative, within ten (10) Days from the Effective Date of the Notice of Termination, all of the usual documentation called for by the Contract Documents to substantiate all costs incurred by the Contractor for labor, materials and equipment through the Effective Date of the Notice of Termination. Any documentation substantiating costs incurred by the Contractor solely as a result of the Stadium Manager's exercise of its right to terminate this Contract pursuant to this clause, which costs the contractor is authorized under the Contract documents to incur, shall: (1) be submitted to and received by the Stadium Manager's Representative no later than 30 calendar days after the Effective Date of the Notice of Termination; (2) describe the costs incurred with particularity; and (3) be conspicuously identified as "Termination Costs occasioned by the Stadium Manager's Termination for Convenience."
4. Termination of the Contract shall not relieve Surety of its obligation for any just claims arising out of or relating to the Work performed.
5. In the event that the Stadium Manager exercises its right to terminate this Contract pursuant to this clause, the Stadium Manager shall pay the Contractor, upon the Contractor's submission of the documentation required by this clause and other applicable provisions of the Contract Documents, the following amounts:
- a. All actual reimbursable costs incurred according to the provisions of this Contract.
 - b. A reasonable allowance for profit on the cost of the Work performed, provided Contractor establishes to the satisfaction of the Stadium Manager's Representative that it is reasonably probable that Contractor would have made a profit had the Contract been completed and provided further, that the profit allowed shall in no event exceed fifteen (15%) percent of the costs.
 - c. A reasonable allowance for Contractor's administrative costs in determining the amount payable due to termination of the Contract under this Article.

- D. Notwithstanding any other provision of this Article, when immediate action is necessary to protect life and safety or to reduce significant exposure or liability, the Stadium Manager may immediately order Contractor to cease Work on the Project until such safety or liability issues are addressed to the satisfaction of the Stadium Manager, or the Contract is terminated.
- E. Stadium Manager shall not be liable for any costs other than the charges or portions thereof which are specified and permitted herein. Contractor shall not be entitled to payment for unperformed Work including, without limitation, any overhead and profit on the portion of the Work that is terminated and shall not be entitled to damages or compensation of any kind or nature for termination of Work.

ARTICLE 50. WARRANTY AND GUARANTEE OF WORK

- A. Contractor hereby warrants that materials and Work shall be completed in conformance with the Contract Documents and that the materials and Work provided will fulfill the requirements of this Warranty. Contractor hereby agrees to repair or replace, at the discretion of the Stadium Manager, any or all Work that may prove to be defective in its workmanship, materials furnished, methods of installation or fail to conform to the Contract Document requirements together with any other Work which may be damaged or displaced by such defect(s) within a period of one (1) year from the date of the Notice of Completion of the Project without any expense whatever to the Stadium Manager, ordinary wear and tear and unusual abuse and neglect excepted. Contractor shall be required to promptly repair or replace defective equipment or materials, at Contractor's option. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor.
- B. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one (1) year period, commencing with the date of acceptance of such corrected Work. The reinstatement of the one (1) year warranty shall apply only to that portion of work that was corrected. Contractor shall perform such tests as Stadium Manager may require, to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. In the event of Contractor's failure to comply with the above-mentioned conditions within ten (10) Days after being notified in writing of required repairs, to the reasonable satisfaction of the Stadium Manager, the Stadium Manager shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the Stadium Manager for any expenses incurred hereunder immediately upon demand.
- C. In addition to the warranty set forth in this Article, Contractor shall obtain for Stadium Manager all warranties that would be given in normal commercial practice and assign to Stadium Manager any and all manufacturer's or installer's warranties for equipment or materials not manufactured by Contractor and provided as part of the Work, to the extent that such third-party warranties are assignable and extend beyond the warranty period set forth in this Article. Contractor shall furnish the Stadium Manager with all

warranty and guarantee documents prior to final Acceptance of the Project by the Stadium Manager as required.

- D. When specifically indicated in the Contract Documents or when directed by the Stadium Manager's Representative, the Stadium Manager may furnish materials or products to the Contractor for installation. In the event any act or failure to act by Contractor shall cause a warranty applicable to any materials or products purchased by the Stadium Manager for installation by the Contractor to be voided or reduced, Contractor shall indemnify Stadium Manager from and against any cost, expense, or other liability arising therefrom, and shall be responsible to the Stadium Manager for the cost of any repairs, replacement or other costs that would have been covered by the warranty but for such act or failure to act by Contractor.
- E. The Contractor shall remedy at its expense any damage to Stadium Manager-owned or controlled real or personal property.
- F. The Stadium Manager shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage. The Contractor shall within ten (10) Days after being notified commence and perform with due diligence all necessary Work. If the Contractor fails to promptly remedy any defect, or damage; the Stadium Manager shall have the right to replace, repair or otherwise remedy the defect, or damage at the Contractor's expense.
- G. In the event of any emergency constituting an immediate hazard to health, safety, property, or licensees, when caused by Work of the Contractor not in accordance with the Contract requirements, the Stadium Manager may undertake at Contractor's expense, and without prior notice, all Work necessary to correct such condition.
- H. Acceptance of Defective Work.
 - 1. If, instead of requiring correction or removal and replacement of Defective Work, the Stadium Manager prefers to accept it, Stadium Manager may do so. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) attributable to Stadium Manager's evaluation of and determination to accept such Defective Work and for the diminished value of the Work.
 - 2. If any acceptance of defective work occurs prior to release of the Project Retention, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and Stadium Manager shall be entitled to an appropriate decrease in the Contract Price, reflecting the diminished value of Work and all costs incurred by Stadium Manager.
 - 3. If the Project Retention is held in an escrow account as permitted by the Contract Documents, Contractor will promptly alert the escrow holder, in writing, of the amount of Retention to be paid to Stadium Manager.
 - 4. If the acceptance of Defective Work occurs after release of the Project Retention, an appropriate amount will be paid by Contractor to Stadium Manager.

I. Stadium Manager May Correct Defective Work.

1. If Contractor fails within a reasonable time after written notice from Stadium Manager's Representative to correct Defective Work, or to remove and replace rejected Work as required by Stadium Manager, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, Stadium Manager may, after seven (7) Days' written notice to Contractor, correct, or remedy any such deficiency.
2. In connection with such corrective or remedial action, Stadium Manager may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, take possession of Contractor's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which Stadium Manager has paid Contractor but which are stored elsewhere. Contractor shall allow Stadium Manager and Stadium Manager's Representative, and the agents, employees, other contractors, and consultants of each of them, access to the Site to enable Stadium Manager to exercise the rights and remedies to correct the Defective Work.
3. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred or sustained by Stadium Manager correcting the Defective Work will be charged against Contractor, and a Change Order will be issued incorporating the necessary revisions into the Contract Documents with respect to the Work; and Stadium Manager shall be entitled to an appropriate decrease in the Contract Price.
4. Such claims, costs, losses and damages will include, but not be limited to, all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Defective Work.
5. If the Change Order is executed after all payments under the Contract have been paid by Stadium Manager and the Project Retention is held in an escrow account as permitted by the Contract Documents, Contractor will promptly alert the escrow holder, in writing, of the amount of Retention to be paid to Stadium Manager.
6. If the Change Order is executed after release of the Project Retention, an appropriate amount will be paid by Contractor to Stadium Manager.
7. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to Stadium Manager correcting Defective work.

J. Nothing in the Warranty or in the Contract Documents shall be construed to limit the rights and remedies available to Stadium Manager at law or in equity, including, but not limited to, Code of Civil Procedure Section 337.15.

ARTICLE 51. DOCUMENT RETENTION & EXAMINATION

- A.** In accordance with Government Code Section 8546.7, records of both the Stadium Manager and the Contractor shall be subject to examination and audit by the State Auditor General for a period of three (3) years after final payment.
- B.** Contractor shall make available to the Stadium Manager any of the Contractor's other documents related to the Project immediately upon request of the Stadium Manager.
- C.** In addition to the State Auditor rights above, the Stadium Manager shall have the right to examine and audit all books, estimates, records, contracts, documents, bid documents, subcontracts, and other data of the Contractor (including computations and projections) related to negotiating, pricing, or performing the modification in order to evaluate the accuracy and completeness of the cost or pricing data at no additional cost to the Stadium Manager, for a period of four (4) years after final payment.

ARTICLE 52. SEPARATE CONTRACTS

- A.** The Stadium Manager reserves the right to let other contracts in connection with this Work or on the Project site. Contractor shall permit other contractors reasonable access and storage of their materials and execution of their work and shall properly connect and coordinate its Work with theirs.
- B.** To ensure proper execution of its subsequent Work, Contractor shall immediately inspect work already in place and shall at once report to the Stadium Manager's Representative any problems with the Work in place or discrepancies with the Contract Documents.
- C.** Contractor shall ascertain to its own satisfaction the scope of the Project and nature of any other contracts that have been or may be awarded by the Stadium Manager in prosecution of the Project to the end that Contractor may perform this Contract in the light of such other contracts, if any. Nothing herein contained shall be interpreted as granting to Contractor exclusive occupancy at site of the Project. Contractor shall not cause any unnecessary hindrance or delay to any other contractor working on the Project. If simultaneous execution of any contract for the Project is likely to cause interference with performance of some other contract or contracts, the Stadium Manager's Representative shall decide which Contractor shall cease Work temporarily and which contractor shall continue or whether work can be coordinated so that contractors may proceed simultaneously. The Stadium Manager shall not be responsible for any damages suffered or for extra costs incurred by Contractor resulting directly or indirectly from award, performance, or attempted performance of any other contract or contracts on the Project site.

ARTICLE 53. NOTICE AND SERVICE THEREOF

All notices shall be in writing and either served by personal delivery or mailed to the other party as designated in the Bid Forms. Written notice to the Contractor shall be addressed to Contractor's principal place of business unless Contractor designates another address in writing for service of notice. Notice to Stadium Manager shall be addressed to the Stadium Manager as designated in the Notice Inviting Bids unless Stadium Manager designates another address in

writing for service of notice. Notice shall be effective upon receipt or five (5) calendar days after being sent by first class mail, whichever is earlier. Notice given by facsimile shall not be effective unless acknowledged in writing by the receiving party.

ARTICLE 54. NOTICE OF THIRD-PARTY CLAIMS

Pursuant to Public Contract Code Section 9201, the Stadium Manager shall provide the Contractor with timely notification of the receipt of any third-party claims relating to the Contract. The Stadium Manager is entitled to recover reasonable costs incurred in providing such notification.

ARTICLE 55. STATE LICENSE BOARD NOTICE

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

ARTICLE 56. INTEGRATION

- A. Oral Modifications Ineffective.** No oral order, objection, direction, claim or notice by any party or person shall affect or modify any of the terms or obligations contained in the Contract Documents.
- B. Contract Documents Represent Entire Contract.** The Contract Documents are fully integrated and represent the entire agreement of the Stadium Manager and Contractor.

ARTICLE 57. ASSIGNMENT OF CONTRACT

Contractor shall not assign, transfer, convey, sublet or otherwise dispose of the rights or title of interest of any or all of this contract without the prior written consent of the Stadium Manager. Any assignment or change of Contractor's name of legal entity without the written consent of the Stadium Manager shall be void. Any assignment of money due or to become due under this Contract shall be subject to a prior lien for services rendered or Material supplied for performance of Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering such services or supplying such Materials to the extent that claims are filed pursuant to the Civil Code, the Code of Civil Procedure or the Government Code.

ARTICLE 58. CHANGE IN NAME AND NATURE OF CONTRACTOR'S LEGAL ENTITY

Should a change be contemplated in the name or nature of the Contractor's legal entity, the Contractor shall first notify the Stadium Manager in order that proper steps may be taken to have the change reflected on the Contract and all related documents. No change of Contractor's name or nature will affect Stadium Manager's rights under the Contract, including but not limited to the bonds.

ARTICLE 59. ASSIGNMENT OF ANTITRUST ACTIONS

Pursuant to Public Contract Code Section 7103.5, in entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, Contractor or subcontractor offers and agrees to assign to the Stadium Manager all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC, Section 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from the purchase of goods, services, or materials pursuant to this contract or any subcontract. This assignment shall be made and become effective at the time the Stadium Manager tenders final payment to the Contractor, without further acknowledgment by the parties.

ARTICLE 60. PROHIBITED INTERESTS

No Stadium Manager official or representative who is authorized in such capacity and on behalf of the Stadium Manager to negotiate, supervise, make, accept, or approve, or to take part in negotiating, supervising, making, accepting or approving any engineering, inspection, construction or material supply contract or any subcontract in connection with construction of the project, shall be or become directly or indirectly interested financially in the Contract.

ARTICLE 61. CONTROLLING LAW

Notwithstanding any subcontract or other contract with any subcontractor, supplier, or other person or organization performing any part of the Work, this Contract shall be governed by the law of the State of California excluding any choice of law provisions.

ARTICLE 62. JURISDICTION; VENUE

Contractor and any subcontractor, supplier, or other person or organization performing any part of the Work agrees that any action or suits at law or in equity arising out of or related to the bidding, award, or performance of the Work shall be maintained in the Superior Court of Santa Clara County, California, and expressly consent to the jurisdiction of said court, regardless of residence or domicile, and agree that said court shall be a proper venue for any such action.

ARTICLE 63. LAWS AND REGULATIONS

- A.** Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on conduct of work as indicated and specified. If Contractor observes that drawings and specifications are at variance therewith, it shall promptly notify the Stadium Manager's Representative in writing and any necessary changes shall be adjusted as provided for in this Contract for changes in work. If Contractor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to the Stadium Manager's Representative, it shall bear all costs arising therefrom.
- B.** Contractor shall be responsible for familiarity with the Americans with Disabilities Act ("ADA") (42 U.S.C. § 12101 et seq.). The Work will be performed in compliance with ADA regulations.

ARTICLE 64. PATENTS

Contractor shall hold and save the Stadium Manager, officials, officers, employees, and authorized volunteers harmless from liability of any nature or kind of claim therefrom including costs and expenses for or on account of any patented or unpatented invention, article or appliance manufactured, furnished or used by Contractor in the performance of this contract.

ARTICLE 65. OWNERSHIP OF CONTRACT DOCUMENTS

All Contract Documents furnished by the Stadium Manager are Stadium Manager property. They are not to be used by Contractor or any subcontractor on other work nor shall Contractor claim any right to such documents. With exception of one complete set of Contract Documents, all documents shall be returned to the Stadium Manager on request at completion of the Work.

ARTICLE 66. NOTICE OF TAXABLE POSSESSORY INTEREST

In accordance with Revenue and Taxation Code Section 107.6, the Contract Documents may create a possessory interest subject to personal property taxation for which Contractor will be responsible.

ARTICLE 67. SURVIVAL OF OBLIGATIONS

All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

END OF GENERAL CONDITIONS

00 73 13 – SPECIAL CONDITIONS

1.1 Stadium Manager's Representative.

- A. For purposes of this Project unless otherwise modified by the Stadium Manager, the Stadium Manager's Representative shall be: Stadium Manager's Vice President, Stadium Projects and Planning or designee.

1.2 Location of the Project.

- A. The Project is located at Levi's Stadium, 4900 Marie P. DeBartolo Way, Santa Clara, CA.

1.3 Reserved.

1.4 Status of the Project Area and Rights-of-Way.

- A. Stadium Manager, at its expense, will provide all rights-of-way or related right-of-way permits, or both, covering the crossing of private property and public and private rights-of-way necessary for the permanent Work; provided, however, Contractor shall, at its expense, obtain any bonds or insurance policies or pay any fees and enter into any agreements required by a controlling authority, e.g., Santa Clara Valley Transit Authority (VTA), Santa Clara Valley Water District or City of Santa Clara, before Contractor enters upon any property or right-of-way under the jurisdiction of any such controlling authority for the purpose of performing Work.
- B. Stadium Manager has acquired or is negotiating to acquire any rights-of-way, or both, necessary for the permanent Work.
- C. If such permits are required, all operations of Contractor shall conform to the restrictions, regulations, and requirements set forth in said permits, copies of which will be included in the Contract Documents.
- D. Contractor may be required, as a condition for receiving final payment, to obtain, and provide Stadium Manager's Representative with copies of, executed damage releases from the owners of public and private property whose property has been damaged by the Work. The damage releases will be on a form provided by Stadium Manager.
- E. Contractor shall, also, as a condition for receiving final payment, obtain, and provide Stadium Manager's Representative with copies of, executed damage releases from the owners of certain public and private property or areas which have been crossed by the Work or otherwise affected by the Work. The damage releases will be on a form provided by Stadium Manager.

1.5 Site Data.

- A. The data provided herein is for the information of Contractor and is subject to all limitations and conditions set forth in the Contract Documents.

1.6 Pre-Purchased or Pre-Negotiated Material.

NOT USED.

1.7 Modification of Hours of Work.

NOT USED.

1.8 Project Retention.

In accordance with Public Contract Code Section 7201, Stadium Manager will withhold 5% of each progress payment as retention on the Project.

1.9 Reserved.

1.10 Liquidated Damages Due to Contractor Delay.

A. Time is of the essence. Should Contractor fail to complete all or any part of the Work within the time specified in the Contract Documents, Stadium Manager will suffer damage, the amount of which is difficult, if not impossible, to ascertain and, pursuant to the authority of Government Code Section 53069.85, Stadium Manager shall therefore be entitled to \$500.00 per Day as liquidated damages for each Day or part thereof that actual completion extends beyond the time specified.

B. Liquidated damages may be deducted from progress payments due Contractor, Project retention or may be collected directly from Contractor, or from Contractor's surety. These provisions for liquidated damages shall not prevent Stadium Manager, in case of Contractor's default, from terminating the Contractor.

1.11 Utility Outages – Notices to Residents.

A. Should Contractor's operations require interruption of any utility service, Contractor shall notify Stadium Manager at least ten (10) Days prior to the scheduled outage. Contractor will notify all impacted residents on a form provided by Stadium Manager at least seven (7) Days prior to the scheduled outage.

B. Contractor shall be responsible for providing, at its cost, any temporary utility or facilities necessitated by the utility outage.

1.12 Schedule Constraints and Milestones.

A. The Work at the Project site must be completed during the following periods unless otherwise authorized in writing by the Stadium Manager:

1. South Videoboard Sign (X-03A)

a. January 27, 2025, to June 13, 2025.

2. North Videoboard Sign (X-03B)
 - a. January 27, 2025, to June 13, 2025.
3. East Exterior Sign (X-01)
 - a. January 27, 2025, to December 31, 2025.
4. West Exterior Sign (X-02)
 - a. January 27, 2025, to December 31, 2025

B. Major Event Schedule Constraints

1. On-site Work may not occur during any of the following periods.
 - a. June 14, 2025 – June 23, 2025
 - b. June 24, 2025 – July 3, 2025
 - c. July 4, 2025 – July 20, 2025
 - d. July 28, 2025 – August 4, 2025
 - e. September 10, 2025 – September 13, 2025
 - f. September 29, 2025 – October 5, 2025
2. In addition to the known Schedule Constraints and Milestones outlined in Section 1.12.A and 1.12.B above, additional events may be scheduled during the Project timeline. Such dates include, but are not limited to:
 - a. Two (2) non-NFL events, dates to be determined
 - b. Ten (10) NFL home games, dates to be determined
3. On-site Work shall not occur 72 hours prior to and 24 hours after any major events without Stadium Manager's prior written approval.
4. Existing or replacement/new Levi's signage must be complete and functioning for all major events.

C. Project Milestones

1. South Videoboard Sign (X-03A) (Base Bid Item No. 3) – Subject to the schedule constraints noted herein, all Work associated with the South Videoboard Sign must be completed by no later than June 13, 2025.

2. North Videoboard Sign (X-03B) (Base Bid Item No. 4) – Subject to the schedule constraints noted herein, all Work associated with the North Videoboard Sign must be completed by no later than June 13, 2025.
 3. East Exterior Sign (X-01) (Base Bid Item No. 1) – Subject to the schedule constraints noted herein, all Work associated with the East Exterior Sign must be completed by no later than December 31, 2025.
 4. West Exterior Sign (X-02) (Base Bid Item No. 2) – Subject to the schedule constraints noted herein, all Work associated with the West Exterior Sign must be completed by no later than December 31, 2025.
- D. Stadium Manager has considered these schedule constraints when determining the Contract Times and no additional time or compensation will be added to the Contract due to these constraints.

1.13 Noise Restrictions

- A. Contractor shall use only such equipment on the Work and in such state of repair so that the emission of sound therefrom is within the noise tolerance level of that equipment as established by Cal/OSHA.
- B. Contractor shall comply with the most restrictive of the following: (1) local sound control and noise level rules, regulations and ordinances and (2) the requirements contained in these Contract Documents, including hours of operation requirements.
- C. No internal combustion engine shall be operated on the Project without a muffler of the type recommended by the manufacturer. Should any muffler or other control device sustain damage or be determined to be ineffective or defective, the Contractor shall promptly remove the equipment and shall not return said equipment to the job until the device is repaired or replaced. Said noise and vibration level requirements shall apply to all equipment on the job or related to the job, including but not limited to, trucks, transit mixers or transit equipment that may or may not be owned by the Contractor.

1.14 Safety Programs

- A. In addition to all other safety requirements of the Contract Documents, Contractor must comply with Cal/OSHA safety requirements at all times during the completion of the Work.
- B. Stadium Manager has considered these Safety Programs when determining the Contract Times and no additional time or compensation will be added to the Contract due to these Programs.

1.15 Coordination with Other Contractors

- A. In addition to the Contract requirements relating to other work at the Site, Stadium Manager anticipates that other contractors will be performing work within the Site.

- B. Stadium Manager has considered these other contractors when determining the Contract Times and no additional time or compensation will be added to the Contract due to these other contractors.

1.16 Levi's Stadium – Jobsite Rules.

- A. The Contractor (to include all contractors, vendors, subcontractor and employees of each) shall adhere to the following rules while on site:
1. Contractor shall park in only approved Contractor designated parking areas as identified by Stadium Manager.
 2. No smoking, drugs, or alcohol permitted on site.
 3. Contractor work area must be left in a clean, neat and orderly condition at the end of each day. If the Contractor fails to perform daily cleaning the Stadium Manager reserves the right to clean up debris at Contractor expense.
 4. Contractor shall coordinate with Stadium Manager for use of restroom facilities prior to Project.
 5. Contractor to schedule work hours with Stadium Manager prior to Project. Work outside of regularly schedule hours shall require prior written approval by Stadium Manager.
 6. Contractor shall coordinate employee break areas with the Stadium Manager prior to Project. All lunch and break debris generated by the Contractor must be disposed of immediately in appropriate containers (i.e. glass, aluminum, cardboard, etc.).
 7. No radios, iPods, music devices with earbuds, etc. allowed. NO EXCEPTIONS.
 8. Contractor shall report Project status to the Stadium Manager weekly and provide an update on the progress of the work. Contractor shall contact Stadium Manager immediately should any incidents occur or if any conflicts with these jobsite rules should arise.
 9. Personal Protective Equipment ("PPE"), including but not limited to, proper safety clothing MUST be worn at all times while on jobsite. Any personnel without proper safety clothing will not be allowed on site. This includes office personnel and visitors. Appropriate PPE shall be coordinated with the Stadium Manager prior to Project.
 10. The Contract supervisor assigned to this job must have the ability to make employees follow ALL jobsite rules.
 11. NO children (under 18 years old) are allowed on site.
 12. Contractor, to include all employees and visitors, must register each day for stadium access through the Stadium Manager provided visitor management and

access control system. Contractor employees are subject to health screening prior to approval of site access. Contractor employees shall adhere to all Stadium Manager site access requirements.

13. Contractors and all employees must stay in their area as required and defined in the Project scope of work. Any Contractor employee found outside of the authorized Project area will be removed from the property and may not return to the site.
14. Contractor Equipment / Vehicles – Contractor shall coordinate delivery and use of all equipment brought and used on site (owned or rented) with the Stadium Manager prior to Project. Equipment shall display markings identifying the following information for each piece of equipment while on site:
 - Contractor's Company Name
 - Contractor's Equipment Contact
 - Contact Phone Number
 - Duration On-Site (i.e. 06/02/25- 06/15/25)

Equipment requiring this information includes, but is not limited to, the following types of equipment:

- Material Handling Equipment (such as Forklifts and Pallet Jacks)
- Golf Carts
- Flatbeds
- Manlifts
- Vehicles
- Job Boxes
- Trailers
- Other Equipment

Anyone operating this equipment must have the proper certifications, operate them in compliance with Cal/OSHA standards, and shall follow any Stadium Manager safety protocols.

- B. **Social Media Policy.** This policy governs contractors use of social media, including any online tools used to share content and profiles, such as personal web pages, message boards, networks, communities, and social networking websites including, but not limited to, Facebook, Twitter, Instagram, LinkedIn, Snapchat, Tumblr, Reddit, and web blogs. The lack of explicit reference to a specific site or type of social media

does not limit the application of this policy. The Contractor (and all employees) are prohibited from the following:

1. Using social media to post or to display comments about Stadium Manager, the San Francisco 49ers, Levi's Stadium, co-workers, supervisors, clients, vendors, suppliers or members of management that are vulgar, obscene, physically threatening or intimidating, harassing, or otherwise constitute a violation of the Stadium Manager's workplace policies against discrimination, retaliation, harassment, or hostility on account of any protected category, class, status, act or characteristic.
2. Infringing on Stadium's logos, brand names, taglines, slogans or other trademarks. Contractors and their agents, owners, and employees shall comply with the laws regarding copyrights, trademarks, rights or publicity and other third-party rights.
3. Posting or displaying content that is an intentional public attack on the quality of the Stadium's products and/or services in a manner that a reasonable person would perceive as calculated to harm the Stadium's business and is unrelated to any employee concern involving wages, hours, or other terms and conditions of employment.
4. Posting a photograph of a supervisor, manager, co-worker (including players and coaches in non-public settings), vendor, supplier, or client without that individual's express permission.

Violations of this policy may result in disciplinary action up to and including removal from the jobsite. Please contact the Stadium Manager if you have any questions about this policy.

1.17 Procurement and Contract Process Integrity and Conflict of Interest Guidelines

A. PURPOSE

1. The purpose of these Guidelines is to ensure integrity in the Stadium Manager's procurement and contract processes, to educate Stadium Manager employees, consultants, uncompensated outside parties and any person involved in the decision to award a contract about potential Conflicts of Interest, and to establish guidelines for procedural screening of Conflicts of Interest.
2. The Stadium Manager desires to provide a fair opportunity to participants in competitive processes for the award of Stadium Manager contracts by promulgating integrity and removal of Conflicts of Interest in all competitive solicitations.

B. DEFINITIONS

1. PURCHASING MANAGER

"Purchasing Manager" is the Stadium Manager representative designated by the Stadium Manager to be responsible for the Stadium Manager's procurement process.

2. ELECTED OFFICIAL

"Elected Official" means the City of Santa Clara Mayor, Council Members, City Clerk, and Chief of Police.

3. COUNCIL APPOINTEES

"Council Appointees" means the City of Santa Clara City Manager, City Attorney, and City Auditor.

4. SOLICITATION

"Solicitation" means, but is not limited to, specification development, preparation and issuance of requests for proposals, quotes, qualifications or bids, evaluation of responses and submissions, and other evaluations which lead to an award of a Stadium Manager contract.

C. GENERAL PROVISIONS

1. COMMUNICATION PROTOCOL

- a. Prior to Issuance of Solicitations: Prior to the issuance of Solicitations, contact between prospective respondents and Stadium Manager staff, consultants or City of Santa Clara elected officials is permissible.
- b. After Issuance of Solicitations and prior to Submission deadline for Solicitations: After issuance of Solicitations, all contact between prospective respondents and the Stadium Manager with regard to the Solicitation must be directed to the procurement contact designated in the Solicitation. Stadium Manager staff and consultants will refer all inquiries with regard to the Solicitation to the procurement contact. All requests for clarification, objections to the structure, content, or distribution of a Solicitation, or other inquiries must be made in writing and the Stadium Manager shall answer to these clarifications, objections, and inquiries in writing via addenda to the Solicitation.
- c. After Submission Deadline of Solicitations and prior to Issuance of a Notice of Intended Award: After the submission deadline of Solicitations, all contact regarding the procurement between respondents and the Stadium Manager and participants in the evaluation process, who are not Stadium Manager employees or representatives, must be directed to the procurement contact designated in the Solicitation. Stadium Manager staff and consultants will refer all inquiries to the procurement contact identified in the Solicitation document.
- d. After Issuance of a Notice of Intended Award: The Stadium Manager will issue a notice of intended award to all respondents including the basis for selection and instructions for filing a protest. All respondents shall follow the procedures for protest as indicated in the

Solicitation document. During the protest period, Stadium Manager staff and consultants will refer all inquiries to the procurement contact identified in the Solicitation document.

- e. After Completion of Protest Period: After completion of the protest period contact between prospective respondents and Stadium Manager staff, consultants and City of Santa Clara elected officials is permissible.

D. RESPONDENT'S CODE OF CONDUCT

- 1. By submitting a response to a Stadium Manager Solicitation, respondents are individually and solely responsible for ensuring compliance with these Guidelines on behalf of the respondent's employees, agents, consultants, lobbyists, or other parties or individuals engaged for purposes of developing or supporting a response. In addition to adhering to these Guidelines, respondents may not collude, directly or indirectly among themselves in regard to the amount, terms or conditions of a Solicitation, influence any Stadium Manager staff member or evaluation team member throughout the solicitation process, including the development of specifications, submit incorrect information in the response to a Solicitation or misrepresent, or fail to disclose material facts during the evaluation process. Any evidence indicating a respondent has failed to adhere with any section of these Guidelines may result in the respondent's disqualification from the procurement as well as possible debarment.

E. CONFIDENTIALITY DURING EVALUATION PROCESS

- 1. Stadium Manager staff, consultants, and outside evaluators who are participants in the evaluation process are required to sign a confidentiality agreement which binds the participants not to share any information about responses received and the evaluation process until the Stadium Manager issues a notice of intended award.

F. CONFLICT OF INTEREST

- 1. Elected officials, appointed officials, their staffs, and Stadium Manager employees and consultants are expected to avoid any conflicts of interest. Further, such individuals should avoid the appearance of conflicts of interest in order to ensure that Stadium Manager decisions are made in an independent and impartial manner. In general, the designated Stadium Manager procurement contact, in consultation with the Stadium Manager's Chief Financial Officer ("CFO") shall take measures to ensure that the Stadium Manager avoid any conflict of interests in procurement processes of Stadium Manager contracts. Specifically, these measures include that:
 - a. Persons who may not be regularly involved in Stadium Manager procurements review this Exhibit and other ethical standards and elicit such information from them to enable the Stadium Manager to determine if the person's participation would create a conflict of interest. Such persons shall include, but are not limited to:
 - (i) authors of specifications

(ii) paid and unpaid evaluators

(iii) paid and unpaid consultants who assist in the procurement process

- b. The CFO shall discuss any potential conflict of interest identified with Stadium Manager's legal department and document the resulting determination, and take appropriate action including, but not limited to, removal of an employee, consultant, or outside uncompensated party from the procurement activity or cancellation of a Solicitation.

G. ALLEGATIONS OF CONFLICT OF INTEREST

1. Prior to the Solicitation release, up to award of contract, any allegations of conflict of interest by a Stadium Manager employee, consultant, or other participant in the pre- Solicitation and Solicitation process shall be reported to the CFO. The CFO shall investigate the alleged conflict of interest in consultation with the Stadium Manager's legal department and document the resulting determination.

H. ALLEGATIONS OF MISCONDUCT

1. At any time during a Solicitation process, any misconduct by a Stadium Manager employee, consultant, or other participant in the pre-Solicitation and Solicitation process, shall be reported to the CFO. The CFO shall investigate the alleged misconduct, in consultation with the procurement contact, and others, as appropriate. Nothing in these guidelines is intended to prohibit anyone from communicating with the CFO or legal department about any alleged misconduct.

END OF SPECIAL CONDITIONS

01 00 00 – GENERAL REQUIREMENTS

PART 1 -- GENERAL

1.1 DESCRIPTION

- A. This Project involves the replacement of the current Levi's Stadium naming rights signage with a new signage package encompassing an enhanced design and electrical system.

PART 2 -- PRODUCTS (NOT USED)

PART 3 -- EXECUTION

3.1 LAYOUT OF WORK AND QUANTITY SURVEYS

- A. General. The Contractor shall utilize a properly licensed surveyor to perform all layout surveys required for the control and completion of the Work, and all necessary surveys to compute quantities of Work performed.

Stadium Manager and/or the Stadium Manager's Representative has established primary control to be used by the Contractor for establishing lines and grades required for the Work.

Primary control consists of benchmarks and horizontal control points in the vicinity of the Work. A listing and identification of the primary control is provided on the Drawings. Before beginning any layout work or construction activity, the Contractor shall check and verify primary control, and shall advise the Stadium Manager Representative of any discrepancies.

- B. Quantity surveys. The Contractor shall perform such surveys and computations as are necessary to determine quantities of Work performed or placed during each progress payment period and shall perform all surveys necessary for the Stadium Manager Representative to determine final quantities of Work in place. The Stadium Manager Representative will determine final quantities based upon the survey data provided by the Contractor, and the design lines and grades. If requested by the Stadium Manager Representative, the Contractor shall provide an electronic copy of data used for quantity computations.

All surveys performed for measurement of final quantities of Work and material shall be subject to approval of Stadium Manager's Representative. Unless waived by Stadium Manager's Representative in each specific case, quantity surveys made by the Contractor shall be made in the presence of Stadium Manager's Representative.

- C. Surveying

1. Accuracy. Degree of accuracy shall be an order high enough to satisfy tolerances specified for the Work and the following:
 - (a) Right-of-way and alignment of tangents and curves shall be within 0.1 foot.
 - (b) Structure points shall be set within 0.01 foot, except where operational function of the special features or installation of metalwork and equipment require closer tolerances. When formwork has been placed and is ready for concrete, the Contractor shall check the formwork for conformance with the drawings and to ensure that the forms are sufficiently within the tolerance limits for the completed work.
 - (c) Cross-Section points shall be located within 0.1 foot, horizontally and vertically.
 - (d) Aerial Mapping shall meet National Mapping Standards for 2-foot contour intervals.
- D. Records. Survey data shall be recorded in accordance with recognized professional surveying standards. Original field notes, computations, and other surveying data shall be recorded on electronic data collectors or in standard field books and must be of sufficient quality to enable the Contractor to prepare accurate record drawings as required by the Contract Documents.
- E. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required for surveys for the layout of work and quantity surveys shall be included in the Schedule of Pay Items for items of work requiring the surveys. No additional compensation shall be made to the Contractor for this Work.

3.2 SCHEDULE

- A. Estimated Schedule. Within 14 Days after the issuance of the Notice to Proceed, Contractor shall prepare a Project schedule and shall submit this to the Stadium Manager's Representative for Approval. The receipt or Approval of any schedules by the Stadium Manager's Representative or the Stadium Manager shall not in any way relieve the Contractor of its obligations under the Contract Documents. The Contractor is fully responsible to determine and provide for any and all staffing and resources at levels which allow for good quality and timely completion of the Project. Contractor's failure to incorporate all elements of Work required for the performance of the Contract or any inaccuracy in the schedule shall not excuse the Contractor from performing all Work required for a completed Project within the specified Contract time period. If the required schedule is not received by the time the first payment under the Contract is due, Contractor shall not be paid until the schedule is received, reviewed and accepted by the Stadium Manager's Representative.
- B. Schedule Contents. The schedule shall indicate the beginning and completion dates of all phases of construction; critical path for all critical, sequential time related activities; and "float time" for all "slack" or "gaps" in the non-critical activities. The schedule shall clearly identify all staffing and other resources which in the Contractor's judgment are needed to complete the Project within the time specified for completion. The overall Project Schedule duration shall be within the Contract time.

- C. **Schedule Updates.** Contractor shall continuously update its construction schedule. Contractor shall submit an updated and accurate construction schedule to the Stadium Manager's Representative monthly when requested to do so by Stadium Manager's Representative. Contractor shall also submit schedules showing a three-week detailed look-ahead at bi-weekly meetings conducted with the Stadium Manager. The Stadium Manager's Representative may withhold progress payments or other amounts due under the Contract Documents if Contractor fails to submit an updated and accurate construction schedule.

3.3 TEMPORARY FIELD OFFICE

NOT USED.

3.4 PROTECTION OF WORK AND PROPERTY

- A. All traffic detector loops, fences, walls, culverts, property line monuments, or other obstructions (except property line monuments within five (5) feet of the centerline of the mains) which are removed, damaged, or destroyed in the course of the Work, shall be replaced or repaired to the original condition. If Contractor provides the Stadium Manager with reasonable notice of the need for such repair or replacement, it shall be performed by the Stadium Manager. If the Contractor fails to provide the Stadium Manager with reasonable notice, the repair or replacement shall be performed by and at the expense of the Contractor to the satisfaction of the Stadium Manager, whether or not those obstructions have been shown on the Plans, unless otherwise stated herein. It is then the Contractor's responsibility to employ at its expense a Licensed Land Surveyor to restore all property line monuments located more than five (5) feet from the centerline of the mains, which are destroyed or obliterated. Property line monuments located within five (5) feet of the centerline of the mains will be replaced by the Stadium Manager at no expense to the Contractor, provided the Stadium Manager is notified at least 48 hours before the property line monuments are damaged.
- B. Contractor shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions.
- C. Contractor shall take adequate precautions to protect existing sidewalks, curbs, pavements, utilities, and other adjoining property and structures, and to avoid damage thereto, and Contractor shall repair any damage thereto caused by the Work operations. Contractor shall:
 - 1. Enclose the working area with a substantial barricade and arrange work to cause minimum amount of inconvenience and danger to the public.
 - 2. Provide substantial barricades around any shrubs or trees indicated to be preserved.
 - 3. Deliver materials to the Project site over a route designated by the Stadium Manager's Representative.

4. Provide any and all dust control required and follow the Applicable air quality regulations as appropriate. If the Contractor does not comply, the Stadium Manager shall have the immediate authority to provide dust control and deduct the cost from payments to the Contractor.
 5. Confine Contractor's apparatus, the storage of materials, and the operations of its workers to limits required by law, ordinances, permits, or directions of the Stadium Manager's Representative. Contractor shall not unreasonably encumber the Project site with its materials.
 6. Take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed by accident, they shall be replaced by a civil engineer or land surveyor acceptable to the Stadium Manager, at no cost to the Stadium Manager.
 7. Ensure that existing facilities, fences and other structures are all adequately protected and that, upon completion of all Work, all facilities that may have been damaged are restored to a condition acceptable to the Stadium Manager.
 8. Preserve and protect from injury all buildings, pole lines and all direction, warning and mileage signs that have been placed within the right-of-way.
 9. At the completion of work each day, leave the Project site in a clean, safe condition.
 10. Comply with any stage construction and traffic control plans. Access to residences and businesses shall be maintained at all times, unless otherwise permitted in writing by the Stadium Manager.
- D. These precautionary measures will apply continuously and not be limited to normal working hours. Full compensation for the Work involved in the preservation of life, safety and property as above specified shall be considered as included in the prices paid for the various contract items of Work, and no additional allowance will be made, therefore.
- E. Should damage to persons or property occur as a result of the Work, Contractor shall be responsible for proper investigation, documentation, including video or photography, to adequately memorialize and make a record of what transpired. The Stadium Manager shall be entitled to inspect and copy any such documentation, video, or photographs.

3.5 SITE CONDITIONS SURVEYS

A. Work Included.

Contractor shall conduct thorough pre-construction and post-construction site condition surveys of the entire project area. Site Conditions surveys shall include written documentation of the conditions found, as well as photographs and video recordings of the area within at least 80 feet of any construction area and staging area. The written notes, photographs, and video shall be suitable for forensic purposes to resolve any damage claims that may arise as a result of construction.

B. Submittals.

1. Written documentation of site condition survey at pre-construction and post-construction.
2. Photographs as described herein of pre-construction and post-construction conditions.
3. Video recordings as described herein of pre-construction and post-construction conditions.
4. Submittals shall be made within three days of the surveys. All post-construction data shall be submitted prior to the final project inspection.

C. Site Condition Written Documentation.

Written documentation shall include the time, date, and conditions under which the site survey was made. The documentation shall note the condition of structures, pavement, sidewalks, utilities, fences, and etc. within the work areas.

D. Photographs.

1. General – Contractor shall take enough photographs during each site survey to provide a record of conditions existing prior to construction and conditions after construction. Pre-construction photographs shall be taken prior to any construction or mobilization of equipment, but not more than one week prior to actual start of work. The pre-construction photographs may be staged at different times to match the progression of the Work.
2. The photographs shall document existing damage to public and private facilities, both prior to and after construction. Conditions to be documented include, but are not limited to: sidewalk cracks, broken curbs, separated property walls, improvements within public rights-of-way, access roads used, utility covers and markings, signs, pavement striping, pavement, unique or unusual conditions, adjacent driveways, landscaping, survey markers, and any feature directed by the Stadium Manager's Representative. Private property that is adjacent to the public right-of-way shall be documented to the extent visible from the public right-of-way.
3. Photographs shall include items to indicate scale, as needed. In particular, scales or other items shall be laid next to close ups of structural cracks and other damaged areas being recorded. Scaling shall also be used to document elevation differences, as needed.
4. One set of color prints shall be submitted. Additional sets shall be available for reviewing in settling any construction disputes. A set of photos shall also be furnished in electronic format. The resolution shall be at least equal to 7 megapixels. All photos shall be documented as to time and date taken, photographer, project number, location, and orientation. Documentation shall include a brief description of objects photographed.

E. Video Recording.

1. Video recordings shall document the conditions of the entire area affected by construction, as well as nearby structures and facilities. The general documentation requirements for videos are the same as for photographs. Video recorders shall accurately and continuously record the time and date.
2. Video recordings shall include an audio portion made simultaneously during the videoing. The audio recording shall describe the location, time, orientation, and objects being recorded. Special commentary shall be provided for unusual conditions or damage noted.
3. Video equipment shall be capable of producing high resolution images and shall have zoom capabilities.
4. Video recordings shall provide an overall picture of the sites and shall provide detailed images of damaged areas. Video shall extend to the maximum height of structures.
5. The Stadium Manager's Representative shall have the right to reject any audio video recordings submitted with unintelligible audio, uncontrolled pan or zoom, or of poor quality. Video recordings shall be repeated when rejected.
6. Video recordings shall be submitted with labels indicating the project, date, recorder, and other pertinent information. Recordings shall be submitted on standard DVDs in a standard format.

F. Timing.

Contractor shall provide written notice of the time scheduled for the site conditions survey and the place it is to begin. Contractor shall obtain the Stadium Manager's Representative concurrence prior to beginning the condition survey. The Stadium Manager's Representative reserves the right to cancel the survey due to weather conditions or other problems. Videoing shall be done during times of good visibility and no videoing or photography shall be done during periods of visible precipitation or when standing water obscures pavement. Contractor shall provide the Stadium Manager's Representative with an opportunity to have a representative present when taking the photos and provide guidance during photographing.

G. Site Surveyor.

The site condition surveyor(s) shall be experienced in construction and potential damage concerns. The site condition surveyor(s) shall be familiar with the photography and video equipment being used.

H. Field Quality Control.

Prior to submitting videos and photographs, the Contractor shall spot check the photos and videos in the field to insure they accurately reflect the actual conditions and to insure they are correctly labeled.

I. Soils Compaction Testing.

1. All soils compaction testing will be done by a licensed geotechnical engineer furnished by the Stadium Manager. Soils compaction testing will be done for all footings and foundations prior to placement of rebar or concrete.
2. For pipeline construction, soil compaction testing will be done at 100-foot intervals at the bottom of the trench prior to placement of pipe bedding; at the top of the pipe bedding above the pipe; every two vertical feet of trench backfill; at the top of the trench backfill, which should be the bottom of the pavement Section; and at the top of the aggregate base prior to pavement construction.

3.6 SUBMITTAL REQUIREMENTS FOR MANUALS AND RECORD DRAWINGS

A. General. The Contractor shall furnish all materials and perform all Work required for furnishing submittals to Stadium Manager in accordance with Contract Documents.

B. Technical Manuals.

1. The Contractor shall submit technical operation and maintenance information for each item of mechanical, electrical and instrumentation equipment in an organized manner in the Technical Manual. It shall be written so that it can be used and understood by Stadium Manager's operation and maintenance staff.
2. The Technical Manual shall be subdivided first by specification Section number; second, by equipment item; and last, by "Category." "Categories" shall conform to the following (as applicable):

(a) Category 1 - Equipment Summary:

- (1) Summary: A summary table shall indicate the equipment name, equipment number, and process area in which the equipment is installed.

(b) Category 2 - Operational Procedures:

- (1) Procedures: Manufacturer-recommended procedures on the following shall be included in Part 2:
 - a. Installation
 - b. Adjustment
 - c. Startup
 - d. Location of controls, special tools, equipment required, or related instrumentation needed for operation
 - e. Operation procedures
 - f. Load changes

- g. Calibration
- h. Shutdown
- i. Troubleshooting
- j. Disassembly
- k. Reassembly
- l. Realignment
- m. Testing to determine performance efficiency
- n. Tabulation of proper settings for all pressure relief valves, low- and high-pressure switches, and other protection devices
- o. List of all electrical relay settings including alarm and contact settings

(c) Category 3 - Preventive Maintenance Procedures:

- (1) Procedures: Preventive maintenance procedures shall include all manufacturer-recommended procedures to be performed on a periodic basis, both by removing and replacing the equipment or component, and by leaving the equipment in place.
- (2) Schedules: Recommended frequency of preventive maintenance procedures shall be included. Lubrication schedules, including lubricant SAE grade, type, and temperature ranges, shall be covered.

(d) Category 4 - Parts List:

- (1) Parts List: A complete parts list shall be furnished, including a generic description and manufacturer's identification number for each part. Addresses and telephone numbers of the nearest supplier and parts warehouse shall be included.
- (2) Drawings: Cross-sectional or exploded view drawings shall accompany the parts list.

(e) Category 5 - Wiring Diagrams:

- (1) Diagrams: Part 5 shall include complete internal and connection wiring diagrams for electrical equipment items.

(f) Category 6 - Shop Drawings:

- (1) Drawings: This part shall include approved shop or fabrication drawings, complete with dimensions.

(g) Category 7 - Safety:

- (1) Procedures: This part describes the safety precautions to be taken when operating and maintaining the equipment or working near it.

(h) Category 8 - Documentation:

- (1) All equipment warranties, affidavits, and certifications required by the Technical Specifications shall be placed in this part.

3. The Contractor shall furnish to Stadium Manager six (6) identical Technical Manuals. Each set shall consist of one or more volumes, each of which shall be bound in a standard binder.

- C. Spare Parts List - The Contractor shall furnish to Stadium Manager six (6) identical sets of spare parts information for all mechanical, electrical, and instrumentation equipment. The spare parts list shall include the current list price of each spare part. The spare parts list shall include those spare parts which each manufacturer recommends be maintained by Stadium Manager in inventory. Each manufacturer or supplier shall indicate the name, address, and telephone number of its nearest outlet of spare parts to assist Stadium Manager in ordering. The Contractor shall cross-reference all spare parts lists to the equipment numbers designated in the Contract Documents. The spare parts lists shall be bound in standard size, 3-ring binder.

D. Record Drawings

1. The Contractor shall maintain one record set of Drawings at the Site. On these, it shall mark all Project conditions, locations, configurations, and any other changes or deviations which may vary from the information represented in the original Contract Documents, including buried or concealed construction and utility features which are revealed during the course of construction. Special attention shall be given to recording the horizontal and vertical location of all buried utilities that differ from the locations indicated, or which were not indicated on the Contract Drawings. Said record drawings shall be supplemented by any detailed sketches as necessary or directed to fully indicate the Work as actually constructed. These master record drawings of the as-built conditions, including all revisions made necessary by Addenda and Change Orders shall be maintained up-to-date during the progress of the Project. Red ink shall be used for alterations and notes. Notes shall identify relevant Change Orders by number and date.
2. For all Projects involving the installation of any pipeline, Contractor shall survey and record the top of the pipe at a minimum of every 100 linear feet, and at each bend, recording both the horizontal and vertical locations.
3. Record drawings shall be accessible to Stadium Manager's Representative at all times during the construction period. Failure on the Contractor's part to keep record drawings current could result in withholding partial payment.
4. Upon Completion of the Project and as a condition of final acceptance, the Contractor shall finalize and deliver a complete set of Record Drawings to Stadium Manager's Representative. The information submitted by the Contractor will be assumed to be correct, and the Contractor shall be responsible for, and liable to

Stadium Manager, for the accuracy of such information, and for any errors or omissions which may or may not appear on the Record Drawings.

- E. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete the Manuals and Record Drawings shall be included in Contractor's bid and distributed in the Schedule of Pay. No additional compensation shall be made to the Contractor for this Work.

3.7 MATERIALS

A. Materials to be Furnished by the Contractor

1. Inspection of Materials. Materials furnished by the Contractor which will become a part of the Project shall be subject to inspection at any one or more of the following locations, as determined by Stadium Manager's Representative: at the place of production or manufacture, at the shipping point, or at the site of the Work. To allow sufficient time to provide for inspection, the Contractor shall submit to Stadium Manager's Representative, at the time of issuance, copies of purchase orders or other written instrument confirming procurement of the materials, including drawings and other pertinent information, covering materials on which inspection will be made.
2. No later than fourteen (14) Days prior to manufacture of material, Contractor shall inform Stadium Manager's Representative, in writing, the date the material is to be manufactured.
3. Contractors Obligations. The inspection of materials at any of the locations specified above or the waiving of the inspection thereof shall not impact whether the materials and equipment conform to the Contract Documents. Contractor will not be relieved from furnishing materials meeting the requirements of the Contract Documents due to Stadium Manager's inspection or lack of inspection of the equipment or materials. Acceptance of any materials will be made only after materials are installed in the Project.
4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to accommodate Stadium Manager's testing efforts, including any travel required by Contractor's forces, shall be included in Contractor's bid and distributed in the Schedule of Pay Items related to the materials requiring testing. No additional compensation shall be made to the Contractor for this Work.

3.8 LOCAL CONDITIONS AND REQUIREMENTS

A. Access to Work and Haul Routes

1. General. All work on the rights-of-way necessary for access to the Site shall be performed by the Contractor.
2. Access, Damage, Restoration. The Contractor shall make his own investigation of the condition of available public or private roads and of clearances,

restrictions, bridge-load limits, permit or bond requirements, and other limitations that affect or may affect transportation and ingress or egress at the Site. Claims for changes in Contract Price or Contract Times arising out of the unavailability of transportation facilities or limitations thereon shall not be considered by Stadium Manager.

3. The Contractor shall maintain and repair any damage arising out of Contractor's operations to all roads used during construction of the Project, and upon completion of all Work, but prior to final acceptance, the roads shall be restored to their original condition. Prior to using any road for access to the Site, the Contractor shall conduct a photograph and/or video survey of the roadway with a copy submitted to Stadium Manager's Representative.
 4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete this Work, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.
- B. Power. Contractor shall provide at its own expense all necessary power required for operations under the contract. The Contractor shall provide and maintain in good order such modern equipment and installations as shall be adequate in the opinion of the Stadium Manager's Representative to perform in a safe and satisfactory manner the Work required by the contract.
- C. Construction Water.
1. Construction water shall not be used for purposes other than those required to satisfactorily complete the contract.
 2. All connections to the Stadium Manager's water system used for the purposes of obtaining construction water shall utilize a temporary construction meter and backflow prevention device supplied by the Stadium Manager. The Stadium Manager-furnished backflow prevention device shall be tested immediately after installation and the construction meter and backflow prevention device shall not be placed into service until the backflow prevention device passes such tests. Backflow prevention device testing shall be performed in accordance with applicable standards, and test results shall be provided to the Stadium Manager's Representative. If the temporary construction meter and backflow prevention device are moved to alternate location(s) during construction, the backflow prevention device shall again be tested as described above immediately after re-installation.
 3. For each temporary construction meter requested by the Contractor for the performance of work under this contract, an amount equivalent to the deposit requirement for temporary construction meters listed in the current approved version of the Stadium Manager's Policies and Procedures Manual shall be withheld from the final contract payment until the temporary construction meters are returned.

D. Operation of Existing Water Facilities

1. The Contractor shall not operate any of the existing water systems, including pumps, motors, and hydrants, but shall contact the Stadium Manager four (4) calendar days in advance with a list and location of the water system facilities that will require operating, opening, stopping, or closure by the Stadium Manager.
2. At the option of the Stadium Manager's Representative, the Contractor may be permitted to operate valves for the purpose of making connections to existing mains. The Stadium Manager will perform all notification to existing customers regarding temporary loss of service.
3. Contractor shall submit a request on Stadium Manager's standard form for any shut-down of existing water facilities.

E. Construction at Existing Utilities

1. General. Where the Work to be performed crosses or otherwise interferes with water, sewer, gas, or oil pipelines; buried cable; or other public or private utilities, the Contractor shall perform construction in such a manner so that no damage will result to either public or private utilities. It shall be the responsibility of the Contractor to determine the actual locations of, and make accommodations to maintain, all utilities.
2. Permission, Notice and Liability. Before any utility is taken out of service, permission shall be obtained by the Contractor from the owner. The owner, any impacted resident or business owner and the Stadium Manager Representative will be advised of the nature and duration of the utility outage as well as the Contractor's plan for providing temporary utilities if required by the owner. The Contractor shall be liable for all damage which may result from its failure to maintain utilities during the progress of the Work, and the Contractor shall indemnify Stadium Manager as required by the Contract Documents from all claims arising out of or connected with damage to utilities encountered during construction; damages resulting from disruption of service; and injury to persons or damage to property resulting from the negligent, accidental, or intentional breaching of utilities.
3. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete this Work, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

F. Traffic Control

1. General. Contractor shall abide by traffic control plans approved by the appropriate jurisdiction.
2. Protections. Roads subject to interference by the Work shall be kept open or suitable temporary passages through the Work shall be provided and maintained by the Contractor. The Contractor shall provide, erect, and maintain all necessary barricades, suitable and sufficient flasher lights, flag persons, danger signals, and signs, and shall take all necessary precautions for the protection of the Work and

the safety of the public. No construction work along public or private roads may proceed until the Contractor has proper barricades, flasher lights, flag persons, signals, and signs in place at the construction site.

3. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete this Work, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

G. Cleaning Up

1. Contractor at all times shall keep premises free from debris such as waste, rubbish, and excess materials and equipment. Contractor shall not store debris under, in, or about the premises. Contractor shall also clean all asphalt and concrete areas to the degree necessary to remove oil, grease, fuel, or other stains caused by Contractor operations or equipment. The use of water, resulting in mud on streets, will not be permitted as substitute for sweeping or other methods. Dust control may require having a water truck onsite for the duration of the project, and/or use of temporary hoses and pipelines to convey water.
2. Contractor shall fully clean up the site at the completion of the Work. If the Contractor fails to immediately clean up at the completion of the Work, the Stadium Manager may do so and the cost of such clean up shall be charged back to the Contractor.

3.9 ENVIRONMENTAL QUALITY PROTECTION

A. Environmental Conditions

1. Contractor must comply with all applicable environmental laws, Project conditions, and constraints.
2. Stadium Manager has considered these Environmental Conditions when determining the Contract Times and no additional time or compensation will be added to the Contract due to these Conditions.

B. Landscape and Vegetation Preservation

1. General. The Contractor shall exercise care to preserve the natural landscape and vegetation and shall conduct operations so as to prevent unnecessary destruction, scarring, or defacing of the natural surroundings in the vicinity of the Work.
2. Damage and Restoration. Movement of crews and equipment within the rights-of-way and over routes provided for access to the Work shall be performed in a manner to prevent damage to property. When no longer required, construction roads shall be restored to original contours.
3. Upon completion of the Work, and following removal of construction facilities and required cleanup, land used for construction purposes and not required for

the completed installation shall be scarified and regraded, as required, so that all surfaces are left in a condition that will facilitate natural revegetation, provide for proper drainage, and prevent erosion.

4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to complete this Work, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

C. Protected Species

1. General. If, in the performance of the Work, evidence of the possible occurrence of any Federally listed threatened or endangered plant or animal is discovered, the Contractor shall notify the Stadium Manager Representative immediately, giving the location and nature of the findings. Written confirmation of the evidence, location and nature of the findings shall be forwarded to Stadium Manager within 2 Days.
2. Procedures. The Contractor shall immediately cease all construction activities in the immediate area of the discovery to the extent necessary to protect the endangered plant or animal.

If directed by the Stadium Manager Representative, Contractor will refrain from working in the immediate area, suspend the Work in its entirety, or alter its performance to ensure full compliance with all applicable permits, laws and regulations. Any Stadium Manager directed changes to the Work as a result of a siting will be pursuant to the Contract Documents.

3. False Siting. Any costs or delays incurred by Stadium Manager or the Contractor due to unreasonable or false notification of an endangered plant or animal will be borne by the Contractor.
4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to comply with this paragraph, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

D. Preservation of Historical and Archeological Resources

1. General. If, in the performance of the Work, Contractor should unearth cultural resources (for example, human remains, animal bones, stone tools, artifacts and/or midden deposits) through excavation, grading, watering or other means, the Contractor notify the Construction/Archeological Monitor and/or the Stadium Manager Representative immediately, giving the location and nature of the findings. Written confirmation of the evidence, location and nature of the findings shall be forwarded to the Construction/Archeological Monitor and/or Stadium Manager within 2 Days.

2. Procedures. The Contractor shall immediately cease all construction activities in the immediate area of the discovery to the extent necessary to protect the cultural resource.

If directed by the Stadium Manager Representative, Contractor will refrain from working in the immediate area, suspend the Work in its entirety, or re-sequence and/or alter its performance to ensure full compliance with all applicable permits, laws and regulations. Should the presence of cultural resources be confirmed, the Contractor will assist the Stadium Manager Representative and the Construction/Archeological Monitor in the preparation and implementation of a data recovery plan. The Contractor shall provide such cooperation and assistance as may be necessary to preserve the cultural resources for removal or other disposition. Any Stadium Manager directed changes to the Work as a result of the cultural resource will be pursuant to the Contract Documents.

3. Contractor's Liability. Should Contractor, without permission, injure, destroy, excavate, appropriate, or remove any cultural resource on or adjacent to the Site, it will be subject to disciplinary action, arrest and penalty under applicable law. The Contractor shall be principally responsible for all costs of mitigation and/or restoration of cultural resources related to the unauthorized actions identified above. Contractor shall be required to pay for unauthorized damage and mitigation costs to cultural resources (historical and archeological resources) as a result of unauthorized activities that damage cultural resources and shall indemnify Stadium Manager pursuant to the Contract Documents.
4. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to comply with this paragraph, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

E. Dust and Pollution Control

1. Contractor shall provide all necessary material, equipment and labor to prevent and control the emission of dust and any other potential pollutant on site.
2. Contractor shall not discharge into the atmosphere from any source smoke, dust or other air contaminants in violation of the law, rules, and regulations of the governing agency.
3. Cost. Unless otherwise called for by the Contract Documents, the cost of all material, equipment, and labor required to comply with this paragraph, shall be included in Contractor's bid and distributed in the Schedule of Pay Items. No additional compensation shall be made to the Contractor for this Work.

F. Fugitive Dust

NOT USED.

G. Management of Storm, Surface and Other Waters

1. Storm water, surface water, groundwater, and nuisance, or other waters may be encountered at various times during construction of the Project. Federal and State laws require the Stadium Manager and its contractors to manage such waters pursuant to the requirements of California State Water Resources Control Board Order Number 2009-0009-DWQ, the Federal Clean Water Act, and the California Porter Cologne Water Quality Control Act. Contractor acknowledges that it has investigated the risk arising from such waters in conjunction with the Project and assumes any and all risks and liabilities arising therefrom.
2. The Contractor shall perform all construction operations in such a manner as to comply, and ensure all subcontractors to comply, with all applicable Federal, State, and local laws, orders, and regulations concerning the control and abatement of water pollution; and all terms and conditions of any applicable permits issued for the Project. In the event there is a conflict between Federal, State, and local laws, regulations, and requirements, the most stringent shall apply.
3. Contractor violations. If noncompliance should occur, the Contractor shall report this to the Stadium Manager Representative immediately, with the specific information submitted in writing within 2 Days. Consistent violations of applicable Federal, State, or local laws, orders, regulations, or Water Quality Standards may result in Stadium Manager stopping all site activity until compliance is ensured. The Contractor shall not be entitled to any change in Contract Price or Contract Times, claim for damage, or additional compensation by reason of such a work stoppage. Corrective measures required to bring activities into compliance shall be at the Contractor's expense.
4. Compliance with Construction General Storm water Permit. Contractor shall be required to comply with all aspects of the State Water Resources Control Board (State Board) Water Quality Order No. 2009-0009-DWQ, National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity (Permit) for all projects that involve construction on or disturbance of one acre or more of land or which are part of a larger common area of development.
 - (a) Contractor shall prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) for the Project site based on the appropriate Risk Level requirements, and draft and coordinate submittal of all Permit related documents with Stadium Manager's Legally Responsible Person and/or Authorized Signatory as those terms are defined in the Permit. The Contractor shall submit the SWPPP to the Stadium Manager Representative for review not less than fifteen (15) Days prior to the start of on- site construction work. Stadium Manager will file the Notice of Intent and pay the filing fee.
 - (b) The SWPPP shall be developed by a Qualified SWPPP Developer and implemented by a Qualified SWPPP Practitioner as those terms are defined in the Permit and shall include industry standard requirements for water quality control including but not be limited to the following:
 - (1) Sediment and erosion control measures to manage sediment and

erosion including vegetative practices, structural control, silt fences, straw dikes, sediment controls or operator controls as appropriate. Storm water management measures shall be instituted as required, including velocity dissipaters, and solid waste controls shall address controls for building materials and offsite tracking of sediment.

- (2) Wastewater and storm water management controls to divert offsite surface flows around the Project site and to divert surface flows within the Project area away from areas of open earth or stockpiles of building and other materials. Wastewater from general construction activities, such as drain water collection, aggregate processing, concrete batching, drilling, grouting, or other construction operations, shall not enter flowing or dry watercourses without having met the authorized non-storm water discharge requirements listed in State Board Water Quality Order No. 2009-0009-DWQ, Section III.C., including proper notification to the Regional Water Board.
- (3) Pollution prevention measures including methods of dewatering, unwatering, excavating, or stockpiling earth and rock materials which include prevention measures to control silting and erosion, and which will intercept and settle any runoff of sediment-laden waters.
- (4) Turbidity prevention measures for prevention of excess turbidity including, but are not restricted to, intercepting ditches, settling ponds, gravel filter entrapment dikes, flocculating processes, recirculation, combinations thereof, or other approved methods that are not harmful to aquatic life. All such wastewaters discharged into surface waters, shall contain the least concentration of settleable material possible, and shall meet all conditions of Section 402, the National Pollutant Discharge Elimination System (NPDES) permit.
- (5) Overall construction site management measures to address changes at the Project site as the Project moves through different phases and changes that account for rainy and dry season management practices.
- (6) Pollution control measures and construction activity methods that will prevent entrance, or accidental spillage, of solid matter, contaminants, debris, or other pollutants or wastes, into streams, flowing or dry watercourses, lakes, wetlands, reservoirs, or underground water sources. Such pollutants and wastes include, but are not restricted to: refuse, garbage, cement, sanitary waste, industrial waste, hazardous materials, radioactive substances, oil and other petroleum products, aggregate processing, tailings, mineral salts, and thermal pollution.
- (7) Control measures for stockpiled or deposited materials prohibiting the stockpile or deposit of excavated materials, or other construction materials, near or on-stream banks, lake shorelines, or other watercourse perimeters where they can be washed away by high water or storm runoff, or can, in any way, encroach upon the watercourse.
- (8) Develop and implement a Rain Event Action Plan (REAP), if required, that must be designed and implemented to protect all exposed portions of

the site 48 hours prior to any likely precipitation event.

- (9) Monitoring, reporting and record keeping, as necessary to achieve compliance with applicable Permit requirements, including but not limited to annual reports and rain event reports.
 - (c) Before any Permit related documents, including the SWPPP, rain event reports, or annual reports may be submitted to the State Board or implemented on the Project site, they must first be reviewed and approved by Stadium Manager.
 - (d) Stadium Manager retains the right to procure and maintain coverage under the Permit for the Project site if the Contractor fails to draft a SWPPP or other Permit related document or fails to proceed in a manner that is satisfactory to Stadium Manager. Stadium Manager reserves the right to implement its own SWPPP at the Project site and hire additional contractors to maintain compliance. Whether Contractor has adequately maintained compliance with the Permit shall be Stadium Manager's sole determination. In the event that Contractor has failed or is unable to maintain compliance with the Permit, any costs or fines incurred by Stadium Manager in implementing a SWPPP, or otherwise maintaining compliance with the Construction General Permit shall be paid by the Contractor.
 - (e) Failure to implement the SWPPP or otherwise comply with the Permit is a violation of federal and state law. Contractor hereby agrees to indemnify the Indemnified Parties as required by the Contract Documents for any noncompliance or alleged noncompliance with the Permit arising out of or in connection with the Project, except for liability resulting from the sole established negligence, willful misconduct or active negligence of the Indemnified Parties. Stadium Manager may seek damages from Contractor for delay in completing the Contract in accordance with the Contract Documents, caused by Contractor's failure to comply with the Permit.
5. In addition to compliance with the Permit, Contractor shall comply with the lawful requirements of any applicable municipality, district, drainage district, flood control district, and other local agencies regarding discharges of storm water, surface water, groundwater or other nuisance waters off of the Project site.
6. Oil storage tanks management.
- (a) Storage tank placement. All oil or other petroleum product (hereinafter referred to collectively as oil) storage tanks shall be placed at least 20 feet from streams, flowing or dry watercourses, lakes, wetlands, reservoirs, and any other water source.
 - (b) Storage area dikes. Storage areas shall be diked at least 12 inches high or graded and sloped to permit safe containment of leaks and spills equal to the capacity of all tanks and/or containers located within each area, plus a sufficient amount of freeboard to contain the 25-year rainstorm.
 - (c) Diked area barriers. Diked areas shall have an impermeable barrier at least 10 mils thick. Areas used for refueling operations shall have an impermeable liner at least 10 mils thick buried under 2 to 4 inches of soil.

- (d) Spill Prevention Control and Countermeasure Plan (SPCC). Where the location of a construction site is such that oil from an accidental spillage could reasonably be expected to enter into or upon the navigable waters of the United States or adjoining shorelines, and the aggregate storage of oil at the site is over 1,320 gallons or a single container has a capacity in excess of 660 gallons, the Contractor shall prepare an SPCC Plan. The Contractor shall submit the SPCC Plan to the Stadium Manager's Representative at least 30 days prior to delivery or storage of oil at the site. The Plan must have been reviewed and certified by a registered professional engineer in accordance with 40 C.F.R., part 112
- 7. Underground tank prohibition. The Contractor shall not use underground storage tanks.
- 8. Construction safety standards. The Contractor shall comply with the sanitation and potable water requirements of Section 7 of United States Bureau of Reclamation's publication "Reclamation Safety and Health Standards."
- 9. Other Permits.
 - (a) Other permits applicable to the Project are listed in the Special Conditions. The Contractor shall obtain all other necessary licenses and permits.
 - (b) Monitoring. The Contractor is required to conduct monitoring in order to meet the requirements of the permits, which may include sampling, testing and inspections.
 - (c) Recordkeeping. The Contractor shall retain all records and data required by the permits for the time specified in the contract.
- 10. Cost. Except as specified herein, the cost of complying with this Section shall be included in the Schedule of Pay Items for work which necessitate the water pollution prevention measures required by this paragraph.

H. Federal Aviation Association (FAA) Notice and Coordination.

- 1. Any temporary construction activity that exceeds 200 feet above ground level limitation requires the Contractor to give notice, coordinate and schedule the temporary construction activity with the FAA in advance of the activity. The Stadium Manager recommends two (2) weeks advance notice to the FAA, but it is the responsibility of the Contractor to obtain approval from the FAA prior to the activity. An example of an activity that might exceed the 200-foot elevation ceiling is a temporary crane operation to lift signs into place. The permanent location of any part of any sign installed as part of the Project may not exceed the 200-foot elevation ceiling above ground level in accordance with FAA restrictions.

I. Playing Surface Restriction.

- 1. Contractor's field access plan including, without limitation, any crane use on the playing field at the Project site must be approved in writing by the Stadium Manager in advance of Contractor accessing the playing field for any reason. Except as

otherwise expressly approved by the Stadium Manager, all construction operations shall be conducted outside the limits of the playing field at the Project site.

END OF GENERAL REQUIREMENTS

TECHNICAL SPECIFICATIONS

SUMMARY

This Project replaces the current Levi's Stadium naming rights signage with a new signage package encompassing an enhanced design and electrical system as indicated in the Plans and Specifications.

SCOPE OF WORK

1. Base Bid Scope

a. Scope Summary

- i. Base Bid Item No. 1 – Contractor shall complete all Work necessary to complete the East Exterior Sign (denoted as Sign X-01 in the Plans and Specifications) and all associated demolition, disposal, improvements and requirements in accordance with the Contract Documents.
 - ii. Base Bid Item No. 2 – Contractor shall complete all Work necessary to complete the West Exterior Sign (denoted as Sign X-02 in the Plans and Specifications) and all associated demolition, disposal, improvements and requirements in accordance with the Contract Documents.
 - iii. Base Bid Item No. 3 – Contractor shall complete all Work necessary to complete construction of the South Videoboard Sign (denoted as Sign X-03A in the Plans and Specifications) and all associated demolition, disposal, improvements and requirements in accordance with the Contract Documents.
 - iv. Base Bid Item No. 4 – Contractor shall complete all Work necessary to complete construction of the North Videoboard Sign (denoted as Sign X-03B in the Plans and Specifications) and all associated demolition, disposal, improvements and requirements in accordance with the Contract Documents.
- b. Contractor shall purchase and install pre-approved products (or approved or-equal substitutes) as per the Plans and Specifications. Contractor shall ensure proper demolition and disposal and/or recycling of old signage, electrical materials, and other waste generated as part of the Project.
- c. Contractor shall comply with all requirements of the Contract Documents in the performance of the Work.
- d. Contractor is informed the Base Bid Scope shall include a new signage package that encompasses:
- i. The East Exterior Sign (denoted as Sign X-01 in the Plans and Specifications), West Exterior Sign (denoted as Sign X-02 in the Plans and Specifications), South Videoboard Sign (denoted as Sign X-03A in the Plans and Specifications), and North Videoboard Sign (denoted as Sign X-03B in the Plans and Specifications), all with dimmable LED lighting with master-controlled and synchronized dimming modules;
 - ii. Sign cabinets, integrated letters, channel form letters, secondary framing, edge beams, fastenings, additional supports, etc., that shall be engineered by Contractor. Shop drawings must be submitted to the Stadium Manager for

approval prior to fabrication and installation;

- iii. The electrical system shall encompass the addition of new loads to the existing panelboard, installation of new panelboards, a new transformer, and new feeders, per the Plans and Specifications.
 - e. Contractor shall be responsible for making the necessary adjustments and coordination of all work between trades and existing conditions, including but not limited to mechanical, electrical, plumbing, architectural, structural, and fire protection systems, and design and installation Work performed under the Project may impact these building systems.
 - f. Contractor shall retain and pay for the services of an independent testing firm to perform inspections and tests as required through startup, certification, energization and final acceptance by Stadium Manager.
 - g. Contractor shall avoid and immediately correct lighting output spillage during construction and throughout any applicable warranty periods.
 - h. Contractor shall coordinate with Stadium Manager personnel to ensure there are no power and communication interruptions to any scheduled events.
2. The Contractor shall provide all materials, equipment, tools, labor, supervision and project management necessary to complete the Project. Except as otherwise specified herein, Contractor is responsible for obtaining all permits and approvals from authorities having jurisdiction over the Project as may be necessary to complete the Project.
 3. Refer to the Plans and Specifications referenced below for additional information.

PLANS AND SPECIFICATIONS

1. Follow the hyperlink to download the following Plans and Specifications and permit card for this Project:



PERMITS

The Stadium Manager has submitted the Plans and Specifications for the Project to the City of Santa Clara for permit. Contractor shall retrieve the building permit at the City of Santa Clara Permit Center, located at 1500 Warburton Avenue, Santa Clara, CA 95050, prior to starting the Work. Contractor is required to coordinate with City building officials, testing firm, and Stadium Manager for required inspections and commissioning for the Project.

GENERAL REQUIREMENTS

1. Contractor shall provide protection for all existing building components beneath and around the Work. Any damage to existing building components caused by Contractor shall be immediately repaired or replaced at Contractor's sole expense in a manner acceptable to and approved by Stadium Manager.
2. In all active Work areas, Contractor shall provide, install and maintain all necessary barricades and warnings to prohibit pedestrian access into any affected Work area. This not only includes areas surrounding the Work, but also includes areas below the Work. Levi's Stadium is an active building containing employees, guests, and other contractors on a daily basis.

3. Cleaning and Protection

- a. At end of each workday, remove rubbish, empty cans, rags, and other discarded materials from Project site. Secure, locate and position all unused materials and equipment, including man lifts, to the satisfaction of Stadium Manager.
- b. Protect all adjacent equipment, material, and property.
- c. Upon completion of the Work, remove unused materials, debris, containers, footing forms and equipment from the Project site. Remove protective coverings and clean the exposed surfaces of the Work to remove dirt, stains and other substances, by methods as recommended by manufacturers.

MATERIALS

1. Contractor shall perform the Work in accordance with the requirements specified in the Technical Specifications and Plans and Specifications.
2. Refer to the Notice Inviting Bids regarding requirements associated with “or-equal” substitutions. Contractor shall be solely responsible for ensuring and verifying the parts, equipment, and materials required to complete all Work on the Project, including any approved “or-equal” substitutes, are compatible with existing equipment and systems.

SUBMITTALS

1. Contractor shall submit parts and pieces identified in the “Materials” section of this document to the Stadium Manager or its designee for review and approval.

INSTALLATION

1. The Contractor is responsible for the installation of material and equipment per the manufacturer requirements. Contractor shall provide all tools, labor, materials, and accessories necessary to complete the installation per the manufacturer requirements.
2. The Project site is Levi’s Stadium, which is located at the following address:
Levi’s Stadium
4900 Marie P. DeBartolo Way
Santa Clara, CA 95054

SCHEDULE

1. Delivery and installation of materials is required within the Contract Time specified in the Contract Documents. Contractor shall coordinate with Stadium Manager to schedule delivery, site access, and installation of materials.

EXHIBIT "A"
CHANGE ORDER FORM

Forty Niners Stadium Management Company LLC

*4900 Marie DeBartolo Way
Santa Clara, CA 95054*

Contract Change Order #

Project:

Change Order No.:

Orig. Contract Amt.: \$ Days

Contract No.:

Contractor:

Prev. Appvd. Changes: \$ Days

Owner: Forty Niners Stadium Management
Company LLC

This Change: \$ Days

Revised Contract Amt.: \$ Days

This Change Order covers changes to the subject Contract as described herein. The Contractor shall construct, furnish equipment and materials, and perform all work as necessary or required to complete the Change Order items for a lump sum price agreed upon between the Contractor and Forty Niners Stadium Management Company LLC, otherwise referred to as Owner.

Item No.	Description of Changes	Increase/ (Decrease) in Contract Amount	Contract Time Extension, Days
1			
2			
	Totals	\$	

The amount of the Contract will be increased by the sum of \$_____ and the Contract Time shall be extended by _____ calendar days. The undersigned Contractor approves the foregoing Change Order #____ as to the changes, if any, in the Contract Price specified for each item including any and all supervision costs and other miscellaneous costs relating to the change in work, and as to the extension of time allowed, if any, for completion of the entire work on account of said Change Order #____. The Contractor agrees to furnish all labor and materials and perform all other necessary work, inclusive of the directly or indirectly related to the approved time extension, required to complete the Change Order items. This document will become a supplement of the Contract and all provisions will apply hereto. It is understood that the Change Order shall be effective when approved by the Owner.

Contractor accepts the terms and conditions stated above as full and final settlement of any and all claims arising out of or related to the subject of this Change Order and acknowledges that the compensation (time and cost) set forth herein comprises the total compensation due for the work or change defined in the Change Order, including all impact on any unchanged work. By signing this Change Order, the Contractor acknowledges and agrees that the stipulated compensation includes payment for all Work contained in the Change Order, plus all payment for any acceleration or interruption of schedules, extended overhead costs, delay, and all impact or cumulative impact on all Work under this Contract. The signing of this Change Order acknowledges full mutual accord and satisfaction for the change and that the stated time and/or cost constitute the total equitable adjustment owed the Contractor as a result of the change. The Contractor hereby releases and agrees to waive all rights, without exception or reservation of any kind whatsoever, to file any further claim or request for equitable adjustment of any type, for any reasonably foreseeable cause that shall arise out of, or as a result of, this Change Order and/or its impact on the remainder of the Work under the Contract.

Accepted:

(Signature) Contractor’s Authorized Representative

Date

Recommended:

(Signature) ****INSERT NAME, TITLE****

Date

Approved:

(Signature) ****INSERT NAME, TITLE****

Date

Item No.	Justification for Change(s)
1	
2	



Agenda Report

24-1198

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Public Hearing: Action on an Appeal of the Planning Commission's Denial of a Variance and Conditional Use Permit (PLN22-00282) for the Construction of a New Four-Story, 111,978 Square Foot Data Center at 1231 Comstock Street

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

BACKGROUND

On December 13, 2022, Prime Data Centers applied for a Conditional Use Permit, Variance and Architectural Review (File No. PLN22-00282) to allow for the demolition of a one-story warehouse building and construction of a new four-story, 111,978 square foot data center with rooftop mechanical equipment, landscaping, and site improvements.

Pursuant to Table 6-1 (Chapter 18.112) of the Santa Clara City Code, Conditional Use Permits and Variances are decided by the Planning Commission. For the proposed project, the Architectural Review would be decided through the Development Review Hearing process.

Much of the City's industrial lands have historically been zoned as Light Industrial. With the 2010 comprehensive update of the City's General Plan, these light industrial areas were divided into multiple land use designations, including the Low-Intensity Office / Research and Development land use designation currently applied to the subject property. In February 2024, the City's adopted updated Zoning Code became effective, and in August 2024, the accompanying updated Zoning Map became effective, which rezoned the subject property to Low-Intensity Office / Research & Development (LO-RD) from Light Industrial (ML), which brought the General Plan and Zoning designations for the site into conformance.

With the adoption of the comprehensive Zoning Code Update, all sections except for Article 2, Zones, Allowable Uses, and Development Standards, went into effect on February 8, 2024. Article 2 went into effect on August 15, 2024, when the updated Zoning Map became effective. Zoning Code Section 18.02.070 - Effect of Zoning Code Amendments on Projects in Progress, states that all planning permit applications that are active and that have been determined by the Project Clearance Committee to be complete before the effective date of the Zoning Code, shall be processed in compliance with the requirements in effect when the application was deemed complete. This application was deemed complete on April 24, 2024; therefore, the project was reviewed based on the prior zoning designation of Light Industrial (ML) and using the standards of the City's prior zoning code (the "Classic Code").

In the ML district, a data center is not listed as an allowed use. Subject to Section 18.48.040(e) of the

Classic Code, other uses that are not normally permitted, but are appropriate for the industrial district may be allowed by first securing a Conditional Use Permit (CUP).

At the publicly noticed meeting on October 23, 2024, the Planning Commission reviewed the project. The Planning Commission discussed concerns regarding power supply, how the electrical use of the proposed project would affect the City, and the possibility of this property being used for an alternative more activated land use.. The Planning Commission voted to deny the Conditional Use Permit and the variances (4-3 vote). As a result, the Planning Commission was not required to take any action on the environmental document pursuant to CEQA guidelines 15270 ("Projects Which Are Disapproved").

On October 24, 2024, the applicant filed a timely appeal of the Planning Commission's denial (Attachment 14). Pursuant to Santa Clara City Code 18.144.030, the appeal is being heard within the appropriate timeline.

DISCUSSION

At the October 23, 2024 Planning Commission meeting, staff provided a presentation and shared that the project location is a transition area adjacent to both office and industrially developed properties. Adjacent properties are developed with office and industrial uses. See Development Plans and Vicinity Map (Attachments 11 and 12, respectively). This property abuts three other properties that are also data centers and the property to the south includes industrial manufacturing. The abutting properties are zoned like the proposed project, and the property to the south is zoned LO-RD. The nearest residentially zoned property is located about 1.5 miles away to the northeast, on Lafayette Street south of Montague Expressway. As indicated in the October 23, 2024 report to the Planning Commission (Attachment 1), staff recommended approval of the CUP because (1) the project would be compatible with adjacent land uses and the existing industrial character of the area, (2) the proposal would promote the harmonious and orderly growth of the city by improving an underutilized property with an aesthetically pleasing design in an area that already contains a cluster of data centers; and (3) the lot size and access are sufficient for a data center use. Furthermore, the project is generally consistent with the General Plan and is consistent with the zoning designation with the approval of the Variance.

During the Commission meeting, the applicant team answered Planning Commission questions, which included questions about power usage, environmental concerns, and other uses that could be developed at this property. Seven Commissioners were present at the Planning Commission Hearing on October 23, 2024. In two motions, the Commission voted to deny the Conditional Use Permit and to deny the variances (4-3). For the CUP, the Commission majority made findings that the proposed use would be detrimental to the harmonious or orderly growth of the City, given the large number of data centers already present in the City and the fact that data centers result in fewer jobs and no synergistic retail or connectivity to other surrounding development. For the variance, the Commission majority found that there were insufficient special circumstances or conditions applicable to the project site that would justify granting the variance. The Planning Commission was not required to take any action on the environmental document pursuant to CEQA guidelines 15270 ("Projects Which Are Disapproved"). The minutes from this Planning Commission meeting are attached for reference as Attachment 2.

In their appeal, the applicant states that the project meets or exceeds all City of Santa Clara zoning

and design requirements and requests that the City Council overturn the Planning Commission's decision.

STAFF RECOMMENDATION

Staff recommended that the Planning Commission approve the project, and staff continues to recommend that based on the findings listed above, and the project's consistency with the General Plan and the Santa Clara City Code, and that the City Council sustain the appeal and approve the project.

ENVIRONMENTAL REVIEW

The proposed project was not exempt from the California Environmental Quality Act (CEQA) and therefore an Initial Study (IS) was prepared to determine whether the project may have a significant adverse effect on the environment. For each resource area, the IS concluded either that there would be no adverse physical effects, or that all potential physical effects can be reduced to a level that is less than significant through project revisions and mitigations. Any project revisions needed to mitigate any potential effects have been made, and a Mitigated Negative Declaration (MND) was prepared. An MND may be used, "when the initial study has identified potentially significant effects on the environment, but (1) revisions in the project plans or proposals made by, or agreed to by, the applicant before the proposed negative declaration and initial study are released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effect on the environment would occur, and (2) there is no substantial evidence in light of the whole record before the public agency that the project, as revised, may have a significant effect on the environment"

The prepared MND examined potential environmental impacts associated with project development and identified potential effects in the following resource areas:

- Biological
- Cultural resources
- Geology and soils
- Tribal cultural resources

With implementation of mitigation measures those identified impacts would be reduced to less than significant. A detailed discussion of the potential impacts and mitigation measures to be applied to the project are specified in the MND and shall be implemented through project conditions of approval for the project. A Mitigation Monitoring and Reporting Program (MMRP) was prepared to ensure the implementation of recommended mitigation measures. The MND and MMRP are both included as attachments (Attachments 3 and 4, respectively). Staff recommends that the Council adopt the IS/MND and MMRP.

FISCAL IMPACT

There is no fiscal impact on the City from processing the requested application other than administrative staff time and expenses typically covered by processing fees paid by the applicant.

Data centers within the City of Santa Clara contribute revenue to the City's Electric Utility and the City's General Fund.

COORDINATION

This report was coordinated with the City Attorney's Office.

PUBLIC CONTACT

A community hearing for this project was held on July 10, 2024 at 6 pm. The meeting video can be found in its entirety on the project listing page found here:

<https://www.santaclaraca.gov/Home/Components/BusinessDirectory/BusinessDirectory/525/2495>

>

On November 22, 2024, a notice of public hearing was sent to property owners within 1,000 feet of the project site. At the time of this staff report, Planning staff has not received public comments in support or opposition to the proposed project.

Public contact was also made by posting the Commission agenda on the City's official notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES**Project Approval**

1. Adopt a Resolution adopting the Initial Study, Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program.
2. Sustain the Appeal and Adopt a Resolution approving a Conditional Use Permit for the demolition of the existing building and the construction of a new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.
3. Sustain the Appeal and Adopt a Resolution approving the Variance to height, parking, and front setback for the new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.

OR**Project Disapproval**

1. Overrule the Appeal and Direct Staff to Prepare a Resolution disapproving a Conditional Use Permit for the demolition of the existing building and the construction of a new four-story, 111,978 square foot data center at 1231 Comstock, for adoption at a subsequent meeting.
2. Overrule the Appeal and Direct Staff to Prepare a Resolution disapproving the Variance to height, parking, and front setback for the new four-story, 111,978 square foot data center at 1231 Comstock, for adoption at a subsequent meeting.

RECOMMENDATION**Project Approval**

1. Adopt a Resolution adopting the Initial Study, Mitigated Negative Declaration, and Mitigation Monitoring and Reporting Program.
2. Sustain the Appeal and Adopt a Resolution approving a Conditional Use Permit for the demolition of the existing building and the construction of a new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.
3. Sustain the Appeal and Adopt a Resolution approving the Variance to height, parking, and front setback for the new four-story, 111,978 square foot data center at 1231 Comstock, subject to

findings and conditions of approval.

Prepared by: Daniel Sobczak, Associate Planner

Reviewed by: Afshan Hamid, Community Development Director

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Planning Commission Staff report October 23, 2024
2. Planning Commission Minutes October 23, 2024
3. Initial Study / Mitigated Negative Declaration
4. Mitigation Monitoring and Reporting Program
5. Resolution Adopting the Initial Study and Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program
6. Resolution to Sustain an Appeal and Approve a Conditional Use Permit
7. Resolution to Sustain an Appeal and Approve Variances
8. Project Data Sheet
9. Conditions of Approval
10. San Jose Airport Comments
11. Development Plans
12. General Plan Vicinity Map
13. Zoning Vicinity Map
14. Appeal Application Form



Agenda Report

24-958

Agenda Date: 10/23/2024

REPORT TO PLANNING COMMISSION

SUBJECT

Public Hearing: Action on an Initial Study and Mitigated Negative Declaration, Variance, and Conditional Use Permit (PLN22-00282) to Allow the Construction of a New Four-Story, 111,978 Square Foot Data Center at 1231 Comstock Street.

File No(s): PLN22-00282

Applicant: Prime Data Centers

Property Owner: 1231 Comstock Property LLC

General Plan: Low Intensity Office / Research & Development

Zoning: Low-Intensity Office / Research & Development (LO-RD)

Site Area: 1.37 acres (APN: 224-08-120)

Existing Site Conditions: The project site is developed with a one-story warehouse building and surface parking lot.

Surrounding Land Uses:

- North: Digital Realty Silicon Valley SJC14, Data Center
- East: Digital Realty Silicon Valley SJC15, Data Center
- South: Owens Corning, Vacant Industrial Site
- West: Digital Realty Silicon Valley, Data Center

Issues: Consistency with the General Plan and Zoning Ordinance.

Staff Recommendation: Adopt a resolution accepting the Initial Study / Mitigated Negative Declaration (IS/MND); adopt a resolution approving the Conditional Use Permit for the demolition of the existing building and construction of a new four-story, 111,978 square foot data center and site improvements at 1231 Comstock; adopt a resolution to approve a Variance to height (increasing from the maximum 70' to 87'), off-street parking (reducing from a required 25 to 21 parking spaces), and front setbacks for a fence (reducing from 15-feet to 10-feet), subject to findings and conditions of approval.

BACKGROUND

On December 13, 2022, Prime Data Centers applied for a Conditional Use Permit, Variance and Architectural Review (PLN22-00282) to allow for the demolition of a one-story warehouse building and to construct a new four-story, 111,978 square foot data center with rooftop mechanical equipment, landscaping, and site improvements.

Pursuant to Table 6-1 (Chapter 18.112) of the Santa Clara City Code, Conditional Use Permits and Variances are decided by the Planning Commission. For the proposed project, the Architectural Review would be decided through the Development Review Hearing process.

DISCUSSION

Much of the City's industrial lands have historically been zoned as Light Industrial. With the 2010 comprehensive update of the City's General Plan, these light industrial areas were divided into multiple land use designations, including the Low-Intensity Office / Research and Development land use designation currently applied to the subject property. In February 2024, the City's adopted updated Zoning Code became effective, and in August 2024, the accompanying updated Zoning Map became effective, which rezoned the subject property to Low-Intensity Office / Research & Development (LO-RD) from Light Industrial (ML), which brought the General Plan and Zoning designations for the site into conformance.

With the adoption of the comprehensive Zoning Code Update, all sections except for Article 2, Zones, Allowable Uses, and Development Standards, went into effect on February 8, 2024. Article 2 went into effect on August 15, 2024, when the updated Zoning map became effective. Zoning Code Section 18.02.070 - Effect of Zoning Code Amendments on Projects in Progress, states that all planning permit applications that are active and that have been determined by the Project Clearance Committee to be complete before the effective date of the Zoning Code, shall be processed in compliance with the requirements in effect when the application was deemed complete. This application was deemed complete on April 24, 2024; therefore, the project was reviewed based on the prior zoning designation of Light Industrial (ML) and using the standards of the City's prior zoning code (the "Classic Code").

In the ML district a data center is not listed as an allowed use. Subject to Section 18.48.040(e) of the Classic Code, other uses that are not normally permitted, but are appropriate for the industrial district may be allowed by first securing a Conditional Use Permit.

Neighborhood Context

Adjacent properties are developed with office and industrial uses. See Vicinity Map attachment. This property abuts three other properties that are also data centers and the property to the south includes industrial manufacturing. The abutting properties are zoned like the proposed project, and the property to the south is zoned LO-RD. The nearest residentially zoned property is located about 1.5 miles away to the northeast, on Lafayette Street south of Montague Expressway.

Consistency with the General Plan

The project site has a General Plan land use designation of Low-Intensity Office/Research & Development (R&D). This classification is intended for campus like office development that includes office and R&D, as well as medical facilities and free-standing data centers, with manufacturing uses limited to a maximum of 20 percent of the building area. This designation is typically located in areas that provide a transition between light industrial and higher intensity office and R&D uses.

The proposed free-standing data center has a Floor Area Ratio (FAR) of 1.88; however the Low-Intensity Office/R&D designation indicates a maximum FAR of 1.0. The General Plan FAR policies were intended to predict and limit the intensity of environmental impacts of vehicle miles traveled (VMT). Data centers have low employment/occupation density, thus low VMT, and as a result a higher FAR for this land use type would not be expected to increase the number of employees and vehicle miles traveled beyond that anticipated by the FAR in the General Plan. The proposed data

center is also compatible with existing and planned land uses on neighboring properties in that the site is surrounded by Low Intensity Office/ R&D and High Intensity Office/R&D land use designations all of which are currently developed with free-standing data centers. The project is also consistent with the following applicable General Plan Policies:

- 5.3.1-P8: Work with property owners to improve or redevelop underutilized and vacant properties.
- 5.3.1 P9 Require that new development provide adequate public services and facilities, infrastructure, and amenities to serve the new employment or residential growth.
- 5.3.1-P12 Encourage convenient pedestrian connections within new and existing developments.
- 5.3.5 P1 Work with existing Santa Clara businesses to retain and expand employment opportunities and strengthen the existing tax base.
- 5.3.5-P12 Promote development, such as manufacturing, auto services, and data centers, in Heavy Industrial and Light Industrial classifications to complement employment areas and retail uses.

The proposal is consistent with the above policies, in that the project utilizes and improves an underutilized property for use as a data center and strengthens the existing tax base. The project includes improvements to the project frontage, including a five-foot separated sidewalk and a four-foot landscape strip in the public right-of-way. The project as proposed is on balance consistent with the city's General Plan.

Zoning Conformance

As stated earlier in this report, the project was reviewed based on the site's prior zoning designation of Light Industrial (ML) for zoning designation and standards conformance with the City's prior zoning code (the "Classic Code").

The ML zoning district is intended to provide an optimum general industrial environment to accommodate industries operating substantially within an enclosed building that would not be objectionable or detrimental to adjacent properties or the industrial area. A data center is not listed as an allowed use in the ML zoning district. Subject to Section 18.48.040(e) of the Classic Code, other uses that are not normally permitted, but are appropriate for the Industrial district may be allowed by first securing a Conditional Use Permit. In addition, Section 18.60.050 of the Classic Code requires a Conditional Use Permit to allow installation of electric power plants, including back-up generators. (Under the Updated Zoning Code, data centers require a Conditional Use Permit in the LO-RD and the LI zoning district, while backup generators require a minor use permit.)

The proposed building meets all ML zoning standards except for height, since the classic code has a maximum height of 70-feet, the proposed building would be 87-feet (excluding the sound attenuating mechanical screen). The LO-RD district has a height limit of 100 feet and by allowing the variance would be consistent with its current zoning designation. Chapter 18.38 of the Updated Zoning Code requires 25 parking spaces for the proposed use, while the project provides 21 surface parking spaces in total. The applicant proposes alternative parking measures to accommodate bicycles, including bicycle racks, lockers, and street improvements for bicycle infrastructure.

Section 18.60.090 of the Zoning Code establishes development standards and requirements for Data Centers in the City of Santa Clara. The proposed project meets the development standards listed in this chapter, including standards for lighting, noise reduction, and primary facades.

Site Layout, Design, and Operation

Two driveways serve the site with access from Comstock Street, providing on-site circulation for parking, emergency services, and delivery vehicles. The project includes the undergrounding of utilities and improvements to the project frontage, including a five-foot separated sidewalk and a four-foot landscape strip in the public right-of-way.

The general site consists of the proposed building in the center of the site with a two-way drive aisle around the sides and rear of the structure for both ingress/egress and emergency access. The loading docks would be to the east side of the structure and the generators would be underground at the rear of the structure, both not visible from Comstock right-of-way. Additionally, there is a 24-foot wide and about 275-foot long landscaping strip on the right-hand side of the property, and minor landscaping beds on either side of the rear of the property and the front of the property. There will be an eight-foot-high security fence in the front of the structure 10-feet from the front setback; this fence will require a Variance from the code required 15-foot setback. Placing the fence to meet the setback would be infeasible and hinder security on the site.

The sources of operational noise from the project site would consist of the 3.0-megawatt backup diesel generators, exhaust fans, rooftop air-cooled chillers, and rooftop dedicated outdoor air systems. Design of this building adheres to the limitation of 70 dBA consistent with State and City noise requirements. The generators are for emergency backup use only and would only produce noise during a utility power failure and during short periods of routine testing and maintenance.

Architectural Review

The applicant has revised their submission several times and worked with the Planning Division to get to a design plan that the Planning Division may support. Full review of the architecture will take place during the Development Review Hearing, to be held after the determinations are made for the Conditional Use Permit and Variance requests.

Conclusion

The project would be compatible with adjacent land uses, maintain the industrial character of the area, and improve an underutilized property. The project is on balance consistent with the General Plan, and consistent the zoning designation with approval of Variances.

ENVIRONMENTAL REVIEW

The proposed project was not exempt from the California Environmental Quality Act (CEQA) and therefore an initial study was prepared to determine whether the project may have a significant adverse effect on the environment. The Initial Study (IS) concluded that there would be no adverse physical effects, or that all potential physical effects can be reduced to a level that is less than significant through project revisions and mitigations. Any project revisions needed to mitigate any potential effects have been made, and a Mitigated Negative Declaration (MND) was prepared. An MND may be used, "when the initial study has identified potentially significant effects on the environment, but (1) revisions in the project plans or proposals made by, or agreed to by, the applicant before the proposed negative declaration and initial study are released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effect on the environment would occur, and (2) there is no substantial evidence in light of the whole record before the public agency that the project, as revised, may have a significant effect on the environment"

The prepared MND examined potential environmental impacts associated with project development and identified potential effects in the following resource areas:

- Biological
- Cultural resources
- Geology and soils
- Tribal cultural resources

With implementation of mitigation measures those identified impacts would be reduced to less than significant. A detailed discussion of the potential impacts and mitigation measures to be applied to the project are specified in the MND and shall be implemented through project conditions of approval for the project. A Mitigation Monitoring and Reporting Program (MMRP) was prepared to ensure the implementation of recommended mitigation measures. The MND and MMRP are both included as attachments. Staff recommends that the Planning Commission adopt the IS/MND and MMRP.

COORDINATION

This report was coordinated with the City Attorney's Office.

PUBLIC CONTACT

A community hearing for this project was held on July 10th, 2024 at 6 pm. This community meeting can be found in its entirety on the project listing page found here: [≤](#)

<https://www.santaclaraca.gov/Home/Components/BusinessDirectory/BusinessDirectory/525/2495> [≥](#)

On October 10, 2024, a notice of public hearing was sent was mailed to property owners within 1,000 feet of the project site. At the time of this staff report, Planning staff has not received public comments in support or opposition to the proposed project.

Public contact was also made by posting the Commission agenda on the City's official notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov [<mailto:clerk@santaclaraca.gov>](mailto:clerk@santaclaraca.gov) or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. **Adopt** a Resolution adopting the Initial Study and Mitigated Negative Declaration.
2. **Adopt** a Resolution approving a Conditional Use Permit for the demolition of the existing building and the construction of a new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.
3. **Adopt** a Resolution approving the Variance to height, parking, and front setback for the new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.

Prepared by: Daniel Sobczak, Associate Planner

Reviewed by: Alexander Abbe, Assistant City Attorney

Approved by: Lesley Xavier, Planning Manager

ATTACHMENTS

1. Initial Study / Mitigated Negative Declaration
2. Mitigation Monitoring and Reporting Program
3. Resolution Adopting the Initial Study and Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program
4. Resolution Approving a Conditional Use Permit
5. Resolution Approving Variances
6. Project Data Sheet
7. Conditions of Approval
8. Development Plans
9. General Plan Vicinity Map
10. Zoning Vicinity Map



City of Santa Clara

Meeting Minutes

Planning Commission

10/23/2024

6:00 PM

Hybrid Meeting
City Hall Council
Chambers/Virtual
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting Planning Commission meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

- Via Zoom:
 - o <https://santaclaraca.zoom.us/j/91729202898> Webinar ID: 917 2920 2898 or
 - o Phone: 1(669) 900-6833
- Via the City's eComment

The public may view the meetings on SantaClaraCA.gov, Santa Clara City Television (Comcast cable channel 15 or AT&T U-verse channel 99), or the livestream on the City's YouTube channel or Facebook page.

Public Comments prior to meeting may be submitted via email to PlanningPublicComment@SantaClaraCA.gov no later than noon on the day of the meeting; (Comments received after 12:00 PM on the day of the meeting will be made part of the public record but will not be read out loud during the meeting) and also before and during the meeting via eComment. Clearly indicate the project address, meeting body, and meeting date in the email.

Agendas, Staff Reports and associated documents for Planning Commission items may be viewed on the City's website at <https://santaclara.legistar.com/Calendar.aspx>

6:00 PM REGULAR MEETING

Call to Order

Chair Saleme called the meeting to order at 6:02 p.m.

Pledge of Allegiance and Statement of Values

Secretary Crutchlow read the Statement of Values.

Roll Call

Present 7 - Commissioner Yashraj Bhatnagar, Commissioner Nancy A. Biagini, Commissioner Priya Cherukuru, Commissioner Qian Huang, Vice Chair Mario Bouza, Chair Lance Saleme, and Commissioner Eric Crutchlow

DECLARATION OF COMMISSION PROCEDURES

Secretary Crutchlow read the Declaration of Commission Procedures.

CONTINUANCES/EXCEPTIONS

Chair Saleme requested that Item 4, RTC 24-987, on the Public Hearing Calendar be moved to the first item to be heard under Public Hearing.

CONSENT CALENDAR

A motion was made by Commissioner Crutchlow, seconded by Commissioner Biagini to approve Item 1 on the Consent Calendar.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

1. [24-1055](#) Planning Commission Meeting Minutes of October 9, 2024

Recommendation: Approve the Planning Commission Meeting Minutes of the October 9, 2024 Meeting

PUBLIC PRESENTATIONS

None.

PUBLIC HEARING

4. [24-987](#) PUBLIC HEARING: Continuance from September 11, 2024, for Action on Conditional Use Permit (PLN23-00148) for a New Unmanned AT&T Telecommunication Facility with the Installation of a 60-Foot-Tall Monotree at 3111 Benton Street

Recommendation:

1. **Determine** that the project is categorically exempt from formal environmental review per Section 15303(d), New Construction of Utility Extensions, of the CEQA Guidelines; and
2. **Adopt** a Resolution to approve a Conditional Use Permit for a new unmanned AT&T wireless telecommunication facility with the installation of a 60-foot-tall monotree at 3111 Benton Street, subject to findings and conditions of approval.

Planning Manager Lesley Xavier provided the staff presentation.

Steve Proo, representing AT&T provided the applicant presentation.

Assistant City Attorney Alexander Abbe spoke on the Planning Commission's areas of purview in taking actions on this item and that a continuance was not an option on this item due to the Tolling Agreement/Shot Clock expiration date of November 15, 2024. However; should the applicant agree, the expiration of the Tolling Agreement could be extended if agreed to by the applicant.

David Witkowski, Joint Venture Silicon Valley, representing the applicant spoke on the Real Estate and Property Value Study.

Public Speakers:

Lee Benton
Anyia K.
Xaio Ling
Shari
Maria Barbox
Ken Kratz
Nicholas Rossi
Public Speaker
Satish
Satya Mantha
Jason Morrow

Commissioners had a robust discussion on several issues including the location of the tower, compensation to the church, setback issues, tower collapse study, the need for a master plan for unmanned wireless towers, review of a previous design plan submitted which had 3 shorter cell towers

Applicant provided closing remarks and stated he is happy to come back at the next meeting with the previous design and extending the Tolling Agreement Shot Clock.

A motion was made by Commissioner Crutchlow, seconded by Commissioner Cherukuru to close Public Hearing

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

Meeting went into recess at 8:01 and reconvened at 8:12 p.m.

A motion was made by Commissioner Saleme, seconded by Commissioner Cherukuru to continue item to December 4, 2024 in order for the applicant to provide an alternate design that includes three shorter poles located in the parking lot.

Aye: 6 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, and Chair Saleme

Nay: 1 - Commissioner Crutchlow

2. [24-122](#) PUBLIC HEARING: Action on an Environmental Impact Report and Mitigation Monitoring and Reporting Program, General Plan Amendment, Planned Development Rezone, Vesting Tentative Subdivision Map, and Development Agreement for the Mission Point by Kylli Mixed-Use Project Located at 3005 Democracy Way to Allow the Development of up to 1,800 Multi-Family Residential Units; 3 million Square Feet of Office/Research-and-Development (R&D); up to 100,000 Square Feet of Commercial Retail; and Open Space

Recommendation:

1. Adopt a resolution to recommend the City Council certify the Final EIR prepared for the Mission Point Project (SCH # 2018072068) and adopt a Mitigation Monitoring and Reporting Program, CEQA Findings, and a Statement of Overriding Considerations.
2. Adopt a resolution to recommend the City Council approve a General Plan amendment to add 2 new land use designations, Urban Center Mixed-Use (UCMU) and Urban Center Mission Point (UCMP), and to change the land use designation for the project site from High Intensity Office/Research & Development (HI O/R&D) to UCMU and UCMP.
3. Adopt a resolution to recommend the City Council approve the Planned Development Rezoning from HO-RD - High-Intensity Office/Research and Development to PD - Planned Development.
4. Adopt a resolution to recommend the City Council approve a Vesting Tentative Subdivision Map.
5. Adopt a resolution to recommend the City Council adopt an ordinance to approving the Development Agreement.

Planning Manager Lesley Xavier provided the staff presentation.

Commissioner Biagini announced she has met with the Developer.

Assistant City Attorney Alexander Abbe announced that resolutions had been updated on this item and introduced a panel of experts: Patrick Maley, ICF CEQA Consultant, Michelle Hunt, Hexagon, outside counsel David Snow, EDQ., and , Chelsea O'Sullivan, RWG Law. Mr. Abbe also addressed the correspondence received from Adams, Broadwell that morning.

Michelle Hunt spoke regarding Levi's Stadium parking in relation to the correspondence from Adams Broadwell.

Commissioners discussed various aspects of the project including the terms of the Development Agreement, including the amount and length of extensions to the Agreement. They also asked questions about the use of roof top space, all electric usage, sound mitigation from stadium noise, amount of parking and the location of schools.

Assistant City Attorney Elizabeth Klotz provided details on the initial term of the Development Agreement.

Brant Trinall - Gensler, representing the applicant, spoke and provided details on the project.

Public Speakers:

Mary Grizzle
Brian Goldenberg
Alex Shoor, Catalyze SV
Anne Kepner
Mike Moran
Robert Fitch
Ruban Camacho
Jaime Vasques, Nor Cal Carpenters
Matt Sweeney
Rick Franco, Adams Broadwell
Josh Schumsky
Daniel Meyberg
Doug Bloch, Adams Broadwell
Will Smith - IBEW
Ali
Manuel, SV@Home
Andrew Siegler
Jason Morrow
Elizabeth Conlan
Mike

Assistant City Attorney Alexander Abbe announced at 10:22 p.m. that he had just been notified by the applicant that they would like to inquire if the Commission would approve an additional 800 housing items for this project.

Meeting went into recess at 10:35 p.m. and reconvened at 10:45 p.m.

A motion was made by Commissioner Cherukuru, seconded by Commissioner Biagini to close Public Hearing.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

A motion was made by Commissioner Cheirukuru, seconded by Commissioner Huang to approve Staff Recommendation 1 with the revised resolution.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

A motion was made by Commissioner Biagini, seconded by Commissioner Cherukuru to reopen Public Hearing.

Aye: 6 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Chair Saleme, and Commissioner Crutchlow

Nay: 1 - Vice Chair Bouza

A motion was made by Commissioner Crutchlow, seconded by Commissioner Biagini to close Public Hearing.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

A motion was made by Commissioner Cherukuru, seconded by Commissioner Biagini to rescind approval of staff recommendation 1 with the revised resolution.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

Meeting went into Recess

Meeting Reconvened

A motion was made by Commissioner Cherukuru, seconded by Commissioner Crutchlow, to continue this item to the November 6, 2024 Planning Commission Meeting to allow for the project to be renoticed with the alternative to add 800 housing units and reduce office square footage.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

3. [24-958](#) Public Hearing: Action on an Initial Study and Mitigated Negative Declaration, Variance, and Conditional Use Permit (PLN22-00282) to Allow the Construction of a New Four-Story, 111,978 Square Foot Data Center at 1231 Comstock Street.

- Recommendation:**
1. **Adopt** a Resolution adopting the Initial Study and Mitigated Negative Declaration.
 2. **Adopt** a Resolution approving a Conditional Use Permit for the demolition of the existing building and the construction of a new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.
 3. **Adopt** a Resolution approving the Variance to height, parking, and front setback for the new four-story, 111,978 square foot data center at 1231 Comstock, subject to findings and conditions of approval.

Associate Planner Daniel Sobczak provided the staff presentation.

Chris Sumpter, Prime Data Centers provided the Applicant presentation.

Commissioners discussed power needs for data centers, concerns of long term planning and land usage and the impact of additional data centers, revenue for the city generated by data centers, usage of nuclear fuel.

Public Speakers:

Corey Quevedo
Jeff Pratt - Devcon
Erica Valentine - UA Local 393
Public Speaker
Scott Thomas
Doug Bloch
Rigo Gallardo - Norcal Carpenters Union 405
Ruben Galvin

A motion was made by Commissioner Cherukuru, seconded by Commissioner Crutchlow to waive rule 2.8 of the Planning Commission Charter to conduct a hearing after 10 p.m.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

A motion was made by Chair Saleme, seconded by Commissioner Biagini to close Public Hearing.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

A motion was made by Commissioner Cherukuru, seconded by Commissioner Biagini to deny Staff Recommendation 3.

Aye: 4 - Commissioner Biagini, Commissioner Cherukuru, Vice Chair Bouza, and Chair Saleme

Nay: 3 - Commissioner Bhatnagar, Commissioner Huang, and Commissioner Crutchlow

A motion was made by Commissioner Cherukuru, seconded by Commissioner Bouza to amend the motion just passed to include findings that there are no special conditions of the site for which to support a variance.

Aye: 4 - Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, and Chair Saleme

Nay: 3 - Commissioner Bhatnagar, Vice Chair Bouza, and Commissioner Crutchlow

A motion was made by Commissioner Cherukuru, seconded by Commissioner Bouza to amend the motion just passed to include findings that there are no special conditions of the site for which to support a variance.

A motion was made by Commissioner Cherukuru, seconded by Commissioner Bouza to deny Staff Recommendation 2 with findings: that the operation of the use at the location proposed would be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare.

Aye: 4 - Commissioner Biagini, Commissioner Cherukuru, Vice Chair Bouza, and Chair Saleme

Nay: 3 - Commissioner Bhatnagar, Commissioner Huang, and Commissioner Crutchlow

REPORTS OF COMMISSION/BOARD LIAISON AND COMMITTEE:

1. Announcements/Other Items

Chair Saleme requested that Commissioners send questions to Planning Manager Lesley Xavier for an upcoming Study Session on Data Centers.

2. Commissioner Travel and Training Reports, Requests to attend Trainings

DIRECTOR OF COMMUNITY DEVELOPMENT REPORTS:

1. Planning Commission Budget Update

Staff Aide II Elizabeth Elliott provided budget updates.

2. Upcoming Agenda Items

Planning Manager Lesley Xavier provided updates.

3. City Council Actions

Planning Manager Lesley Xavier provided updates.

ADJOURNMENT:

The meeting adjourned at 12:19 a.m. The next regular scheduled meeting is Wednesday, November 6, 2024 at 6 p.m.

Aye: 7 - Commissioner Bhatnagar, Commissioner Biagini, Commissioner Cherukuru, Commissioner Huang, Vice Chair Bouza, Chair Saleme, and Commissioner Crutchlow

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

STREAMING SERVICES: As always, the public may view the meetings on SantaClaraCA.gov, Santa Clara City Television (Comcast cable channel 15 or AT&T U-verse channel 99), or the livestream on the City's YouTube channel or Facebook page.

Note: The public cannot participate in the meeting through these livestreaming methods; livestreaming capabilities may be disrupted at times, viewers may always view and participate in meetings in-person and via Zoom as noted on the agenda.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the City in an appropriate alternative format. Contact the City Clerk's Office at 1 408-615-2220 with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the City of Santa Clara, should contact the City's ADA Coordinator at 408-615-3000 as soon as possible but no later than 48 hours before the scheduled event.

Prime Data Center

FINAL INITIAL STUDY WITH PROPOSED MITIGATED NEGATIVE DECLARATION

City of Santa Clara
Community Development Department
1500 Warburton Avenue
Santa Clara, CA 95050

September 2024



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PRIME DATA CENTER
1231 Comstock Street
PLN22-00282

FINAL INITIAL STUDY WITH PROPOSED
MITIGATED NEGATIVE DECLARATION (MND)

Prepared For:
City of Santa Clara
Community Development Department
1500 Warburton Avenue
Santa Clara, CA 95050

Prepared By:
Circlepoint
42 S First Street, Suite D
San José, CA 95113

September 2024

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APPENDICES

Appendix A- Bird-Safe Design Memorandum

Appendix B- Air Quality, Greenhouse Gas Emissions, and Energy Study

Appendix C- Biological Resources Assessment Memorandum

Appendix D- CHRIS Search Results

Appendix E- Preliminary Geotechnical Investigation

Appendix F- Phase I Environmental Site Assessment

Appendix G- Noise Study Report

Appendix H- VMT Memorandum

Appendix I- Arborist Report

All appendices listed above are incorporated into this document by this reference. No other documents are incorporated by reference.

INITIAL STUDY AND ENVIRONMENTAL CHECKLIST FORM

1. Project title	1231 Comstock Prime Data Center
2. Lead agency name and address	City of Santa Clara, 1500 Warburton Avenue Santa Clara, CA 95050
3. Contact person and phone number	Daniel Sobczak (408) 615-2485
4. Project location	1231 Comstock Street, Santa Clara, CA 95054
5. Project sponsor's name and address	Russ Langbein 400 North Ervay, #131465 Dallas, TX 75313
6. General plan designation	Low Intensity Office Research and Development
7. Zoning	Light Industrial (ML) and Low Intensity Office/Research & Development (LO-RD)
9. Description of project	The applicant proposes to demolish an existing 24,278 square foot, one-story, concrete and brick furniture store that was originally constructed on the site in 1974 and replace it with a new, four-story data center building with a surface parking lot. The new building will be approximately 109,520 square-feet. Construction would be completed over approximately 24-36 months.
10. Surrounding land uses and setting	Land use designations surrounding the project site consist of Light Industrial to the east and west and north, and Heavy Industrial to the south. The project site is surrounded by industrial buildings on all sides.
11. Other public agencies whose approval is required (e.g. permits, financial approval, or participation agreements)	None

1. PROJECT INFORMATION

1.1. Project Location and Setting

The approximately 1.37-acre project site (APN 224-08-120) is located within the City of Santa Clara (City), in the Silicon Valley region of the larger San Francisco Bay Area. The project site is in the central part of Santa Clara, just south of US Highway 101 (US-101) and east of the San Tomas Expressway.

Current zoning designations surrounding the project site consist of ML – Light Industrial to the north, east and west; and MH – Heavy Industrial to the south. The proposed project site is currently zoned as ML – Light Industrial and the General Plan designation is Low Intensity Office Research & Development. Land use designations surrounding the project site consist of High Intensity Office / Research & Development to the north and west, Low Intensity Office / Research & Development to the east, and Light Industrial to the south. The proposed project site is currently designated for Low Intensity Office / Research & Development land uses.

The City the process of implementing a citywide zoning code update to improve consistency with the City's General Plan. The updated zoning code was adopted in January 2024 and is published on the City's website.¹ An updated zoning map is anticipated to go before the Council in July 2024. Under the updated zoning map, zoning designations surrounding the project site will be revised to High Intensity Office / Research and Development (HO-RD) to the north, Low Intensity Office / Research and Development (LO-RD) to the east and west, and Light Industrial to the south. The project site will be designated LO-RD under the updated zoning map, and under the updated code, the LO-RD zone permits the use of data centers as a conditional use. However, under Section 18.02.070.A of the updated zoning code, any application determined to be complete by the Project Clearance Committee prior to the effective date of the updated zoning code is processed under the prior code. Consequently, the zoning designations specified in the November 2023 Public Review Draft of the zoning code update have been included in this IS/MND document for reference and informational purposes only.

The surrounding developments consists of one- to five-story buildings with large surface parking lots. Nearby uses include data centers, research and development buildings and a construction equipment company. Buildings are generally set back from the street by landscaped areas, fencing and surface parking. Street-side trees occur intermittently throughout the area, often breaking up views of existing buildings from the street. The project site is currently developed as a one-story building and a surface parking lot. The nearest sensitive receptors to the project site are the Granada Islamic School which is located approximately 1,065 feet northwest of the project site, and residential receptors which are located approximately 3,300 feet north of the project site.

The project site is bound by Comstock Street to the south and adjacent buildings to the north, east and west. Corporate offices and a shipping yard for Owens Corning (construction supplier) are immediately

¹ City of Santa Clara. 2024. *Zoning Code Update*. Retrieved from: <https://www.santaclaraca.gov/our-city/departments-a-f/community-development/planning-division/zoning/zoning-code-update>. Accessed on: April 23, 2024

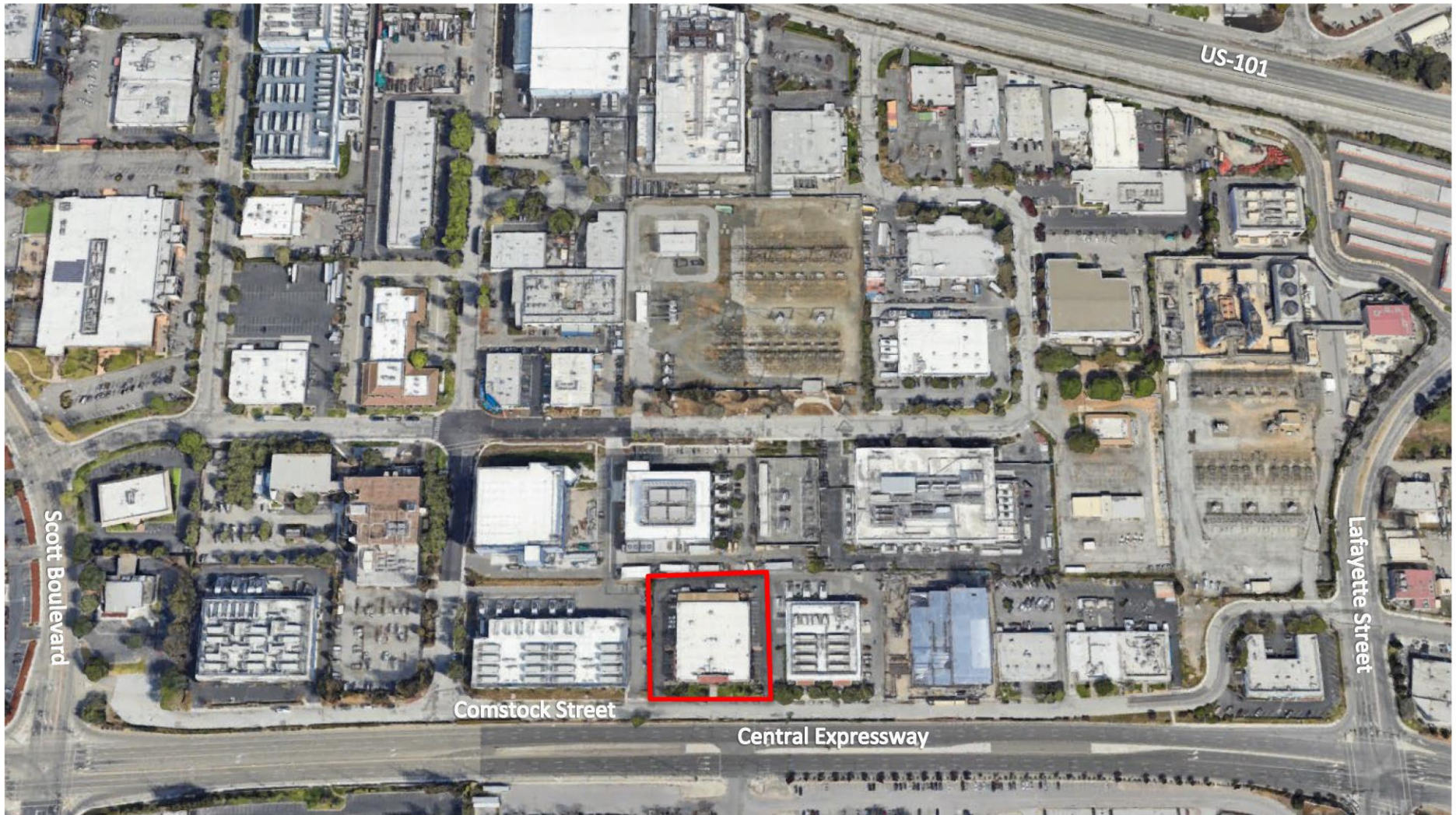
to the south. There are various offices and data centers for Digital Reality Silicon Valley adjacent to the project site from the north, east and west. **Figure 1-1** provides an overview map of the project site.

1.2. Site Conditions

Development currently on the project site consists of an approximately 24,278 square-foot single-story light industrial building and a 24,710-square-foot parking lot that was originally constructed in 1974. The building is currently in use by Mark Thomas Home as a showroom. The existing building is set back from the roadway and parcel lines on all sides, and is surrounded on the northern, eastern, and western sides with surface parking. The northern side of the building is set back from Comstock Street with ornamental landscaping and trees and a paved pedestrian walkway.

The project site includes 25 ornamental trees. As described in **Section 1.3, Project Description**, all trees onsite would be removed as a part of the project, however, the new project design will include new landscaping and tree plantings as required by the City. City code requires trees that are removed to be replaced at a 2:1 ratio including. The project would plant 5 trees planted onsite and 45 planted offsite. Due to lack of space on project site, the City is allowing the project to proceed with these limitations and will work with the applicant to meet City requirements.

There are two curb cuts which allow vehicles to enter the site from Comstock Street. Primary pedestrian access is also from Comstock Street. The project site currently has a total of 35 parking spaces, including three accessible spaces consistent with Americans with Disabilities Act (ADA) requirements for the existing land use.



Legend



Project Site



Not to Scale

Project Location Map

Figure

1-1

1.3. Project Description

As part of the project, the existing single-story building would be demolished, and the associated parking lot would be removed. A four-story, approximately 109,520 square-foot data center would replace the existing uses on the site. The data center would be approximately 80 feet in height and would house computer servers and supporting equipment for private clients. **Table 1-1** compares the existing structure on the project site to the proposed development.

Clients would either use the project as a place to relocate their existing servers or as a place to operate new servers and expand their server capacity. Total capacity of the data center would be 13.5 Megawatt (MW). Six 3,000-kilowatt (kW) diesel generators would be added to the site to provide power to the data center.

Precise information on required off-site improvements to Silicon Valley Power (SVP) facilities to support the data center is not known at this time. For the purposes of this analysis, it is assumed that all offsite improvements would be within existing utility corridors in developed areas, generally along existing streets and right of ways. Furthermore, it is assumed that any major infrastructure improvement projects by SVP are covered in the respective California Public Utilities Commission (CPUC) approved plan and have accordingly been evaluated under CEQA. In addition, it is assumed that the data center would operate using 3,000kW from opening day. This ensures that the maximum greenhouse gas emissions are captured.

Site improvements would include the data center building, a covered loading dock (sloped down -4 feet below grade), exterior lighting, perimeter fencing surrounding the entire property and subsequent gated driveway access, parking lot, and perimeter landscaping (see **Figure 1-2**).

Table 1-1 Comparison of Existing Structure and Proposed Development

	Existing Structure	Proposed Development
Height	1 Story	4 Stories
Parking (sq ft)	24,710 sq ft.	20,809 sq ft.
Building Footprint	24,278 sq ft.	109,520 sq ft.

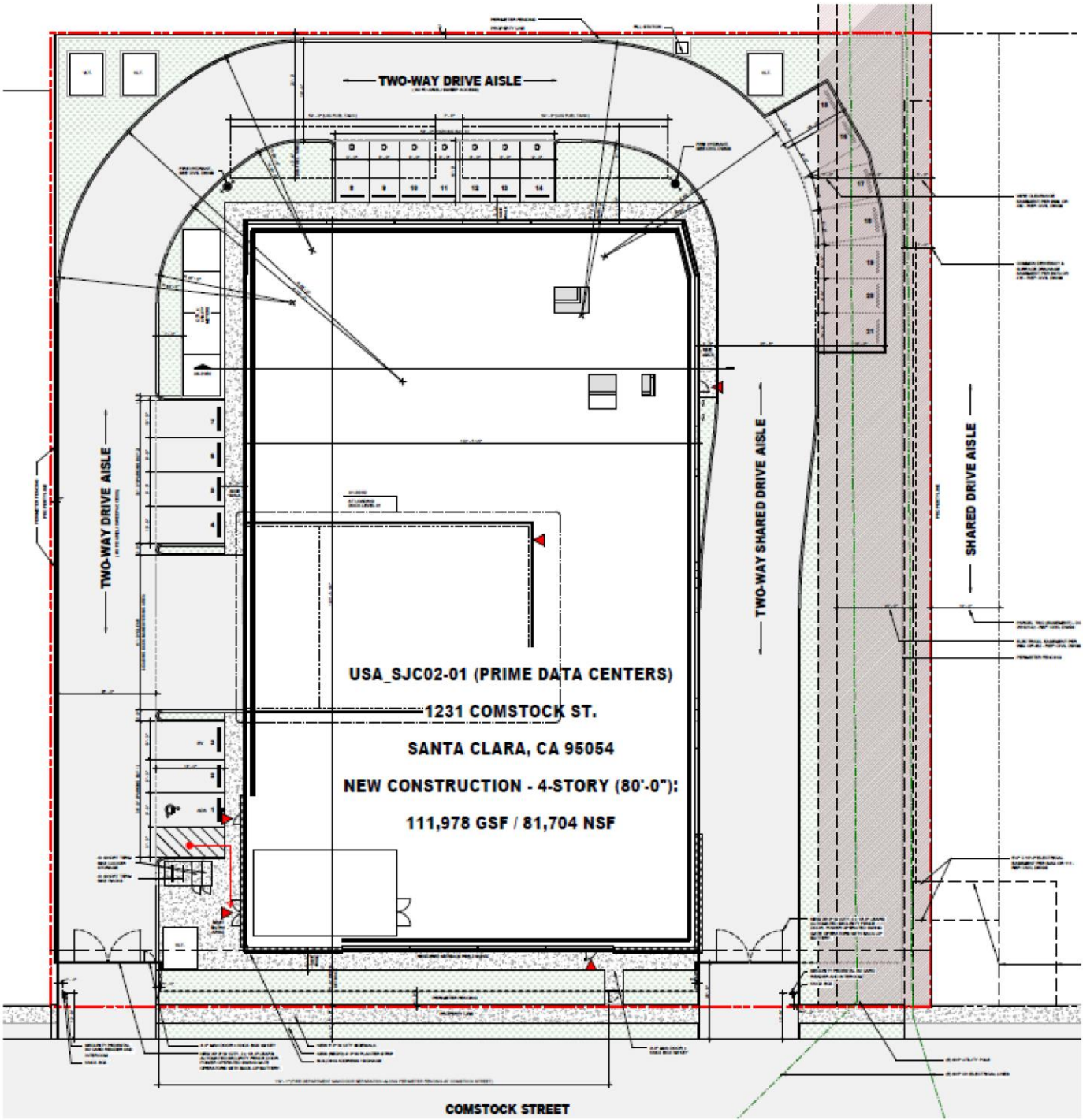
Source: Prime Data Center, 2023

Building Design

The data center would be carbon steel frame construction and would have an exterior aluminum curtainwall system with vision glazing or spandrel panels, paired with painted Exterior Finished Insulation System (EFIS) and composite panels, all of which are materials chosen to match the texture and finish of adjacent data centers. In addition, Prime Data Centers has elected to have strategically placed ribbed concrete panels, designed to passively remove heat out of the data center’s data halls and galleries, to help reduce building energy costs and ultimately reduce environmental and resource impacts. Elevations are shown in **Figure 1-3** and **Figure 1-4** and renderings of the data center are shown in **Figure 1-5**. The aforementioned exterior glazing would break up the façade with large, continuous sections of glazing spanning from the base to the roofline. Rooftop equipment and the rooftop staircase access and elevator would be screened from view from the surrounding area by a Composite Metal

Panel (CMP) screen wall system which would measure 11 feet in height and would include screening up to 18 feet above the finished roof surface as required by code. The screen wall would be set back from the roof edge to provide distinct massing and materiality interested of the building façade.

Because of the limited site area, the project does not propose a specific outdoor location for an equipment yard; select and limited equipment is proposed to be in outdoor areas of the site. The diesel generators for the data center would be housed on Level 01 of the new data center. Two underground fuel storage tanks for the generators will be located below the drive aisle at the north end of the site.



Not to Scale

Site Plan

Figure

Source: Prime Data Cetner, 2024

Source: Circlepoint, 2023



1-3





Exterior Rendering

Figure

1-5

Major Equipment

Table 1-2 provides a list of the major equipment that would be located on site as part of the project.

Table 1-2. Major Equipment

Equipment	Quantity	Location
3,000 kilowatt (KW) standby generators	6	Inside the data center
Air Cooled Chillers	7	Roof
Fuel Tanks	2	North, adjacent to the data center
Dedicated Outside Air Units	2	Roof

Source: Prime Data Center, 2023

Parking and Site Access

The existing parking lot would be removed to construct the data center. Based on the usage of parking for this project, a total of 21 spaces would be provided on site. The parking lot would be provided along the northern and western side of the building.

As shown in **Figure 1-2** and described above, two primary site access points would remain from Comstock Street. The existing parking lot is not gated; the proposed parking lot would be gated at both site access points. The design and dimensions of the driveways would be updated to meet the City's current design requirements as provided in the City's Standard Details. The two driveways along Comstock Street would also provide access for service vehicles and fire trucks. Existing pedestrian access to the site from Comstock would be available at the westernmost access point only, adjacent to the main entry and lobby of the building. These improvements would be in conformance with electrical vehicle standards in Title 24 of the California Code of Regulations and with the Americans with Disabilities Act (ADA) Accessibility Guidelines, the 2022 California Building Code, 2022 California Green Building Standards Code, and the City of Santa Clara "Reach Code".

Landscaping and Trees

The project would include landscaping consistent with the surrounding buildings to comply with the City's design requirements. Construction of the proposed data center and parking lot would require removal of 25 non-protected trees; the new project design will include new landscaping and tree plantings as required by the City of Santa Clara. The proposed replacement trees would be replaced at a 2:1 ratio including 5 trees planted onsite and 45 planted offsite consistent with the City's Tree Ordinance. Up to five trees (London Planetree, Marina Strawberry Tree) are located on neighboring properties immediately adjacent to the proposed project site. All five of these trees would remain in place.

As shown in **Figure 1-2**, perimeter landscaping surrounding the existing building would be removed and partially replaced. New landscaping is proposed between the parking bays and replacement landscaping would be installed along the southern property boundary facing Comstock Street.

1.4. Project Operation

Backup Energy Supply

A data center relies upon a constant supply of power to allow servers to operate continuously: 24 hours per day, seven days per week, with average noise levels typically between 70-80 dBA.² To ensure continuous energy supply, the project would utilize six three (3) MW backup diesel generators. The backup generators are designed to start up quickly in the event of a power failure. All generators would be located under the parking lot of the data center building. The equipment specification sheet for the backup generators indicates that the generators create an average sound pressure level (SPL) of 98 dBA from 23 feet. However, since the backup generators would be located underground, any noise generated by the equipment during testing or maintenance would be substantially attenuated. Emissions from combustion engines for stationary uses, including diesel generators, are regulated by the US Environmental Protection Agency (EPA). Engine emission standards have been categorized into a tiering system that designates maximum pollutant emissions. All new generators would have EPA Tier 4 equivalent engines and would be outfitted with diesel particulate filters. The generator engines would be fueled using ultra-low sulfur diesel fuel with a maximum sulfur content of 15 parts per million (ppm). All generator engines would be equipped with California Air Resources Board (CARB) Level 3 verified diesel particulate filters (DPFs) with a minimum control efficiency of 85 percent removal of particulate matter.

All backup generators would be run for short periods for testing and maintenance purposes, but otherwise will not operate unless there is a disturbance or interruption of the utility power supply. For the purposes of this analysis, it is assumed that each backup generator will be tested during normal business hours for one hour per month, for a total of twelve hours per year. Bay Area Air Quality Management District's (BAAQMD) Authority to Construct and CARB's Airborne Toxic Control Measures limits each engine to no more than 50 hours annually for reliability purposes (i.e., testing and maintenance). In addition, the applicant would limit operation to one engine at a time for routine testing activities, which would be conducted in accordance with manufacturer's recommendations. The generators would have maintenance testing performed throughout the year to ensure performance when needed during a power failure. All generators would be operated strictly in accordance with permitted hours as determined by BAAQMD. Furthermore, the backup generators would be consistent with the noise requirements outlined in Chapter 3.10, Regulation of Noise and Vibration of the City code and Section 5.10.6, Noise Goals and Policies of the City's General Plan.

Generators will be installed, as briefly noted in the Building Design Section, on the north side of the building on Level 01. This will provide easy connection to the two sub-base 30,000-gallon fuel storage tanks required for this equipment. The sub-base fuel storage tanks would be provisioned with fuel ports to allow refilling from the paved loop road surrounding the data center. Additionally, the project would include five (5) active uninterruptable power supplies (UPS), direct-current (DC) plant energy equipment (batteries) for backup power, and one catcher system. Each system includes two (2) 900 kW parallel

² Miljković, Dubravko. Noise within a Data Center. Available: https://www.researchgate.net/publication/304079164_Noise_within_a_Data_Center. Accessed: July 1, 2024.

UPS's. UPS and batteries would be located on the second, third and fourth floor, on the north wall of the data center.

Battery technology for commercial UPS systems is lead-acid type, and a nickel zinc battery option could potentially be used. The batteries would be placed in cabinets and installed next to the associated UPS module in a temperature-controlled room for optimum efficiency and battery life. The quantity of batteries is dictated by the length of time the back-up generators need to start and reach full operating power. This is typically less than one minute; however, a safety factor is added which results in an average of five to six minutes of battery power available.

Cooling

Servers convert electrical energy into heat as they operate and need to be kept cool. Therefore, cooling systems are a critical component of data center operation. Cooling systems would be installed to remove heat, ensuring servers operate safely and effectively. The project would include seven modular air-cooled chillers and two Dedicated Outside Air Units located on the roof of the data center.

Employees

It is anticipated that up to eight employees would typically be working in the building during daytime work hours, and up to five employees per shift would work in the building in the evening and overnight, for a total of up to 20 employees every 24 hours. As needed, technical support personnel would also be present on the site.

Vehicle Trips

Truck trips would occur during project operation to deliver and remove equipment as needed. Passenger vehicle trips to the site would be minimal, consisting of employees traveling to the site for work and occasional client visits.

Energy Usage

Major sources of energy demand for project operations would be client servers and the cooling system. Overall, the daily power usage would vary depending on how many servers are up and running and how intensely the data center's clients are running their servers. The building would require very little lighting. Lighting would be used only to support small areas such as a security area, lobby, and office/conference room.

Operational Noise

The sources of operational noise from the project site would consist of the 3.0 MW backup diesel generators, exhaust fans, rooftop air-cooled chillers, and rooftop DOAS systems. Design of this building adheres to the limitation of 70 dBA consistent with State and City noise requirements. The generators are for emergency backup use only and would only produce noise during a utility power failure and during short periods of routine testing and maintenance. Construction

Construction would be completed over approximately 24-36 months. For the purposes of this analysis, construction was assumed to begin in May 2024 and end in May 2026. While this may no longer be

feasible, the assumption presents a conservative analysis scenario because construction impacts tend to become less severe over time as new technologies are adopted and new regulations to into effect.

Conventional construction equipment would be used, such as excavators, backhoes, and both light-duty trucks and heavy-duty dump trucks. Truck trips are expected to reach the project site via US-101, Lafayette Street, Central Expressway, Scott Boulevard, and Comstock Street. Truck trips for off haul of excavated materials are expected to travel along these same routes and arterials to dispose of construction demolition debris. All mobile off-road equipment (wheeled or tracked) greater than 50 horsepower used during construction activities would meet the U.S. EPA Tier 4 final standards.

Permits and Approvals

The project applicant is seeking approval from the City's Development Review Hearing. The approval is anticipated after the Development Review Hearing considers the application at a publicly noticed meeting. In addition, the Project will require the following permits and approvals:

- Conditional Use Permit
- Demolition Permit
- Building Permit
- Minor Modification

2. EVALUATION OF ENVIRONMENTAL IMPACTS

This Initial Study evaluates impacts based on the California Environmental Quality Act (CEQA) Guidelines Appendix G Environmental Checklist:

- No Impact indicates that there is no impact.
- Less than Significant Impact indicates that, while there is some impact, the impact does not exceed identified thresholds.
- Less than Significant with Mitigation Incorporated indicates that a potentially significant and/or significant impact has been identified in the course of this analysis and mitigation measures have been provided to reduce a potentially significant impact and/or significant impact to a less than significant level.
- Significant Impact indicates that not all impacts have been reduced to less than significant and an Environmental Impact Report (EIR) will be required. As noted previously, mitigation measures developed for this project reduce any significant impacts to a less than significant level and an EIR will not be required.
- **Section 2.21, Mandatory Findings of Significance**, discusses cumulative impacts. Cumulative impacts are two or more individual effects, which when combined, are considerable or which compound or increase other environmental impacts. Cumulative impacts can result from individually minor but collectively significant projects taking place over time. If a significant cumulative impact is identified, the project's contribution to the significant cumulative impact is considered.

The environmental factors checked below would be potentially affected by the project, involving at least one impact that is a potentially significant impact in the absence of mitigation as indicated by the checklist on the following pages. Mitigation measures have been provided for each significant impact, reducing all to a less than significant level.

- | | |
|---|--|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Mineral Resources |
| <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Noise and Vibration |
| <input type="checkbox"/> Air Quality | <input type="checkbox"/> Population and Housing |
| <input checked="" type="checkbox"/> Biological Resources | <input type="checkbox"/> Public Services |
| <input checked="" type="checkbox"/> Cultural Resources | <input type="checkbox"/> Parks and Recreation |
| <input type="checkbox"/> Energy | <input type="checkbox"/> Transportation |
| <input checked="" type="checkbox"/> Geology and Soils | <input checked="" type="checkbox"/> Tribal Cultural Resources |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Utilities and Service Systems |
| <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Wildfire |
| <input type="checkbox"/> Hydrology and Water Quality | <input checked="" type="checkbox"/> Mandatory Findings of Significance |
| <input type="checkbox"/> Land Use and Planning | |

Determination

On the basis of this Initial Study:

- ☐ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☒ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Reena Brilliot
Acting Director of Community Development
City of Santa Clara

Date

2.1. Aesthetics

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including but not limited to: trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) In nonurbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Regulatory Setting

State

Streets and Highway Code Sections 260 through 263

The California Scenic Highway Program is managed by the California Department of Transportation (Caltrans). The purpose of this program is to protect and enhance the natural scenic beauty of the California highway system and adjacent corridors through special conservations measures. Currently, there are no state-designated scenic highways in the City of Santa Clara. Interstate 280 from the San Mateo County line to State Route (SR) 17 is eligible to become a state Scenic Highway but it has not been officially designated. State highways may be identified as eligible depending upon how much of the natural landscape can be seen by travelers, the scenic quality of the landscape, and the extent to which development intrudes upon the traveler's enjoyment of the view. When evaluating development proposals along eligible highways, local authorities may consider potential effects on travelers' enjoyment of local views.

Local

Santa Clara 2010-2035 General Plan

The Santa Clara 2010-2035 General Plan (General Plan) is the primary source for identifying and determining scenic vistas and scenic resources throughout the City. The General Plan does not identify

any scenic vistas or view corridors within the City. The General Plan Integrated Environmental Impact Report lists the Santa Cruz Mountains, Diablo range, Ulistac Natural Area, San Tomas Aquino Creek, and the Guadalupe River as ‘visual resources’ within the City. However, the project site is not within or near these visual resources. The project site is not located near any natural or historic features that are considered scenic resources by the City.

Scenic viewsheds are also important factors to consider when analyzing the aesthetic character of a project site. While a scenic vista is typically a singular scene or view, scenic viewsheds are areas of particular scenic or historic value deemed worthy of preservation against development and other changes. According to the General Plan, the project site is not located within or near any scenic viewsheds.

City of Santa Clara City Code Chapter 18.76-Architectural Review Process

Chapter 18.76 (Section 18.120 of the zoning code update) of the City’s code requires that new development projects undergo a Design Review Hearing. The City’s Architectural Review process requires that the Director of Community Development or a designee review plans and drawings submitted for design, aesthetic considerations, and consistency with zoning standards prior to submittal for building permits. The review takes place at a publicly noticed Development Review Hearing and the hearing officer follows the City’s Community Design Guidelines. The purpose of these guidelines is to provide a manual of consistent development standards in the interest of continued maintenance and enhancement of the high-quality living and working environment of the City.

Environmental Setting

The project site is within a fully developed, industrial area of the City. The topography of the site is flat, with views of the eastern and western foothills that are partially blocked by existing industrial, commercial, and office structures surrounding the site. The surrounding development consists of one- to five-story office, industrial, and commercial buildings. The closest residences are located approximately 0.62 miles to the north of the project site. Land uses adjacent to the project site include a telecommunications service provider to the north and east, a data center to the west, and a manufacturing facility to the south. The buildings are generally set back from the street by landscaped areas, and street parking along Comstock Street. The Norman Y Mineta San José International Airport is located approximately 0.7 miles southeast of the site. Air traffic, along with truck and other vehicle traffic, is readily apparent in the area surrounding the project site.

The visual character of the project site is an urban built environment. The project site is currently developed with a one-story commercial building and showroom with a paved surface parking area. The project site is flat with trees and landscaping features located along the southern portion of the site facing Comstock Street. There are no scenic resources on site, and the site is not visible from a scenic highway.

Viewers of the project would primarily include drivers along Comstock Street and Central Expressway, as well as employees and visitors of nearby businesses. The sensitivity of these viewers is considered low because their views of the project site would be brief and intermittent.

Impact Discussion

The following discussion is based in part on a Bird-Safe Design Memorandum prepared for the project in January 2024. A copy of this report is included as **Appendix A** to this Initial Study.

a) Have a substantial adverse effect on a scenic vista?

No Impact. The General Plan does not designate any scenic vistas within the City. Additionally, views from the project site are dominated by other office and industrial buildings. Long range views from the project site are obscured by existing development. Therefore, the project would not result in impacts to a scenic vista.

b) Substantially damage scenic resources, including but not limited to: trees, rock outcroppings, and historic buildings within a State scenic highway?

No Impact. According to Caltrans' state scenic highway maps, there are no designated scenic highways in the City.³ Interstate 280 has been identified as eligible for scenic highway designation; however, the project site is approximately 6.3 miles from I-280 and separated from the highway by extensive areas of urban development. The City's General Plan EIR lists the Santa Cruz Mountains, Diablo Range, San Tomas Aquino Creek, and the Guadalupe River as visual resources within the City. The topography of the project area is relatively flat and prominent viewpoints of the mountains are limited, as buildings, trees, and infrastructure (e.g. utility lines, elevated roadways, etc.) obscure viewpoints. Views of the mountains are only available when roadways provide a break in the built environment or are elevated. The foothills to the east and west are partially visible through the Comstock Street thoroughway and the project would not obstruct this view. Therefore, implementation of the project would not affect the viewership of scenic resources, and the project would not impact scenic resources.

c) In nonurbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?

Less Than Significant Impact. The current character of the project area is built-up with single- and multi-story industrial buildings and has few landscaped areas. As described above, the project site is an existing furniture store and showroom that is zoned for light industrial use (LO-RD in the zoning code update). There would be a change from a one-story to a larger, four-story structure. Though the new structure would be larger in mass and scale than the existing building, the proposed data center facility would be similar in scale to nearby development, and its design is consistent with the requirements of the Light Industrial (ML) zoning designation as well as consistent with the requirements of the LO-RD zoning designation specified in the zoning code update. The project would be subject to review by the City's design review process, including a public hearing before the Director of Community Development or designee, which would ensure the project conforms to the City's adopted Community Design

³ California Department of Transportation. California Scenic Highway Mapping System. Available: <https://caltrans.maps.arcgis.com/apps/webappviewer/index.html?id=465dfd3d807c46cc8e8057116f1aaca> . Accessed: January 24, 2024.

Guidelines. The guidelines were developed to support community aesthetic values, preserve neighborhood character, and promote a sense of community and place throughout the City.

New landscaping including trees, shrubs, and groundcover would be included along the sidewalk facing Comstock Street as well as on the northwest corner of the project site. Perimeter landscaping along Comstock Street of the project site would create a setback condition resembling the surrounding areas. Similar to existing conditions, views of the project from the street and adjacent parcels would be broken up by trees and landscaping. The visual character of the streetscape would continue to consist of industrial buildings set back from the roadway with fencing and intermittent trees and vegetation.

Employees of the nearby businesses are likely to be the most frequent visitors to the project area and therefore would be the most affected by the aesthetic change resulting from the project. Workers driving past the project site would generally perceive it briefly and within the context of surrounding, similar buildings. Therefore, the project would not adversely affect viewership. There are no residential areas with views of the project site. Views from the project site of the larger surrounding area are generally obstructed by existing industrial buildings. This would not change as a result of project implementation. Therefore, the project's impact on the visual character and quality of the site and vicinity would be less than significant and no mitigation would be required.

d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

Less Than Significant Impact. Under existing conditions, there is exterior lighting throughout the project site and vicinity. Existing exterior lighting is typical of industrial areas and is primarily on buildings and in parking lots for safety purposes. Nighttime light conditions are consistent with those generally found in urban environments, and include streetlights, ambient light from adjacent light from adjacent development, and exterior safety lighting. Project operation would require exterior safety lighting similar to the safety lighting found at nearby industrial buildings. Exterior lighting would be limited to safety lighting in the parking lot, building exterior, and along pathways. Lighting would be designed and installed consistent with the City's design requirements for exterior lighting. Furthermore, the project intends to incorporate additional bird-safe lighting design measures that will minimize lighting impacts. These measures include exterior lighting that adheres to the LEED light pollution reduction measures, lighting that is directed in a downward fashion to avoid disorienting migrating and nocturnal birds, and maintaining exterior building fixtures to automatically shut off from midnight until 6 a.m. With the incorporation of these measures, the project would further reduce potential glare impacts by incorporating measures consistent with the American Bird Conservancy Bird Safe Design Standards along with the U.S. Green Building Council LEED "Bird Collision Deterrence" and "Light Pollution Reduction" standards.

The exterior design of the project does not include large, continuous expanses of uninterrupted glazing which are generally associated with glare, and new major sources of glare are not anticipated. The project design includes glazing spanning from the base of the building to the roofline. However, it is non-continuous and not anticipated to result in notable glare. Additionally, the project would be subject to review by the City's architectural review process, which would ensure the project conforms to the City's adopted Community Design Guidelines. Therefore, the project would have a less-than-significant impact

on day and nighttime views in the area resulting from lighting or glare and no mitigation would be required.

2.2. Agriculture and Forest Resources

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to nonagricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or with a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Regulatory Setting

State

Farmland Mapping and Monitoring Program

The California Department of Conservation's Farmland Mapping and Monitoring Program (FMMP) assesses the location, quality, and quantity of agricultural, and conservation of these lands over time. Agricultural land is rated according to soil quality and irrigation status. The best quality land is called

Prime Farmland. In CEQA analyses, the FMMP classifications and published county maps are used to identify whether agricultural resources that could be affected are present on-site or in the project area.⁴

California Land Conservation Act

The California Land Conservation Act (Williamson Act) enables local governments to enter into contracts with private landowners to restrict parcels of land to agricultural or related open space uses. In return, landowners receive lower property tax assessments. In CEQA analyses, identification of properties that are under a Williamson Act contract is used to identify sites that may contain agricultural resources or are zoned for agricultural uses.⁵

Fire and Resource Assessment Program

The California Department of Forestry and Fire Protection (CAL FIRE) identifies forest land, timberland, and lands zoned for timberland production that can support forestry resources. Programs such as CAL FIRE's Fire and Resource Assessment Program are used to identify whether forest land, timberland, or timberland production areas that could be affected are located on or adjacent to the project site.⁶

Environmental Setting

The project site and surroundings do not contain any designated farmland or land subject of a Williamson Act contract. According to the California Department of Conservation's Important Farmlands 2020 Map, the project site is designated as Urban Built-Up Land. The Urban Built-Up Land classification is defined as land that has a building density of at least 1 unit to 1.5 acres or approximately 6 structures to a 10-acre parcel.⁷

The project site and surrounding properties are designated for and developed with urban uses. The project site is currently developed with a commercial building and showroom. There are no agricultural or forest lands in the vicinity of the project site.

⁴ California Department of Conservation. *Farmland Mapping and Monitoring Program*. <http://www.conservation.ca.gov/dlrp/fmmp/Pages/Index.aspx>. Accessed: February 5, 2024.

⁵ California Department of Conservation. *Williamson Act-Program Overview*. https://www.conservation.ca.gov/dlrp/wa/Pages/wa_overview.aspx. Accessed: February 5, 2024.

⁶ California Department of Forestry and Fire Protection. *Fire and Resource Assessment Program*. <https://www.fire.ca.gov/Home/What-We-Do/Fire-Resource-Assessment-Program/Assessment>. Accessed: February 5, 2024.

⁷ California Department of Conservation. 2023. *California Important Farmland Finder*. Retrieved from: <https://maps.conservation.ca.gov/DLRP/CIFF/>. Accessed: January 24, 2024.

Impact Discussion

- a) **Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to nonagricultural use?**

OR

- b) **Conflict with existing zoning for agricultural use, or with a Williamson Act contract?**

No Impact. The project site is developed with industrial buildings and is zoned for light industrial uses (LO-RD under the zoning code update). The project site is not designated by the California Natural Resources Agency as farmland of any type and is not the subject of a Williamson Act (a statewide agricultural land protection program) contract.⁸ Additionally, no land adjacent to the project site is designated as farmland. Therefore, implementation of the project would not impact farmland and would not conflict with zoning for agricultural use or a Williamson Act contract.

- c) **Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?**

No Impact. The project is zoned for light industrial uses (LO-RD under the zoning code update) and does not contain forest land or other similar resources and the project site is currently developed with a furniture retail store. Therefore, the project would not conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g)), and no impact would occur.

- d) **Result in the loss of forest land or conversion of forest land to non-forest use?**

No Impact. As discussed in **threshold (c)**, there is no forest land on the project site or in the area surrounding the project. Therefore, implementation of the project would not impact forest lands or result in the conversion of forest land to non-forest use.

- e) **Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?**

No Impact. As discussed in **thresholds(a)** through **(d)**, the project site is currently zoned for light industrial (LO-RD under the zoning code update) and does not include any farmland or forest land or in the areas surrounding the project site. Therefore, the implementation of the project would not impact farmland or forest lands, nor would it result in the conversion of farmlands or forest lands to non-agricultural or non-forest uses.

⁸ County of Santa Clara, Department of Planning and Development. *Williamson Act and Open Space Easement*. Available: <https://plandev.sccgov.org/policies-programs/williamson-act-and-open-space-easement>. Accessed: February 5, 2024.

2.3. Air Quality

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under federal or State ambient air quality standard?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The following discussion is based in part on an Air Quality Assessment prepared for the project in January 2024. A copy of this report is included as **Appendix B** to this Initial Study

Regulatory Setting

Local Climate and Meteorology

The project site is located in the San Francisco Bay Area Air Basin (SFBAAB), which is under the jurisdiction of the Bay Area Air Quality Management District (BAAQMD). As the local air quality management agency, the BAAQMD is required to monitor air pollutant levels to ensure that State and Federal air quality standards are met and, if they are not met, to develop strategies to meet the standards.

Regional Climate and Air Pollution in the SFBAAB

The City of Santa Clara is located in the southern portion of the SFBAAB and the proximity to the Pacific Ocean and San Francisco Bay influence the climate in the city and surrounding region. The Santa Cruz Mountains and Diablo Mountain Range on either side of the South Bay restrict air dispersion, and this alignment of the terrain also channels winds from the north to south, carrying pollution from the northern Peninsula toward the south bay. Winds play a large role in controlling climate in the area, and annual average winds range between five and ten miles per hour in this region.⁹

⁹ Bay Area Air Quality Management District (BAAQMD). 2017. *California Environmental Quality Act: Air Quality Guidelines*. Retrieved from: http://www.baaqmd.gov/~media/files/planning-and-research/ceqa/ceqa_guidelines_may2017-pdf.pdf?la=en. Accessed: February 1, 2024

Air pollutant emissions in the SFBAAB are generated primarily by stationary and mobile sources. Stationary sources can be divided into two major subcategories: point and area sources. Point sources occur at a specific location and are often identified by an exhaust vent or stack. Examples include boilers or combustion equipment that produce electricity or generate heat. Area sources are distributed widely and include those such as residential and commercial water heaters, painting operations, lawn mowers, agricultural fields, landfills, and some consumer products. Mobile sources refer to emissions from motor vehicles, including tailpipe and evaporative emissions, and are classified as either on-road or off-road. On-road sources may be operated legally on roadways and highways. Off-road sources include aircraft, ships, trains, and self-propelled construction equipment. Air pollutants can also be generated by the natural environment such as when high winds suspend fine dust particles.¹⁰

Air Pollutants of Primary Concern

Primary criteria pollutants are emitted directly from a source (e.g., vehicle tailpipe, an exhaust stack. The Federal and State Clean Air Acts (CAA) mandate the control and reduction of certain air pollutants. Under these laws, the U.S. Environmental Protection Agency (U.S. EPA) and the California Air Resources Board (CARB) have established the National Ambient Air Quality Standards (NAAQS) and the California Ambient Air Quality Standards (CAAQS) for “criteria pollutants” and other pollutants. Some pollutants are emitted directly from a source (e.g., vehicle tailpipe, an exhaust stack of a factory, etc.) into the atmosphere, including carbon monoxide, volatile organic compounds (VOC)/reactive organic gases (ROG),¹¹ nitrogen oxides (NO_x), particulate matter with diameters of up to ten microns (PM₁₀) and up to 2.5 microns (PM_{2.5}), sulfur dioxide (SO₂), and lead. Other pollutants are created indirectly through chemical reactions in the atmosphere, such as ozone, which is created by atmospheric chemical and photochemical reactions primarily between ROG and NO_x. Secondary pollutants include oxidants, ozone, and sulfate and nitrate particulates (smog). The characteristics, sources and effects of criteria pollutants are discussed in the following subsections. The following subsections describe the characteristics, sources, and health and atmospheric effects of air pollutants of primary concern.

Ozone

Ozone is a highly oxidative unstable gas produced by a photochemical reaction (triggered by sunlight) between NO_x and ROG. ROG is composed of non-methane hydrocarbons (with specific exclusions), and NO_x is composed of different chemical combinations of nitrogen and oxygen, mainly nitric oxide (NO) and NO₂. NO_x is formed during the combustion of fuels, while ROG is formed during the combustion and evaporation of organic solvents. As a highly reactive molecule, ozone readily combines with many multiple different atmosphere components. Consequently, high ozone levels tend to exist only while high ROG and NO_x levels are present to sustain the ozone formation process. Once the precursors have

¹⁰ BAAQMD. 2017. *California Environmental Quality Act: Air Quality Guidelines*. Retrieved from: http://www.baaqmd.gov/~media/files/planning-and-research/ceqa/ceqa_guidelines_may2017-pdf.pdf?la=en. Accessed: February 1, 2024

¹¹ CARB defines VOC and ROG similarly as, “any compound of carbon excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate,” with the exception that VOC are compounds that participate in atmospheric photochemical reactions. For the purposes of this analysis, ROG and VOC are considered comparable in terms of mass emissions, and the term ROG is used in this analysis.

been depleted, ozone levels rapidly decline. Because these reactions occur on a regional rather than local scale, ozone is considered a regional pollutant.

In addition, because ozone requires sunlight to form, it mainly occurs in concentrations considered serious between April and October. Groups most sensitive to ozone include children, the elderly, people with respiratory disorders, and people who exercise strenuously outdoors. Depending on the level of exposure, ozone can cause coughing and a sore or scratch throat; make it more difficult to breathe deeply and vigorously and cause pain when taking a deep breath; inflame and damage the airways; make the lungs more susceptible to infection; and aggravate lung diseases such as asthma, emphysema, and chronic bronchitis.¹²

Carbon Monoxide

Carbon monoxide (CO) is a localized pollutant found in high concentrations only near its source. The primary source of CO, a colorless, odorless, poisonous gas, is automobile traffic's incomplete combustion of petroleum fuels. Therefore, elevated concentrations are usually only found near areas of high traffic volumes. Other sources of CO include the incomplete combustion of petroleum fuels at power plants and fuel combustion from wood stoves and fireplaces throughout the year. When CO levels are elevated outdoors, they can be of particular concern for people with some types of heart disease. These people already have a reduced ability to get oxygenated blood to their hearts in situations where they need more oxygen than usual. As a result, they are especially vulnerable to the effects of CO when exercising or under increased stress. In these situations, short-term exposure to elevated CO may result in reduced oxygen to the heart accompanied by chest pain, also known as angina.¹³

Nitrogen Dioxide

Nitrogen dioxide (NO₂) is a by-product of fuel combustion. The primary sources are motor vehicles and industrial boilers, and furnaces. The principal form of NO_x produced by combustion is NO, but NO reacts rapidly to form NO₂, creating the mixture of NO and NO₂, commonly called NO_x. NO₂ is a reactive, oxidizing gas and an acute irritant capable of damaging cell linings in the respiratory tract. Breathing air with a high concentration of NO₂ can irritate airways in the human respiratory system. Such exposures over short periods can aggravate respiratory diseases leading to respiratory symptoms (such as coughing, wheezing, or difficulty breathing), hospital admissions, and visits to emergency rooms. Longer exposures to elevated concentrations of NO₂ may contribute to the development of asthma and potentially increase susceptibility to respiratory infections. People with asthma, such as children and the elderly are generally at greater risk for the health effects of NO₂.¹⁴ NO₂ absorbs blue light and causes a

¹²United States Environmental Protection Agency. 2022. *Ground-level Ozone Basics*. Available: <https://www.epa.gov/ground-level-ozone-pollution/ground-level-ozone-basics#effects>. Accessed: February 5, 2024.

¹³ United States Environmental Protection Agency. 2022. *Basic Information about Carbon Monoxide (CO) Outdoor Air Pollution*. <https://www.epa.gov/co-pollution/basic-information-about-carbon-monoxide-co-outdoor-air-pollution#effects>. Accessed: February 5, 2024.

¹⁴United States Environmental Protection Agency. 2022. *Basic Information about NO₂*. Available: <https://www.epa.gov/no2-pollution/basic-information-about-no2#effects>. Accessed: February 5, 2024.

reddish-brown cast to the atmosphere and reduced visibility. It can also contribute to the formation of O₃/smog and acid rain.

Sulfur Dioxide

SO₂ is included in a group of highly reactive gases known as “oxides of sulfur.” The largest sources of SO₂ emissions are from fossil fuel combustion at power plants (73 percent) and other industrial facilities (20 percent). Smaller sources of SO₂ emissions include industrial processes such as extracting metal from ore and burning fuels with a high sulfur content by locomotives, large ships, and off-road equipment. Short-term exposures to SO₂ can harm the human respiratory system and make breathing difficult. People with asthma, particularly children, are sensitive to these effects of SO₂.¹⁵

Particulate Matter

Suspended atmospheric PM₁₀ and PM_{2.5} are comprised of finely divided solids and liquids such as dust, soot, aerosols, fumes, and mists. Both PM₁₀ and PM_{2.5} are emitted into the atmosphere as byproducts of fuel combustion and wind erosion of soil and unpaved roads. The atmosphere, through chemical reactions, can form particulate matter. The characteristics, sources, and potential health effects of PM₁₀ and PM_{2.5} can be very different. PM₁₀ is generally associated with dust mobilized by wind and vehicles. In contrast, PM_{2.5} is generally associated with combustion processes and formation in the atmosphere as a secondary pollutant through chemical reactions. PM₁₀ can cause increased respiratory disease, lung damage, cancer, premature death, reduced visibility, surface soiling. For PM_{2.5}, short-term exposures (up to 24-hours duration) have been associated with premature mortality, increased hospital admissions for heart or lung causes, acute and chronic bronchitis, asthma attacks, emergency room visits, respiratory symptoms, and restricted activity days. These adverse health effects have been reported primarily in infants, children, and older adults with preexisting heart or lung diseases.¹⁶

Lead

Lead (Pb) is a metal found naturally in the environment, as well as in manufacturing products. The major sources of lead emissions historically have been mobile and industrial. However, due to the U.S. EPA’s regulatory efforts to remove lead from gasoline, atmospheric Pb concentrations have declined substantially over the past several decades. The most dramatic reductions in Pb emissions occurred before 1990 due to the removal of Pb from gasoline sold for most highway vehicles. Pb emissions were further reduced substantially between 1990 and 2008, with reductions occurring in the metals industries at least partly due to national emissions standards for hazardous air pollutants.¹⁷ As a result of phasing out leaded gasoline, metal processing is currently the primary source of Pb emissions. The highest Pb level in the air is generally found near Pb smelters. Other stationary sources include waste incinerators,

¹⁵United States Environmental Protection Agency (U.S. EPA). 2023. *Sulfur Dioxide Basics*. <https://www.epa.gov/so2-pollution/sulfur-dioxide-basics#effects>. Accessed: February 5, 2024

¹⁶ California Air Resource Board. 2023. *Overview: Diesel Exhaust & Health*. N.d. Available: <https://ww2.arb.ca.gov/resources/overview-diesel-exhaust-and-health>. Accessed: February 5, 2024.

¹⁷ U.S. EPA. 2013. *Policy Assessment for the Review of the Lead National Ambient Air Quality Standards, External Review Draft*. Retrieved from: https://www3.epa.gov/ttn/naaqs/standards/pb/data/010913_pb-draft-pa.pdf. Accessed: February 1, 2024

utilities, and Pb-acid battery manufacturers. Pb can adversely affect the nervous system, kidney function, immune system, reproductive and developmental systems, and cardiovascular system depending on exposure. Pb exposure also affects the oxygen-carrying capacity of the blood. The Pb effects most likely encountered in current populations are neurological in children. Infants and young children are susceptible to Pb exposures, contributing to behavioral problems, learning deficits, and lowered IQ.¹⁸

Toxic Air Contaminants

In addition to the criteria pollutants discussed above, Toxic Air Contaminants (TAC) are airborne substances diverse group of air pollutants that may cause or contribute to an increase in deaths or serious illness, or that may pose a present or potential hazard to human health. TACs include both organic and inorganic chemical substances that may be emitted from a variety of common sources, including gasoline stations, motor vehicles, dry cleaners, industrial operations, painting operations, and research and teaching facilities. One of the main sources of TACs in California is diesel engine exhaust that contains solid material known as diesel particulate matter (DPM). More than 90 percent of DPM is less than one micron in diameter (about 1/70th the diameter of a human hair) and thus is a subset of PM_{2.5}. Because of their extremely small size, these particles can be inhaled and eventually trapped in the bronchial and alveolar regions of the lungs.¹⁹ TACs are different than criteria pollutants because ambient air quality standards have not been established for TACs. TACs occurring at extremely low levels may still cause health effects and it is typically difficult to identify levels of exposure that do not produce adverse health effects. TAC impacts are described by carcinogenic risk and by chronic (i.e., long duration) and acute (i.e., severe but of short duration) adverse effects on human health. People exposed to TACs at sufficient concentrations and durations may have an increased chance of getting cancer or experiencing other serious health effects. These health effects can include damage to the immune system, as well as neurological, reproductive (e.g., reduced fertility), developmental, respiratory, and other health problems.²⁰

Air Quality Regulation

The Federal and State Governments have authority under the Federal and State CAA to regulate emissions of airborne pollutants and have established ambient air quality standards (AAQS) for the protection of public health. An air quality standard is defined as “the maximum amount of a pollutant averaged over a specified period of time that can be present in outdoor air without harming public health.”²¹ The U.S. EPA is the Federal agency designated to administer air quality regulation, while CARB

¹⁸ United States Environmental Protection Agency. 2022. *Basic Information about Lead Air Pollution*. Available: <https://www.epa.gov/lead-air-pollution/basic-information-about-lead-air-pollution#health>. Accessed: February 5, 2024.

¹⁹ California Air Resource Board. 2022. *Overview: Diesel Exhaust & Health*. Available: <https://ww2.arb.ca.gov/resources/overview-diesel-exhaust-and-health>. Accessed: February 5, 2024.

²⁰ United States Environmental Protection Agency. 2023. *Health and Environmental Effects of Hazardous Air Pollutants*. Available: <https://www.epa.gov/haps/health-and-environmental-effects-hazardous-airpollutants>. Accessed: February 5, 2024.

²¹ California Air Resources Board. 2023. *National Ambient Air Quality Standards*. Available: <https://ww2.arb.ca.gov/resources/national-ambient-air-quality-standards>. Accessed: February 5, 2024.

is the State equivalent in California. Federal and State AAQS have been established for six criteria pollutants: Ozone, CO, NO₂, SO₂, PM₁₀, PM_{2.5}, and Pb, which can be harmful to public health and the environment. The CAA identifies two types of national ambient air quality standards. Primary standards provide public health protection, including protecting the health of "sensitive" populations such as asthmatics, children, and the elderly. Secondary standards provide public welfare protection, including protection against decreased visibility and damage to animals, crops, vegetation, and buildings.²² In addition, the State of California has established health-based ambient air quality standards for these and other pollutants, some of which are more stringent than the Federal standards.²³ The Federal and State Clean Air Acts are described in more detail below.

Federal

The Federal CAA was enacted in 1970 and amended in 1977 and 1990 (42 United States Code [USC] 7401) for the purposes of protecting and enhancing the quality of the nation's air resources to benefit public health, welfare, and productivity. In 1971, to achieve the purposes of Section 109 of the CAA (42 USC 7409), the U.S. EPA developed primary and secondary NAAQS. NAAQS have been designated for the following criteria pollutants: ozone, CO, NO₂, SO₂, PM₁₀, PM_{2.5}, and lead. The primary NAAQS "in the judgment of the Administrator, based on such criteria and allowing an adequate margin of safety, are requisite to protect the public health," and the secondary standards are to "protect the public welfare from any known or anticipated adverse effects associated with the presence of such air pollutant in the ambient air" (42 USC 7409[b][2]). The U.S. EPA classifies specific geographic areas as either "attainment" or "nonattainment" areas for each pollutant based on the comparison of measured data with the NAAQS. States are required to adopt an enforceable plan, known as a State Implementation Plan (SIP), to achieve and maintain air quality meeting the NAAQS. State plans also must control emissions that drift across state lines and adversely affect air quality in downwind states. Once a nonattainment area has achieved the air quality standards for a particular pollutant, it may be redesignated to an attainment area for that pollutant. To be redesignated, the area must meet air quality standards and have a 10-year plan for continuing to meet and maintain air quality standards, as well as satisfy other requirements of the Federal CAA. Areas that have been redesignated to attainment are called maintenance areas. **Table 2-1** lists the current Federal standards for regulated pollutants.

To derive the NAAQS, the U.S. EPA reviews data from integrated science assessments and risk/exposure assessments to determine the ambient pollutant concentrations at which human health impacts occur, then reduces these concentrations to establish a margin of safety. As a result, human health impacts caused by the air pollutants discussed above may affect people when ambient air pollutant concentrations are at or above the concentrations established by the NAAQS. The closer a region is to attaining a particular NAAQS, the lower the human health impact is from that pollutant. Accordingly, ambient air pollutant concentrations below the NAAQS are considered to be protective of human health. The NAAQS and the underlying science that forms the basis of the NAAQS are reviewed every

²² United States Environmental Protection Agency. 2023. *NAAQS Table*. Available: <https://www.epa.gov/criteria-airpollutants/naaqs-table>. Accessed: February 5, 2024.

²³ California Air Resources Board. 2023. *California Ambient Air Quality Standards*. Available: <https://ww2.arb.ca.gov/resources/california-ambient-air-quality-standards>. Accessed: February 5, 2024.

five years to determine whether updates are necessary to continue protecting public health with an adequate margin of safety.

Table 2-1 Federal and State Ambient Air Quality Standards

Pollutant	NAAQS	CAAQS
Ozone	0.070 ppm (8-hr avg)	0.09 ppm (1-hr avg) 0.070 ppm (8-hr avg)
Carbon Monoxide	35.0 ppm (1-hr avg) 9.0 ppm (8-hr avg)	20.0 ppm (1-hr avg) 9.0 ppm (8-hr avg)
Nitrogen Dioxide	0.100 ppm (1-hr avg) 0.053 ppm (annual avg)	0.18 ppm (1-hr avg) 0.030 ppm (annual avg)
Sulfur Dioxide	0.075 ppm (1-hr avg) 0.5 ppm (3-hr avg) 0.14 ppm (24-hr avg) 0.030 ppm (annual avg)	0.25 ppm (1-hr avg) 0.04 ppm (24-hr avg)
Lead	0.15 µg /m ³ (rolling 3-month avg) 1.5 µg /m ³ (calendar quarter)	1.5 µg /m ³ (30-day avg)
Particulate Matter (PM ₁₀)	150 µg /m ³ (24-hr avg)	50 µg /m ³ (24-hr avg) 20 µg /m ³ (annual avg)
Particulate Matter (PM _{2.5})	35 µg /m ³ (24-hr avg) 12 µg /m ³ (annual avg)	12 µg /m ³ (annual avg)
Visibility-Reducing Particles	No Federal Standards	Extinction coefficient of 0.23 per kilometer – visibility of ten miles or more (0.07 - 30 miles or more for Lake Tahoe) due to particles when relative humidity is less than 70 percent. Method: Beta Attenuation and Transmittance through Filter tape (8-hr average)
Sulfates	No Federal Standards	25 µg/m ³ (24-hr avg)
Hydrogen Sulfide	No Federal Standards	0.03 ppm (1-hr avg)
Vinyl Chloride	No Federal Standards	0.01 ppm (24-hr avg)

NAAQS = National Ambient Air Quality Standards; CAAQS = California Ambient Air Quality Standards; ppm = parts per million; avg =average; µg/m³ = micrograms per cubic meter

Source: CARB, 2016

State

The California CAA was enacted in 1988 (California Health & Safety Code §39000 et seq.). Under the California CAA, the State has developed the CAAQS, which are generally more stringent than the NAAQS. Error! Reference source not found. lists the current State standards for regulated pollutants. In addition to the Federal criteria pollutants, the CAAQS also specify standards for visibility-reducing particles, sulfates, hydrogen sulfide, and vinyl chloride. Similar to the Federal CAA, the California CAA classifies specific geographic areas as either “attainment” or “nonattainment” areas for each pollutant, based on the comparison of measured data within the CAAQS.

Toxic Air Contaminants

A TAC is an air pollutant that may cause or contribute to an increase in mortality or serious illness or which may pose a present or potential hazard to human health. TACs may result in long-term health effects such as cancer, birth defects, neurological damage, asthma, or genetic damage, or short-term acute effects such as eye watering, respiratory irritation, runny nose, throat pain, and headaches. TACs are considered either carcinogenic or non-carcinogenic based on the nature of the health effects associated with exposure. For carcinogenic TACs, potential health impacts are evaluated in terms of overall relative risk expressed as excess cancer cases per one million exposed individuals. Non-carcinogenic TACs differ in that there is generally assumed to be a safe level of exposure below which no negative health impact is believed to occur. These levels are determined on a pollutant-by-pollutant basis.

TACs include both organic and inorganic chemical substances. One of the main sources of TACs in California is diesel engines that emit exhaust containing solid material known as DPM; however, TACs may be emitted from a variety of common sources, including gasoline stations, motor vehicles, dry cleaners, industrial operations, painting operations, and research and teaching facilities. In 1983, the California Legislature enacted a program to identify the health effects of TACs and to reduce exposure to these contaminants to protect the public health (Assembly Bill [AB] 1807: Health and Safety Code Sections 39650–39674). The Legislature established a two-step process to address the potential health effects from TACs. The first step is the risk assessment (or identification) phase. The second step is the risk management (or control) phase of the process.

The California Air Toxics Program establishes the process for the identification and control of TACs and includes provisions to make the public aware of significant toxic exposures and for reducing risk. Additionally, the Air Toxics "Hot Spots" Information and Assessment Act (AB 2588, 1987, Connelly Bill) was enacted in 1987 and requires stationary sources to report the types and quantities of certain substances routinely released into the air. The goals of the Air Toxics "Hot Spots" Act are to collect emission data, identify facilities having localized impacts, ascertain health risks, notify nearby residents of significant risks, and reduce those significant risks to acceptable levels. The Children's Environmental Health Protection Act, California Senate Bill (SB) 25 (Chapter 731, Escutia, Statutes of 1999), focuses on children's exposure to air pollutants. The act requires the CARB to review its air quality standards from a children's health perspective, evaluate the statewide air quality monitoring network, and develop any additional air toxic control measures needed to protect children's health.

State Implementation Plan (SIP)

The SIP is a collection of documents that set forth the State's strategies for achieving the AAQS. In California, the SIP is a compilation of new and previously submitted plans, programs (such as monitoring, modeling, and permitting), district rules, State regulations, and Federal controls. The CARB is the lead agency for all purposes related to the SIP under State law. Local air districts and other agencies, such as the Department of Pesticide Regulation and the Bureau of Automotive Repair, prepare SIP elements and submit them to CARB for review and approval. CARB then forwards SIP revisions to the U.S. EPA for approval and publication in the Federal Register. The items included in the California SIP are listed in the Code of Federal Regulations (CFR) at 40 CFR 52.220.

As the regional air quality management district, the BAAQMD is responsible for preparing and implementing the portion of the SIP applicable to the portion of the SFBAAB within its jurisdiction. The air quality management district for each region adopts rules, regulations, and programs to attain Federal and State air quality standards and appropriates money (including permit fees) to achieve these standards. In addition, the following California Code of Regulations (CCR) sections would be applicable to the project:

- **Engine Idling.** In accordance with Section 2485 of CCR Title 13, the idling of all diesel-fueled commercial vehicles (weighing over 10,000 pounds) during construction shall be limited to five minutes at any location.
- **Emission Standards.** In accordance with Section 93115 of CCR Title 17, operation of any stationary, diesel-fueled, compression-ignition engines shall meet specified fuel and fuel additive requirements and emission standards.

NAAQS And NAAQS Attainment Status

California is divided geographically into 15 air basins for managing the air resources of the State on a regional basis. Areas within each air basin are considered to share the same air masses and, therefore, are expected to have similar ambient air quality. If an air basin is not in either Federal or State attainment for a particular pollutant, the basin is classified as a nonattainment area for that pollutant. Under the Federal and State CAA, once a nonattainment area has achieved the air quality standards for a particular pollutant, it may be redesignated to an attainment area for that pollutant. To be redesignated, the area must meet air quality standards and have a 10-year plan for continuing to meet and maintain air quality standards, as well as satisfy other requirements of the Federal CAA. Areas that have been redesignated to attainment are called maintenance areas.

California is divided geographically into 15 air basins for managing the air resources of the State on a regional basis. Areas within each air basin are considered to share the same air masses and, therefore, are expected to have similar ambient air quality. If an air basin is not in either Federal or State attainment for a particular pollutant, the basin is classified as a nonattainment area for that pollutant. Under the Federal and State CAA, once a nonattainment area has achieved the air quality standards for a particular pollutant, it may be redesignated to an attainment area for that pollutant. To be redesignated, the area must meet air quality standards and have a 10-year plan for continuing to meet and maintain air quality standards, as well as satisfy other requirements of the Federal CAA. Areas that have been redesignated to attainment are called maintenance areas.

The project site is within Santa Clara County jurisdiction, which currently exceeds the NAAQS for 8-hour ozone (O₃) and 24-hour PM_{2.5}.²⁴ Santa Clara County is currently classified as a nonattainment area under the CAAQS for O₃, PM₁₀, and PM_{2.5} and classified as attainment for the remaining criteria pollutants.

²⁴ United States Environmental Protection Agency. 2023. *Nonattainment Areas for Criteria Pollutants (Green Book)*. Available: <https://www.epa.gov/green-book>. Accessed: February 5, 2024.

Regional

Air Quality Management Plan

The BAAQMD is responsible for assuring that the Federal and State ambient air quality standards are attained and maintained in the Bay Area. The BAAQMD is also responsible for adopting and enforcing rules and regulations concerning air pollutant sources, issuing permits for stationary sources of air pollutants, inspecting stationary sources of air pollutants, responding to citizen complaints, monitoring ambient air quality and meteorological conditions, awarding grants to reduce motor vehicle emissions, conducting public education campaigns, as well as many other activities.

The BAAQMD adopted the 2017 Clean Air Plan (2017 CAP) as an update to the 2010 Clean Air Plan in April 2017. The 2017 Plan provides a regional strategy to protect public health and the climate. Consistent with the GHG reduction targets adopted by the State, the 2017 Plan lays the groundwork for a long-term effort to reduce Bay Area GHG emissions to 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050.²⁵ To fulfill State ozone planning requirements, the 2017 control strategy includes all feasible measures to reduce emissions of ozone precursors—ROG and NO_x—and reduce transport of ozone and its precursors to neighboring air basins. The 2017 Plan builds upon and enhances the BAAQMD's efforts to reduce emissions of fine particulate matter TACs.²⁶

BAAQMD Rules

The BAAQMD implements rules and regulations for emissions that may be generated by various uses and activities. The rules and regulations detail pollution-reduction measures that must be implemented during construction and operation of projects. Rules and regulations relevant to the project include the following:

- Regulation 2 Permits, Rule 2 (New Source Review): This rule applies to all new or modified sources requiring a permit. This rule requires the analysis of new or modified sources to ensure that if emissions do exceed specific applicable thresholds that “Best Available Control Technology” is installed to limit the emissions to the greatest extent possible.
- Regulation 8, Rule 3 (Architectural Coatings): This rule limits the quantity of volatile organic compounds that can be supplied, sold, applied, and manufactured within the BAAQMD region.
- Regulation 9 Inorganic Gaseous Pollutants, Rule 8 (Nitrogen Oxides and Carbon Monoxide from Stationary Internal Combustion Engines): This rule limits the emissions of NO_x and CO from stationary internal combustion engines with an output rated by the manufacturer at more than 50 brake horsepower. In addition, Section 9-8-330 states that an emergency standby engine cannot be operated for more than 50 hours in a calendar year for testing and maintenance purposes.

²⁵ Bay Area Air Quality Management District. 2017. *Final 2017 Clean Air Plan*. Available: https://www.baaqmd.gov/~media/files/planning-and-research/plans/2017-clean-air-plan/attachment-a_-proposed-final-cap-vol-1-pdf.pdf?la=en. Accessed: February 5, 2024.

²⁶ Bay Area Air Quality Management District. 2017. *Final 2017 Clean Air Plan*. Available: https://www.baaqmd.gov/~media/files/planning-and-research/plans/2017-clean-air-plan/attachment-a_-proposed-final-cap-vol-1-pdf.pdf?la=en. Accessed: February 5, 2024.

Regional Significance Thresholds

The BAAQMD has adopted guidelines for quantifying and determining the significance of air quality emissions in its 2022 CEQA Air Quality Guidelines.

The BAAQMD's 2022 CEQA Air Quality Guidelines are used in this analysis to evaluate air quality. **Error! Reference source not found.** shows the significance thresholds for construction and operational-related criteria air pollutant and precursor emissions being used for the purposes of this analysis. These thresholds represent the levels at which a project's individual emissions of criteria air pollutants or precursors would result in a cumulatively considerable contribution to the SFBAAB's existing air quality conditions. For the purposes of this analysis, the project would result in a significant impact if construction or operational emissions would exceed thresholds as shown in **Table 2-2** below.

Table 2-2 BAAQMD Air Quality Significance Thresholds

Pollutant	Construction Thresholds	Operational Thresholds	
	Average Daily Emissions (lbs/day)	Average Daily Emissions (lbs/day)	Maximum Annual Emissions (tons/year)
ROG	54	54	10
NO _x	54	54	10
PM ₁₀	82 (exhaust)	82	15
PM _{2.5}	54 (exhaust)	54	10

ROG = reactive organic gases, NO_x = nitrogen oxides, PM₁₀ = particulate matter 10 microns in diameter or less, PM_{2.5} = particulate matter 2.5 microns or less in diameter; lbs/day = pounds per day

Source: BAAQMD, 2023

Carbon Monoxide

BAAQMD provides a preliminary screening methodology to conservatively determine whether a proposed project would exceed carbon monoxide thresholds. If the following criteria are met, a project would result in a less than significant impact related to local carbon monoxide concentrations:

- The project is consistent with an applicable congestion management program established by the county congestion management agency for designated roads or highways, regional transportation plan, and local congestion management agency plans.
- The project traffic would not increase traffic volumes at affected intersections to more than 44,000 vehicles per hour.
- The project traffic would not increase traffic volumes at affected intersections to more than 24,000 vehicles per hour where vertical and/or horizontal mixing is substantially limited (e.g., tunnel, parking garage, bridge underpass, natural or urban street canyon, below-grade roadway).

Odor Sources

The BAAQMD provides minimum distances for siting of new odor sources as shown in **Error! Reference source not found.** A significant impact would occur if the project would result in other emissions (such

as odors) affecting substantial numbers of people or would site a new odor source within the specified distances of existing receptors.

Table 2-3 BAAQMD Odor Source Thresholds

Odor Source	Minimum Distance for Less than Significant Odor Impacts (in miles)
Wastewater treatment plant	2
Wastewater pumping facilities	1
Sanitary Landfill	2
Transfer Station	1
Composting Facility	1
Petroleum Refinery	2
Asphalt Batch Plant	2
Chemical Manufacturing	2
Fiberglass Manufacturing	1
Painting/Coating Operations	1
Rendering Plant	2
Coffee Roaster	1
Food Processing Facility	1
Confined Animal facility/feed lot/diary	1
Green Waste and Recycling Operations	1
Metal Smelting Plants	2

Source: BAAQMD, 2023

Local

City of Santa Clara 2010-2035 General Plan ²⁷

The Air Quality Goals and Policies section of the General Plan addresses the City's goals, policies, and implementing actions regarding air quality. The following policies in the General Plan related to air quality are applicable to the project:

- 5.10.2-P1** Support alternative transportation modes and efficient parking mechanisms to improve air quality.
- 5.10.2-P2** Encourage development patterns that reduce vehicle miles traveled and air pollution.
- 5.10.2-P3** Encourage implementation of technological advances that minimize public health hazards and reduce the generation of air pollutants.

²⁷ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

5.10.2-P4 Encourage measures to reduce greenhouse gas emissions to reach 30 percent below 1990 levels by 2020.

5.10.2-P5 Promote regional air pollution prevention plans for local industry and businesses.

5.10.2-P6 Require “Best Management Practices” for construction dust abatement.

Environmental Setting

The BAAQMD operates a network of air quality monitoring stations throughout the SFBAAB. The purpose of the monitoring stations is to measure ambient concentrations of pollutants and to determine whether ambient air quality meets the NAAQS and CAAQS.

The SFBAAB monitoring station closest to the project site is the San José-Jackson Street Station, which is located approximately 3.7 miles southeast of the project site, was used for ozone, nitrogen dioxide, PM10, and PM2.5 measurements. SO₂ is not monitored in Santa Clara County and therefore is not reported. CO data was not available from the monitoring station.

Table 2-4 indicates the number of days that each of the federal and state standards have been exceeded at this station in the years 2020, 2021, and 2022. The data indicates that the 8-hour ozone CAAQS and NAAQS were exceeded for all three years. The 1-hour ozone CAAQS were exceeded for 2020 and 2021. The PM10 CAAQS was exceeded in 2020 and the PM2.5 NAAQS was exceeded in 2020, 2021 and 2022. As shown in **Table 2-4**, no other state or federal standards were exceeded at these monitoring stations.

Table 2-4 Ambient Air Quality - Monitoring Station Measurements

Pollutant	2020	2021	2022
Ozone (ppm), Worst 1-Hour	0.106	0.098	0.09
Number of days above CAAQS (>0.09 ppm)	1	3	0
Number of days above NAAQS (>0.12 ppm)	0	0	0
Ozone (ppm), Worst 8-Hour Average	0.085	0.084	0.074
Number of days above CAAQS (>0.070 ppm)	2	4	1
Number of days above NAAQS (>0.070 ppm)	2	4	1
Nitrogen Dioxide (ppm), Worst 1-Hour	0.052	0.048	0.047
Number of days above CAAQS (>0.180 ppm)	0	0	0
Number of days above NAAQS (>0.100 ppm)	0	0	0
Particulate Matter <10 microns (µg/m³), Worst 24 Hours	137.1	45.1	44.5
Number of days above CAAQS (>50 µg/m ³)	10	0	0
Number of days above NAAQS (>150 µg/m ³)	0	0	0
Particulate Matter <2.5 microns (µg/m³), Worst 24 Hours	120.5	38.1	36.2
Number of days above NAAQS (>35 µg/m ³)	12	1	2

ppm = parts per million; µg/m³ = micrograms per cubic meter; CAAQS = California Ambient Air Quality Standard; NAAQS = National Ambient Air Quality Standard

Notes: Measurements from CARB at the nearest monitoring station (158b Jackson Street in San José).

Source: CARB, 2024

Sensitive Receptors

CARB and the Office of Environmental Health Hazard Assessment (OEHHA) have identified the following groups of individuals as the most likely to be affected by air pollution: the elderly over 65, children under 14, infants (including in utero in the third trimester of pregnancy), and persons with cardiovascular and chronic respiratory diseases such as asthma, emphysema, and bronchitis.²⁸²⁹ The sensitive receptors nearest to the project site are the Granada Islamic School approximately 1,065 feet to the northwest and residential receptors located approximately 3,300 feet to the north of the project site. The project would not include new sensitive receptors.

Impact Discussion

Air pollutant and GHG emissions generated by project construction and operation were estimated using the California Emissions Estimator Model (CalEEMod), version 2022.1. CalEEMod is a statewide land use emissions computer model designed to provide a uniform platform for government agencies, land use planners, and environmental professionals to quantify potential criteria pollutant and GHG emissions associated with both construction and operations from a variety of land use projects. CalEEMod allows for the use of standardized data (e.g., emission factors, trip lengths, meteorology, source inventory) provided by the various California air districts to account for local requirements and conditions, and/or user-defined inputs. The calculation methodology and input data used in CalEEMod can be found in the CalEEMod User's Guide Appendices C, D, and G.³⁰ The analysis reflects construction and operation of the project as described in **Section 1, Project Information**.

Construction Methodology

Project construction would primarily generate temporary criteria pollutant and GHG emissions from construction equipment operation on-site, construction worker vehicle trips to and from the site, and import of materials from off-site. Construction of the proposed project was analyzed based on the land use type and square footage described provided by the applicant, which includes a 24,278 square foot data center and 32,271 square feet of surface parking lot. Construction of the proposed project was assumed to begin in May 2024 and end no sooner than May 2026, and possibly as late as May 2027, for an approximately 24-36-month duration. Based on applicant-provided land uses, the CalEEMod provides assumptions for equipment lists and vehicle trips. During the demolition phase, the project would export approximately 377 cubic yards of soil from installation of underground storage tanks for diesel fuel. In addition, the existing one-story building would be demolished (approximately 27,625 square feet). It is assumed that construction equipment used would be diesel-powered and the project would

²⁸ California Air Resources Board (CARB). 2005. *Air Quality and Land Use Handbook: A Community Health Perspective*. Retrieved from: <https://ww3.arb.ca.gov/ch/handbook.pdf>. Accessed: February 1, 2024.

²⁹ Office of Environmental Health Hazard Assessment (OEHHA). 2015. *Air Toxics Hot Spots Program*. Retrieved from: <https://oehha.ca.gov/media/downloads/cnr/2015guidancemanual.pdf>. Accessed: February 1, 2024.

³⁰ California Air Pollution Control Officers Association. 2022. California Emissions Estimator Model User Guide Version 2022. Available: https://www.caleemod.com/documents/user-guide/CalEEMod_User_Guide_v2022.1.pdf. Accessed: February 5, 2024.

comply with applicable regulatory standards, such as BAAQMD's Basic Best Management Practices fugitive dust control measures and Regulation 8 Rule 3, Architectural Coating.

Construction GHG emissions are typically amortized over the project life cycle, as the nature of construction emissions is relatively intense and occur over a shorter time period compared to operational emissions. Neither BAAQMD nor the City of Santa Clara have provided guidance on what the amortization period for individual projects should be. The Association of Environmental Professionals (2016) recommends GHG emissions from construction be amortized over 30 years.

Operational Emissions

Operational emissions modeled include mobile source emissions, energy emissions, and area source emissions. Operational area source modeling relied on the following assumptions:

- **Energy Consumption.** Based on applicant-provided information, the estimated annual electricity consumption is anticipated to be approximately 115,000 MWh per year. It is assumed that energy consumption will operate on 100 percent carbon neutral energy to meet compliance with Santa Clara CAP Action B-1-7; therefore, no indirect GHG emissions were assumed for project energy use from the data center.
- **Water Demand.** Water source emissions are based on CalEEMod defaults.
- **Employee Vehicle Trips.** The project assumed CalEEMod defaults for employee vehicle trips.
- **Area Source Emissions:** Area source emissions are based on CalEEMod defaults.
- **Solid Waste Generation:** Solid waste generated by the operations of the building are quantified based on CalEEMod default generation rates.
- **Emergency Diesel Generators:** It is assumed that six (6) 3,000-kilowatt (kW) emergency diesel generators will be installed to support facility operations. Emission factors were provided by the applicant for the Miratech selective catalytic reduction (SCR) control equipment. It is assumed each generator will be tested for one (1) hour per month for a total of twelve (12) hours per year.

a) Conflict with or obstruct implementation of the applicable air quality plan?

Less than Significant Impact. The California CAA requires that air districts create a Clean Air Plan (2017 Plan) that describes how the jurisdiction will meet air quality standards. The most recently adopted air quality plan is the BAAQMD 2017 Plan. The 2017 Plan builds upon and enhances the BAAQMD's efforts to reduce emissions of fine particulate matter and TACs. The 2017 Plan does not include control measures that apply directly to individual development projects. Instead, the control strategy includes control measures related to stationary sources, transportation, energy, buildings, agriculture, natural and working lands, waste management, water, and super-GHG pollutants.

The 2017 Plan focuses on two paramount goals:

- Protect air quality and health at the regional and local scale by attaining all national and state air quality standards and eliminating disparities among Bay Area communities in cancer health risk from TACs.

- Protect the climate by reducing Bay Area GHG emissions to 40 percent below 1990 levels by 2030, and 80 percent below 1990 levels by 2050.

Under BAAQMD’s methodology, a determination of consistency with the 2017 Plan should demonstrate that a project:

- Supports the primary goals of the air quality plan.
- Includes applicable control measures from the air quality plan.
- Does not disrupt or hinder implementation of any air quality plan control measures.

A project that would not support the 2017 Plan’s goals would not be consistent with the 2017 Plan. On an individual project basis, consistency with BAAQMD quantitative thresholds is interpreted as demonstrating support for the clean air plan’s goals. As described in the response to **threshold b)** below, the project would not result in exceedances of BAAQMD thresholds for criteria air pollutants and thus would not conflict with the 2017 Plan’s goal to attain air quality standards. Furthermore, as shown in **Table 2-5**, the proposed project would include applicable control measures from the 2017 Plan and would not disrupt or hinder implementation of such control measures. Therefore, project impacts related to consistency with the 2017 Plan would be less than significant.

Table 2-5 Project Consistency with Applicable Control Measures of 2017 Plan

Control Measure	Evaluation
TR9: Bicycle and Pedestrian Access and Facilities. Encourage planning for bicycle and pedestrian facilities in local plans, e.g., general and specific plans, fund bike lanes, routes, paths and bicycle parking facilities.	Consistent. The project would include bicycle parking spaces.
EN2: Decrease Electricity Demand. Work with local governments to adopt additional energy-efficiency policies and programs. Support local government energy efficiency program via best practices, model ordinances, and technical support. Work with partners to develop messaging to decrease electricity demand during peak times.	Consistent. The proposed project would be required to comply with all energy efficiency standards of the latest Title 24 (including the California Energy Code and CALGreen). The Title 24 standards are updated every three years and become increasingly more stringent over time. In addition, the proposed data center would utilize air cooled chillers, air handling units, and dedicated outdoor air system with economizer mode to reduce energy used to cool air and lower energy consumption. Furthermore, according to SB 100, renewable energy resources must supply 100 percent of retail sales of electricity in California to end-use customers by 2045.
BL1: Green Buildings. Collaborate with partners such as KyotoUSA to identify energy-related improvements and opportunities for on-site renewable energy systems in school districts; investigate funding strategies to implement upgrades. Identify barriers to effective local implementation of the CALGreen (Title 24) statewide building energy code; develop solutions to improve implementation/enforcement. Work with ABAG’s BayREN program to make additional funding available for energy-related projects in the buildings sector. Engage with additional partners to target reducing emissions from specific types of buildings.	Consistent. The proposed project would be required to comply with the latest iteration of the 2022 Title 24 Building Efficiency Standards. For example, require a minimum 65 percent diversion of construction/demolition waste, use of low pollutant emitting exterior and interior finish materials, and dedicated circuitry for electric vehicle charging stations. The CALGreen standards are updated every three years and become increasingly more stringent over time.

Control Measure	Evaluation
WR2: Support Water Conservation. Develop a list of best practices that reduce water consumption and increase on-site water recycling in new and existing buildings; incorporate into local planning guidance.	Consistent. The proposed project would be required to comply with all water conservation standards of CALGreen that are in effect at that time. The project would include plumbing fixtures with low-flow and WaterSense labels, which meets EPA's specifications for water efficiency and performance.

Source: BAAQMD, 2017

b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under federal or State ambient air quality standard?

Construction Emissions

Less than Significant Impact. Project construction would involve activities that have the potential to generate air pollutant emissions. **Table 2-6** summarizes the estimated maximum daily emissions of ROG, NO_x, CO, PM₁₀ exhaust, PM_{2.5} exhaust, and SO_x during project construction. As shown in **Table 2-6**, project construction emissions for all criteria pollutants would be below the BAAQMD average daily thresholds of significance and therefore would be less than significant.

Table 2-6 Project Construction Emissions

	Average Daily Emissions (lbs/day)					
	ROG	NO _x	CO	SO _x	PM ₁₀ (exhaust)	PM _{2.5} (exhaust)
2024	1	9	9	<1	1	1
2025	1	10	12	<1	1	<1
2026	3	2	3	<1	<1	<1
Maximum Daily Emissions	3	10	12	<1	1	1
BAAQMD Thresholds (average daily emissions)	54	54	N/A	N/A	82	54
Threshold Exceeded?	No	No	N/A	N/A	No	No

N/A = not applicable (no BAAQMD threshold for CO or SO_x)

CalEEMod worksheets in Appendix B.

Source: Rincon Consultants, 2024

The BAAQMD does not have quantitative thresholds for fugitive dust emissions during construction. Instead, the BAAQMD recommends Best Management Practices (BMPs) be implemented to reduce fugitive dust emissions. The City of Santa Clara requires projects to implement BMPs consistent with the BAAQMD Basic Construction Mitigation Measures, which would be part of standard City conditions of approval for project construction. With the implementation of this Standard Permit Condition, construction air quality impacts would be less than significant.

Standard Permit Condition AQ-1: The following BAAQMD best management practices shall be implemented in addition to compliance with the City's conditions of approval for construction dust management:

During any construction period ground disturbance, the construction contractor shall implement measures to control dust and exhaust. Implementation of the measures recommended by BAAQMD and listed below would reduce the air quality impacts associated with grading and new construction to a less than significant level. The contractor shall implement the following best management practices that are required of all projects:

- All mobile off-road equipment (wheeled or tracked) greater than 50 horsepower used during construction activities shall meet the U.S. EPA Tier 4 final standards. Tier 4 certification can be for the original equipment or equipment that is retrofitted to meet the Tier 4 Final standards.
- Include construction equipment exhaust controls and measures to control dust and exhaust during construction.
- All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
- All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
- All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
- All vehicle speeds on unpaved roads shall be limited to 15 miles per hour.
- All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
- Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations). Clear signage shall be provided for construction workers at all access points.
- All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
- A publicly visible sign shall be posted at the project site with the telephone number and person to contact at the City regarding dust complaints. This person shall respond and take corrective action within 48 hours of receiving a complaint. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.

Operational Emissions

Long-term emissions associated with project operation are shown in **Table 2-7**. Generators were calculated outside of CalEEMod and are displayed as a separate item. Emissions would not exceed BAAQMD daily or annual thresholds for any criteria pollutant. Since project emissions would not exceed BAAQMD thresholds for construction or operation, the project would not violate an air quality standard or result in a cumulatively considerable net increase in criteria pollutants and impacts would be less than significant.

Table 2-7 Project Operational Emissions

	Average Daily Emissions (lbs/day)					
	ROG	NO _x	CO	SO _x	PM ₁₀ (exhaust)	PM _{2.5} (exhaust)
Average Daily Emissions	3	<1	2	<1	<1	<1
Generator Daily Emissions	5	18	93	<1	1	1
Total Project Emissions	8	18	95	<1	1	1
BAAQMD Threshold	54	54	N/A	N/A	82	54
Threshold Exceeded?	No	No	N/A	N/A	No	No
Annual Emissions (tons/year)						
Project Annual Emissions	1	<1	<1	<1	<1	<1
Generator Annual Emissions	<1	<1	1	<1	<1	<1
Total Project Emissions	1	<1	1	<1	<1	<1
BAAQMD Thresholds	10	10	N/A	N/A	15	10
Threshold Exceeded?	No	No	N/A	N/A	No	No

Average daily and annual emissions. See Table 2.6 "Operations Emissions by Sector, Mitigated". See CalEEMod worksheets in Appendix B. Numbers may not add up due to rounding.

N/A = not applicable (no BAAQMD threshold for CO or SOX)

Source: Rincon Consultants, 2024.

c) Expose sensitive receptors to substantial pollutant concentrations?

Less than Significant Impact. The project site is located approximately 1,065 feet to the southeast of the nearest sensitive receptor. This section analyzes the potential for exposure of these sensitive receptors to health risks associated with carbon monoxide hotspots and TACs.

Carbon Monoxide Hotspots

A carbon monoxide hotspot is a localized concentration of carbon monoxide that is above ambient air quality standard. Localized carbon monoxide hotspots can occur at intersections with heavy peak hour traffic. Specifically, hotspots can be created at intersections where traffic levels are sufficiently high such that the local carbon monoxide concentration exceeds the federal one-hour standard of 35.0 parts per million (ppm) or the federal and state eight-hour standard of 9.0 ppm.³¹

BAAQMD recommends comparing project's attributes with the following screening criteria as a first step to evaluating whether the project would result in the generation of carbon monoxide concentrations that would substantially contribute to an exceedance of the Thresholds of Significance. The project would result in a less than significant impact to localized carbon monoxide concentrations if:

1. The project is consistent with an applicable congestion management program for designated roads or highways, regional transportation plan, and local congestion management agency plans

³¹ CARB. 2016. *Ambient Air Quality Standards*. Retrieved from: <http://www.arb.ca.gov/research/aags/aags2.pdf>. Accessed: February 1, 2024.

2. The project would not increase traffic volumes at affected intersections to more than 44,000 vehicles per hour.
3. The project traffic would not increase traffic volumes at the affected intersections to more than 24,000 vehicles per hour where vertical and/or horizontal mixing is substantially limited (e.g., tunnel, parking garage).

The project would demolish an in-use retail furniture store and construct a data center and surface parking lot. The project would generate 20 daily vehicle trips for workers (without considering any potential increase over previous furniture store trips). Therefore, the project would not increase vehicle traffic at any intersections above the screening thresholds listed above and the impact of localized carbon monoxide emissions would not be significant.

Toxic Air Contaminants

Construction

Construction-related activities would result in temporary project-generated DPM exhaust emissions from off-road, heavy-duty diesel equipment for site preparation, grading, building construction, and other construction activities. Generation of DPM, which was identified as a TAC by CARB in 1998, from construction projects typically occurs in a single area for a short period. The proposed project's construction would occur over approximately 24 to 36 months with sensitive receptors located approximately 1,065 feet to the southeast. The dose to which the receptors are exposed is the primary factor used to determine health risk. Dose is a function of the concentration of a substance or substances in the environment and the extent of exposure that person has to the substance. Dose is positively correlated with time, and a more extended exposure period would result in a higher exposure level for the maximally exposed individual. The risks estimated for a Maximally Exposed Individual are higher if a fixed exposure occurs over a more extended period. Risk is also correlated to exposure age of sensitive receptors, captured by "age sensitivity factors." Sensitive receptors in the third trimester of pregnancy up to age two are more sensitive to TAC exposures. Age sensitivity would more strongly apply to the residential sensitive receptors than the school sensitive receptors.

The proposed project would be consistent with the applicable AQMP requirements and control strategies intended to reduce emissions from construction equipment and activities. The proposed project would comply with the CARB Air Toxics Control Measure that limits diesel powered equipment and vehicle idling to no more than five minutes at a location, and the CARB In-Use Off-Road Diesel Vehicle Regulation; compliance with these would minimize emissions of TACs during construction. BAAQMD identifies that projects may have significant TAC cumulative impacts when constructed within 1,000 feet of sensitive receptors. Therefore, based on the relatively large distance to the nearest sensitive receptors, it is assumed that project construction would not result in potentially significant TAC emissions. Impacts would be less than significant, and no mitigation is required.

Operation

CARB's Air Quality and Land Use Handbook: A Community Health Perspective (2005) provides recommendations regarding the siting of new sensitive land uses near potential sources of air toxic emissions (e.g., freeways, distribution centers, rail yards, ports, refineries, chrome plating facilities, dry

cleaners, and gasoline dispensing facilities). CARB guidelines recommend siting distances both for the development of sensitive land uses in proximity to TAC sources and for the addition of new TAC sources in proximity to existing sensitive land uses. Data center, research and development, and laboratory land uses are not considered land uses that generate substantial TAC emissions based on reviewing the air toxic sources listed in CARB's guidelines. Therefore, the expected hazardous TACs generated on site (e.g., cleaning solvents, paints, landscape pesticides, etc.) for the proposed land uses would be below thresholds warranting further study under the California Accidental Release Program. Although the project intends to install emergency diesel generators, the usage of them would be temporary and intermittent for testing and maintenance or otherwise unpredictable for emergencies. Also, the nearest sensitive receptor is relatively far away at 1,065 feet. Therefore, project operation would not expose off-site sensitive receptors to significant amounts of carcinogenic or TACs and operational impacts would be less than significant, and no mitigation is required.

d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?

Less than Significant Impact. The project would generate oil and diesel fuel odors during construction from equipment use and on a temporary and intermittent basis from the usage of emergency diesel generators. With respect to operation, the BAAQMD's 2022 *CEQA Guidelines* (2023) identifies land uses associated with odor complaints to include, but not limited to, wastewater treatment plants, landfills, confined animal facilities, composting stations, food manufacturing plants, refineries, and chemical plants. Data centers, research and development uses, and laboratory uses are not identified on this list shown in **Table 2-3**. Therefore, the proposed project would not generate objectionable odors affecting a substantial number of people, and impacts would be less than significant, and no mitigation is required.

2.4. Biological Resources

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as candidate, sensitive, or special status species in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse impact on state or federally protected wetlands a (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with an established resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or State habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The following discussion is based in part on a Biological Resources Assessment Memorandum prepared for the project in January 2024. A copy of this report is included as **Appendix C** to this Initial Study

Regulatory Setting

Federal and State

Endangered Species Act

Individual plant and animal species listed as rare, threatened, or endangered under the California and federal Endangered Species Act are considered special-status species. Federal and state endangered species legislation has provided the United States Fish and Wildlife Service (USFWS) and the California Department of Fish and Wildlife (CDFW) with a mechanism for conserving and protecting plant and animal species of limited distribution and/or declining populations. Permits may be required from both the USFWS and CDFW if activities associated with a proposed project would result in the taking of a species listed as threatened or endangered. The State of California defines a “taking” of a listed species as “to hunt, pursue, catch, capture or kill, or attempt to hunt, pursue, catch, capture or kill” these species. Take is more broadly defined by the federal Endangered Species Act to include harm of a listed species.

In addition to species listed under state and federal Endangered Species, Sections 15380(b) and (c) of the CEQA Guidelines provide that all potential rare or sensitive species, or habitats, capable of supporting rare species, must be considered as part of the environmental review process. These include plant species listed by the California Native Plant Society and CDFW-listed Species of Special Concern.

Migratory Bird Treaty Act

The federal Migratory Bird Treaty Act (MBTA) prohibits killing, capture, possession, or trade of migratory birds except in accordance with regulations prescribed by the Secretary of the Interior. Hunting and poaching are also prohibited. The taking and killing of birds resulting from an activity is not prohibited by the MBTA when the underlying purpose of that activity is not to take birds.³² Nesting birds are considered special-status species and are protected by the USFWS. The CDFW also protects migratory and nesting birds under California Fish and Game Code Sections 3503, 3503.5 and 3800. The CDFW defines taking as causing abandonment and/or loss of reproductive efforts through disturbance.

Sensitive Habitat Regulations

Wetland and riparian habitats are considered sensitive habitats under CEQA. They are also afforded protection under applicable federal, state, and local regulations, and are generally subject to regulation by the United States Army Corp of Engineers (USACE), Regional Water Quality Control Board (RWQCB), CDFW, and/or the USFWS under provisions of the federal Clean Water Act (e.g., Sections 303, 304, 404) and State of California Porter-Cologne Water Quality Control Act.

³² United States Department of the Interior. 2017. *Memorandum M-37050. The Migratory Bird Treaty Act Does Not Prohibit Incidental Take*. Available: <https://www.doi.gov/sites/doi.gov/files/uploads/m-37050.pdf>. Accessed: February 5, 2024.

Fish and Game Code Section 1602

Streambeds and banks, as well as associated riparian habitat, are regulated by the CDFW per Section 1602 of the Fish and Game Code. Work within the bed or banks of a stream or the adjacent riparian habitat requires a Streambed Alteration Agreement from the CDFW.

Regional and Local

Santa Clara Valley Habitat Plan/Natural Community Conservation Plan

The Santa Clara Valley Habitat Plan/Natural Community Conservation Plan (Habitat Plan) covers approximately 520,000 acres, or approximately 62 percent of Santa Clara County. It was developed and adopted through a partnership between Santa Clara County, the Cities of San José, Morgan Hill, and Gilroy, Santa Clara Valley Water District (Valley Water), Santa Clara Valley Transportation Authority (VTA), USFWS, and CDFW. The Habitat Plan is intended to promote the recovery of endangered species and enhance ecological diversity and function, while accommodating planned growth in southern Santa Clara County. The Santa Clara Valley Habitat Agency is responsible for implementing the plan. The project site is outside of the Santa Clara Valley Habitat Plan's study area.

Santa Clara 2010-2035 General Plan³³

The Conservation Goals and Policies section of the General Plan addresses the City's goals, policies, and implementing actions regarding biological resources. The following policies in the General Plan related to biological resources are applicable to the project:

- 5.10.1-P1** Require environmental review prior to approval of any development with the potential to degrade the habitat of any threatened or endangered species.
- 5.10.1-P3** Require preservation of all City-designated heritage trees listed in the Heritage Tree Appendix 8.10 of the General Plan.
- 5.10.1-P4** Protect all healthy cedars, redwoods, oaks, olives, bay laurel and pepper trees of any size, and all other trees over 36 inches in circumference measured from 48 inches above-grade on private and public property as well as in the public right-of-way.

Santa Clara City Code Section 12.35.080- Protected Trees

Section 12.35.080 under Chapter 12.35 of the City Code outlines what constitutes a protected tree in the City. The removal of any tree that qualifies as protected trees within the City requires a tree removal permit from the City's Community Development Department prior to removal. Section 12.35.080 of the City Code defines protected trees as:

- Heritage trees in all zoning districts
- All specimen trees with a diameter of 12 inches or more when measured at 54 inches above natural grade of the following species: (1) *Aesculus californica* (California buckeye); (2) *Acer*

³³ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

macrophyllum (big leaf maple); (3) *Cedrus deodara* (deodar cedar); (4) *Cedrus atlantica* “Glauca” (blue Atlas cedar); (5) *Cinnamomum camphora* (camphor tree); (6) *Platanus racemosa* (western sycamore); (7) *Quercus* (native oak tree species), including *Quercus agrifolia* (coast live oak), *Quercus lobata* (valley oak), *Quercus kelloggii* (black oak), *Quercus douglasii* (blue oak), *Quercus wislizeni* (interior live oak); (8) *Sequoia sempervirens* (coast redwood); (9) *Umbellularia californica* (bay laurel or California bay).

- Approved development trees
- A private tree which has a trunk with a diameter of thirty-eight (38) inches or more measured at fifty-four (54) inches above natural grade.
- A multibranched private tree which has major branches below fifty-four (54) inches above the natural grade with a diameter of thirty-eight (38) inches or more measured just below the first major trunk fork.

Environmental Setting

The project site is developed with a one-story furniture store and paved parking lot. Minimal landscaping and mature trees are located along the southern side of the property facing Comstock.

The area surrounding the project site is urbanized and comprised of industrial developments. Wildlife habitats in developed urban areas are low in species diversity. Species that use the habitat on the site are predominately urban adapted birds, such as rock doves, mourning doves, house sparrows, finches, and starlings. Special status plants and wildlife species are not present on the project site, although raptors (birds of prey) could use the trees on the site for nesting or as a roost. Raptors are protected by the Federal Migratory Bird Treaty Act (MBTA) (16 U.S.C. Section 703, et seq).

Trees located on the project site are primarily non-native species in varying sizes and levels of health. As stated in the **Regulatory Settings** above, City policy is to protect all heritage trees, specimen trees referenced in Chapter 12.35, Section 12.35.080 of the City’s code with a diameter of 12 inches in diameter or more as measured from 54 inches above the natural grade, approved development tree and any private tree which has a trunk with a diameter of 38 inches or more when measured at 54 inches above natural grade. Within the boundaries of the project site there are a total of 25 trees that will be removed, none of which are considered protected trees by the City. A summary of tree diameter and conditions is provided in **Table 2-8** below.

Table 2-8 Summary of Existing On-Site Trees

Common Name	DBH	Condition	On Site/Off site Protect/Remove	Tree Mitigation Required
<i>Washingtonia robusta</i>	12"	Good	On Site/ Remove	No
<i>Lagerstroemia indica</i>	2"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	2"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	1", 1", 2"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	1", 2", 1", 1"	Poor	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	1", 2", 3", 1"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	1", 2", 2", 3"	Moderate	On Site/ Remove	No
<i>Lagerstroemia indica</i>	2"	Good	On Site/ Remove	No
<i>Olea europea</i>	6", 6", 4"	Moderate	On Site/ Remove	No
<i>Olea europea</i>	5", 6", 7", 8"	Moderate	On Site/ Remove	No
<i>Olea europea</i>	8", 8", 8", 6"	Moderate	On Site/ Remove	No
<i>Olea europea</i>	8", 9", 9"	Moderate	On Site/ Remove	No
<i>Lagerstroemia indica</i>	1"	Poor	On Site/ Remove	No
<i>Lagerstroemia indica</i>	1"	Poor	On Site/ Remove	No
<i>Olea europea</i>	9", 8"	Moderate	On Site/ Remove	No
<i>Olea europea</i>	9", 6", 6"	Moderate	On Site/ Remove	No
<i>Olea europea</i>	10", 5"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	4"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	3"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	2", 2", 1", 1"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	2", 2", 1", 1"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	3", 2", 2", 3"	Moderate	On Site/ Remove	No
<i>Prunus cerasifera</i> 'Thundercloud'	3", 2", 1", 1"	Moderate	On Site/ Remove	No
<i>Lagerstroemia indica</i>	2"	Good	On Site/ Remove	No
<i>Lagerstroemia indica</i>	2"	Good	On Site/ Remove	No
<i>Platanus acerifolia</i>	18"	Good	Offsite/ Protect	Not Applicable
<i>Arbus 'Marina'</i>	6"	Poor	Offsite/ Protect	Not Applicable
<i>Arbus 'Marina'</i>	10"	Good	Offsite/ Protect	Not Applicable
<i>Arbus 'Marina'</i>	8"	Good	Offsite/ Protect	Not Applicable
<i>Arbus 'Marina'</i>	12"	Good	Offsite/ Protect	Not Applicable

Source: WLCA, 2022

Impact Discussion

- a) **Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as candidate, sensitive, or special status species in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?**

Less than Significant Impact with Mitigation. No special-status plants have the potential to occur within the study area, which is composed of developed areas and landscaped vegetation. There are no natural communities capable of supporting special-status plants within the project site. The study area contains potentially suitable habitat for special-status species and nesting birds, but none of the species are expected to inhabit the project site. Both species with the potential to occur have only a low potential to occur, in which they could incidentally occur within the developed and landscaped areas when dispersing or foraging. Potential impacts for each species with potential to occur on-site are discussed below.

Western Bumble Bee

Significant impacts to western bumble bees may occur if a colony is present on the project site and is excavated or crushed. Since no suitable nesting habitat (burrows, proper substrate) were found in the study area, bumble bee colonies are not expected to occur. While foraging individuals passing through the project area could be injured or killed during construction, the probability of this occurring is low based on the low likelihood of bumble bee presence, and the impact would be less than significant.

Monarch Butterfly – California Overwintering Population

Significant impacts to monarch butterfly populations may occur if an overwintering colony is disturbed. No suitable overwintering roosting habitat was found to occur in the study area. If work occurs during migratory flight periods (approximately September-October and February-April), injury or mortality to individuals entering the work area could occur. However, given the low likelihood of monarch presence and the nature of construction activities, the impact to monarch butterfly would be less than significant.

Nesting Birds

Native bird nests protected by CFGC Section 3503 are likely to occur within the project vicinity and impacts to nesting birds could occur if work is scheduled during the nesting bird season (generally February 1 through August). Direct impacts to nesting birds could occur through removal of vegetation if active nests are present. Impacts could also occur if active nests are present near active construction or staging areas, such that construction-related disturbance results in nest abandonment and mortality, which would be a significant impact.

Impact BIO-1: Construction, including removal of trees, could impact nesting birds.

BIO MM-1: Nesting Bird Survey

To the degree feasible, construction should be scheduled to occur outside the nesting bird season from September 15 through January 15. If construction occurs during the nesting bird season (January 15 through September 15), pre-construction surveys will be conducted by a qualified biologist no more than one week prior to construction to determine the presence/absence of

nesting birds within the project site. If active nests are found, the qualified biologist will establish an appropriate buffer, taking into account the species sensitivity and physical location of the nest (line of site to the work area). In no cases will the buffer be smaller than 50 feet for non-raptor bird species and 200 feet for raptor species. To prevent encroachment, the established buffer(s) will be clearly marked by high visibility material. The established buffer(s) will remain in effect until the young have fledged or the nest has been abandoned as confirmed by the qualified biologist.

With implementation of **BIO MM-1**, nesting birds would be protected from disturbance and other direct and indirect impacts from construction. Therefore, impacts to nesting birds would be less than significant.

b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

No Impact. The project site is developed and located in an urbanized area. There are no riparian habitats located within or adjacent to the site, and the project does not support other sensitive natural communities. For these reasons, the project would not have a substantial adverse effect on any riparian habitat or other sensitive community identified in local or regional plans, policies, regulations or by the CDFW or USFWS. Therefore, there would be no impact to riparian habitats or other sensitive communities as a result of the project.

c) Have a substantial adverse impact on state or federally protected wetlands a(including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

No Impact. The project site is developed and located in an urbanized area. The project site does not contain state or federally protected wetlands. Therefore, there would be no impact to federally protected wetlands or jurisdictional waters as a result of the project.

d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with an established resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?

No Impact. The project site is developed and surrounded by urban development. No significant wildlife movement corridors or habitat linkages are present in the study area. Due to the existing dense urban setting of the area and the small area of landscape cover, the project is not likely to interfere substantially with the movement of wildlife species. For these reasons, the project would not interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites.

e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

Less than Significant Impact. The Santa Clara General Plan and City Code include policies and ordinances to protect biological resources. The proposed project would occur entirely within developed or landscaped areas and would avoid impacts to sensitive biological resources. All tree species to be

removed from the project area are within private property and are not within the public right of way. None of the trees on the project site are listed as city-designated heritage trees. Therefore, no conflicts with local policies or ordinances protecting biological resources are expected.

f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or State habitat conservation plan?

No Impact. No habitat conservation plan or natural community conservation plans have been adopted that include the project site. The Santa Clara Valley Habitat Plan (Habitat Plan) is both a habitat conservation plan and natural community conservation plan which encompasses 519,506 acres located in Santa Clara County and was adopted in 2013 by all local participating agencies. The project site and immediate vicinity are not located within the boundaries of the Santa Clara Valley HCP/NCCP study area and the City is not a member jurisdiction of the Habitat Plan.³⁴ Therefore, the project is not subject to the obligations imposed upon member agencies and implementation of the project would not conflict with the plan, and no impact would occur.

³⁴ Santa Clara Valley Habitat Agency. 2012. *Santa Clara Valley Habitat Plan, Chapter 3: Physical and Biological Resources*. Available: <https://scvha.maps.arcgis.com/apps/webappviewer/index.html?id=f2268679c2fa49489e3f7d6e8377837e>. Accessed: January 24, 2024.

2.5. Cultural Resources

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource, pursuant to Section 15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This discussion is based in part on the findings of a CHRIS search request documented in the approved IS/MND for a proposed data center on the adjacent property at 1111 Comstock Street in 2023, and based, in part, on a new CHRIS search request which was completed for this project on February 12, 2024, and has been included as **Appendix D** of this IS/MND document. The CHRIS search for the adjacent project is relevant to the current project because these searches include the site of a proposed project as well as a buffer area. In this case, the current project site is within the buffer area of the earlier project.

Regulatory Setting

Cultural resources are evidence of past human occupation and activity and include both historical and archaeological resources. These resources may be located above ground or below ground and have significance in history, prehistory, architecture, architecture of cultural of the nation, State of California, or local or tribal communities.

Federal and State

National Historic Preservation Act

Federal protection is legislated by the National Historic Preservation Act of 1966 (NHPA) and the Archaeological Resource Protection Act of 1979. These laws maintain processes for determination of the effects on historical properties eligible for listing in the National Register of Historic Places (NRHP). Section 106 of the NHPA and related regulations (36 Code of Federal Regulations [CFR] Part 800) constitute the primary federal regulatory framework guiding cultural resources investigations and require consideration of effects on properties that are listed or eligible for listing in the NRHP. Impacts to properties listed in the NRHP must be evaluated under CEQA.

California Register of Historical Resources

The California Register of Historical Resources (CRHR) is administered by the State Office of Historic Preservation and encourages protection of resources of architectural, historical, archeological, and

cultural significance. The CRHR identifies historical resources for state and local planning purposes and affords protections under CEQA. Under Public Resources Code Section 5024.1(c), a resource may be eligible for listing in the CRHR if it meets any of the NRHP criteria.³⁵³⁶

Historical resources eligible for listing in the CRHR must meet the significance criteria described previously and retain enough of their historic character or appearance to be recognizable as historical resources and to convey the reasons for their significance. A resource that has lost its historic character or appearance may still have sufficient integrity for the CRHR if it maintains the potential to yield significant scientific or historical information or specific data.

The concept of integrity is essential to identifying the important physical characteristics of historical resources and, therefore, in evaluating adverse changes to them. Integrity is defined as “the authenticity of a historical resource’s physical identity evidenced by the survival of characteristics that existed during the resource’s period of significance.” The process of determining integrity are similar for both the CRHR and NRHP and use the same seven variables or aspects to define integrity that are used to evaluate a resource’s eligibility for listing. These seven characteristics include: location, design, setting, materials, workmanship, feeling, and association.

California Native American Historical, Cultural, and Sacred Sites Act

The California Native American Historical, Cultural, and Sacred Sites Act applies to both state and private lands. The act requires that upon discovery of human remains, construction or excavation activity must cease, and the county coroner be notified.

Public Resources Code Sections 5097 and 5097.98

Section 15064.5 of the CEQA Guidelines specifies procedures to be used in the event of an unexpected discovery of Native American human remains on non-federal land. These procedures are outlined in Public Resources Code Sections 5097 and 5097.98. These codes protect such remains from disturbance, vandalism, and inadvertent destruction as well as establish procedures to be implemented if Native American skeletal remains are discovered during construction of a project and establish the Native American Heritage Commission (NAHC) as the authority to resolve disputes regarding disposition of such remains.

Pursuant to Public Resources Code Section 5097.98, in the event of human remains discovery, no further disturbance is allowed until the county coroner has made the necessary findings regarding the origin and disposition of the remains. If the remains are of a Native American, the county coroner must notify the NAHC. The NAHC then notifies those persons most likely to be related to the Native American

³⁵ Office of Historic Recreation Department of Parks and Recreation (OHP). 2001. *California Office of Historic Preservation Technical Assistance Series #1: California Environmental Quality Act (CEQA) and Historical Resources*. Available: <https://ohp.parks.ca.gov/pages/1054/files/ts01ca.pdf>. Accessed: February 5, 2024.

³⁶ California Office of Historic Preservation. 2011. CEQA Guidelines Section 15064.5 (a)(3) and California Office of Historic Preservation Technical Assistance Series #6. Available: <https://ohp.parks.ca.gov/pages/1069/files/technical%20assistance%20bulletin%206%202011%20update.pdf>. Accessed: February 5, 2024.

remains. The code section also stipulates the procedures that the descendants may follow for treating or disposing of the remains and associated grave goods.

Environmental Setting

Historic Resources

The project site has been developed with the existing office building since 1974. Buildings surrounding the site were constructed in 1968 or later. According to a review of historical records, the project site was undeveloped land from at least 1889 through 1938. Circa 1939, aerial photographs depict the project site being utilized for agricultural uses. Circa 1974, the site was developed with the current commercial/industrial structure. According to the CHRIS search prepared for this project, the State Office of Historic Preservation Built Environment Resources Directory (OHP BERD) lists no recorded buildings or structures within or adjacent to the project area. In addition to these inventories, the Northwest Information Center (NWIC) base maps show no recorded buildings or structures within the proposed Comstock Prime Data Center project area.

Archaeological/Prehistoric Resources

Although there is no immediate evidence that would suggest the presence of subsurface cultural resources, the project site is located in a culturally sensitive area due to known prehistoric and historic occupation of Santa Clara and proximity to the nearby creek.³⁷ The project site is located approximately 1.2 miles west of the Guadalupe River and 0.73 miles east of the San Tomas Aquino Creek. Native American settlements are commonly associated with the abundant food supply in the Santa Clara Valley. Aside from the sites already identified within the City, there may be other undiscovered archaeological sites. In addition, historic occupation of Santa Clara has been well documented, and the City has a strong record reflecting early settlement by Spanish missionaries. The project is located approximately 1.92 miles north from the second location of Mission Santa Clara. No archaeological sites have been recorded within or adjacent to the project area. The project area has not been previously studied for its cultural resource potential however, given the similarities of the environmental settings of known Native American resource site and the project site, there is a moderate to high potential for unrecorded Native American resources to be within the proposed Comstock Prime Data Center project area. (see **Appendix D**)

Impact Discussion

a) Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?

No Impact. The existing furniture store was constructed in 1974 and is not classified as a historic resource nor is it eligible to be listed on the CRHR, NRHP, or local register since it is less than 50 years of age. The buildings directly adjacent to the project site and in the immediate project area are not classified as historic by the City of Santa Clara and are not currently eligible for inclusion on the CRHR

³⁷ City of Santa Clara, 2020. *Initial Study 1111 Comstock Data Center*. Accessed November 3, 2023.

given they are less than 50 years of age and are of a common or modern architectural style.³⁸ Development of the project site would not physically damage or materially impair the integrity of any historic building. Implementation of the proposed project would, therefore, have no impact on any designated or eligible historic structures.

b) Cause a substantial adverse change in the significance of an archaeological resource, pursuant to Section 15064.5?

Less than Significant with Mitigation. Although there are no known prehistoric archaeological deposits on or adjacent to the site, there is a moderate to high potential for Native American sites within the project area. Construction on-site could result in the exposure or destruction of undiscovered subsurface prehistoric archaeological resources. If the exposure or destruction of subsurface prehistoric resources were to occur, it would be considered a significant impact. Therefore, the project will incorporate **CUL MM-1.1** and **CUL MM-1.2**, described below, to reduce the potential of significant impacts to archaeological resources to a less than significant level.

Impact CUL-1: Construction activities associated with the project, specifically ground disturbing activities, could adversely impact the significance of an archaeological resource.

CUL MM-1.1: Archaeological Monitoring

A Secretary of the Interior-qualified archaeologist and a Native American cultural resources monitor shall be on site to monitor grading and excavation of native soil. The project applicant shall submit the name and qualifications of the selected archaeologist and Native American Monitor to the Director of Community Development prior to the issuance of a grading permit. Preference in selecting Native American monitors shall be given to Native Americans with:

- Traditional ties to the area being monitored.
- Knowledge of local historic and prehistoric Native American village sites.
- Knowledge and understanding of Health and Safety Code, Section 7050.5 and Public Resources Code, Section 5097.9 et seq.
- Ability to effectively communicate the requirements of Health and Safety Code, Section 7050.5 and Public Resources Code, Section 5097.9 et seq.
- Ability to work with law enforcement officials and the NAHC to ensure the return of all associated grave goods taken from a Native American grave during excavation.
- Ability to travel to project sites within traditional tribal territory.
- Knowledge and understanding of Title 14, California Code of Regulations, Section 15064.5.
- Ability to advocate for the preservation in place of Native American cultural features through knowledge and understanding CEQA mitigation provisions.

³⁸ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan. Appendix 8.9: Historic Preservation and Resource Inventory*. Retrieved from: <https://www.santaclaraca.gov/home/showpublisheddocument/12893/635713044859030000>. Accessed: February 5, 2023.

- Ability to read a topographical map and be able to locate site and reburial locations for future inclusions in the NAHC's Sacred Lands Inventory.
- Knowledge and understanding of archaeological practices, including the phases of archaeological investigation.

CUL MM-1.2: Discovery of prehistoric or historic resources during construction

In the event that prehistoric or historic resources that are not discovered during presence/absence testing are encountered during excavation and/or grading of the site, all activity within a 50-foot radius of the find will be stopped, the Director of Community Development will be notified, and the archaeologist will examine the find and make appropriate recommendations prior to issuance of building permits. If the find is deemed significant, a Treatment Plan will be prepared as outlined in **CUL MM-1.1**.

c) Disturb any human remains, including those interred outside of dedicated cemeteries?

Less than Significant with Mitigation. Although there are no known human remains on the site, construction on-site could result in the exposure or destruction of undiscovered subsurface prehistoric human remains. If the exposure or destruction of these resources were to occur, it would be considered a significant impact. Therefore, the project will incorporate **CUL MM-2**, described below, to reduce the potential of disturbance of human remains to a less than significant level.

Impact CUL-2: During ground disturbing activities, the project could encounter human remains.

CUL MM-2: Protocol for Human Remains Discovery

In the event that human remains are discovered during presence/absence testing or excavation and/or grading of the project site, all activity within a 50-foot radius of the find will be stopped. The County Coroner will be notified and shall make a determination as to whether the remains are of Native American origin or whether an investigation into the cause of death is required. If the remains are determined to be Native American, the Coroner will notify the NAHC immediately. Once NAHC identifies the most likely descendants, the descendants will make recommendations regarding proper burial, which will be implemented in accordance with Section 15064.5(e) of the CEQA Guidelines. All actions taken under this mitigation measure shall comply with Health and Human Safety Code § 7050.5(b).

2.6. Energy

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The following discussion is based in part on an Energy Report prepared for the project in January 2024. A copy of this report is included as **Appendix B** to this Initial Study.

Regulatory Setting

Federal

Energy Independence and Security Act of 2007

The Energy Independence and Security Act, enacted by Congress in 2007, is designed to improve vehicle fuel economy and help reduce the United States’ dependence on foreign oil. It expands the production of renewable fuels, reducing dependence on oil, and confronting climate change. Specifically, it does the following:

- Increases the supply of alternative fuel sources by setting a mandatory Renewable Fuel Standard, requiring fuel producers to use at least 36 billion gallons of biofuel in 2022, which represents a nearly five-fold increase over current levels.
- Reduces U.S. demand for oil by setting a national fuel economy standard of 35 miles per gallon (mpg) by 2020 – an increase in fuel economy standards of 40 percent.

The Energy Independence and Security Act of 2007 also set energy efficiency standards for lighting (specifically light bulbs) and appliances. Development would also be required to install photosensors and energy-efficient lighting fixtures consistent with the requirements of 42 USC Section 17001 et seq.

Construction Equipment Fuel Efficiency Standards

The U.S. EPA sets emission standards for construction equipment. The first Federal standards (Tier 1) were adopted in 1994 for all off-road engines over 50 horsepower (hp) and were phased in by 2000. A new standard was adopted in 1998 that introduced Tier 1 for all equipment below 50 hp and established the Tier 2 and Tier 3 standards. The Tier 2 and Tier 3 standards were phased in by 2008 for all equipment. The current iteration of emissions standards for construction equipment are the Tier 4

efficiency requirements are contained in 40 Code of Federal Regulations Parts 1039, 1065, and 1068 (originally adopted in 69 Federal Register 38958 [June 29, 2004], and most recently updated in 2014 [79 Federal Register 46356]). Emissions requirements for new off-road Tier 4 vehicles were to be completely phased in by the end of 2015.

State

Executive Order B-55-18 To Achieve Carbon Neutrality

In September 2018, Governor Brown issued an executive order, EO-B-55-18 To Achieve Carbon Neutrality, setting a statewide goal “to achieve carbon neutrality as soon as possible, and no later than 2045, and achieve and maintain net negative emissions thereafter.” The executive order requires CARB to “ensure future Scoping Plans identify and recommend measures to achieve the carbon neutrality goal.” EO-B-55-18 supplements EO S-3-05 by requiring not only emissions reductions, but also that, by no later than 2045, the remaining emissions be offset by equivalent net removals of CO₂ from the atmosphere through sequestration.

California Energy Plan

The California Energy Commission (CEC) is responsible for preparing the California Energy Plan, which identifies emerging trends related to energy supply, demand, conservation, public health and safety, and the maintenance of a healthy economy. The 2008 California Energy Plan calls for the state to assist in the transformation of the transportation system to improve air quality, reduce congestion, and increase the efficient use of fuel supplies with the least environmental and energy costs. To further this policy, the plan identifies several strategies, including assistance to public agencies and fleet operators in implementing incentive programs for zero-emission vehicles and addressing their infrastructure needs, as well as encouragement of urban designs that reduce vehicle miles travelled and accommodate pedestrian and bicycle access.

Reducing California’s Petroleum Dependence (Assembly Bill 2076)

Pursuant to AB 2076 (Chapter 936, Statutes of 2000), the CEC and CARB prepared and adopted a joint-agency report, Reducing California’s Petroleum Dependence, in 2003. Included in this report are recommendations to increase the use of alternative fuels to 20 percent of on-road transportation fuel use by 2020 and 30 percent by 2030, significantly increase the efficiency of motor vehicles, and reduce per capita vehicle miles travelled. One of the performance-based goals of AB 2076 is to reduce petroleum demand to 15 percent below 2003 demand. Furthermore, in response to the CEC’s 2003 and 2005 Integrated Energy Policy Reports, the Governor directed the CEC to take the lead in developing a long-term plan to increase alternative fuel use.

Integrated Energy Policy Report

Senate Bill (SB) 1389 (Chapter 568, Statutes of 2002) required the CEC to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices. The CEC uses these assessments and forecasts to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state’s economy, and protect public health and safety. The most recent assessment, the 2018 Integrated Energy Policy

Report, contains two volumes. Volume one highlights the implementation of California's innovative policies and the role they have played in establishing a clean energy economy. Volume two, adopted February 20, 2019, provides more detail on several key energy policies, including decarbonizing buildings, increasing energy efficiency savings, and integrating more renewable energy into the electricity system.

Renewables Portfolio Standard Program

In 2002, California established its Renewables Portfolio Standard Program, with the goal of increasing the percentage of renewable energy in the state's electricity mix to 20 percent of retail sales by 2010. Governor Schwarzenegger issued Executive Order (EO) S-3-05, requiring statewide emissions reductions to 80 percent below 1990 levels by 2050. In 2008, EO S-14-08 was signed into law, requiring retail sellers of electricity serve 33 percent of their load with renewable energy by 2020. In October 2015, Governor Brown signed SB 350 to codify California's climate and clean energy goals. A key provision of SB 350 requires retail sellers and publicly owned utilities to procure 50 percent of their electricity from renewable sources by 2030. SB 100, passed in 2018, requires 100 percent of electricity in California to be provided by 100 percent renewable and carbon-free sources by 2045.

California Renewable Portfolio Standard and Senate Bill 100

Established in 2002 under SB 1078, and accelerated by SB 107 (2006), SB X 1-2 (2011), and SB 100 (2018), California's Renewable Portfolio Standard (RPS) obligates investor-owned utilities, energy service providers, and community choice aggregators to procure 33 percent total retail sales of electricity from renewable energy sources by 2020, 60 percent by 2030, and 100 percent by 2045. SB 100 also states "that it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100 percent of retail sales of electricity to California end-use customers and 100 percent of electricity procured to serve all state agencies by December 31, 2045." The California Public Utilities Commission and the CEC are jointly responsible for implementing the program.

Energy Action Plan

In the October 2005, the CEC and California Public Utilities Commission updated their energy policy vision by adding some important dimensions to the policy areas included in the original Energy Action Plan, such as the emerging importance of climate change, transportation-related energy issues. and research and development activities. The CEC adopted an update to the Energy Action Plan II in February 2008 that supplements the earlier energy action plans and examines the state's ongoing actions in the context of global climate change.

State Alternative Fuels Plan (Assembly Bill 1007)

AB 1007 (Chapter 371, Statutes of 2005) required the CEC to prepare a plan to increase the use of alternative fuels in California. The CEC prepared the State Alternative Fuels Plan in partnership with CARB and in consultation with other Federal, State, and local agencies. The Alternative Fuels Plan presents strategies and actions California must take to increase the use of alternative nonpetroleum fuels in a manner that minimizes costs to California and maximizes the economic benefits of in-state production. The Alternative Fuels Plan assessed various alternative fuels and developed fuel portfolios

to meet California's goals to reduce petroleum consumption, increase alternative fuels use, reduce GHG emissions, and increase in-state production of biofuels without causing a significant degradation of public health and environmental quality.

Bioenergy Action Plan (Executive Order S-06-06)

EO S-06-06 establishes targets for the use and production of biofuels and biopower and directs State agencies to work together to advance biomass programs in California while providing environmental protection and mitigation. The EO establishes the following targets to increase the production and use of bioenergy, including ethanol and biodiesel fuels made from renewable resources: produce a minimum of 20 percent of its biofuels in California by 2010, 40 percent by 2020, and 75 percent by 2050. EO S-06-06 also calls for the State to meet a target for the use of biomass electricity. The 2011 Bioenergy Action Plan identifies those barriers and recommends actions to address them so that the State can meet its clean energy, waste reduction, and climate protection goals. The 2012 Bioenergy Action Plan updated the 2011 Plan and provided a more detailed action plan to achieve the following goals:

- Increase environmentally and economically sustainable energy production from organic waste
- Encourage development of diverse bioenergy technologies that increase local electricity generation, combined heat and power facilities, renewable natural gas, and renewable liquid fuels for transportation and fuel cell applications
- Create jobs and stimulate economic development, especially in rural regions of the State
- Reduce fire danger, improve air and water quality, and reduce waste

Title 24, California Building Standards Code

The Energy Efficiency Standards for Residential and Nonresidential Buildings, as specified in Title 24, Part 6 of the California Code of Regulations (Title 24), was established in 1978 in response to a legislative mandate to reduce California's energy consumption. Title 24 is updated approximately every three years.³⁹ Compliance with Title 24 is mandatory at the time new building permits are issued by city and county governments.⁴⁰

Title 24 contains numerous subparts, including Part 1 (Administrative Code), Part 2 (Building Code), Part 3 (Electrical Code), Part 4 (Mechanical Code), Part 5 (Plumbing Code), Part 6 (Energy Code), Part 8 (Historical Building Code), Part 9 (Fire Code), Part 10 (Existing Building Code), Part 11 (Green Building Standards Code), Part 12 (Referenced Standards Code).

Part 6 (Building Energy Efficiency Standards)

Part 6 of Title 24 contains the 2019 Building Energy Efficiency Standards for new residential and non-residential buildings, which went into effect on January 1, 2020. Part 6 requires the design of building

³⁹ California Building Standards Commission (CBSC). 2022. *California Building Standards Code*. Available: <https://www.dgs.ca.gov/BSC/Codes#@ViewBag.JumpTo>. Accessed: February 5, 2024.

⁴⁰ California Energy Commission (CEC). 2019. *2019 Build Energy Efficiency Standards*. Available: <https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/2019-building-energy-efficiency>. Accessed: February 5, 2024.

shells and building components to conserve energy. The standards are updated periodically to allow for consideration and possible incorporation of new energy efficiency technologies and methods. The 2019 Standards focus on four key areas: 1) smart residential photovoltaic systems; 2) updated thermal envelope standards (preventing heat transfer from the interior to exterior and vice versa); 3) residential and nonresidential ventilation requirements; 4) and nonresidential lighting requirements. Under the 2019 Standards, nonresidential buildings will be 30 percent more energy-efficient compared to the 2016 Standards.

Part 11 (CALGreen)

On July 17, 2008, the California Building Standards Commission (CBSC) adopted the nation's first green building standards. The California Green Building Standards Code (24 CCR, Part 11, known as "CALGreen") was adopted as part of the California Building Standards Code (CBC), and is updated every 3 years. CALGreen established planning and design standards for sustainable site development, energy efficiency (in excess of the California Energy Code requirements), water conservation, material conservation, and internal air contaminants. The mandatory provisions of the CALGreen became effective January 1, 2011, and were updated in 2016. The 2016 Standards, which became effective on January 1, 2017, establish green building criteria for residential and nonresidential projects. The CEC adopted updates to the 2016 Standards in 2019 and 2022, the latter of which came into effect on January 1, 2023.

Local

City of Santa Clara Climate Action Plan

The City of Santa Clara CAP (2022) contains goals and policies that are designed to encourage reduced energy use. The following goals and policies that would apply to the project:

Building & Energy

Goal: Transition to clean, renewable energy sources and reduce energy consumption.

Action B-1-7: Carbon-neutral data centers. Require all new data centers to operate on 100 percent carbon neutral energy, with offsets as needed. This requirement does not apply to data centers with planning application approval within six months of the CAP adoption date.

City of Santa Clara City Code Chapter 15.36- Energy Code

The City's energy code is codified in Chapter 15.36, Adoption of the Energy Code, of the Santa Clara City Code (SCCC). Chapter 15.36 adopts the 2016 California Energy Code, published and copyrighted by the International Code Council, Inc., and the California Building Standards Commission in Part 6 of Title 24 of the California Code of Regulations.

Santa Clara 2010-2035 General Plan⁴¹

The Energy Goals and Policies section of the General Plan addresses the City's goals, policies, and implementing actions regarding energy. The following policies in the General Plan related to energy and energy use are applicable to the project:

- 5.10.3-P1** Promote the use of renewable energy resources, conservation and recycling programs.
- 5.10.3-P3** Maximize the efficient use of energy throughout the community by achieving adopted electricity efficiency targets and promoting natural gas efficiency, consistent with the CAP.
- 5.10.3-P4** Encourage new development to incorporate sustainable building design, site planning and construction, including encouraging solar opportunities.
- 5.10.3-P5** Reduce energy consumption through sustainable construction practices, materials and recycling.
- 5.10.3-P6** Promote sustainable buildings and land planning for all new development, including programs that reduce energy and water consumption in new development.
- 5.10.3-P8** Provide incentives for LEED certified, or equivalent development.
- 5.10.3-P11** Continue innovative energy programs to develop cost effective alternative power sources and encourage conservation.

Environmental Setting

In 2021, California used 277,764 gigawatt-hours (GWh) of electricity, of which 35 percent were from renewable resources.⁴² California also consumed approximately 11,923 million U.S. therms (MMthm) of natural gas in 2022.⁴³ The project site would be provided with electricity by Silicon Valley Power and natural gas by Pacific Gas & Electric (PG&E). **Table 2-9** and **Table 2-10** show the electricity and natural gas consumption by sector and total for Silicon Valley Power and PG&E. In 2021, Silicon Valley Power provided approximately 1.6 percent of the total electricity used in California. Also in 2021, PG&E provided approximately 37.5 percent of the total natural gas usage in California.

⁴¹ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

⁴² California Energy Commission (CEC). 2023. *Revised Transportation Energy Demand Forecast 2018-2030*. Retrieved from: <https://efiling.energy.ca.gov/getdocument.aspx?tn=221893>. Accessed: February 1, 2024.

⁴³ CEC. 2023. *Gas Consumption by County*. Retrieved from: <http://www.ecdms.energy.ca.gov/gasbycounty.aspx>. Accessed: February 1, 2024.

Table 2-9 Electricity Consumption in the Silicon Valley Power Service Area In 2021

Agriculture and Water Pump	Commercial Building	Commercial Other	Industry	Mining and Construction	Residential	Streetlight	Total Usage
0.1	3,090.7	46.2	910.9	80.2	251.1	3.0	4,382

Notes: All usage expressed in GWh

Source: CEC 2023c

Table 2-10 Natural Gas Consumption in PG&E Service Area in 2021

Agriculture and Water Pump	Commercial Building	Commercial Other	Industry	Mining and Construction	Residential	Total Usage
52.5	834.9	50.4	1,429.8	223.5	1,877.0	4,467.1

Notes: All usage expressed in MMThm

Source: CEC 2023d

Petroleum

In 2021, the transportation sector used approximately 83 percent of the petroleum consumed in the state.⁴⁴ Californians presently consume over 19 billion gallons of motor vehicle fuels per year.⁴⁵ Though California's population and economy are expected to grow, gasoline demand is projected to decline from roughly 15.6 billion gallons in 2017 to between 12.1 billion and 12.6 billion gallons in 2030, a 19 percent to 22 percent reduction. This decline comes in response to both increasing vehicle electrification and higher fuel economy for new gasoline vehicles.⁴⁶

Impact Discussion

a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?

Construction

Less than Significant Impact. During project construction, energy would be consumed in the form of petroleum-based fuels used to power off-road construction vehicles and equipment on the project site, construction workers travel to and from the project site, and vehicles used to deliver materials. In addition, the project would require hauling material offsite during demolition; vendor trips during building construction; and worker trips for all phases of construction, such as demolition, site preparation, grading, paving, building construction, and architectural coating.

⁴⁴ U.S. Energy Information Administration (U.S. EIA). 2023. Table C14. *Total Energy Consumption Estimates per Capita by End-Use Sector, Ranked by State, 2020*. Retrieved from: https://www.eia.gov/state/seds/data.php?incfile=/state/seds/sep_sum/html/rank_use_capita.html&sid=US&sid=CA. Accessed: February 1, 2024.

⁴⁵ CEC. 2018. *Revised Transportation Energy Demand Forecast 2018-2030*. Retrieved from: <https://efiling.energy.ca.gov/getdocument.aspx?tn=221893>. Accessed: February 1, 2024.

⁴⁶ CEC. 2018. *Revised Transportation Energy Demand Forecast 2018-2030*. Retrieved from: <https://efiling.energy.ca.gov/getdocument.aspx?tn=221893>. Accessed: February 1, 2024.

The total gasoline and diesel fuel consumption during project construction was estimated using the assumptions and factors from CalEEMod used to estimate construction air emissions. **Table 2-11** presents the estimated construction phase energy consumption, indicating construction equipment and hauling and vendor trips would consume 44,522 gallons of diesel fuel, and worker trips would consume about 963 gallons of other petroleum fuel over the project construction period.

Table 2-11 Proposed Project Construction Energy Usage

Source	Gallons of Fuel
Diesel Fuel (Construction Equipment)	23,581
Diesel Fuel (Hauling and Vendor Trips)	9,901
Other Petroleum Fuel (Worker Trips)	10,977
Total	44,460

Source: Rincon Consultants, 2024

The construction energy estimates represent a conservative estimate as the construction equipment used in each construction phase was assumed to operate every day of construction. Construction equipment would be maintained to applicable standards, and construction activity and associated fuel consumption and energy use would be temporary and typical for construction sites. It is reasonable to assume contractors would avoid wasteful, inefficient, and unnecessary fuel consumption during construction to reduce construction costs. Therefore, the project would not involve inefficient, wasteful, and unnecessary energy use during construction, and the construction-phase impact related to energy consumption would be less than significant.

Operation

Less than Significant Impact. The operation of the project would increase area energy demand from greater electricity consumption. Electricity would be used to provide power for data halls (computer servers), heating and cooling systems, lighting, appliances, and water use. The project would result in a net decrease of daily vehicle trips compared to existing conditions. Gasoline consumption is typically attributed to the trips generated from people employed by the project.

It is assumed that energy consumption will operate on 100 percent carbon neutral energy to meet compliance with Santa Clara CAP Action B-1-7. As mentioned, the project would be served by Silicon Valley Power, which provided more than 4,382 GWh of electricity in 2021. A will-serve letter is being requested from Silicon Valley Power to confirm there would be sufficient supplies for the project and it would not place a significant demand on the electrical supply. Natural gas is not included on the project site; therefore, it is excluded from this analysis.

The project would also comply with all standards set in California Building Code (CBC) Title 24, which would minimize the wasteful, inefficient, or unnecessary consumption of energy resources during operation. California’s Green Building Standards Code (CALGreen; California Code of Regulations, Title 24, Part 11) requires implementation of energy efficient light fixtures and building materials into the design of new construction projects. Furthermore, the 2022 Building Energy Efficiency Standards (CBC Title 24, Part 6) requires newly constructed buildings to meet energy performance standards set by the

Energy Commission. As the name implies, these standards are specifically crafted for new buildings to result in energy efficient performance so that the buildings do not result in wasteful, inefficient, or unnecessary consumption of energy. The standards are updated every three years and each iteration is more energy efficient than the previous standards. Furthermore, the project would further reduce its use of nonrenewable energy resources as the electricity generated by renewable resources provided by SCE continues to increase to comply with state requirements through Senate Bill 100, which requires electricity providers to increase procurement from eligible renewable energy resources to 60 percent by 2030 and 100 percent by 2045. In addition, the project's data center use would comply with City of Santa Clara CAP Action B-1-7 for 100 percent carbon-neutral energy.

The construction of the project would be temporary and typical of similar projects and would not result in wasteful use energy. The operation of the project would increase the use of electricity on-site. However, the increase would be in conformance with the latest version of California's Green Building Standards Code and Building Energy Efficiency Standards. In addition, Silicon Valley Power and PG&E have sufficient supplies to serve the project. Therefore, the operation would not result in wasteful or unnecessary energy consumption. The project's impact would be less than significant, and no mitigation would be required.

b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?

Less than Significant Impact. As discussed in the Regulatory Setting section above, the City's General Plan and CAP include several goals and policies related to renewable energy and energy efficiency. The project's consistency with these goals and policies is evaluated in **Table 2-12**. As shown therein, the proposed project would be consistent with renewable energy and energy efficiency plans. Therefore, impacts would be less than significant, and no mitigation is required.

Table 2-12 Project Consistency with Plans for Renewable Energy and Energy Efficiency

Energy Efficiency Goal or Policy	Project Consistency
Santa Clara General Plan	
<p>Goal 5.10.3-G1. Energy supply and distribution maximizes the use of renewable resources.</p> <ul style="list-style-type: none"> Policy 5.10.3-P1. Promote the use of renewable energy resources, conservation and recycling programs. 	<p>Consistent. The proposed project would source its electricity from Silicon Valley Power, which has a renewable energy procurement portfolio of 35.9 percent renewable resources. Silicon Valley Power would be subject to the provisions of SB 100, which requires utility providers to increase their renewable energy procurement portfolios to 60 percent by 2030 and 100 percent by 2045. In addition, the project's data center use would comply with City of Santa Clara CAP Action B-1-7 for 100 percent carbon-neutral energy. Therefore, the project would be consistent with Goal 5.10.3-G1.</p>
<p>Goal 5.10.3-G2. Implementation of energy conservation measures to reduce consumption.</p> <ul style="list-style-type: none"> Policy 5.10.3-P4. Encourage new development to incorporate sustainable building design, site planning and construction, including encouraging solar opportunities. 	<p>Consistent. The proposed building would comply with the latest iteration of Title 24 standards. The project would also be required to comply with the requirements of 2022 CALGreen, which mandates a minimum diversion rate of 65 percent for construction and demolition waste. In addition, the project would provide electric vehicle charging stations, install water efficient bathroom utilities, and high efficiency HVAC and water heater systems. Therefore, the project</p>

Energy Efficiency Goal or Policy	Project Consistency
<ul style="list-style-type: none"> ● Policy 5.10.3-P5. Reduce energy consumption through sustainable construction practices, materials and recycling. ● Policy 5.10.3-P6. Promote sustainable buildings and land planning for all new development, including programs that reduce energy and water consumption in new development. 	<p>would be consistent with Goal 5.10.3-G3, Policy 5.10.3-P4, Policy 5.10.3-P5, and Policy 5.10.3-P6.</p>
Santa Clara Climate Action Plan	
<p>Strategy B1: Shift to Electric Fuels in new and existing buildings to achieve net-zero carbon buildings.</p> <ul style="list-style-type: none"> ● Action B-1-7: Carbon-neutral data centers: Require all new data centers to operate on 100% carbon neutral energy, with offsets as needed. This requirement does not apply to data centers with planning application approval within six months of the CAP adoption date (June 7, 2022). 	<p>Consistent. The project's data center would comply with Action B-1-7.</p>

Sources: City of Santa Clara 2010 and 2022

2.7. Geology and Soils

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Section 1803.5.3 of the California Building Code (2022), creating substantial risks to life or property?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This section is based in part on the Preliminary Geotechnical Investigation prepared for this project in November 2021. A copy of this report has been included as **Appendix E** of this Initial Study.

Regulatory Setting

Federal

The National Environmental Policy Act of 1969 (NEPA)

The National Environmental Policy Act of 1969, [NEPA] as amended (Public Law [Pub. L.] 91-190, 42 United States Code [USC] 4321-4347, January 1, 1970, as amended by Pub. L. 94-52, July 3, 1975, Pub. L. 94-83, August 9, 1975, and Pub. L. 97-258 § 4(b), Sept. 13, 1982) recognizes the continuing responsibility of the Federal Government to "preserve important historic, cultural, and natural aspects of our national heritage." (Sec. 101 [42 USC § 4321]) (#382). With the passage of the Paleontological Resources Preservation Act (PRPA) (2009), paleontological resources are considered to be a significant resource and it is therefore now standard practice to include paleontological resources in NEPA studies in all instances where there is a possible impact.

State

Alquist-Priolo Earthquake Fault Zoning Act⁴⁷

The Alquist- Priolo Earthquake Fault Zoning Act was passed following the 1971 San Fernando earthquake. This law regulates development in California near known active faults due to hazards that are associated with surface fault ruptures. Alquist-Priolo maps are distributed to affected cities, counties, and state agencies for their use in planning and controlling new construction. Areas within an Alquist-Priolo Earthquake Fault Zone require special studies to evaluate the potential for surface rupture to ensure that no structures intended for human occupancy are constructed across an active fault.

Seismic Hazards Mapping Act

The Seismic Hazard Mapping Act (SHMA) was passed in 1990 following the 1989 Loma Prieta earthquake. The SHMA directs the California Geological Survey (CGS) to identify and map areas prone to liquefaction, earthquake induced landslides, and amplified ground shaking. CGS has completed seismic hazard mapping for the portions of California most susceptible to liquefaction, landslides, and ground shaking, including the central San Francisco Bay Area. The SHMA requires that agencies only approve projects in seismic hazard zones following site-specific geotechnical investigations to determine if the seismic hazard is present and identify measures to reduce earthquake-related hazards.

California Building Standards Code

The California Building Standards Code (CBC) prescribes standards for constructing safe buildings. The CBC contains provisions for earthquake safety based on factors such as occupancy type, soil and rock profile, ground strength, and distance to seismic sources. The CBC requires that a site-specific

⁴⁷ Alquist-Priolo Earthquake Fault Zoning Act. Stats. 1994. *Chapter 7.5. Earthquake Fault Zoning [2621 - 2630]*. Available: https://leginfo.ca.gov/faces/codes_displayText.xhtml?division=2.&chapter=7.5.&lawCode=PRC. Accessed: January 24, 2024.

geotechnical investigation report be prepared for most development projects to evaluate seismic and geologic conditions such as surface fault ruptures, ground shaking, liquefaction, differential settlement, lateral spreading, expansive soils, and slope stability. The CBC is updated every three years.

California Division of Occupational Safety and Health Regulations

Excavation, shoring, and trenching activities during construction are subject to occupational safety standards for stabilization by the California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) under Title 8 of the California Code of Regulations and Excavation Rules. These regulations minimize the potential for instability and collapse that could injure construction workers on the site.

Public Resources Code Section 5097.5

Paleontological resources are the fossilized remains of organisms from prehistoric environments found in geologic strata. The fossilized remains range from mammoth and dinosaur bones to impressions of ancient animals and plants, trace remains and microfossils. These are valued for the information they yield about the history of the earth and its past ecological settings. California Public Resources Code Section 5097.5 specifies that unauthorized removal of a paleontological resource is a misdemeanor. Under the CEQA Guidelines, a project would have a significant impact on paleontological resources if it would disturb or destroy a unique paleontological resource or site or unique geological feature.

Local

City of Santa Clara General Plan

General Plan policies applicable to geology and soils include, but are not limited to the following:

- 5.6.3-P5: In the event that archaeological/paleontological resources are discovered, require that work be suspended until the significance of the find and recommended actions are determined by a qualified archaeologist/ paleontologist
- 5.10.5-P5: Regulate development, including remodeling or structural rehabilitation, to ensure adequate mitigation of safety hazards, including flooding, seismic, erosion, liquefaction, and subsidence dangers
- 5.10.5-P6: Require that new development is designed to meet current safety standards and implement appropriate building code to reduce risks associated with geologic conditions
- 5.10.5-P7: Implement all recommendations and design solutions identified in project soils reports to reduce potential adverse effects associated with unstable soils or seismic hazards

Santa Clara City Code Title 15- Buildings and Construction

Title 15 of the Santa Clara City Code includes the City's adopted Building and Constructing Code. These regulations are based on the CBC and include requirements for building foundations, walls, and seismic resistant design. Requirements for grading and excavation permits and erosion control are included in Chapter 15.15 (Building Code). Requirements for building safety and earthquake reduction hazard are addressed in Chapter 15.55 (Seismic Hazard Identification).

Environmental Setting

The project site is located in the Santa Clara Valley, a relatively flat alluvial basin, bounded by the Santa Cruz Mountains to the southwest and west, the Diablo Mountain Range to the east, and the San Francisco Bay to the north. According to previous geotechnical investigations in the vicinity, the project site is likely underlain by alluvial deposits consisting of moderately compressible, medium stiff to hard clay. Near surface clay is anticipated to be highly expansive. Expansive soils refer to soils that undergoes large volume changes with changes in moisture content. The historic high groundwater level is approximately between five and 10 feet bgs (see **Appendix E**). Previous investigations encountered groundwater at approximately five to 10 feet bgs. Groundwater is expected to fluctuate depending on tide, rainfall and seasonal conditions.

No known active or potentially active faults cross the project site, and the project site is not within an Earthquake Fault Zone as delineated by the Alquist-Priolo Earthquake Fault Zoning Act.⁴⁸ However, the project site is located within a State-designated Liquefaction Hazard Zone as well as a Santa Clara County Liquefaction Hazard Zone.⁴⁹⁵⁰ Liquefaction is the result of seismic activity and is characterized as the transformation of loose water-saturated soils from a solid state to a liquid state after ground shaking. There

While the project is not within an Earthquake Fault Zone, the San Francisco Bay Area region has multiple seismically active faults, making the area subject to strong ground shaking in the event of an earthquake. The location of the faults closest to the project site and other faults of the region can be seen in Figure 3 of **Appendix E**. For each of these faults, as well as other active faults within 30 miles of the project site, the distance from the project site and mean Moment Magnitude is summarized in **Table 2-13**. Mean Characteristic Moment Magnitude is an energy-based scale and provides a physically meaningful measure of the size of a faulting event. Moment magnitude is directly related to average slip and fault rupture area. Given the site's proximity to the faults, moderate to severe earthquakes can cause strong ground shaking at the site.

Table 2-13 Approximate Distances to Nearby Fault Zones

Fault Segment	Approximate Distance From the Project Site (Miles)	Direction from Site	Mean Characteristic Moment Magnitude
Total Hayward-Roger's Creek Healdsburg	6.8	Northeast	7.6
Monte Vista-Shannon	7.4	Southwest	7.0
Total Calaveras	9.3	East	7.5
Mission (connected)	9.3	Northeast	6.1

⁴⁸ California Department of Conservation. 2023. *California Earthquake Hazards Zone Application*. Available at: <https://maps.conservation.ca.gov/cgs/EQZApp/app/>. Retrieved: December 22, 2023.

⁴⁹ California Department of Conservation. 2016. *Earthquake Zones of Required Investigation*. Available: <https://maps.conservation.ca.gov/cgs/EQZApp/>. Accessed: December 22, 2023.

⁵⁰ City of Santa Clara. 2010. Santa Clara General Plan 2010-2035. Figure 5.10-1 Liquefaction Hazard. Available at: <https://www.santaclaraca.gov/home/showpublisheddocument/13934/635729106120730000>. Retrieved: December 22, 2023.

Fault Segment	Approximate Distance From the Project Site (Miles)	Direction from Site	Mean Characteristic Moment Magnitude
San Andreas 1906 event	11.2	Southwest	8.1
Pilarcitos	12.4	West	6.7
Butano	14.3	Southwest	6.7
Sargent	16.1	South	6.8
Total San Gregorio	24.2	West	7.6
Greenville Connected	24.2	East	7.1
Mont Diablo Thrust	25.5	Northeast	6.6

Source: Langan Engineering and Environmental Services, 2021

Lateral spreading is horizontal/lateral ground movement of relatively flat-lying soil deposits towards a free face such as an excavation, channel, or open body of water; typically, lateral spreading is associated with liquefaction of one or more subsurface layers near the bottom of an exposed slope. The project site and surrounding area is generally flat, and the closest open face is the San Tomas Aquino Creek channel, over 3,000 feet west of the site. Therefore, we preliminarily conclude the potential for lateral spreading at the site is low. Field exploration should be performed during the design-level geotechnical investigation to further evaluate lateral spreading potential.

Paleontological Resources

The project site is underlain by Holocene basin deposits.⁵¹ Geologic units of Holocene age are generally not considered sensitive for paleontological resources because biological remains younger than 10,000 years are not usually considered fossils; however, these recent sediments overlie sediments of older Pleistocene sediments with high potential to contain paleontological resources.⁵² These older sediments, often found at depths of 10 feet or more below the ground surface, have yielded the fossil remains of plants and extinct terrestrial Pleistocene vertebrates.

Impact Discussion

- a) **Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury or death involving:**
 - i. **Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?**

⁵¹ City of Santa Clara. 2011. *Integrated Final EIR for the City of Santa Clara Draft 2010-2035 General Plan. Figure 4.5-1*. Retrieved from: <https://www.santaclaraca.gov/our-city/departments-a-f/community-development/planning-division/general-plan>. Accessed: February 2, 2024

⁵² City of Santa Clara. 2011. *Integrated Final EIR for the City of Santa Clara Draft 2010-2035 General Plan*. Retrieved from: <https://www.santaclaraca.gov/our-city/departments-a-f/community-development/planning-division/general-plan>. Accessed: February 2, 2024

Less than Significant Impact. The site is not within a currently established State of California Earthquake Fault Zone or Santa Clara County Geologic Hazard Zone for surface fault rupture hazards. No active or potentially active faults are known to pass directly beneath the site. Therefore, the potential for surface rupture during the design life of project is low. Due to the distances of faults from the project site, and the absence of known faults within or near the project site, implementation of the project would not expose people or buildings to known risks of fault rupture. Thus, the impact would be less than significant, and no mitigation is required.

ii. Strong seismic ground shaking?

Less than Significant Impact. Earthquakes along nearby faults that are active in the region have the potential to cause moderate to strong ground shaking at the project site. The intensity of the ground motions and potential damage done by ground shaking would depend on the characteristics of the generating fault, the distance to the fault and rupture zone, the magnitude, duration and other site-specific geological conditions. These potential seismic ground shaking risks are typical in the San Francisco Bay Area region, given the region's history of strong seismic ground shaking during a large earthquake event. While the potential for strong seismic ground shaking cannot be eliminated, the project would be constructed to comply with relevant earthquake-resistant construction standards and practices, including the 2022 California Building Code (CBC) standards. Compliance with these standards and practices would reduce the risks associated with strong ground shaking at the project site. Therefore, impacts related to seismic ground shaking would be less than significant and no mitigation is required.

iii. Seismic-related ground failure, including liquefaction?

Less than Significant Impact. The project site is located within a State-designated Liquefaction Hazard Zone as well as a Santa Clara County Liquefaction Hazard Zone.⁵³ Previous geotechnical reports near the site provided estimates of approximately up to 0.5 inch of liquefaction-induced settlement could occur during a major earthquake in medium dense sandy layers that are below the water table. The project would be constructed to comply with the 2022 CBC Building Standards, including all applicable seismic standards for structures. Compliance with the 2022 CBC reduces potential risks associated with settlement from seismically-induced liquefaction. The project will also include the following condition of approval which would further limit the risk of settlement from soil liquefaction.

Condition of Approval

The project could experience potential settlement or structural issues because of soil liquefaction. To reduce risks associated with soil liquefaction, the project will be built using standard engineering and seismic safety design techniques. Building design and construction at the site shall be completed in conformance with the recommendations of the project-specific geotechnical investigation (**Appendix E**). Such recommendations include, but are not limited to,

⁵³ City of Santa Clara. 2008. *Santa Clara General Plan - Seismic, Geologic and Soil Hazards*. Available: <https://www.santaclaraca.gov/our-city/departments-a-f/community-development/planning-division/general-plan>. Accessed: December 27, 2023.

the use of shallow foundations such as spread footings that are designed to maintain structural integrity in the event of settlement from liquefaction. The project shall be designed to withstand soil hazards identified on the site and the project shall be designed to reduce the risk to life or property on site and off site to the extent feasible and in compliance with the California Building Code. The City shall approve the final building design to ensure adequate precautions are taken to limit risks from soil liquefaction.

With the inclusion of the condition of approval described above, potential risks associated with settlement from seismically induced liquefaction would be reduced to a less than significant level.

iv. Landslides?

No Impact. According to the California Department of Conservation's Geologic Hazards Map, the project site is not located within a landslide zone.⁵⁴ Furthermore, the project site and surrounding area is relatively flat and does not have any steep slopes or hillsides that would be susceptible to landslides. Therefore, the project would not be exposed to landslide-related hazards. No impact would occur.

b) Result in substantial soil erosion or the loss of topsoil?

Less than Significant Impact. Project construction would involve ground disturbing activities that would temporarily expose soils and increase the potential for soil erosion from wind or stormwater runoff. The project would be required to comply with the City's Best Management Practices for erosion and sedimentation control and would be subject to the requirements of Provision C.3 if the City's National Pollutant Discharge Elimination System (NPDES) permit. The project would also be required to comply with the Santa Clara Valley Urban Runoff Pollution Prevention Program which prescribes low impact development based post-construction stormwater control measures in order to incorporate post construction storm design, source control and treatment measures. The topic of soil erosion is described in detail in **Section 2.10, Hydrology and Water Quality**. Therefore, impacts related to erosion and loss of topsoil would be less than significant and no mitigation is required.

c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?

Less than Significant Impact. Lateral spreading refers to a type of ground failure that is related to liquefaction. It consists of the horizontal displacement of flat lying alluvial material toward an open face channel, such as the steep bank of a stream channel. The nearest open face channel is San Tomas Aquino Creek which is approximately 0.73 miles west of the project site. Due to its distance from an open face channel, as well as the relative flat topography of the project site, the project is not expected to be exposed to slope instability, lateral spreading, or landslide related hazards. Therefore, the impacts would be less than significant, and no mitigation is required.

⁵⁴ California Department of Conservation. 2023. *Geologic Hazards Web Map*. Available: <https://maps.conservation.ca.gov/geologichazards/>. Accessed: December 27, 2023.

d) Be located on expansive soil, as defined in Section 1803.5.3 of the California Building Code (2022), creating substantial risks to life or property?

Less than Significant with Mitigation. A review of previous geotechnical reports determined that the existing near surface soil on the project site has high expansion potential (see **Appendix E**). When moisture is introduced, expansive soils have the potential to undergo significant volume changes. These continuous changes in volume can cause building foundations to move unevenly and crack. To avoid risks associated with expansive soils, foundation design would be approved by City Engineers for compliance with Section 1803.5.3 of the California Building Code and the 2022 CBC general foundation design standards. Furthermore, **GEO MM-1** would be implemented to reduce potential impacts from expansive soils to a less than significant level.

IMPACT GEO-1: The project could expose people to hazards related to expansive soils.

GEO MM-1: Treatment of Expansive Soils

Expansive soils shall be addressed through treatment or removal, in order to reduce the potential for structural damage. Where highly expansive soil is encountered, it should be capped by up to 24 inches of imported (select) fill to construct any new building pads; 12 inches of select fill material should be placed beneath any proposed exterior concrete flatwork, including patio slabs and sidewalks. The select fill should extend at least five and two feet beyond the building slab and exterior concrete slab edges, respectively. Select fill should be non-hazardous, free of organic material, contain no rocks or lumps larger than three inches in greatest dimension, and have a low expansion potential (defined by a liquid limit of less than 40 and a plasticity index lower than 12).

With the implementation of **GEO MM-1**, potential risks associated with expansive soils would be reduced to a less than significant level.

e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

No Impact. The City sewer system would treat wastewater generated by the project. The project site is currently developed and connected to existing City wastewater infrastructure. The project does not include the installation of septic tanks and no septic tanks are proposed. Therefore, no impact would occur.

f) Directly or indirectly destroy a unique paleontological resource or site or unique palaeontologic feature?

Less than Significant with Mitigation. The project site is currently developed with an existing single-story commercial building and surface parking lot. Ground disturbance from project construction activities would be primarily limited to previously disturbed areas. Project construction would require excavation and ground disturbing activities. As such, project construction may encounter paleontological resources. In the unlikely event that paleontological resources are encountered during construction, they may be inadvertently damaged or destroyed. This is a potentially significant impact. **GEO MM-2** would require the implementation of discovery procedures if paleontological resources are encountered

and require a qualified paleontologist to recommend measures specific to the discovered resource. Implementation of **GEO MM-2** would reduce potential impacts to paleontological resources.

IMPACT GEO-2: The project could disturb a paleontological specimen.

GEO MM-2: Discovery of paleontological specimen

Discovery of a paleontological specimen during any phase of the project shall result in a work stoppage in the vicinity of the find until it can be evaluated by a professional paleontologist. Should loss or damage be detected, additional protective measures or further action (e.g., resource removal), as determined by a professional paleontologist, shall be implemented to mitigate the impact.

With implementation of **GEO MM-2**, potential impacts to paleontological resources would be reduced to be less than significant.

2.8. Greenhouse Gas Emissions

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The following discussion is based in part on a GHG emission report prepared for the project in January 2024. A copy of this report is included as **Appendix B** to this Initial Study.

Regulatory Setting

Federal

Federal Clean Air Act

The U.S. Supreme Court determined in *Massachusetts et al. v. Environmental Protection Agency et al.* ([2007] 549 U.S. 05-1120) that the U.S. EPA has the authority to regulate motor vehicle GHG emissions under the Federal Clean Air Act. The U.S. EPA issued a Final Rule for mandatory reporting of GHG emissions in October 2009. This Final Rule applies to fossil fuel suppliers, industrial gas suppliers, direct GHG emitters, and manufacturers of heavy-duty and off-road vehicles and vehicle engines and requires annual reporting of emissions. In 2012, the U.S. EPA issued a Final Rule that established the GHG permitting thresholds that determine when Clean Air Act permits under the New Source Review Prevention of Significant Deterioration and Title V Operating Permit programs are required for new and existing industrial facilities.

In *Utility Air Regulatory Group v. Environmental Protection Agency* (134 Supreme Court 2427 [2014]), the U.S. Supreme Court held the U.S. EPA may not treat GHGs as an air pollutant for purposes of determining whether a source can be considered a major source required to obtain a Prevention of Significant Deterioration or Title V permit. The Court also held that Prevention of Significant Deterioration permits otherwise required based on emissions of other pollutants may continue to require limitations on GHG emissions based on the application of Best Available Control Technology.

State

California Air Resources Board

CARB is responsible for the coordination and oversight of State and local air pollution and GHG control programs in California. There are numerous regulations aimed at reducing the State's GHG emissions.

These initiatives are summarized below. For more information on the Senate and Assembly Bills, executive orders, building codes, and reports discussed below, and to view reports and research referenced below, please refer to the following websites: <https://www.energy.ca.gov/data-reports/reports/californias-fourth-climate-change-assessment>, www.arb.ca.gov/cc/cc.htm, and <https://www.dgs.ca.gov/BSC/Codes>.

California Global Warming Solutions Act Of 2006 (Assembly Bill 32 And Senate Bill 32)

The “California Global Warming Solutions Act of 2006,” (AB 32), outlines California’s major legislative initiative for reducing GHG emissions. AB 32 codifies the statewide goal of reducing GHG emissions to 1990 levels by 2020 and requires CARB to prepare a Scoping Plan that outlines the main State strategies for reducing GHG emissions to meet the 2020 deadline. In addition, AB 32 requires CARB to adopt regulations to require reporting and verification of statewide GHG emissions. Based on this guidance, CARB approved a 1990 statewide GHG level and 2020 target of 431 million metric tons (MMT of CO₂e), which was achieved in 2016. CARB approved the Scoping Plan on December 11, 2008, which included GHG emission reduction strategies related to energy efficiency, water use, and recycling and solid waste, among others.⁵⁵ Many of the GHG reduction measures included in the Scoping Plan (e.g., Low Carbon Fuel Standard, Advanced Clean Car standards, and Cap-and-Trade) have been adopted since the Scoping Plan’s approval.

The CARB approved the 2013 Scoping Plan update in May 2014. The update defined the CARB’s climate change priorities for the next five years, set the groundwork to reach post-2020 statewide goals, and highlighted California’s progress toward meeting the “near-term” 2020 GHG emission reduction goals defined in the original Scoping Plan. It also evaluated how to align the State’s longer term GHG reduction strategies with other State policy priorities, including those for water, waste, natural resources, clean energy, transportation, and land use.⁵⁶

On September 8, 2016, the governor signed Senate Bill (SB) 32 into law, extending the California Global Warming Solutions Act of 2006 by requiring the State to further reduce GHG emissions to 40 percent below 1990 levels by 2030 (the other provisions of AB 32 remain unchanged). On December 14, 2017, the CARB adopted the 2017 Scoping Plan, which provides a framework for achieving the 2030 target. The 2017 Scoping Plan relies on the continuation and expansion of existing policies and regulations, such as the Cap-and-Trade Program, and implementation of recently adopted policies and legislation, such as SB 1383 and SB 100. The 2017 Scoping Plan also puts an increased emphasis on innovation, adoption of existing technology, and strategic investment to support its strategies. As with the 2013 Scoping Plan update, the 2017 Scoping Plan does not provide project-level thresholds for land use development. Instead, it recommends that local governments adopt policies and locally appropriate quantitative thresholds consistent with statewide per capita goals of six metric tons (MT) of CO₂e by 2030 and two

⁵⁵ California Air Resources Board. 2008. *Climate Change Scoping Plan*. Available: <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2008-scoping-plan-documents>. Accessed: February 5, 2024.

⁵⁶ California Air Resources Board. 2014. *AB 32 Scoping Plan Website*. Available: <http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>. Accessed: February 5, 2024.

MT of CO₂e by 2050.⁵⁷ As stated in the 2017 Scoping Plan, these goals may be appropriate for plan-level analyses (city, county, sub-regional, or regional level), but not for specific individual projects because they include all emissions sectors in the State.

The California Climate Crisis Act (Assembly Bill 1279)

AB 1279 was passed on September 16, 2022, and declares the State would achieve net zero greenhouse gas emissions as soon as possible, but no later than 2045. In addition, achieve and maintain net negative greenhouse gas emissions and ensure that by 2045, statewide anthropogenic greenhouse gas emissions are reduced to at least 85% below the 1990 levels. The bill would require updates to the scoping plan (once every five years) to implement various policies and strategies that enable carbon dioxide removal solutions and carbon capture, utilization, and storage technologies.

2022 Update to The Climate Change Scoping Plan

In response to the passage of AB 1279 and the identification of the 2045 GHG reduction target, CARB published the Final 2022 Climate Change Scoping Plan in November 2022.⁵⁸ The 2022 Update builds upon the framework established by the 2008 Climate Change Scoping Plan and previous updates while identifying new, technologically feasible, cost-effective, and equity-focused path to achieve California's climate target. The 2022 Update includes policies to achieve a significant reduction in fossil fuel combustion, further reductions in short-lived climate pollutants, support for sustainable development, increased action on natural and working lands (NWL) to reduce emissions and sequester carbon, and the capture and storage of carbon.

The 2022 Update assesses the progress California is making toward reducing its GHG emissions by at least 40 percent below 1990 levels by 2030, as called for in SB 32 and laid out in the 2017 Scoping Plan, addresses recent legislation and direction from Governor Newsom, extends and expands upon these earlier plans, and implements a target of reducing anthropogenic emissions to 85 percent below 1990 levels by 2045, as well as taking an additional step of adding carbon neutrality as a science-based guide for California's climate work. As stated in the 2022 Update, "The plan outlines how carbon neutrality can be achieved by taking bold steps to reduce GHGs to meet the anthropogenic emissions target and by expanding actions to capture and store carbon through the State's NWL and using a variety of mechanical approaches".⁵⁹ Specifically, the 2022 Update:

- Identifies a path to keep California on track to meet its SB 32 GHG reduction target of at least 40 percent below 1990 emissions by 2030.
- Identifies a technologically feasible, cost-effective path to achieve carbon neutrality by 2045 and a reduction in anthropogenic emissions by 85 percent below 1990 levels.

⁵⁷ California Air Resources Board. 2017. *California's 2017 Climate Change Scoping Plan*. Available: https://www.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf. Accessed: February 5, 2024.

⁵⁸ California Air Resources Board. 2022. *2022 Scoping plan Documents*. Available: <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>. Accessed: February 5, 2024.

⁵⁹ California Air Resources Board. 2022. *2022 Scoping Plan Documents*. Available: <https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan/2022-scoping-plan-documents>. Accessed: February 5, 2024.

- Focuses on strategies for reducing California’s dependency on petroleum to provide consumers with clean energy options that address climate change, improve air quality, and support economic growth and clean sector jobs.
- Integrates equity and protecting California’s most impacted communities as driving principles throughout the document.
- Incorporates the contribution of NWL to the State’s GHG emissions, as well as their role in achieving carbon neutrality.
- Relies on the most up-to-date science, including the need to deploy all viable tools to address the existential threat that climate change presents, including carbon capture and sequestration, as well as direct air capture.
- Evaluates the substantial health and economic benefits of taking action.
- Identifies key implementation actions to ensure success.

In addition to reducing emissions from transportation, energy, and industrial sectors, the 2022 Update includes emissions and carbon sequestration in NWL and explores how NWL contribute to long-term climate goals. Under the Scoping Plan Scenario, California’s 2030 emissions are anticipated to be 48 percent below 1990 levels, representing an acceleration of the current SB 32 target. Cap-and-Trade regulation continues to play a large factor in the reduction of near-term emissions for meeting the accelerated 2030 reduction target. Every sector of the economy will need to begin to transition in this decade to meet our GHG reduction goals and achieve carbon neutrality no later than 2045. The 2022 Update approaches decarbonization from two perspectives, managing a phasedown of existing energy sources and technologies, as well as increasing, developing, and deploying alternative clean energy sources and technology.

Senate Bill 375

The Sustainable Communities and Climate Protection Act of 2008 (SB 375), signed in August 2008, enhances the State’s ability to reach AB 32 goals by directing the CARB to develop regional GHG emission reduction targets to be achieved from passenger vehicles by 2020 and 2035. SB 375 aligns regional transportation planning efforts, regional GHG reduction targets, and affordable housing allocations. Metropolitan Planning Organizations (MPO) are required to adopt a Sustainable Communities Strategy (SCS), which allocates land uses in the MPO’s Regional Transportation Plan (RTP). Qualified projects consistent with an approved SCS or Alternative Planning Strategy (categorized as “transit priority projects”) can receive incentives to streamline CEQA processing.

On March 22, 2018, CARB adopted updated regional targets for reducing GHG emissions from 2005 levels by 2020 and 2035. The ABAG was assigned targets of a 3 percent reduction in per capita GHG emissions from passenger vehicles by 2020 and a 6 percent reduction in per capita GHG emissions from passenger vehicles by 2035.

Senate Bill 1383

Adopted in September 2016, SB 1383 (Lara, Chapter 395, Statutes of 2016) requires the CARB to approve and begin implementing a comprehensive strategy to reduce emissions of short-lived climate pollutants. SB 1383 requires the strategy to achieve the following reduction targets by 2030:

- Methane – 40 percent below 2013 levels
- Hydrofluorocarbons – 40 percent below 2013 levels
- Anthropogenic black carbon – 50 percent below 2013 levels

SB 1383 also requires the California Department of Resources Recycling and Recovery (CalRecycle), in consultation with the CARB, to adopt regulations that achieve specified targets for reducing organic waste in landfills.

Senate Bill 100

Adopted on September 10, 2018, SB 100 supports the reduction of GHG emissions from the electricity sector by accelerating the State’s RPS Program, which was last updated by SB 350 in 2015. SB 100 requires electricity providers to increase procurement from eligible renewable energy resources to 33 percent of total retail sales by 2020, 60 percent by 2030, and 100 percent by 2045.

Executive Order B-55-18

On September 10, 2018, the former Governor Brown issued EO B-55-18, which established a new statewide goal of achieving carbon neutrality by 2045 and maintaining net negative emissions thereafter. This goal is in addition to the existing statewide GHG reduction targets established by SB 375, SB 32, SB 1383, and SB 100.

California Building Standards Code

The CCR Title 24 is referred to as the California Building Standards Code. It consists of a compilation of several distinct standards and codes related to building construction including plumbing, electrical, interior acoustics, energy efficiency, and handicap accessibility for persons with physical and sensory disabilities. The current iteration is the 2022 Title 24 standards. The California Building Standards Code’s energy-efficiency and green building standards are outlined below.

Part 6 – Building Energy Efficiency Standards/Energy Code. CCR Title 24, Part 6 is the Building Energy Efficiency Standards or California Energy Code. This code, originally enacted in 1978, establishes energy-efficiency standards for residential and non-residential buildings in order to reduce California’s energy demand. New construction and major renovations must demonstrate their compliance with the current Energy Code through submittal and approval of a Title 24 Compliance Report to the local building permit review authority and the CEC. The 2022 Title 24 standards are the applicable building energy efficiency standards for the proposed Project because they became effective on January 1, 2023.

Part 11 – California Green Building Standards. The California Green Building Standards Code, referred to as CALGreen, was added to Title 24 as Part 11, first in 2009 as a voluntary code, which then became mandatory effective January 1, 2011 (as part of the 2010 California Building Standards Code). The 2022 CALGreen includes mandatory minimum environmental performance standards for all ground-up new construction of residential and non-residential structures. It also includes voluntary tiers with stricter environmental performance standards for these same categories of residential and non-residential buildings. Local jurisdictions must enforce the minimum mandatory CALGreen standards and may adopt additional amendments for stricter requirements.

The mandatory standards applicable to the project require:

- 20 percent reduction in indoor water use relative to specified baseline levels;⁶⁰
- Waste Reduction:
 - Non-residential: Reuse and/or recycling of 100 percent of trees, stumps, rocks, and associated vegetation soils resulting from primary land clearing;
- Inspections of energy systems to ensure optimal working efficiency;
- Low-pollutant emitting exterior and interior finish materials such as paints, carpets, vinyl flooring, and particleboards;
- EV Charging for New Construction:⁶¹
 - Non-residential land uses shall comply with the following EV charging requirements based on the number of passenger vehicle parking spaces:
 - 0-9: no EV capable spaces or charging stations required;
 - 10-25: 4 EV capable spaces but no charging stations required;
 - 26-50: 8 EV capable spaces of which two (2) must be equipped with charging stations;
 - 1-75: 13 EV capable spaces of which three (3) must be equipped with charging stations;
 - 76-100: 17 EV capable spaces of which four (4) must be equipped with charging stations;
 - 101-150: 25 EV capable spaces of which six (6) must be equipped with charging stations;
 - 151-200: 35 EV capable spaces of which nine (9) must be equipped with charging stations; and
 - More than 200: 20 percent of the total available parking spaces of which 25 percent must be equipped with charging stations;
 - Non-residential land uses shall comply with the following EV charging requirements for medium- and heavy-duty vehicles: warehouses, grocery stores, and retail stores with planned off-street loading spaces shall install EV supply and distribution equipment, spare raceway(s) or busway(s) and adequate capacity for transformer(s), service panel(s), or subpanel(s) at the time of construction based on the number of off-street loading spaces as indicated in Table 5.106.5.4.1 of the California Green Building Standards;
- Bicycle Parking:
 - Non-residential short-term bicycle parking for projects anticipated to generate visitor traffic: permanently anchored bicycle racks within 200 feet of visitor entrance for five

⁶⁰ Similar to the compliance reporting procedure for demonstrating Energy Code compliance in new buildings and major renovations, compliance with the CALGreen water-reduction requirements must be demonstrated through completion of water use reporting forms. Buildings must demonstrate a 20 percent reduction in indoor water use by either showing a 20 percent reduction in the overall baseline water use as identified in CALGreen or a reduced per-plumbing-fixture water use rate.

⁶¹ EV Capable = a vehicle space with electrical panel space and load capacity to support a branch circuit and necessary raceways to support EV charging; EV-ready = a vehicle space which is provided with a branch circuit and any necessary raceways to accommodate EV charging stations, including a receptacle for future installation of a charger (see 2022 California Green Building Standard Code, Title 24 Part 11 for full explanation of mandatory measures, including exceptions).

- percent of new visitor motorized vehicle parking spaces with a minimum of one 2-bike capacity rack; and/or
- Non-residential buildings with tenant spaces of 10 or more employees/tenant-occupants: secure bicycle parking for five percent of the employee/tenant-occupant vehicle parking spaces with a minimum of one bicycle parking facility.
- Shade Trees (Non-Residential):
 - Surface parking: minimum No. 10 container size or equal shall be installed to provide shade over 50 percent of the parking within 15 years (unless parking area covered by appropriate shade structures and/or solar);
 - Landscape areas: minimum No. 10 container size or equal shall be installed to provide shade of 20 percent of the landscape area within 15 years; and/or
- Hardscape areas: minimum No. 10 container size or equal shall be installed to provide shade of 20 percent of the landscape area within 15 years (unless covered by applicable shade structures and/or solar or the marked area is for organized sports activities).

The voluntary Tier I and Tier II standards require:

- Tier I:
 - Stricter energy efficiency requirements;
 - Stricter water conservation requirements for specific fixtures;
 - minimum 65 percent reduction in construction waste with third-party verification, Minimum 10 percent recycled content for building materials;
 - Minimum 20 percent permeable paving;
 - Minimum 20 percent cement reduction;
- Tier II:
 - Stricter energy efficiency requirements,
 - Stricter water conservation requirements for specific fixtures;
 - Minimum 75 percent reduction in construction waste with third-party verification
 - Minimum 15 percent recycled content for building materials;
 - Minimum 30 percent permeable paving; and/or
 - Minimum 25 percent cement reduction.

California Integrated Waste Management Act (Assembly Bill 341)

The California Integrated Waste Management Act of 1989, as modified by AB 341 in 2011, requires each jurisdiction's source reduction and recycling element to include an implementation schedule that shows: (1) diversion of 25 percent of all solid waste by January 1, 1995, through source reduction, recycling, and composting activities and (2) diversion of 50 percent of all solid waste on and after January 1, 2000.

Executive Order N-79-20

On September 23, 2020, Governor Newsom issued EO N-79-20, which established the following new statewide goals:

- All new passenger cars and trucks sold in-state to be zero-emission by 2035;
- All medium- and heavy-duty vehicles in the State to be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks; and

- All off-road vehicles and equipment to be zero-emission by 2035 where feasible.

EO N-79-20 directs CARB, the Governor’s Office of Business and Economic Development, the CEC, the California Department of Transportation, and other State agencies to take steps toward drafting regulations and strategies and leveraging agency resources toward achieving these goals.

Clean Energy, Jobs, And Affordability Act Of 2022 (Senate Bill 1020)

Adopted on September 16, 2022, SB 1020 creates clean electricity targets for eligible renewable energy resources and zero-carbon resources to supply 90 percent of retail sale electricity by 2035, 95 percent by 2040, 100 percent by 2045, and 100 percent of electricity procured to serve all State agencies by 2035. This bill states that to achieve this, carbon emissions should not be increased elsewhere in the western grid.

Local

BAAQMD CEQA GHG Guidelines

BAAQMD has adopted thresholds of significance to assist in the review of operational GHGs under CEQA. BAAQMD has not adopted a threshold for construction-period GHG emissions, as GHG emission impacts reflect the long-term and cumulative effect of GHG on a global scale, while construction-period emissions are intermittent and temporary. These thresholds are designed to establish the level at which GHG emissions would cause significant environmental impacts. The significance thresholds identified by BAAQMD for GHG emissions established on April 20, 2022, include the following project design elements for Land Use projects:

- The project will not include natural gas appliances or natural gas plumbing;
- The project will not result in wasteful, inefficient, or unnecessary energy usage;
- Achieve a reduction in project-generated vehicle miles traveled below the regional average consistent with the California Climate Change Scoping Plan, or meet a locally adopted Senate Bill 743 VMT target, reflecting the recommendations provided in the Governor’s Office of Planning And Research’s Technical Advisory on Evaluating Transportation Impacts in CEQA; and
- Achieve compliance with off-street electrical vehicle requirements in the most recently adopted version of CALGreen Tier 2.

If the above screening criteria are not met, a project would still have a less-than-significant impact if it is consistent with a local GHG reduction strategy. In accordance with CEQA Guidelines Section 15064(h)(3) and BAAQMD guidance, consistency with the City’s CAP, which qualifies as a GHG reduction strategy, is used to determine significance for this project.

Plan Bay Area 2050

Plan Bay Area 2050 is a State-mandated, integrated long-range transportation, land-use, and housing plan that would support a growing economy, provide more housing and transportation choices and

reduce transportation-related pollution in the nine-county San Francisco Bay Area.⁶² "Plan Bay Area 2050 connects the elements of housing, the economy, transportation and the environment through 35 strategies that will make the Bay Area more equitable for all residents and more resilient in the face of unexpected challenges. In the short-term, the plan's Implementation Plan identifies more than 80 specific actions for Metropolitan Transportation Commission (MTC), ABAG, and partner organizations to take over the next five years to make headway on each of the 35 strategies."⁶³

City of Santa Clara Climate Action Plan

The City of Santa Clara adopted an updated CAP on June 7, 2022.⁶⁴ The City of Santa Clara CAP specifies the strategies and measures to be taken for a number of focus areas (data centers, coal-free and large renewables, energy efficiency, water conservation, transportation and land use, waste reduction, etc.) citywide to achieve the overall emission reduction target and includes an adaptive management process that can incorporate new technology and respond when goals are not being met.

CEQA clearance for discretionary development proposals are required to address the consistency of individual projects with reduction measures in the City of Santa Clara CAP and goals and policies in the Santa Clara General Plan designed to reduce GHG emissions.

The following strategies relate to the project:⁶⁵

- Strategy B1: Shift to electric fuels in new and existing buildings to achieve net-zero carbon buildings.
 - B-1-7: Carbon-neutral data centers
- Strategy B2: Improve energy efficiency
- Strategy T1: Transition vehicles to electric alternatives; and
- Strategy N3: Improve water supply and conservation.

Santa Clara 2010-2035 General Plan⁶⁶

The Air Quality Goals and Policies and other sections of the General Plan address the City's goals, policies, and implementing actions regarding GHG emissions. The following policies in the General Plan related to GHG emissions from automobile travel are applicable to the project:

5.10.2-P3 Encourage implementation of technological advances that minimize public health hazards and reduce the generation of air pollutants.

⁶² Association of Bay Area Governments. 2021. *Plan Bay Area 2050*. Available: <https://www.planbayarea.org/finalplan2050>. Accessed: February 5, 2024.

⁶³ Bay Area Metro. 2022. *Final Plan Bay Area 2050*. Available: <https://www.planbayarea.org/finalplan2050>. Accessed: February 5, 2024.

⁶⁴ City of Santa Clara. 2022. City of Santa Clara Climate Action Plan. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/78208/637970130098870000>. Accessed: February 5, 2024.

⁶⁵ City of Santa Clara. 2022. City of Santa Clara Climate Action Plan. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/78208/637970130098870000>. Accessed: February 5, 2024.

⁶⁶ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

5.10.2-P4 Encourage measures to reduce greenhouse gas emissions to reach 30 percent below 1990 levels by 2020.

Environmental Setting

Gases that absorb and re-emit infrared radiation in the atmosphere are called GHGs. The gases that are widely seen as the principal contributors to human-induced climate change include carbon dioxide (CO₂), methane (CH₄), nitrous oxides (N₂O), fluorinated gases such as hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). Water vapor is excluded from the list of GHGs because it is short-lived in the atmosphere and its atmospheric concentrations are largely determined by natural processes, such as oceanic evaporation.

Different types of GHGs have varying global warming potentials (GWP). The GWP of a GHG is the potential of a gas or aerosol to trap heat in the atmosphere over a specified timescale (generally, 100 years). Because GHGs absorb different amounts of heat, a common reference gas (CO₂) is used to relate the amount of heat absorbed to the amount of the gas emitted, referred to as “carbon dioxide equivalent” (CO₂e), which is the amount of GHG emitted multiplied by its GWP. Carbon dioxide has a 100-year GWP of one. By contrast, methane has a GWP of 30, meaning its global warming effect is 30 times greater than CO₂ on a molecule per molecule basis.⁶⁷⁶⁸

Climate change is the observed increase in the average temperature of the Earth’s atmosphere and oceans along with other substantial changes in climate (such as wind patterns, precipitation, and storms) over an extended period. The term “climate change” is often used interchangeably with the term “global warming,” but climate change is preferred because it conveys that other changes are happening in addition to rising temperatures. The baseline against which these changes are measured originates in historical records that identify temperature changes that occurred in the past, such as during previous ice ages. The global climate is changing continuously, as evidenced in the geologic record which indicates repeated episodes of substantial warming and cooling. The rate of change has typically been incremental, with warming or cooling trends occurring over the course of thousands of years. The past 10,000 years have been marked by a period of incremental warming, as glaciers have steadily retreated across the globe. However, scientists have observed acceleration in the rate of warming over the past 150 years. The IPCC expressed that the rise and continued growth of atmospheric CO₂ concentrations is unequivocally due to human activities in the IPCC’s Sixth Assessment Report (2021). Human influence has warmed the atmosphere, ocean, and land, which has led the climate to warm at an unprecedented rate in the last 2,000 years. It is estimated that between the period of 1850 through 2019, that a total of 2,390 gigatonnes of anthropogenic CO₂ was emitted. It is likely that anthropogenic activities have increased the global surface temperature by approximately 1.07 degrees Celsius between the years 2010 through 2019.

⁶⁷ The Intergovernmental Panel on Climate Change’s (2021) *Sixth Assessment Report* determined that methane has a GWP of 30. However, the 2017 Climate Change Scoping Plan published by the California Air Resources Board uses a GWP of 25 for methane, consistent with the Intergovernmental Panel on Climate Change’s (2007) *Fourth Assessment Report*. Therefore, this analysis utilizes a GWP of 25.

⁶⁸ Intergovernmental Panel on Climate Change (IPCC).2021. *The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. Retrieved from: https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Full_Report.pdf. Accessed: February 1, 2024.

Greenhouse Gas Emissions Inventory

Global Emissions Inventory

In 2015, worldwide anthropogenic GHG emissions totaled 47,000 MMT of CO₂e, which is a 43 percent increase from 1990 GHG levels. Specifically, 34,522 MMT of CO₂e of CO₂, 8,241 MMT of CO₂e of CH₄, 2,997 MMT of CO₂e of N₂O, and 1,001 MMT of CO₂e of fluorinated gases were emitted in 2015. The largest source of GHG emissions were energy production and use (includes fuels used by vehicles and buildings), which accounted for 75 percent of the global GHG emissions. Agriculture uses and industrial processes contributed 12 percent and six percent, respectively. Waste sources contributed three percent. These sources account for approximately 96 percent.⁶⁹

United States Emissions Inventory

U.S. GHG emissions were 6,347.7 MMT of CO₂e in 2021 or 5,593.5 MMT CO₂e after accounting for sequestration. Emissions increased by 6.8 percent from 2020 to 2021. The increase from 2020 to 2021 reflects the was driven by an increase in CO₂ emissions from fossil fuel combustion which increased 7 percent relative to previous years and is primarily due to the economic rebounding after the COVID-19 Pandemic. In 2020, the energy sector (including transportation) accounted for 81 percent of nationwide GHG emissions while agriculture, industrial and waste accounted for approximately 10 percent, six percent and 3 percent respectively.⁷⁰

California Emissions Inventory

Based on CARB California Greenhouse Gas Inventory for 2000-2020, California produced 369.2 MMT of CO₂e in 2020, which is 35.3 MMT of CO₂e lower than 2019 levels. The 2019 to 2020 decrease in emissions is likely due in large part to the impacts of the COVID-19 pandemic. The major source of GHG emissions in California is the transportation sector, which comprises 37 percent of the State's total GHG emissions. The industrial sector is the second largest source, comprising 20 percent of the State's GHG emissions while electric power accounts for approximately 16 percent.⁷¹ The magnitude of California's total GHG emissions is due in part to its large size and large population compared to other States. However, a factor that reduces California's per capita fuel use and GHG emissions as compared to other States is its relatively mild climate. In 2016, the State of California achieved its 2020 GHG emission

⁶⁹ United States Environmental Protection Agency. 2022. *Climate Change Indicators: Global Greenhouse Gas Emissions*. Available: <https://www.epa.gov/climate-indicators/climate-change-indicators-global-greenhouse-gas-emissions>. Accessed: February 5, 2024.

⁷⁰ United States Environmental Protection Agency. 2023. *Inventory of Greenhouse Gas Emissions and Sinks: 1990-2021*. Available: <https://www.epa.gov/system/files/documents/2023-02/US-GHG-Inventory-2023-Main-Text.pdf>. Accessed: February 5, 2024.

⁷¹ California Air Resources Board. 2022. *California Greenhouse Gas Emissions for 2000 to 2020 Trends of Emissions and Other Indicators*. Available: https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/2000-2020_ghg_inventory_trends.pdf. Accessed: February 5, 2024.

reduction target of reducing emissions to 1990 levels as emissions fell below 431 MMT of CO₂e. The annual 2030 statewide target emissions level is 260 MT of CO₂e.⁷²

Local Emissions Inventory⁷³

Based on the City of Santa Clara CAP, the City generated approximately 1.8 MMT of CO₂e in 2016. Nonresidential electricity consumption was the major source accounting for approximately 0.8 MMT of CO₂e. Transportation accounted for approximately 0.4 MMT of CO₂e. The remaining emissions came from natural gas usage, residential electricity consumption, landfilled waste and wastewater treatment. These 2017 GHG emissions are an approximately 4 percent reduction from 2008 GHG emissions (approximately 1.9 MMT of CO₂e) with the greatest reductions from non-residential natural gas usage. By 2030, the City is forecasted to generate 1.5 MMT of CO₂e if no further reduction measures are taken. Therefore, the City has an established a pathway towards achieving the following goals:

- SB 32 requirement of 40 percent reduction in emissions by 2030;
- City interim goal of an 80 percent reduction in emissions by 2035; and
- EO B-55-18 target of net carbon neutrality by no later than 2045.

The CAP has adopted strategies and actions that will meet the GHG reduction requirements of 40 percent below 2030 level with a pathway outlined to meet the long-term 2045 reduction goals of net neutrality, while working to achieve the aggressive interim goal of 80 reduction by 2035.

Potential Effects of Climate Change

Globally, climate change has the potential to affect numerous environmental resources though potential impacts related to future air temperatures and precipitation patterns. Scientific modeling predicts that continued GHG emissions at or above current rates would induce more extreme climate changes during the 21st century than were observed during the 20th century. The year 2022 was the sixth warmest year since global records began in 1880 at 0.86°C (1.55°F) above the 20th century average of 13.9°C (57.0°F). This value is 0.13°C (0.23°F) less than the record set in 2016 and it is only 0.02°C (0.04°F) higher than the last year's (2021) value, which now ranks as the seventh highest.⁷⁴ Furthermore, several independently analyzed data records of global and regional Land-Surface Air Temperature obtained from station observations jointly indicate that Land Surface Air Temperature and sea surface temperatures have increased. Due to past and current activities, anthropogenic GHG emissions are increasing global mean surface temperature at a rate of 0.2°C per decade. In addition to these findings, there are identifiable

⁷² California Air Resources Board. 2017. *California's 2017 Climate Change Scoping Plan*. Available: https://www.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf. Accessed: February 5, 2024.

⁷³ City of Santa Clara. 2022. *City of Santa Clara Climate Action Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/78208/637970130098870000>. Accessed February 5, 2024.

⁷⁴ National Oceanic and Atmospheric Administration. 2023. *Global Climate Report for Annual 2022*. Available: <https://www.ncdc.noaa.gov/sotc/global/202213>. Accessed: February 5, 2024.

signs that global warming is currently taking place, including substantial ice loss in the Arctic over the past two decades.^{75,76}

Potential impacts of climate change in California may include reduced water supply from snowpack, sea level rise, more extreme heat days per year, more large forest fires, and more drought years. California’s Fourth Climate Change Assessment includes regional reports that summarize climate impacts and adaptation solutions for nine regions of the State and regionally specific climate change case studies.⁷⁷ However, while there is growing scientific consensus about the possible effects of climate change at a global and statewide level, current scientific modeling tools are unable to predict what local impacts may occur with a similar degree of accuracy. A summary follows of some of the potential effects that climate change could generate in California.

Impact Discussion

a) **Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?**

OR

b) **Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?**

Less than Significant Impact. Pursuant to the BAAQMD methodology, a project that complies with a qualified GHG reduction strategy would be considered to have less than significant GHG impact. As mentioned above, the City’s CAP meets the criteria for a qualified GHG reduction strategy. The CAP includes numerous measures to reduce GHG emissions associated with project operation, and therefore provides a clear path to demonstrate if new development is consistent with the CAP. The project’s consistency with the applicable CAP measures is shown in **Table 2-14**.

Table 2-14 Consistency with Santa Clara Emissions Reductions Strategies

Energy Efficiency Goal or Policy	Project Consistency
City of Santa Clara General Plan	
Policy 5.10.2-P2: Encourage development patterns that reduce vehicle miles traveled and air pollution.	Consistent. The project would include employee lunch areas, which would potentially reduce employee needs for outside meals and vehicle miles traveled. In addition, the project site is within half a mile walking distance to bus transit, which promotes alternative modes of transportation.

⁷⁵ International Panel on Climate Change. 2014. *Climate Change 2014 Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*. Available https://www.ipcc.ch/site/assets/uploads/2018/02/ar4_syr_full_report.pdf. Accessed: February 5, 2024.

⁷⁶ International Panel on Climate Change. 2018. *Summary for Policymakers*. In: Global warming of 1.5°C. Available: <https://www.ipcc.ch/sr15/>. Accessed: February 5, 2024.

⁷⁷ California Natural Resources Agency. 2019. *California’s Fourth Climate Change Assessment Statewide Summary Report*. Available: <http://www.climateassessment.ca.gov/state/>. Accessed: February 5, 2024.

Energy Efficiency Goal or Policy	Project Consistency
Santa Clara Climate Action Plan	
Strategy B1: Shift to Electric Fuels in new and existing buildings to achieve net-zero carbon buildings. <ul style="list-style-type: none"> Action B-1-7: Carbon-neutral data centers: Require all new data centers to operate on 100% carbon neutral energy, with offsets as needed. 	Consistent. The proposed project's data center area would be consistent with this measure.
Strategy B2: Improve Energy Efficiency	Consistent. The proposed project would be consistent with the latest iteration of the Title 24 Standards that would include energy efficient lighting and appliances.
Strategy N3: Improve water supply and conservation.	Consistent. The proposed project would include energy efficient plumbing fixtures.

Source: City of Santa Clara 2014 and 2022

As shown in **Table 2-14** above, the project would be consistent with the City of Santa Clara CAP. Therefore, the project would be consistent with a qualified GHG reduction strategy, and impacts would be less than significant, and no mitigation is required.

GHG Emissions for Information Purposes

The construction and operational GHG emissions for the project are described below for informational purposes only.

Construction

Construction of the proposed project would generate temporary GHG emissions primarily as a result of operation of construction equipment on-site, as well as from vehicles transporting construction workers to and from the project site and heavy trucks to transport building materials and soil export. As shown in **Table 2-15**, construction of the project would generate an estimated total of 948 MT of CO₂e. Amortized over a 30-year period, construction of the project would generate an estimated total of 32 MT of CO₂e per year.

Table 2-15 Estimated GHG Emissions during Construction

Year	Annual Emissions (MT of CO ₂ e)
2024	396
2025	438
2026	113
Total	948
Amortized over 30 years	32

MT = metric tons; CO₂e = carbon dioxide equivalents

Source: Rincon Consultants, 2024.

See Appendix B for modeling results.

Operation

Operation of the proposed project would generate GHG emissions associated with area sources (e.g., landscape maintenance), energy and water usage, wastewater and solid waste generation, and testing and maintenance of emergency diesel generators. As shown in **Table 2-16**, total combined annual GHG emissions generated by the project would be approximately 307 MT of CO₂e per year. Therefore, the project's impact would be less than significant, and no mitigation would be required.

Table 2-16 Estimated Annual Operational GHG Emissions

Source	MT CO ₂ e
Mobile	163
Area	2
Energy	<1 ⁷⁸
Water	63
Waste	42
Refrigerant	5
Total	275
Amortized Construction Emissions	32
Generator Emissions	<1
Total Net Project Emissions	307

MT = metric tons; CO₂e = carbon dioxide equivalents

Source: Rincon Consultants, 2024

See Appendix B for modeling results.

⁷⁸ Based on applicant-provided information, the estimated annual electricity consumption is anticipated to be approximately 115,000 MWh per year. It is assumed that energy consumption will operate on 100 percent carbon neutral energy to meet compliance with Santa Clara CAP Action B-1-7; therefore, no indirect GHG emissions were assumed for project energy use from the data center.

2.9. Hazards and Hazardous Materials

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The following discussion is based in part on a Phase I Environmental Site Assessment prepared for the project in October 2021. A copy of this report is included as **Appendix F** to this Initial Study

Regulatory Setting

Federal

Comprehensive Environmental Response, Compensation, and Liability Act

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund, was enacted by Congress on December 11, 1980. This law created a tax on the chemical and petroleum industries and provided broad Federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment. Over five years, \$1.6 billion was collected and the tax went to a trust fund for cleaning up abandoned or uncontrolled hazardous waste sites. CERCLA accomplished the following objectives:

- Established prohibitions and requirements concerning closed and abandoned hazardous waste sites;
- Provided for liability of persons responsible for releases of hazardous waste at these sites; and
- Established a trust fund to provide for cleanup when no responsible party could be identified.

The law authorizes two kinds of response actions:

- Short-term removals, where actions may be taken to address releases or threatened releases requiring prompt response;
- Long-term remedial response actions, that permanently and significantly reduce the dangers associated with releases or threats of releases of hazardous substances that are serious, but not immediately life-threatening. These actions can be conducted only at sites listed on U.S. EPA's National Priorities List.

CERCLA also enabled the revision of the National Contingency Plan (NCP). The NCP provided the guidelines and procedures needed to respond to releases and threatened releases of hazardous substances, pollutants, or contaminants. The NCP also established the National Priorities List. CERCLA was amended by the Superfund Amendments and Reauthorization Act on October 17, 1986.⁷⁹

Resource Conservation and Recovery Act

The Resource Conservation and Recovery Act (RCRA), enacted in 1976, is the principal Federal law in the United States governing the disposal of solid waste and hazardous waste. The RCRA gives U.S. EPA the authority to control hazardous waste from “cradle to grave” This includes the generation, transportation, treatment, storage, and disposal of hazardous waste. RCRA also set forth a framework for the management of non-hazardous solid waste.

The Federal Hazardous and Solid Waste Amendments (HSWA) are the 1984 amendments to RCRA that focused on waste minimization and phasing out land disposal of hazardous waste as well as corrective

⁷⁹ United States Environmental Protection Agency (U.S. EPA). 2023. *Superfund: CERCLA Overview*. Available: <https://www.epa.gov/superfund/superfund-cercla-overview>. Accessed: February 5, 2024.

action for releases. Some of the other mandates of this law include increased enforcement authority for the U.S. EPA, more stringent hazardous waste management standards, and a comprehensive underground storage tank program.⁸⁰

Federal Aviation Administration Regulations

Federal Aviation Regulations, Part 77, “Objects Affecting Navigable Airspace” (FAR Part 77) sets forth standards and review requirements for protecting airspace for safe aircraft operation, particularly by restricting the height of potential structures and minimizing other potential hazards (such as reflective surfaces, flashing lights, and electronic interference) to aircraft in flight. These regulations require that the FAA be notified of certain proposed construction projects located within an extended zone defined by an imaginary slope radiating outward for several miles from an airport’s runways.

State

Government Code Section 65962.5

Section 65962.5 of the Government Code requires California Environmental Protection Agency (CalEPA) to develop and update a list of hazardous waste and substances sites, known as the Cortese List. The Cortese List is used by State and local agencies and developers to comply with CEQA requirements. The Cortese List includes hazardous substance release sites identified by the Department of Toxic Substances Control (DTSC) and State Water Resources Control Board (SWRCB).⁸¹

Certified Unified Program Agency (CUPA)

The Santa Clara Fire Department (SCFD) Community Risk Reduction Division is the CUPA authorized by the California Environmental Protection Agency (Cal EPA) to implement six State environmental programs within the City. Each of the respective program goals are to reduce risks associated with the use of chemicals at a regulated facility. The six programs include:

- Hazardous Materials Business Plan and Area Plan Program
- Hazardous Materials Management Plan/Inventory Statement
- California Accidental Release Prevention Program
- Hazardous Waste Generator/Tiered Permitting Program
- Underground Storage Tank Program
- Aboveground Petroleum Storage Tank Program

⁸⁰ United States Environmental Protection Agency (U.S. EPA). 2022. *Summary of the Resource Conservation and Recovery Act*. Available: <https://www.epa.gov/laws-regulations/summary-resource-conservation-and-recovery-act>. Accessed: February 5, 2024.

⁸¹ California Environmental Protection Agency (CalEPA). 2023. *Cortese List Data Resources*. Available: <https://calepa.ca.gov/sitecleanup/corteselist/>. Accessed: February 5, 2024.

Government Code Section(s) 25280-25299.8

Sections 25280-25299.8 of the Government Code establish requirements for installing, owning and operating an underground storage tank (UST). Requirements in this section include but are not limited to ensuring that the UST is located an appropriate distance away from existing wells, minimum design standards for the installation of new tanks, processes for addressing unauthorized releases, and details of the process of closing a UST upon cease of operations. These sections also establish the local CUPA agency responsible for the enforcement and compliance of these code sections.

California Code of Regulations Title 23 Section 16

The California State Water Resources Control Board and Regional Water Quality Control Boards have adopted regulations, known as Chapter 16, Underground Tank Regulations, which are intended to protect the waters of the state from discharges of hazardous substances from underground storage tanks. Additionally, these regulations establish monitoring, unauthorized release reporting, and repair, upgrade and closure requirements.

Local

Santa Clara 2010-2035 General Plan⁸²

The Safety and Goals and Policies of the General Plan addresses the City's goals, policies, and implementing actions regarding hazards and hazardous materials. The following policies in the General Plan related to hazards and hazardous materials are applicable to the project:

- 5.10.5-P11** Require that new development meet stormwater and water management requirements in conformance with State and regional regulations.
- 5.10.5-P13** Require that development complies with the Flood Damage Protection Code.
- 5.10.5-P15** Require new development to minimize paved and impervious surfaces and promote on-site Best Management Practices for infiltration and retention, including grassy swales, pervious pavement, covered retention areas, bioswales, and cisterns, to reduce urban water run-off.
- 5.10.5-P16** Require new development to implement erosion and sedimentation control measures to maintain an operational drainage system, preserve drainage capacity and protect water quality.
- 5.10.5-P17** Require that grading and other construction activities comply with the Association of Bay Area Governments' Manual of Standards for Erosion and Sediment Control Measures and with the CASQA, Stormwater Best Management Practice Handbook for Construction.
- 5.10.5-P21** Require that storm drain infrastructure is adequate to serve all new development and is in place prior to occupancy.

⁸² City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

- 5.10.5-P23** Require appropriate clean-up and remediation of contaminated sites.
- 5.10.5-P24** Protect City residents from the risks inherent in the transport, distribution, use and storage of hazardous materials.
- 5.10.5-P25** Use Best Management Practices to control the transport of hazardous substances and to identify appropriate haul routes to minimize community exposure to potential hazards.
- 5.10.5-P26** Survey pre-1980 buildings and abate any lead-based paint and asbestos prior to structural renovation and demolition, in compliance with all applicable regulations.
- 5.10.5-P28** Continue to require all new development and subdivisions to meet or exceed the City's adopted Fire Code provisions.

Santa Clara Emergency Operations Plan

In June 2016, the City of Santa Clara adopted an Emergency Operations Plan (EOP) to address the planned response of the City of Santa Clara to emergency situations associated with natural disasters and technological incidents, as well as chemical, biological, radiological, nuclear, and explosive emergencies. The EOP establishes the emergency organization, assign tasks, specifies policies and general procedures, and provides for coordination of planning efforts for emergency events such as earthquake, flooding, dam failure, and hazardous materials responses.

Norman Y. Mineta San José International Airport Comprehensive Land Use Plan

The project site is located approximately 0.7 miles northwest of the San José International Airport and is located within the Airport Influence Area (AIA) defined by the Santa Clara County Airport Land Use Commission's Comprehensive Land Use Plan (CLUP) for the San José International Airport.⁸³

Environmental Setting

Current and Historic Use of the Project Site

The subject property is currently occupied by Mark Thomas Home for commercial use. Onsite operations consist of a retail furniture store, warehousing of furniture, minor repairs to furniture, general office uses and routine facility maintenance activities. The subject property consists of one 2-story building that is centrally located on the property. The ground floor of the building contains a retail furniture store, office areas, restrooms and a warehouse. In addition to the current structure, the subject property is improved with asphalt-paved parking/drive areas, concrete-paved walkways, high voltage transmission tower and landscaped areas.

According to a review of historical records, the project site was undeveloped land from at least 1889 through 1938. Circa 1939, aerial photographs depict the project site being utilized for agricultural uses. Circa 1974, the site was developed with the current commercial/industrial structure. Previous tenants

⁸³ Santa Clara County Airport Land Use Commission. 2010. Figure 8-Airport Influence Area. Retrieved from: <https://plandev.sccgov.org/commissions-other-meetings/airport-land-use-commission#3925188384-2911751817>. Accessed: February 1, 2024

include the Eastern Furniture Company (1985-1994); Eastern Wholesale Furniture Company of California (1996-1999); Eastern Furniture Company Timber & Rags (2004); and Eastern Furniture Company (2009-2017).

Given the historical use of the project site as agricultural row crops as observed on review of historical aerial photographs, soils were likely treated with pesticides, herbicides, and fertilizers. During previous site development activities, near surface soils (where residual agricultural chemical concentrations would have most likely been present, if at all) were likely mixed with fill material or disturbed during grading. Also, it is common that engineered fill material is placed over underlying soils as part of the development activities. These additional variables serve to further reduce the potential for exposure to residual agricultural chemicals.

On-Site Contamination

The Phase I ESA did not identify any significant sources of on-site contamination. A review of regulatory records of agencies including: CalEPA, Santa Clara County Environmental Health Department, BAAQMD, CARB, San Francisco Bay Regional Water Quality Control Board, and California Department of Toxic Substances Control found no records of hazardous substance use, storage or releases. The presence of underground storage tanks (UST) or above ground storage tanks were discovered. Furthermore, no evidence of the use of reportable quantities of hazardous substances was observed on the subject property. Small quantities of general maintenance supplies, paints and stains were found to be properly labeled and stored at the time of the assessment with no signs of leaks, stains, or spills. The storage and use of maintenance supplies does not appear to pose a significant threat to the environmental integrity of the project site at this time.

Off-Site Contamination

The immediately surrounding properties consist of an industrial building industrial building occupied by Digital Realty (1100 Space Park Drive) to the north, a data center owned by Digital Realty to the west (1525 Comstock Street), another industrial building owned by Digital Realty to the east (1201 Comstock Street), and Comstock Street and Central Expressway to the south.

The property at 1201 Comstock Street, identified as 1201 Comstock Partners LLC, is located adjacent to the east of the subject property. The AST database indicated that this site is a registered AST facility with one or more registered ASTs of unspecified contents. The CERS databases indicated that this site is a registered aboveground petroleum storage and chemical storage facility with reported violations. There are no listings pertaining to any spills or releases of hazardous substances at this site. Based on regulatory status, this site is not expected to represent a significant environmental concern.

The property, identified as 1525 Comstock Partners LLC/Digital 1525 Comstock at 1201 Comstock Street, is located adjacent to the west of the subject property. The AST database indicated that this site is a registered AST facility with one or more registered ASTs of unspecified contents. The CERS databases indicated that this site is a registered aboveground petroleum storage and chemical storage facility with reported violations. There are no listings pertaining to any spills or releases of hazardous substances at this site. Based on regulatory status, this site is not expected to represent a significant environmental concern.

The property, identified as Yahoo!, Precision Monolithics, Analog Devices at 1500 Space Park Drive, is located adjacent to the north of the subject property. The AST database indicated that this site is a registered AST facility with one or more ASTs with a total capacity of 20,000-gallons of unspecified contents. The SEMS databases indicated that this site was investigated and archived by USEPA on January 23, 1996. The RCRA database indicated that this site is a registered small quantity hazardous waste generator with no reported violations. The EnviroStor database indicated that this is a tiered permit facility that was referred to RWQCB as of November 18, 2013. The facility was historically used for manufacturing purposes and contained USTs. The potential contaminants of concern (COCs) included several volatile organic compounds (VOCs). The UST databases indicated that this site contained multiple “waste” USTs. EnviroStor records indicated that Bourns, Inc. has performed remedial measures that have reduced soil and groundwater contamination. One acid neutralization sump and two waste solvent storage tanks were removed from the site. A groundwater extraction and treatment system (GETS) was started in 1985 and was eventually expanded to include 15 operational groundwater extraction wells. Extracted groundwater was treated using two air strippers prior to discharge to the storm drain under a National Pollutant Discharge Elimination System permit. The cumulative mass of VOCs removed by the GETS since 1985 is approximately 540 pounds. The GETS was effective in reducing VOC concentrations, containing the plume, and reducing its lateral extent and overall mass. The GETS was shut down in March 2006 to allow for evaluation of monitored natural attenuation.

EnviroStor records indicated that this case is associated with the 1550 Space Park Drive site that is located approximately 50 feet to the west-northwest of the subject property. This case remains open and eligible for closure as of January 1, 2014. Based on groundwater gradient and results of the most recent groundwater sampling report, this site is not expected to represent a significant environmental concern.

Other Hazards

Airports

The project site is located approximately 0.7 miles northwest of San José Norman Y. Mineta International Airport. The project site is located within the Airport Influence Area (AIA) defined by the Santa Clara County Airport Land Use Commission’s Comprehensive Land Use Plan (CLUP) for the San José International Airport. Development within the AIA can be subject to hazards from aircraft and also pose hazards to aircraft travelling to and from the airport. The AIA is a composite of areas surrounding the airport that are affected by noise, height, and safety considerations. These hazards are addressed in Federal and State regulations as well as in land use regulations and policies in the CLUP. The most recent CLUP for the Airport was adopted in 2011 and most recently updated in 2016.

As described previously, Federal Aviation Regulations, Part 77, “Objectives Affecting Navigable Airspace” (FAR Part 77), requires that the Federal Aviation Administration (FAA) be notified of certain proposed construction projects located within an extended zone defined by an imaginary slope radiating outward for several miles from an airport’s runways, or which would otherwise stand at least 200 feet in height above ground. The San José Airport released a contour map which includes height restrictions for new developments that could be a hazard to aircraft safety and would require FAA notification under FAR

Part 77. For the project site, any structure exceeding 30 feet in height above grade would require submittal to the FAA for airspace safety review.⁸⁴

The project site is also located within Airport Safety Zones Traffic Pattern Zone (TPZ). The TPZ does not limit population density but does require that at least 10 percent of the gross area be devoted to open space. In addition, sports stadiums and similar uses with very high concentrations of people (greater than 20,000) are prohibited. The project site is not located in the vicinity of a private airstrip.

Wildfire

The project site is located in an urbanized area of Santa Clara. According to the California Department of Forestry and Fire Protection (CAL FIRE), the project site is not located within a moderate, high, or very high fire hazard severity zone (FHSZ).⁸⁵ The nearest Very High Fire Hazard Severity Zone (VHFHSZ) is located approximately 7.3 miles east of the project site near Alum Rock Park in East San José.

Asbestos and Lead Based Paint

Based on the age of the subject property building (pre-1978), there is a potential that Lead Based Paint (LBP) is present. Interior and exterior painted surfaces were observed in good condition and therefore LBP is not expected to represent a hazard.

Impact Discussion

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

Less than Significant Impact. The project would involve the use of common types of potentially hazardous materials such as cleaners and pesticides for landscaping. As described in **Section 1.3, Project Description**, the construction of the project would include the installation of two 30,000 diesel fuel gallon USTs that would provide fuel for six 3,000 KW generators. Operation of the project would require the routine transport and use of fuel as needed for the generators. All potentially hazardous materials used on the project site would be contained, stored, and used in accordance with manufacturer's instructions and handled in compliance with applicable standards and regulations. In accordance with Federal and State law, the project would be required to disclose hazardous materials handled at reportable amounts. Additionally, the project applicant would be required to prepare an emergency response and evacuation plan, conduct hazardous materials training, and notify employees who work in the vicinity of hazardous materials, in accordance with Federal Occupational Health and Safety Administration (OSHA) and California Division of Occupational Safety and Health (Cal OSHA) requirements.

Since the project would include the installation of two USTs, it would be required to comply with all applicable federal, state and local regulations regarding the installation, maintenance and operation of

⁸⁴ Federal Aviation Administration. 2023. *FAA Form 7460-1 Notice of Proposed Construction or Alteration*. Available: https://www.faa.gov/documentLibrary/media/Form/FAA_Form_7460-1_042023.pdf. Accessed: February 5, 2024

⁸⁵ California Department of Forestry and Fire Protection. 2023. *FHSZ Viewer*. Available: <https://egis.fire.ca.gov/FHSZ/>. Accessed: February 5, 2024

underground storage tanks. As the CUPA for Santa Clara, the Santa Clara Fire Department Community Risk Reduction Division (Community Risk Reduction Division) is authorized to enforce these regulations including the requirements of the Health and Safety Code Division 20, Chapter 6.7, Underground Storage of Hazardous Substances and 23 CCR Division 3, Chapter 16, Underground Tank Regulations. The Community Risk Reduction Division inspects facilities that store petroleum products in underground tanks for compliance with the aforementioned laws and applicable sections of the Federal Spill Prevention, Control, and Countermeasure (SPCC) rule. Installation of underground tanks on the project site would be subject to this inspection and project operation would comply with all relevant regulations.

With implementation of the required regulatory controls outlined above, impacts related to the routine use, transport, or disposal of hazardous materials would be less than significant and no mitigation is required.

b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?

Less than Significant Impact. Construction activities would require building foundation work, including grading and excavation. The project site was previously used for agricultural row crops and industrial purposes, and its soils may therefore contain hazardous chemicals from exposure to pesticides and fertilizers. Construction workers would disturb potentially contaminated soils, releasing them locally as dust in the air where they could be absorbed through respiration and/or absorption through physical contact with contaminated soils. However, the majority of the subject property is either paved over or covered by building structures that minimize direct contact to any potential remaining concentrations in the soil.

Additionally, during previous site development activities, near surface soils (where residual agricultural chemical concentrations would have most likely been present, if at all) were likely mixed with fill material or disturbed during grading. Also, it is common that engineered fill material is placed over underlying soils as part of the development activities. These additional variables serve to further reduce the potential for exposure to residual agricultural chemicals (if any). However, provided that there is a history of agricultural related activities on the project site and surrounding area, the following condition of approval will be included as part of the project:

Condition of Approval

Due to the history of agricultural related activities on the project site and in the surrounding area, the project could experience potential hazards associated with residual agricultural chemicals in the soil if found in the project site. To identify and reduce the potential risks associated with these residual chemicals, the project will complete a Phase II Environmental Site Assessment to identify potential hazards prior to the commencement of construction activities. At a minimum, this Phase II Environmental Site Assessment will include baseline soil sampling to ensure there are no levels of soil contamination that exceed regulatory thresholds and recommendations to minimize risks to those working on the project site.

With the included condition of approval, the project's impact would be less than significant, and no mitigation is required.

c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

Less than Significant Impact. The nearest school to the project site is Granada Islamic School located approximately 0.22 miles to the northwest of the project site at 3003 Scott Boulevard. Upon project implementation, paints, oils, absorbents, cleaners, and pesticides for landscaping would be used in small quantities. All potentially hazardous materials would be contained, stored, and used in accordance with manufacturer's instructions and handled in compliance with applicable standards and regulations. In accordance with federal and State law, the project would be required to disclose hazardous materials handled at reportable amounts. As hazardous materials would be properly stored and disposed of on site, this impact would be less than significant, and no mitigation is required.

d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and as a result, would it create a significant hazard to the public or the environment?

No Impact. The project site is not included on any of the lists of hazardous materials sites compiled pursuant to Government Code Section 65962.5. Therefore, no impact would occur, and no mitigation is required.

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?

Less than Significant Impact. The project site is located approximately 0.7 miles northwest of the San José Norman Y. Mineta International Airport. According to Figure 5 and Figure 7 of the San José International Airport Land Use Compatibility Plan, the project is not located within any noise contours or safety zones of the San José Norman Y. Mineta International Airport.⁸⁶ Therefore, the proposed project would not expose people working in the project area to excessive aircraft overflight noise levels or safety hazards. The project's impact would be less than significant, and no mitigation is required.

f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

Less than Significant Impact. The Santa Clara City Emergency Operations Plan was adopted by the City in 2016 to assign responsibilities to designated city leaders, employees, departments, agencies, boards, and community and volunteer organizations in the event of a disaster. Santa Clara Fire Department (SCFD) and Santa Clara Police Department currently serve the project site. Please refer to **Section 2.15, Public Services**, for more detailed information regarding fire and emergency services. The project does not include any changes to the existing public roadways that provide emergency access to the site or

⁸⁶ Santa Clara County Airport Land Use Commission. 2016. Comprehensive Land Use Plan Santa Clara County. Retrieved from: https://stgenpln.blob.core.windows.net/document/ALUC_SJC_CLUP.pdf. Accessed. February 1, 2024.

surrounding area. Operation of the project would require a maximum of 20 employees to be on-site in a 24-hour period, however, this is not expected to result in a significant increase in demand for emergency access. Therefore, the project would not impair the implementation of, or physically interfere with the City's Emergency Operations Plan, adopted in 2016. Impacts would be less than significant, and no mitigation is required.

g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?

No Impact. The project site is located in a developed urban area containing no wildland areas. Neighboring cities such as Sunnyvale and San José adjacent to the City limits are also fully developed. The project is not adjacent to any High or Very High Fire Hazard Severity Zones or any natural areas that would be subject to wildland fires. Therefore, the project would not result in any significant exposure of people or structures to wildland fires, and no mitigation is required.

2.10. Hydrology and Water Quality

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:				
i) result in substantial erosion or siltation on- or off-site;	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site;	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Regulatory Setting

Federal

Federal Clean Water Act

The Federal Clean Water Act and California's Porter-Cologne Water Quality Control Act are the primary laws related to water quality in California. Regulations set forth by the U.S. EPA and the SWRCB have been developed to fulfill the requirements of this legislation. U.S. EPA regulations include the NPDES

permit program, which controls sources that discharge pollutants into the waters of the United States (e.g., streams, lakes, bays, etc.). These regulations are implemented at the regional level by the RWQCBs. The project site is within the jurisdiction of San Francisco Bay Regional Water Quality Control Board (SFBRWQCB).

National Flood Insurance Program

The Federal Emergency Management Agency (FEMA) established the National Flood Insurance Program (NFIP) to reduce impacts of flooding on private and public properties. The program provides subsidized flood insurance to communities that comply with FEMA regulations protecting development in floodplains. As part of the program, FEMA publishes Flood Insurance Rate Maps (FIRMs) that identify Special Flood Hazard Areas (SFHAs). An SFHA is an area that would be inundated by the one-percent annual chance flood, which is also referred to as the base flood or 100-year flood.

State

Statewide Construction General Permit

The SWRCB has implemented an NPDES General Construction Permit for the State of California (Construction General Permit). For projects disturbing one acre or more of soil, a Notice of Intent (NOI) and Storm Water Pollution Prevention Plan (SWPPP) must be prepared by a qualified professional prior to commencement of construction. The Construction General Permit includes requirements for training, inspections, record keeping, and, for projects of certain risk levels, monitoring. The general purpose of the requirements is to minimize the discharge of pollutants and to protect beneficial uses and receiving waters from the adverse effects of construction-related storm water discharges.

Sustainable Groundwater Act of 2014

This act provides a framework for sustainable management of groundwater supplies by local authorities, with a limited role for State intervention, if necessary, to protect the resource. The act requires the formation of local groundwater sustainability agencies that must assess conditions in their local water basins and adopt locally based management plans. The act provides a 20-year timeframe for achievement of long-term groundwater sustainability. The Department of Water Resources (DWR) is currently taking the initial steps in developing implementation guidance.

Regional

Valley Water Groundwater Management Plan

The Valley Water Groundwater Management Plan (GWMP) describes Valley Water's comprehensive groundwater management framework, including existing and potential actions to achieve basin sustainability goals and ensure continued sustainable groundwater management.⁸⁷ The plan covers the Santa Clara and Llagas subbasins, located entirely in Santa Clara County and satisfies the objectives of

⁸⁷ Santa Clara Valley Water District (Valley Water). 2021. *Groundwater Management Plan for the Santa Clara and Llagas Subbasins*. Available: https://s3.us-west-2.amazonaws.com/assets.valleywater.org/2021_GWMP_web_version.pdf. Accessed: February 5, 2024.

the Sustainable Groundwater Management Act. The groundwater management plan includes groundwater supply management programs that replenish the groundwater basin, sustain the basin's water supplies, help to mitigate groundwater overdraft, and sustain storage reserves for use during dry periods. The plan also includes groundwater monitoring programs that provide data to assist Valley Water in evaluating and managing the groundwater basin.

Valley Water Urban Water Management Plan

Every five years, urban water suppliers in California are required by State law to prepare an Urban Water Management Plan (UWMP). Valley Water's 2020 UWMP is its most recent update.⁸⁸ Valley Water's 2020 UWMP documents current and projected water supplies and demands over the next 25 years during normal and drought years, as well as water reliability analysis and conservation efforts. The plan provides an overall picture of current and future water conditions and management in Santa Clara County.

As part of the 2020 UWMP, Valley Water expanded its Water Shortage Contingency Plan (WSCP) to a standalone document. The WSCP establishes actions and procedures for managing water shortages due to droughts and other emergencies consistent with new State regulations. It also summarizes other planning efforts related to natural disasters, drought revenue impacts, and Valley Water's legal authority and communication protocol to respond to water shortages.

Santa Clara Valley Urban Runoff Pollution Prevention Program⁸⁹

The County's Stormwater Handbook defines low impact development (LID) as a land planning and engineering design approach with a goal of reducing stormwater runoff and mimicking a site's predevelopment hydrology by minimizing disturbed areas and impervious cover. The treatment consists of the removal of pollutants from stormwater runoff using the following types of stormwater treatment measures: infiltration, storing, detaining, evapotranspiration⁹⁰, rainwater harvesting and use, and biotreatment.

The development or redevelopment of a property represents an opportunity to incorporate post-construction controls that can reduce water quality impacts of the development over the life of the project. Since 2003, the Urban Runoff Program's municipal agencies have required new development and redevelopment projects to incorporate post-construction stormwater site design, source control, and treatment measures in their projects. The Municipal Regional Stormwater NPDES Permit (MRP), adopted by the San Francisco Bay Regional Water Quality Control Board in November 2015 includes requirements for incorporating LID-based post-construction stormwater control measures into new

⁸⁸ Santa Clara Valley Water District (Valley Water). 2020. *2020 Urban Water Management Plan*. Available: <https://fta.valleywater.org/dl/pggls1SeCr>. Accessed: February 5, 2024.

⁸⁹ Santa Clara Valley Urban Runoff Pollution Prevention Program. 2016. *C.3 Stormwater Handbook*. Available: <https://scvurppp.org/2016/06/20/c-3-stormwater-handbook-june-2016/>. Accessed: February 5, 2024.

⁹⁰ Evapotranspiration the process by which water is transferred from the land to the atmosphere by evaporation from the soil and other surfaces and by transpiration from plants.

development and redevelopment projects. These requirements include projects that create and/or replace 5,000 square feet or more of impervious surface must comply with Provision C.3 of the MRP.

Local

Santa Clara 2010-2035 General Plan⁹¹

The Water Goals and Policies and other sections of the General Plan address the City's goals, policies, and implementing actions regarding water supply. The following policies in the General Plan related water:

- 5.10.4-P3** Promote water conservation, recycled water use and sufficient water importation to ensure an adequate water supply.
- 5.10.4-P4** Require an adequate water supply and water quality for all new development.
- 5.10.4-P5** Prohibit new development that would reduce water quality below acceptable State and local standards.
- 5.10.4-P6** Maximize the use of recycled water for construction, maintenance, irrigation and other appropriate applications.
- 5.10.4-P7** Require installation of native and low-water-consumption plant species when landscaping new development and public spaces to reduce water usage.
- 5.10.4-P8** Require all new development within a reasonable distance of existing or proposed recycled water distribution systems to connect to the system for landscape irrigation.
- 5.10.4-P12** Encourage diversion of run-off from downspouts, and replacement of hardscapes to landscaped areas and permeable surfaces.

Environmental Setting

Water Supply

The City operates 26 wells that tap underground aquifers and make up about 62 percent of their potable water supply. A water recharge program is administered by Valley Water from local reservoirs, and imported water enhances the dependability of the underground aquifer. The remainder of the City's water supply consists of water imported from two wholesale water agencies. For certain non-potable uses, recycled water from the San José/Santa Clara Regional Wastewater Facility is used. This is highly treated water delivered through separate pipelines. This source makes up about 16 percent of water sales in the City. Recycled water offsets the use of potable sources in drought-prone California and is a reliable source for irrigation for conservation of potable sources. Valley Water approved and adopted an updated GWMP in 2021. Similarly, the City updated its UWMP in 2020. The project site is currently served by municipal water service.

⁹¹ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available at: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

Stormwater

The RWQCB has issued an MRP (Permit Number CAS612008). The regional permit applies to 77 Bay Area municipalities, including the City. Under provisions of the MRP, redevelopment projects that disturb more than 5,000 square feet are required to design and construct stormwater treatment controls to treat post-construction stormwater runoff. Post-construction runoff must be treated by using LID treatment controls, such as biotreatment facilities.

In addition to water quality controls, the MRP requires all projects that create or replace 1 acre or more of impervious surface to manage development-related increases in peak runoff flow, volume, and duration, where such hydromodification is likely to cause increased erosion, silt pollutant generation or other impacts to beneficial uses of local rivers, streams, and creeks. Projects may be deemed exempt from the permit requirements if they do not meet the size threshold, drain into tidally influenced areas or directly into the Bay, drain into hardened channels, or are infill projects in subwatersheds or catchment areas that are greater than or equal to 65 percent impervious (per the Santa Clara Hydromodification Management Applicability Map).

Groundwater

Previous geotechnical investigations for surrounding projects have encountered groundwater at depths ranging from five to 10 feet below the existing grade. Historic high groundwater level is also approximately between five and 10 feet below the existing grade. Fluctuations in groundwater levels are common due to seasonal fluctuations, underground drainage patterns, regional fluctuations, and other factors.

Tsunamis and Seiches

Seismically induced ocean waves are caused by displacement of the sea floor by a submarine earthquake and are called tsunamis. Seiches are waves produced in a confined body of water such as a lake or reservoir by earthquake ground shaking or landslides. Seiches are possible at reservoir, lake or pond sites. There are no large bodies of water near the project site, and the project site is not in a tsunami zone or at risk of seiche.

Inundation

The project is located within the James J. Lenihan Dam inundation zone. James J. Lenihan Dam is located on Los Gatos Creek about 3 miles south of the town of Los Gatos. The dam was constructed in 1952. The Lexington Reservoir behind the dam is 2.5-miles-long and the second largest reservoir in the Valley Water District. The reservoir has a capacity of 19,044 acre-feet of water with a 412-acre surface. The downstream hazard of the dam is rated as extremely high.

Impact Discussion

a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?

Less than Significant Impact. The project site currently consists primarily of impervious surfaces with some landscaped areas along the southern portion of the project site facing Comstock Street. Implementation of the project would remove the existing structure and replace it with approximately

33,184 square feet of impervious surfaces including a data center building and a surface parking lot. Therefore, the project would be required to comply with the City's BMPs for erosion and sedimentation control during construction as outlined in the MRP.

Since the project would result in the disturbance of more than one acre of impervious surface during construction, the project would be subject to a State NPDES General Construction Permit which would require submittal of a Notice of Intent to the State Water Resources Control Board. The project would be subject to post-construction Provision C.3 requirements, requiring the incorporation of source control design elements to keep pollutants away from stormwater.

Consistent with the City's LID requirements, the project would also include at least one bioretention area in landscaping design to ensure that particulates are removed from stormwater prior to discharge into a storm drain. Compliance with the standard control measures outlined in the NPDES permit would ensure that impacts to water quality or waste discharge are less than significant during project operation. There is potential for degradation of surface or ground water quality, but with the permit above, impacts would not be significant and would be monitored accordingly.

Compliance with City's BMPs for erosion and sedimentation control during construction and the post construction control measures outlined in Provision C.3 of the MRP would further ensure that impacts to water quality or waste discharge are less than significant and no mitigation is required.

b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?

Less than Significant Impact. The City would provide potable water services to the project, which would include some groundwater, however the project would not include the extraction of groundwater via wells and no wells are proposed in the project. Furthermore, due to the General Plan requirements, the project will use recycled water for landscape irrigation by connecting to the City's recycled water pipeline system which surrounds the project site and the surrounding area. The City's water supply planning includes projected increases in water demand due to densification and intensification of non-residential uses. The City's municipal water system currently has the capacity to provide up to 28.8 million gallons of water per day.

According to the City of Santa Clara 2020 UWMP, the City will have sufficient water supply to supply projected growth with water through 2045 in normal, dry, and multiple dry years through a combination of recycled water, groundwater, and water purchased from the San Francisco Public Utilities Commission and Valley Water. Furthermore, the City is planning to upgrade and extend the recycled water system to provide an opportunity for new developments and the City's parks to use recycled water and minimize the demand on potable water sources, including groundwater. Given that the project is consistent with the existing General Plan land use designation and zoning, the project is accounted for in the projected growth analyzed in the City's 2020 UWMP. Therefore, the City will have sufficient water to serve the project without impeding sustainable groundwater management.

The project would not interfere with groundwater recharge as the impervious area added by the project would be roughly equivalent to existing conditions and will not incorporate the use of wells.

Furthermore, the project will incorporate stormwater control improvements such as bioretention and

flow-through planters into improved landscaping areas. Therefore, impacts to groundwater recharge or depletion from water use would be less than significant and no mitigation is required.

c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:

i. result in substantial erosion or siltation on- or off-site;

Less than Significant Impact. The project site is located within the San Francisco Bay Watershed. Natural drainage features within this watershed include Calabazas Creek, Saratoga Creek, and San Tomas Aquino Creek. San Tomas Aquino Creek is located approximately 0.73 miles to the west of the project site, and therefore the implementation of the project would not result in alteration of the creek or any work in or near the creek.

As previously described, the project would replace the existing development and maintain a similar pattern of landscaping, resulting in an amount of impervious surface that is similar to existing conditions. Adherence to Provision C.3 of the MRP described above would ensure the project does not result in substantial erosion. This impact would be less than significant and no mitigation is required.

ii. substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site;

OR

iii. create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff;

OR

iv. impede or redirect flood flows?

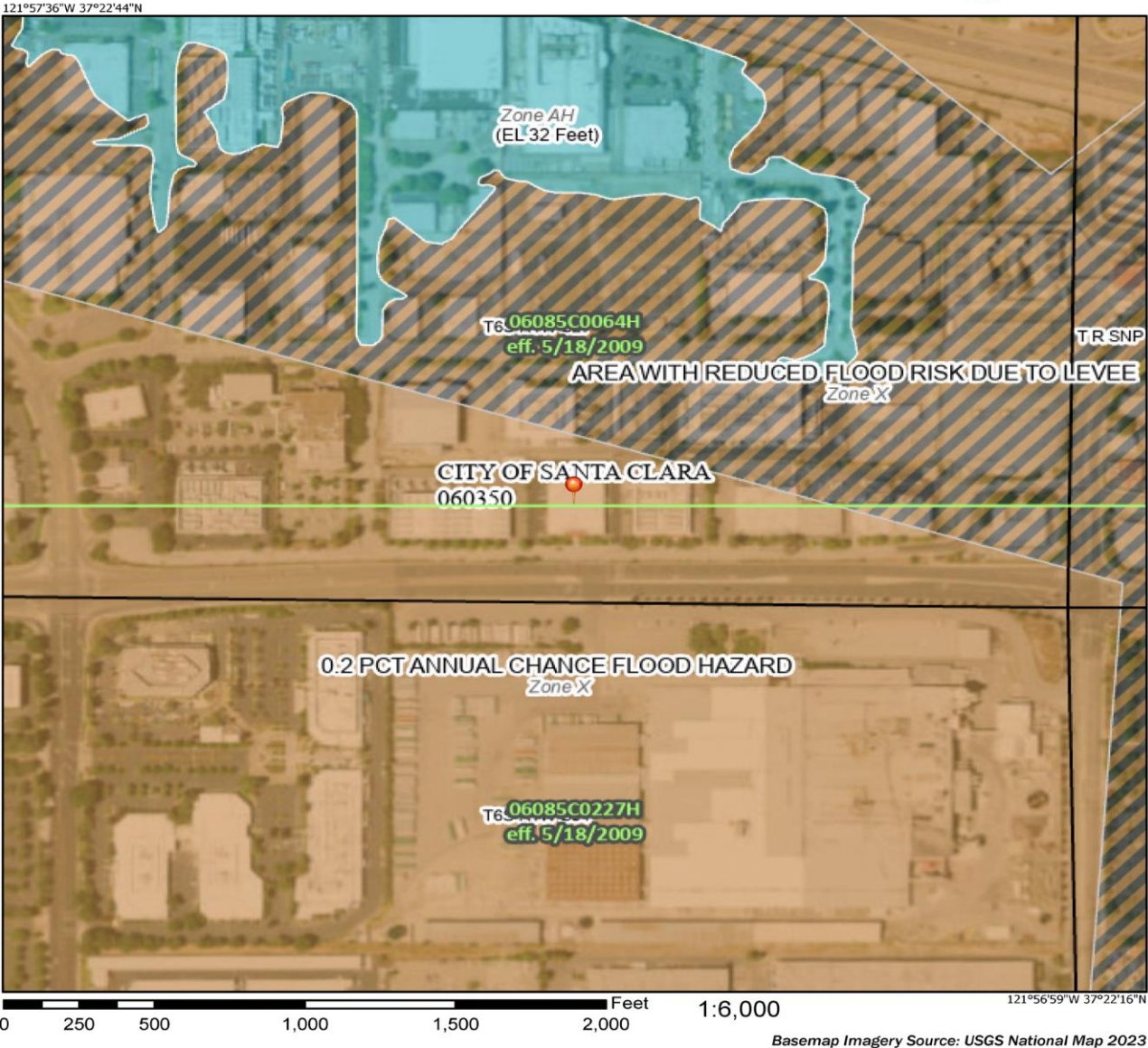
Less than Significant Impact. The project would alter the drainage of the site to effectively convey stormwater within the new site plan. A drainage plan has been prepared and will be implemented as part of the project. Through the City's design review process and standard conditions of approval, the applicant would be required to develop an acceptable on-site stormwater management plan. With adherence to this plan, stormwater volumes from the site would not be increased over existing conditions.

As stated above under **threshold (a)** above, the project would be subject to the requirements of Provision C.3 of the City's NPDES permit. This permit would require all post construction runoff to be treated using LID treatment controls, such as biotreatment facilities. The site drainage would convey stormwater to onsite retention areas (LID) and/or to the City's stormwater system.

Once operational, the amount of surface runoff generated by the project would not increase compared to existing conditions, in compliance with Provision C.3 requirements and City regulations. For this reason, the project would not contribute to stormwater runoff which would exceed the capacity of the existing or planned stormwater drainage system or to offsite flooding.

As shown in **Figure 2-1** below, the project is located within FEMA Flood Zone X (unshaded), which is defined as an area with a 0.2 percent annual chance of flood hazard. Therefore, the following measures are listed as Standard Conditions of Approval (as opposed to mitigation measures) as they are required by the project to address existing conditions in accordance with the City's General Plan policies, the Valley Water Groundwater Management Plan, FEMAs NFIP, and the Statewide Construction General Permit.

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes, Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
OTHER FEATURES		Levee, Dike, or Floodwall
		Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
MAP PANELS		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
		Hydrographic Feature
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 1/3/2024 at 5:23 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Source: Circlepoint, 2024

Condition of Approval

Prior to construction, the applicant shall prepare and submit a Stormwater Pollution Prevention Plan (SWPPP) to the City, delineating efforts to control the discharge of stormwater pollutants. The SWPPP shall include control measures during the construction period for:

- Soil Stabilization practices
- Sediment control practices
- Sediment tracking control practices
- Wind erosion control practices, and
- Non storm water management and waste management and disposal control practices

With incorporation of the Condition of Approval above, the project would not contribute substantial amounts of sediment to storm drain systems, and impacts resulting from erosion or siltation during construction would be less than significant. Therefore, no mitigation is required.

d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?

No Impact. As previously described and shown in **Figure 2-1** above, the project is located within FEMA Flood Zone X (unshaded), which is defined as an area with a 0.2 percent annual chance of flood hazard. The project site is located adjacent to areas with reduced flood risk due to the presence of a levee. The project site is not located in a tsunami or seiche zone. The project site is located approximately 3.5 miles from the San Francisco Bay and approximately 25 miles from the Pacific Ocean and due to this distance, potential impacts related to tsunamis are minimal. Additionally, the project site is not susceptible to impacts resulting from seiches because of its distance from any large bodies of water. The project is located within the James J. Lenihan Dam inundation zone. The inundation zone assumes complete failure with a full reservoir. The actual extent and depth of inundation in the event of a failure would depend on the volume of storage in the reservoir at the time of failure. The risks of failure are reduced by several regulatory inspection programs, and risks to people and property in the inundation area are reduced by local hazard mitigation planning. The California Department of Water Resources (CDWR) Division of Safety of Dams is responsible for regular inspection of dams in California. CDWR and local agencies are responsible for minimizing the risks of dam failure thus avoiding the release of pollutants due to project inundation. Therefore, there would be no impact.

e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?

Less than Significant Impact. Construction of the project would comply with Santa Clara County Stormwater Quality BMPs and the Santa Clara County Stormwater Control guidelines, as discussed under **threshold (a)**, above. With adherence to these BMPs and guidelines, the impact would be less than significant, and no mitigation is required.

2.11. Land Use and Planning

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Regulatory Setting

Regional

Norman Y. Mineta San José International Airport

The project site is located 0.7 miles northwest of the San José International Airport and is located within the Airport Influence Area (AIA) defined by the Santa Clara County Airport Land Use Commission's Comprehensive Land Use Plan (CLUP) for the San José International Airport. Development within the AIA can be exposed to hazards from aircraft and pose hazards to aircraft travelling to and from the airport. The AIA is a composite of areas surrounding the airport that are affected by noise, height, and safety considerations. These hazards are addressed in Federal and State regulations as well as in land use regulations and policies in the CLUP. The most recent CLUP for the Airport was adopted in 2011 and updated in 2016.

The CLUP includes land use compatibility policies and standards, which form the basis for evaluating the land use compatibility of individual projects with the Airport and its operations. Standards in the CLUP focus on the three areas of ALUC responsibility 1) aircraft noise, 2) the safety of persons on the ground and in aircraft, and 3) the control of objects in navigable airspace.

Applicable CLUP land use policies to the project include:

- **G-7:** All new exterior lightning within the AIA shall be designed so as to create no interference with aircraft operations. Such lightning shall be constructed and located so that only the intended area is illuminated and off-site glare is fully controlled. The lightning shall be arrayed in such a manner that it cannot be mistaken for airport approach or runway lights by pilots
- **O-1:** All new projects within the AIA that are subject to discretionary review and approval shall be required to dedicate in compliance with state law , an aviation easement to the City of San José

Local

Santa Clara 2010-2035 General Plan⁹²

The General Land Use Goals and Policies section of the General Plan addresses the City's goals, policies, and implementing actions regarding land use. The follow General Plan policies related to land use are applicable to the project:

- 5.3.1-P3** Support high quality design consistent with adopted design guidelines and the City's architectural review process.
- 5.3.1-P4** Encourage new development that meets the minimum intensities and densities specified in the land use classifications or as defined through applicable Focus Area, Neighborhood Compatibility or Historic Preservation policies of the General Plan.
- 5.3.1-P5** Implement a range of development densities and intensities within General Plan land use classification requirements to provide diversity, use land efficiently and meet population and employment growth.
- 5.3.1-P9** Require that new development provide adequate public services and facilities, infrastructure, and amenities to serve the new employment or residential growth.
- 5.3.1-P10** Provide opportunities for increased landscaping and trees in the community, including requirements for new development to provide street trees and a minimum 2:1 on- or off-site replacement for trees removed as part of the proposal to help increase the urban forest and minimize the heat island effect.
- 5.3.1-P11** Encourage new developments proposed within a reasonable distance of an existing or proposed recycled water distribution system to utilize recycled water for landscape irrigation, industrial processes, cooling and other appropriate uses to reduce water use consistent with the CAP.
- 5.10.5-P29** Continue to refer proposed projects located within the Airport Influence Area to the Airport Land Use Commission
- 5.10.5-P30** Review the location and design of development within Airport Land Use Commission jurisdiction for compatibility with the Airport Land Use Compatibility Plan
- 5.10.5-P32** Encourage all new projects within the Airport Influence Area to dedicate an aviation easement.
- 5.10.5-P33** Limit the height of structures in accordance with the Federal Aviation Administration Federal Aviation Regulations, FAR Part 77 Criteria

Environmental Setting

The project site has a General Plan land use designation of Low Intensity Office/R&D and will retain its designation for all phases. The Low Intensity Office/R&D designation is intended for campus-like office

⁹² City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available at: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

development that includes office and R&D, as well as medical facilities and free-standing data centers, with manufacturing uses limited to a maximum of 20 percent of the building area. It includes landscaped areas for employee activities and parking that may be surface, structured, or below grade. Accessory or secondary small scale supporting retail uses that serve local employees and visitors are also permitted. The maximum Floor Area Ratio (FAR) allowed under this designation is 1.00.

The site is currently developed with a one-story furniture store and showroom in addition to a paved surface parking lot. The approximately 1.37-acre project site is bound by Comstock Street to the south, and surrounded by light industrial uses to the west, north and east. The project site is zoned ML-Light Industrial and will be revised to LO-RD under the zoning map update. The ML-Light Industrial zoning designation under the October 2023 zoning code is intended for (but not limited to) commercial storage and wholesale distribution warehouses, plants and facilities for the manufacturing, processing, and repair of equipment and merchandise, and retail sales of industrial products, and uses of a similar nature. Retail commercial and service uses, kennels and lumber yards (and other similar uses) may also be allowed as a conditional use with City approval of a Conditional Use Permit. Under the zoning code update, LO-RD zoning designations allow for office and research and development uses, limited manufacturing, and employee-serving retail. Data centers are permitted under the LO-RD zoning designation as a conditional use and require a Conditional Use Permit. The project site is located within Part 77 Surface zone 212, which limits the building height to a maximum of 212 feet above mean sea level. The maximum permitted building height within this zone is 80 feet and the maximum building coverage is 75 percent.

Impact Discussion

a) Physically divide an established community?

No Impact. A physical division of an established community typically refers to the construction of a physical feature (such as a wall, roadway, or railroad tracks) or the removal of a means of access (such as a local roadway or bridge) that would impair mobility within an existing community for between communities. The project would not physically divide an established community. The project site is in a developed area comprised of light industrial, low intensity office/ research and development, and commercial uses. The project is consistent with the pattern of surrounding land uses, would not change existing access to roadways or other modes of transportation, and would not create a physical barrier. Therefore, no impact would occur.

b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

No Impact. The General Plan land use designation for the project site is Low Intensity Office/R&D. No changes to the General Plan land use designation are proposed. This classification is intended to accommodate a range of light industrial uses, including general service, warehousing, storage, distribution, and manufacturing. Office buildings are a permitted use under the Low Intensity Office/R&D land use designation and data centers are a conditional use that require a Conditional Use Permit. The project is consistent with General Plan policies and goals.

The project site is zoned Light Industrial (LO-RD under the zoning code update/July 2024 zoning map update) and is surrounded by industrial development. Under the City's October 2023 zoning ordinance, the Light Industrial zoning district is intended to provide an optimum general industrial environment, and it is intended to accommodate industries operating substantially within an enclosed building. The project would be consistent with the Light Industrial zoning district outlined in the October 2023 zoning code and the LO-RD zoning district proposed in the zoning code update. Therefore, no impact would occur.

2.12. Mineral Resources

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Regulatory Setting

State

Surface Mining and Reclamation Act

The Surface Mining and Reclamation Act (SMARA) was enacted by the California Legislature in 1975 to address the need for continuing supply of mineral resources, and to prevent or minimize the negative impacts of surface mining to public health, property, and the environment. As mandated under SMARA, the State Geologist has designated mineral land classifications in order to help identify and protect mineral resources in areas within the state subject to urban expansion or other irreversible land uses which would preclude mineral extraction. SMARA also allowed the State Mining and Geology Board (SMGB), after receiving classification information from the State Geologist, to designate lands containing mineral deposits of regional or statewide significance.

Environmental Setting

Local

The City's General Plan states that there are no significant mineral resources located within the City.

Impact Discussion

a) **Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?**

OR

b) **Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?**

No Impact. As noted above, there are no significant mineral resources located within the City. Therefore, the project would not have an impact on mineral resources that would be of value to the region or residents of the State. No impact would occur.

2.13. Noise and Vibration

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project result in:				
a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The following discussion is based in part on a Noise Study Report prepared for the project in January 2024. A copy of this report is included as **Appendix G** to this Initial Study

Regulatory Setting

Federal

Federal Transit Administration (FTA) Transit and Noise Vibration Impact Assessment Manual

The FTA provides reasonable criteria for assessing construction noise impacts based on the potential for adverse community reaction in their *Transit and Noise Vibration Impact Assessment Manual*.⁹³ For residential uses, the daytime noise threshold is 80 decibels (dBA) equivalent continuous sound level (Leq).

Construction activity can result in varying degrees of ground vibration, depending on the equipment and methods employed. The operation of construction equipment causes ground vibrations that spread through the ground and diminish in strength with distance. Buildings founded on the soil near the construction site respond to these vibrations with varying results, ranging from no perceptible effects at the lowest levels, low rumbling sounds and perceptible vibrations at moderate levels, and slight damage at the highest levels.

⁹³ Federal Transit Administration. 2018. *Transit Noise and Vibration Impact Assessment*. Available: https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/research-innovation/118131/transit-noise-and-vibration-impact-assessment-manual-fta-report-no-0123_0.pdf. Accessed: February 5, 2024.

While ground vibrations from construction activities do not often reach the levels that can damage structures, fragile buildings must receive special consideration. The construction vibration criteria include consideration of the building condition.

The key elements of the Construction Vibration Assessment procedures and recommended workflow are presented in the manual in detail with the following steps:

Step 1: Determine level of construction vibration assessment

Step 2: Use a qualitative construction vibration assessment

Step 3: Use a quantitative construction vibration assessment

Step 4: Assess construction vibration impact

Step 5: Determine construction vibration mitigation measures

Occupational Health and Safety Administration

The Federal Government regulates occupational noise exposure common in the workplace through the OSHA under the EPA. Noise limitations would apply to the operation of construction equipment and could also apply to operational equipment proposed as part of the project. Noise exposure of this type is dependent on work conditions and is addressed through a facility's Health and Safety Plan, as required under OSHA.

State

The State of California regulates freeway noise, sets standards for sound transmission, provides occupational noise control criteria, identifies noise standards, and provides guidance for local land use compatibility. State law requires each county and city to adopt a General Plan that includes a Noise Element prepared per guidelines adopted by the Governor's Office of Planning and Research. The purpose of the Noise Element is to limit the exposure of the community to excessive noise levels. The California Environmental Quality Act requires all known environmental effects of a project be analyzed, including environmental noise impacts.

Local

Santa Clara 2010-2035 General Plan

The General Plan contains goals and policies that are designed to control noise within the City. In addition, the General Plan identifies noise and land use compatibility standards for various land uses.

Table 2-17 includes acceptable noise levels for various land uses, taken from Section 5.10.6 of the General Plan. Industrial land uses are considered compatible in noise environments of 73 dBA Day Night Average Sound Level/Community Noise Equivalent Level (DNL/CNEL) or less. The guidelines state that where the exterior noise levels are greater than 73 dBA DNL/CNEL and less than 83 dBA DNL/CNEL, the design of the project should include measures to reduce interior noise to acceptable levels.

Commercial land uses are considered compatible in noise environments of 73 dBA DNL/CNEL or less. The guidelines state that where the exterior noise levels are greater than 68 dBA DNL/CNEL and less

than 77 dBA DNL/CNEL, the design of the project should include measures to reduce interior noise to acceptable levels.

Table 2-17 Noise and Land Use Compatibility Standards

Land Use	Compatible (dBA, DNL/CNEL)	Require Design Standard (dBA, DNL/CNEL) ¹	Incompatible (dBA, DNL/CNEL) ²
Residential	<57	58-73	>73
Educational	<57	58-73	>73
Recreational	<67	68-77	>77
Commercial	<67	68-77	>77
Industrial	<73	73-83	>83
Open Space	<85	N/A	N/A

¹ Requires design standard and insulation to reduce noise levels

² Avoid land use except when entirely indoors and an interior level of 45 DNL can be maintained

N/A = no applicable noise standard

Source: City of Santa Clara 2014 Table 8.14-1

The Noise Goals and Policies section of the General Plan addresses the City's goals, policies, and implementing actions regarding noise and vibration. The following General Plan policies related to noise are applicable to the project:

- 5.10.6-P1** Review all land use and development proposals for consistency with the General Plan compatibility standards and acceptable noise exposure levels defined on Table 5.10-1.
- 5.10.6-P2** Incorporate noise attenuation measures for all projects that have noise exposure levels greater than General Plan "normally acceptable" levels, as defined on Table 5.10-1.
- 5.10.6-P3** New development should include noise control techniques to reduce noise to acceptable levels, including site layout (setbacks, separation and shielding), building treatments (mechanical ventilation system, sound-rated windows, solid core doors and baffling) and structural measures (earthen berms and sound walls).
- 5.10.6-P4** Encourage the control of noise at the source through site design, building design, landscaping, hours of operation and other techniques.

City of Santa Clara City Code Chapter 9.10- Regulation of Noise and Vibration

The City's noise ordinance is codified in Chapter 9.10, Regulation of Noise and Vibration, of the SCCC. The noise ordinance requires protection from unnecessary, excessive, and unreasonable noise or vibration from fixed sources in the community. Applicable provisions of the City's noise ordinance are discussed below.

SCCC Section 9.10.40 limits exterior noise levels from fixed uses at residences to 55 dBA during daytime hours of 7:00 a.m. to 10:00 p.m. and 50 dBA during nighttime hours of 10:00 p.m. to 7:00 a.m.; exterior

noise levels at commercial uses to 65 dBA during daytime hours and 60 dBA during nighttime hours; exterior noise levels at light industrial uses to 70 dBA at any time and noise levels to 75 dBA at heavy industrial uses at any time. Section 9.10.060(c) states if the measured ambient noise level differs from those levels set forth in SCCC Section 9.10.040, the allowable noise standard should be “adjusted in five dBA increments in each category as appropriate to encompass or reflect said ambient noise level”.

Section 9.10.230 of the SCCC states that construction activities are not permitted within 300 feet of residentially zoned property except within the hours of 7:00 a.m. and 6:00 p.m. on weekdays and 9:00 a.m. and 6:00 p.m. on Saturdays.⁹⁴

Santa Clara County Airport Land Use Commission Land Use Plan

The Comprehensive Land Use Plan for San José International Airport adopted by the Santa Clara County Airport Land Use Commission (ALUC) contains standards for projects within the vicinity of San José International Airport which are relevant to this project. Noise compatibility for industrial uses located within the vicinity of the San José International Airport are considered generally acceptable when located within the 65 dBA to 70 dBA CNEL airport noise contour and generally unacceptable when located within the 70 dBA CNEL airport noise contour.

Environmental Setting

The most prominent source of noise in the project site vicinity is traffic noise from the Central Expressway and Comstock Street. Other noise sources are similar commercial and industrial uses surrounding the site. According to Figure 5 of the Comprehensive Land Use Plan for Norman Y. Mineta San José International Airport, the project is not located within noise contours of the airport.⁹⁵

Impact Discussion

- a) **Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?**

Construction

Less than Significant Impact. Construction-related noise is only considered substantial if construction activities are proposed outside normal working hours or would occur for an extraordinarily long time. As described **Section 0, Construction**, construction would occur over approximately 24-36 months and would take place within the City’s acceptable hours for construction activities to occur.

Construction activities would be located within 1,400 feet of the closest sensitive receptors but would typically be located at distances of 1,250 feet or further away depending on the exact location of the construction equipment on the project site. Due to the nature of construction, construction equipment

⁹⁴ City of Santa Clara. 2023. *City of Santa Clara City Code Chapter 9.10 Regulation of Noise and Vibration*. Retrieved from: <https://www.codepublishing.com/CA/SantaClara/#!/html/SantaClara09/SantaClara0910.html>. Accessed: February 5, 2024

⁹⁵ Santa Clara County Airport Land Use Commission. 2016. *Comprehensive Land Use Plan, Santa Clara County, Norman Y. Mineta San José International Airport*. Available: https://stgenpln.blob.core.windows.net/document/ALUC_SJC_CLUP.pdf. Accessed: February 5, 2024.

is typically dispersed in various areas of the site, with only a limited amount of equipment operating near a given location at a particular time.

The FTA 2018 *Transit Noise and Vibration Impact Assessment* document recommends this approach on page 177, stating that for the distance variable in its construction noise calculation “assumes that all equipment operates at the center of the project.” Therefore, it is common, industry standard practice to analyze average construction noise from the center of the site because this is the approximate center of where noise is being generated, as equipment moves around the site throughout the workday. In accordance with FTA recommendations, construction noise from site preparation and grading was analyzed from the center of the site, as construction equipment for these phases would be moving throughout the site. Construction noise from site preparation, grading, building construction, paving and architectural coating were analyzed based upon the center of site to the sensitive receivers. The closest sensitive receiver to the project site is the Granada Islamic School to the northwest (1,165 feet), with the closest residences 3,300 feet to the north.

Table 2-18 identifies the estimated noise levels at the closest sensitive receivers from the center of the site based on the conservatively assumed combined use of all construction equipment during each phase of construction. As shown in the table, noise levels at the nearest sensitive receptors are well below the FTA threshold of 80 dBA L_{eq} . In addition, construction would occur within the allowed hours of the City’s Code. Therefore, impacts would be less than significant, and no mitigation is required.

Table 2-18 Estimated Noise Levels by Construction Phase

Construction Phase	L_{eq} dBA		
	RCNM Reference Noise Level ¹ 50 feet	Granada Islamic School to NW 1,065 feet	Residential to N 3,300 feet
Demolition	84	57	48
Site Preparation	83	56	47
Grading	83	56	47
Building Construction	77	50	41
Paving	78	51	42
Architectural Coating	74	47	38

¹ RCNM reference noise levels are noise levels generated during each construction phase measured from a point 50 feet from the location of the construction phase. These reference noise levels are then used to calculate noise levels from the construction phase at a distance greater than 50 feet from the construction phase.

Source: Rincon Consultants, 2024

See Appendix B for modeling outputs.

Operation

As discussed above, the project would include seven Air Cooled Chiller units with a combined sound power level rated at 110 dBA, two Dedicated Outside Air Units with a combined sound power level rated at 95 dBA, four exhaust fans with a combined sound power level rated at 75 dBA and eight Condensing Units with a combined sound power level rated at 98 dBA. This brings the combined sound power level of the 22 units to 110 dBA, which is a SPL of approximately 102 dBA at 3 feet from the sources.

Assuming that the units were to run for an entire 24-hour period, the closest light industrial property line to the east, at a distance of approximately 115 feet from the center of the proposed mechanical rooftop area, would be exposed to a noise level of 65 dBA L_{max} accounting for approximately 5 dBA reduction from the rooftop parapet wall. The Granada Islamic School and nearest residences would be exposed to cooling unit noise levels of 46 dBA L_{max} and 36 dBA L_{max} , respectively. The center of the loading dock would expose the light industrial use located 90 feet to the west to a noise level of 70 dBA L_{max} . The Granada Islamic School and nearest residences would be exposed to cooling unit noise levels of 49 dBA L_{max} and 39 dBA L_{max} , respectively. Noise level estimates to the Granada Islamic School and nearest residences are conservative as they do not account for the substantial attenuation that would occur from other buildings in between the uses.

SCCC Section 9.10.40 limits exterior noise levels at residences to 55 dBA during daytime hours of 7:00 a.m. to 10:00 p.m. and 50 dBA during nighttime hours of 10:00 p.m. to 7:00 a.m.; noise levels at commercial uses to 65 dBA during daytime hours and 60 dBA during nighttime hours; noise levels at light industrial uses to 70 dBA at any time and noise levels to 75 dBA at heavy industrial uses at any time. The noise level estimates from cooling unit and loading dock noise would not exceed these standards, and impacts would be less than significant, and no mitigation is required.

Off-site Traffic Noise

The air quality modeling for the project estimated 200 daily vehicle trips (Rincon Consultants, Inc. 2024). Scott Boulevard has an existing average daily traffic (ADT) volume of approximately 16,160 between San Tomas Expressway and Central Expressway and Lafayette Street has an ADT volume of approximately 18,190 between the US 101 to Central Expressway. Using the formula of $10 \times \text{LOG}(\text{future traffic volume}/\text{existing traffic volume})$, project net trips would increase traffic noise by less than 0.1 dBA over existing conditions on Scott Boulevard and Lafayette Street. Therefore, the project would not cause a traffic noise increase of more than 1.5 dBA, the most stringent threshold. Off-site traffic noise impacts would be less than significant and no mitigation is required.

b) Generation of excessive groundborne vibration or groundborne noise levels?

Less than Significant Impact. Construction activities known to generate excessive ground-borne vibration, such as pile driving, would not be conducted by the project. The greatest anticipated source of vibration during general project construction activities would be from vibratory roller, which may be used at a distance of 40 feet from the nearest off-site light industrial building to the north of the project site. A vibratory roller would create approximately 0.210 in/sec PPV at 25 feet.⁹⁶ Construction vibration at a distance of 40 feet would be approximately 0.104 in/sec PPV. Therefore, vibration from construction activity would be lower than the engineered concrete and masonry (no plaster) threshold of 0.3 in/sec PPV for light industrial/commercial buildings. Operation of the project would not include any substantial vibration sources. Therefore, impacts would be less than significant, and no mitigation is required.

⁹⁶ Federal Transportation Administration. 2018. *Transit Noise and Vibration Impact Assessment*. Retrieved from: https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/research-innovation/118131/transit-noise-and-vibration-impact-assessment-manual-fta-report-no-0123_0.pdf. Accessed: February 1, 2024.

- c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

Less than Significant Impact. The San José International Airport is located approximately 0.6 miles to the east of the project site and Moffett Federal Airfield is located approximately 5 miles to the northwest of the project site. According to the San José International Airport Land Use Compatibility Plan Figure 5, the project is not located within noise contours of any airport.⁹⁷ Therefore, the proposed project would not expose people working in the project area to excessive aircraft overflight noise levels. Impacts would be less than significant, and no mitigation is required.

⁹⁷ Santa Clara County Airport Land Use Commission. 2016. *Comprehensive Land Use Plan, Santa Clara County, Norman Y. Mineta San José International Airport*. Available: https://stgenpln.blob.core.windows.net/document/ALUC_SJC_CLUP.pdf. Accessed: February 1, 2024

2.14. Population and Housing

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Induce substantial population growth in an area, either directly, (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Regulatory Setting

Regional

Plan Bay Area 2050⁹⁸

Plan Bay Area 2050 is a long-range transportation, land-use, and housing plan intended to support a growing economy, provide more housing and transportation choices, and reduce transportation-related pollution and GHG emissions in the Bay Area. Plan Bay Area 2050 promotes compact, mixed-use residential and commercial neighborhoods near transit, particularly within identified Priority Development Areas (PDAs).

Association of Bay Area Governments (ABAG) allocates regional housing needs to each city and county within the nine-county San Francisco Bay Area, based on statewide goals. ABAG also develops forecasts for population, households, and economic activity in the Bay Area. ABAG, Metropolitan Transportation Commission (MTC), and local jurisdiction planning staff created the Regional Forecast of Jobs, Population, and Housing, which is an integrated land use and transportation plan through the year 2040 upon which Plan Bay Area 2040 is based.

Local

Santa Clara 2010-2035 General Plan⁹⁹

The following General Plan policies related to population and housing are applicable to the project:

⁹⁸ Metropolitan Transportation Commission. 2023. *Plan Bay Area 2050*. Available: <https://mtc.ca.gov/planning/long-range-planning/plan-bay-area-2050>. Accessed: February 5, 2024.

⁹⁹ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available at: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

5.3.1-P5 Implement a range of development densities and intensities within General Plan land use classification requirements to provide diversity, use land efficiently and meet population and employment growth.

5.3.2-P11 Maintain the existing character and integrity of established neighborhoods through infill development that is in keeping with the scale, mass and setbacks of existing or planned adjacent development.

Environmental Setting

According to U.S Census Bureau data, the City had a population of approximately 126,930 residents in 45,830 households as of July 2022.¹⁰⁰ According to ABAGs projections, approximately 52% of the 126,930 residents are employed residents.¹⁰¹ There are approximately 137,000 jobs in the City (estimated by ABAG for 2020). By 2035, it is estimated that the City will have approximately 151,715 residents, 54,855 households, 169,590 jobs and 73,835 employed residents.¹⁰²

The jobs/housing relationship is quantified by the jobs/employed resident ratio. When the ratio reaches 1.0, a balance is struck between the supply of local housing and jobs. The jobs/housing resident ratio is determined by dividing the number of jobs by the number of employed residents that can be housed in local housing.

The City of Santa Clara had an estimated 2.5 jobs for every employed resident in 2010.¹⁰³ The General Plan focuses on increased housing and the placement of housing near employment. As a result, the jobs to housing ratio is projected to slightly decrease to 2.48 by 2040.¹⁰⁴ Some employees who work within the City are, and still would be required to seek housing outside the community with full implementation of the General Plan.

The project site is currently developed with an industrial building and zoned for light industrial use and has a general plan designation of Low Intensity Office/ R&D. There are no residential units on site and therefore no residents will be displaced as a result of this project.

¹⁰⁰ United States Census Bureau, 2022. *Quick Facts, Santa Clara city*. Available: <https://www.census.gov/quickfacts/santaclaracitycalifornia>. Accessed: February 5, 2024.

¹⁰¹ Association of Bay Area Governments. 2018. *Plan Bay Area Projections 2040*. Available: https://mtc.ca.gov/sites/default/files/Projections_2040-ABAG-MTC-web.pdf. Accessed: February 5, 2024.

¹⁰² Association of Bay Area Governments. 2018. *Plan Bay Area Projections 2040*. Available: https://mtc.ca.gov/sites/default/files/Projections_2040-ABAG-MTC-web.pdf. Accessed: February 5, 2024.

¹⁰³ City of Santa Clara. 2014. *City of Santa Clara 2010-2035 General Plan Appendix 8.12 Housing Element*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/13932/635713044859030000>. Accessed: February 5, 2024.

¹⁰⁴ City of Santa Clara. 2014. *City of Santa Clara 2010-2035 General Plan Appendix 8.12 Housing Element*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/13932/635713044859030000>. Accessed: February 5, 2024.

Impact Discussion

- a) Induce substantial population growth in an area, either directly, (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?**

No Impact. The project proposes a commercial/light industrial use that does not include the construction of residential units. The project is expected to require up to 20 employees on site every 24 hours. This level of employment is consistent with the underlying General Plan land use designation (Low Intensity Office/R&D) and was accounted for in the General Plan. Therefore, growth induced by the project would not be considered “unplanned” and would not induce population growth in the surrounding area. Additionally, the project does not include roadways or other utility extensions that could indirectly induce unplanned growth. Therefore, no impact would occur.

- b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?**

No Impact. There are no existing residential uses on the project site; therefore, the project would not displace individuals or residents and would not necessitate the construction of replacement housing elsewhere. No impact would occur.

2.15. Public Services

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i) Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
v) Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Regulatory Setting

Local

City of Santa Clara General Plan 2010-2035

The following General Plan policies related to public services are applicable to the project:

- 5.3.1-P9** Require that new development provide adequate public services and facilities, infrastructure, and amenities to serve the new employment or residential growth.
- 5.9.3-P2** Provide police and fire services that respond to community goals for a safe and secure environment for people and property.
- 5.9.3-P3** Maintain a City-wide average three-minute response time for 90 percent of police emergency service calls.
- 5.9.3-P5** Maintain emergency traffic preemption controls for traffic signals.

Environmental Setting

Fire Protection

The City of Santa Clara Fire Department (SCFD) consists of nine stations distributed throughout the City to provide fire protection services. The closest fire station to the project site is Station 2 located at 1900 Walsh Avenue and is approximately 0.4 miles southwest of the project site.

SCFD's primary objective is to swiftly deploy extensively trained and well-equipped personnel to emergency scenes, ensuring a rapid and effective response. This commitment is encapsulated in the goal of maintaining a city-wide response time of less than 5 minutes and 30 seconds (5:30) to 90% of all high-level emergency calls.¹⁰⁵ This response time metric is crucial in safeguarding public safety and minimizing the impact of emergencies on individuals and property within the community. It is important to note that response time is measured from the moment a call is dispatched to the arrival of firefighting and rescue units at the incident location. SCFD diligently monitors and analyzes response time data to continually refine strategies and allocate resources, ensuring they effectively meet the community's evolving needs.

The City also participates in the Santa Clara County Fire and Rescue Mutual Aid Response Plan to further ensure that fires and other emergencies are handled efficiently. Fire departments from neighboring and nearby jurisdictions and the Santa Clara County Fire Department are participating members of this plan. Neighboring departments work in conjunction to reduce reflex and response times. When a developing fire overburdens one department, other departments will send the necessary task force to reduce the burden.

Police Protection

The City of Santa Clara Police Department (SCPD) headquarters is located at 601 El Camino Real Parkway, approximately 1.7 miles north of the project site. The nearest SCPD station is located at 3992 Rivermark Parkway, approximately 1.4 miles north of the project site. The SCPD has 232 full-time employees (153 sworn officers and 79 civilians) and a varying number of part-time or per diem employees, community volunteers, police reserves and chaplains.¹⁰⁶

Schools and Parks

The Santa Clara Parks and Recreation Department provides parks and recreational services in the City. The Department is responsible for maintaining and programming the various parks and recreation facilities and works cooperatively with public agencies in coordinating all recreational activities within the City. As of February 2020, the Department maintains and operates the City's 26 neighborhood parks, five mini parks, one community park, three open space sites and 14 recreation facilities. Recreation facilities include Community Centers, neighborhood park buildings and ten joint use facilities, playgrounds, restrooms, picnic areas, turf, trees, vegetation, and athletic fields. The closest

¹⁰⁵ This information was obtained through written communication from the Santa Clara Fire Department on March 19, 2024

¹⁰⁶ City of Santa Clara. 2020. *Santa Clara Department: About Us Factsheet*. Available: <https://www.santaclaraca.gov/our-city/departments-g-z/police-department/about-us/fact-sheet>. Accessed February 5, 2024

neighborhood park is Montague Park located approximately 1.0 mile to the northeast of the project site. Additionally, the Reed & Grant Sports Park and Reed Street Dog Park is located approximately 1.18 miles southeast of the project site.

According to the General Plan, six public school districts serve in the City: Santa Clara Unified School District (SCUSD), San José Unified School District, Cupertino Union School District, Fremont Union High School District, Campbell Union School District, and Campbell Union High School District. The closest SCUSD schools to the project site are Students in the project area attend Montague Elementary School located at 750 Laurie Avenue approximately 1.0 mile north of the site and Bracher Elementary School located at 2700 Chromite Drive, approximately 1.1 miles southwest of the project site.¹⁰⁷

Libraries

Library services are provided by the Santa Clara City Library (SCCL). The City of Santa Clara is served by the Central Park Library located at 2635 Homestead Road (approximately 2.5 miles south of the project site), Mission Library Family Reading Center located at 1098 Lexington Street (approximately 2.0 miles south of the project site), and Northside Branch Library located at 695 Moreland Way (approximately 1.5 miles northwest of the project site). These facilities total approximately 104,770 square feet (sf) and have approximately 457,210 items combined.

Impact Discussion

a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

i. Fire Protection?

OR

ii. Police Protection?

Less than Significant Impact. As described above, fire and police protection are currently provided by the SCFD and the SCPD. The project is consistent with current zoning and General Plan land use designations and therefore any additional demand on fire services or police protection has already been accounted for in the City's General Plan and Zoning Code. The project would be constructed in accordance with current fire codes, including those specifying emergency vehicle access and reduction of fire hazards and would pay fees for the expansion of fire services. In addition, as part of the City's permit and entitlement process, the project and relevant plan sets would require a review by qualified members of the SCFD to determine if the project presents a potential fire hazard and would then require the project to incorporate any recommendations or design refinements made by the SCFD to

¹⁰⁷ Santa Clara Unified School District. 2023. *School Locator*. Available: <https://locator.pea.powerschool.com/?StudyID=217157>. Accessed: December 12, 2023.

address potential fire hazards. Therefore, this impact would be less than significant, and no mitigation is required.

iii. Schools?

OR

iv. Parks?

No Impact. The project would not include any residential uses and the new employment opportunities created by the project would not increase demand for schools. The project would have no impact.

v. Other public facilities?

No Impact. Open space and other public facilities such as libraries are typically provided to serve residents within the city. Given the project has no residential component, project implementation would not increase demand for other public facilities. Therefore, no impact would occur.

2.16. Parks and Recreation

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Regulatory Setting

Local

Santa Clara 2010-2035 General Plan¹⁰⁸

The following General Plan policies related to recreation are applicable to the project:

- 5.3.5-P3** Encourage industrial development to participate in the identification and funding of 25 acres for park and recreational facilities to serve employment centers north of the Caltrain railroad tracks.
- 5.8.5-P1** Require new development and City employees to implement transportation demand management programs that can include site-design measures, including preferred carpool and vanpool parking, enhanced pedestrian access, bicycle storage and recreational facilities.

Environmental Setting

As discussed under **Section 2.15, Public Services**, the Parks and Recreation Department provides park and recreational services in the City. The Department is responsible for maintaining and programming the various parks and recreation facilities and works cooperatively with public agencies in coordinating all recreational activities within the City. The closest neighborhood park is Montague Park located approximately one mile to the northeast of the project site, west of De La Cruz Boulevard. Effects to park and recreation resources are typically correlated to increases in population from the addition of residential uses.

¹⁰⁸ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

Impact Discussion

- a) **Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?**

OR

- b) **Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?**

No Impact. The project would not include any residential uses and the employment opportunities created by the project would not result in increased demand for parks or other public recreational facilities in the City. Therefore, the project would have no impact.

2.17. Transportation/Traffic

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

This discussion is based, in part, on the VMT Assessment Memorandum completed for this project in January 2024. A copy of this Memorandum has been included in this IS/MND document as **Appendix H**.

Regulatory Setting

State

Regional Transportation Plan

The MTC is the transportation planning, coordinating, and financing agency for the nine-county San Francisco Bay Area, including Santa Clara County. MTC is charged with regularly updating the Regional Transportation Plan, a comprehensive blueprint for the development of mass transit, highway, airport, seaport, railroad, bicycle, and pedestrian facilities in the region. MTC and ABAG adopted Plan Bay Area 2040 in July 2017, which includes a Regional Transportation Plan to guide regional transportation investment for revenues from Federal, State, regional and local sources through 2040.¹⁰⁹

Senate Bill 743

SB 743 was passed in 2013 and establishes criteria for determining the significance of transportation impacts using a vehicle miles traveled (VMT) metric intended to promote the reduction of GHG emissions, the development of multimodal transportation networks, and a diversity of land uses. Specifically, SB 743 requires the replacement of automobile delay—described solely by level of service (LOS) or similar measures of vehicular capacity or traffic congestion—with VMT as the recommended metric for determining the significance of transportation impacts. The Governor’s Office of Planning and

¹⁰⁹ Metropolitan Transportation Commission and Association of Bay Area Governments (MTC and ABAG). 2017. *Plan Bay Area 2040 – Regional Transportation Plan and Sustainable Communities Strategy for the San Francisco Bay Area 2017-2040*. July 26, 2017. Available: https://mtc.ca.gov/sites/default/files/Final_Plan_Bay_Area_2040.pdf. Accessed: February 5, 2024.

Research (OPR) approved the CEQA Guidelines implementing SB 743 on December 28, 2018. Local jurisdictions are required to implement a VMT policy by July 1, 2020.

Local

Santa Clara 2010-2035 General Plan¹¹⁰

The Transportation Demand Management Goals and Policies section of the General Plan addresses the City's goals, policies, and implementing actions regarding transportation and demand management. The following General Plan policies related to transportation are applicable to the project:

- 5.8.5-P1** Require new development and City employees to implement transportation demand management programs that can include site-design measures, including preferred carpool and vanpool parking, enhanced pedestrian access, bicycle storage and recreational facilities.
- 5.8.5-P3** Encourage all new development to provide on-site bicycle facilities and pedestrian circulation.
- 5.8.5-P4** Encourage new development to participate in shuttle programs to access local transit services within the City, including buses, light rail, Bay Area Rapid Transit, Caltrain, Altamont Commuter Express Yellow Shuttle and Lawrence Caltrain Bowers/Walsh Shuttle services.
- 5.8.5-P6** Encourage transportation demand management programs that include shared bicycle and autos for part-time use by employees and residents to reduce the need for personal vehicles.
- 5.8.5-P7** Promote programs that reduce peak hour trips, such as flexible work hours, telecommuting, home-based businesses and off-site business centers, and encourage businesses to provide alternate, off-peak hours for operations.
- 5.8.5-P9** Promote transportation demand management programs that provide education, information and coordination to connect residents and employees with alternate transportation opportunities.

Environmental Setting

Regional Access

Regional access to the project site is provided primarily by U.S Route 101 Highway located north of the project site. US 101 is a north-south highway that extends from San Francisco to Los Angeles. Primary access to the U.S 101 is provided via Lafayette Street and San Tomas Expressway. Additionally, Central Expressway provides regional access to the project site via an approximately 12.3 miles long east-west route that connects Palo Alto to the San José Mineta International Airport. Similar to the U.S 101, access

¹¹⁰ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024

to Central Expressway is provided through Lafayette Street as well as Scott Boulevard to the west of the project site.

Local Access

The project site is primarily accessed by Comstock Street on the southern boundary. Roadways that provide vehicular circulation to the project site include Comstock Street, Lafayette Street, Space Park Drive, and Scott Boulevard. Access provided by each roadway is discussed below.

- **Comstock Street** is an unmarked two-lane local street that runs in an east-west direction and extends from Scott Boulevard to a cul de sac east of Lafayette Street.
- **Lafayette Street** is a four to five lane arterial road that runs in a north-south direction that provides access to Comstock Street to the east of the project site. North of Reed Street, Lafayette Street is comprised of six lanes with two lanes in each direction and a center turn lane. South of Reed Street, Lafayette Street converts to a four-lane roadway with two lanes flowing in each direction.
- **Scott Boulevard** is a four-lane arterial road that runs in a north-south direction that connects to Comstock Street west of the project site. Scott Boulevard also includes Class II bike lanes.

The City's General Plan provides traffic conditions in the vicinity of the project site for existing (2008) and future (2035) conditions. In 2013, Governor Brown signed Senate Bill 743. SB 743 directed the State OPR to develop new CEQA guidelines and to replace LOS as the evaluation measure for transportation impacts under CEQA with another measure such as VMT. VMT measures the amount of vehicle trip making and trip length and is a direct measurement of greenhouse gas emissions. A reduction in VMT would promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses that reduces the reliance on individual vehicles. The City of Santa Clara recently adopted a VMT Transportation Analysis Policy for Environmental Review.

The Santa Clara VTA provides bus services within Santa Clara County. The nearest bus stops to the project site are the stops located at Scott Boulevard and Spark Park Drive, approximately 0.24 miles to west of the project site, and Scott Boulevard and Central Expressway which is located approximately 0.27 miles to the southwest of the project site. The primary bus routes that provide bus services for these stops include local route 59 and route 827 which provides shuttle services via the ACE Yellow line. Route 59 operates in between stops located at the intersection Saratoga Avenues/Stevens Creek Boulevard and Tasman Drive/Baypointe Parkway. The ACE Yellow line operates between the intersection of Scott Boulevard/San Tomas Expressway and the Great America ACE Amtrak Station.

Impact Discussion

a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?

Less than Significant Impact. As shown below, the project would not conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadways, bicycle lanes, and pedestrian facilities.

Transit Facilities

Up to 20 on-site employees would be required by the project on a given day. This could increase the use of public transportation in the surrounding area. The additional transit users would not interfere with the normal operations of transit services and would not exceed the capacity of the existing transit operations. Therefore, the project would have a less than significant impact on transit services.

Roadways

Implementation of the project would decrease the number of vehicle trips to the roadway network surrounding the project. The project would not alter the roadway circulation network. Therefore, the project would result in less than significant impacts on roadway operations.

Pedestrian Facilities

Because adequate pedestrian facilities already exist near the project site, no pedestrian improvements are proposed. The project would not alter or obstruct the existing pedestrian facilities. Therefore, the project would result in a less than significant impact on pedestrian facilities.

Bicycle Facilities

The project would not remove existing bicycle facilities and would not interfere with existing plans, policies, or ordinances corresponding to bicycle facilities. The project would provide secure bicycle storage with space for up to 6 bikes. Therefore, the project would enhance bicycle infrastructure on the project site and would not impact existing or planned bicycle facilities, such as local bike lanes. Given the above, this impact would be less than significant, and no mitigation would be required.

b) Conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?

Less than Significant Impact. The City of Santa Clara adopted a VMT Transportation Analysis Policy for Environmental Review in 2020. The Policy sets forth procedures for determining project impacts on VMT based on the project description, characteristics, and location. The VMT methodology also includes screening criteria that are used to identify types, characteristics, and locations of projects that would not exceed the VMT thresholds of significance. If a project meets the screening criteria, it is then presumed that the project would result in a less than significant impact on VMT, and a detailed VMT analysis is not required. The City's Transportation Analysis Policy echoes CEQA Guidelines Section 15064.3(b)(1) in setting criteria to exempt projects from a quantitative VMT analysis.

As stated in **threshold a)** above, the project would actually reduce the daily number of trips to the project site from 153 daily trips to 108 daily trips for a net new daily vehicle trips of -45. Based on CEQA Guidelines Section 15064.3(b)(1) Land Use projects that reduce VMT compared to existing conditions

should be presumed to cause a less than significant transportation impact. Therefore, the project would result in a less than significant impact, and no mitigation is required.

c) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

No Impact. The project does not include any changes to local streets, intersections, or involve incompatible land uses. Access to the project site would continue to be provided via curb cuts on Comstock Street. The project would include 21 onsite parking spaces, which would be adequate to meet the anticipated parking demand for a data center. There would be no reconfiguring of nearby streets such as Comstock Street, Scott Boulevard or Lafayette Street. Therefore, the project would not introduce or increase hazards to design features. No impact would occur.

d) Result in inadequate emergency access?

No Impact. Emergency access to the project site would continue to be provided by existing roadways. Emergency access would be provided via curb cuts on Comstock Street. As a condition of approval, the project would be required to comply with all emergency access standards of the Santa Clara Fire Department and Police Department. Therefore, the project would not result in inadequate emergency access. No impact would occur.

2.18. Tribal Cultural Resources

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
a) Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Regulatory Setting

State

Assembly Bill 52

AB 52, effective July 2015, established a new category of resources for consideration by public agencies called Tribal Cultural Resources (TCRs). AB 52 requires lead agencies to provide notice of projects to tribes that are traditionally and culturally affiliated with the geographic area if they have requested to be notified. Where a project may have a significant impact on a tribal cultural resource, consultation is required until the parties agree to measures to mitigate or avoid a significant effect on a tribal cultural resource or until it is concluded that mutual agreement cannot be reached.

Under AB 52, TCRs are defined as follows:

- Sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are also either:
 - Included or determined to be eligible for inclusion in the California Register of Historic Resources, or
 - Included in a local register of historical resources as defined in Public Resources Code Section 5020.1(k).
- A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in PRC, §5024.1(c). In applying the aforesaid criteria, the lead agency shall consider the significance of the resource to a California Native American tribe (PRC, §21074[a]). Public Resources Code Sections 5097 and 5097.98

Section 15064.5 of the CEQA Guidelines specifies procedures to be used in the event of an unexpected discovery of Native American human remains on Non-Federal land. These procedures are outlined in Public Resources Code Sections 5097 and 5097.98. These codes protect such remains from disturbance, vandalism, and inadvertent destruction, establish procedures to be implemented if Native American skeletal remains are discovered during construction of a project, and establish the NAHC as the authority to resolve disputes regarding disposition of such remains.

Pursuant to Public Resources Code Section 5097.98, in the event of human remains discovery, no further disturbance is allowed until the county coroner has made the necessary findings regarding the origin and disposition of the remains. If the remains are of a Native American, the county coroner must notify the NAHC. The NAHC then notifies those persons most likely to be related to the Native American remains. The code section also stipulates the procedures that the descendants may follow for treating or disposing of the remains and associated grave goods.

California Native American Historical, Cultural, and Sacred Sites Act

Section 5097.9 – 5097.991 of the Public Resource Code (the California Native American Historical, Cultural, and Sacred Sites Act) applies to both State and private lands, providing protection to Native American historical and cultural resources, and sacred sites, and identifies the powers and duties of the NAHC. The act requires that upon discovery of human remains, construction or excavation activity must cease and the county coroner be notified.

Local

Santa Clara 2010-2035 General Plan¹¹¹

The following General Plan policies related to tribal cultural resources are applicable to the project:

- 5.6.3-P1** Require that new development avoid or reduce potential impacts to archaeological, paleontological and cultural resources.
- 5.6.3-P2** Encourage salvage and preservation of scientifically valuable paleontological or archaeological materials.
- 5.6.3-P3** Consult with California Native American tribes prior to considering amendments to the City's General Plan.
- 5.6.3-P4** Require that a qualified paleontologist/archaeologist monitor all grading and/or excavation if there is a potential to affect archeological or paleontological resources, including sites within 500 feet of natural water courses and in the Old Quad neighborhood.
- 5.6.3-P5** In the event that archaeological/paleontological resources are discovered, require that work be suspended until the significance of the find and recommended actions are determined by a qualified archaeologist/paleontologist.
- 5.6.3-P6** In the event that human remains are discovered, work with the appropriate Native American representative and follow the procedures set forth in State law.

Environmental Setting

Information in this section was incorporated from a Sacred Lands File search and a CHRIS records search, which were completed for the project site on February 12, 2024.

Impact Discussion

- a) Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:**
 - i. Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)?**
- OR**
- ii. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1? In applying the criteria set forth in subdivision (c) of Public Resource**

¹¹¹ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available at: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.

Less than Significant with Mitigation. As stated in **Section 2.5, Cultural Resources**, there are no known archaeological or built historic resources on the project site. However, it was determined that there was a moderate likelihood to encounter potential archaeological or buried cultural resources on the site.

A Sacred Lands File search was requested on December 20, 2023. The Sacred Lands File, operated by the NAHC is a confidential set of records containing places of religious or social significance to Native Americans. A response from the NAHC indicated that Native American culture sites have not previously been identified on the project site. The response from the NAHC also contained a list of contacts for Native American tribes who may also have knowledge of potential cultural resources on the project site. The NAHC recommended consultation with nine tribes associated with the region. On March 29, 2024 the City sent email notifications and letters to the following Native American Tribes: Amah Mutsun Tribal Band, Amah Mutsun Tribal Band of Mission San Juan Bautista, Indian Canyon Mutsun Band of Costanoan, Indian Canyon Mutsun Band of Costanoan, Muwekma Ohlone Indian Tribe of the SF Bay Area, North Valley Yokuts Tribe, The Ohlone Indian Tribe, Wukusache Indian Tribe/Eshom Valley Band, and Tamien Nation. The emails and letters contained information about the project; an inquiry for any unrecorded Native American cultural resources or other areas of concern within or adjacent to the project site; and a solicitation of comments, questions, or concerns with regard to the project. To date, two responses have been received. The tribes that were identified and contacted by the City will be given notice of the availability of this Draft IS/MND to ensure that they have the opportunity to comment on the project during the public draft circulation period.

In accordance with Section 21080.3.1 of the California Public Resources Code and AB 52, the City has provided a Notice of Opportunity to Native American Tribes to request consultation for projects within the city. To date, the City has not received any requests from regional tribes to be included on the AB 52 list.

In addition to tribal consultation, the implementation of **CUL MM-1** and **CUL MM-2** would ensure any previously unidentified Native American archeological resources or remains encountered during construction are handled appropriately. With implementation of these mitigation measures, impacts to tribal resources would be less than significant.

2.19. Utilities and Service Systems

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
Would the project:				
a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Regulatory Setting

State

State Water Code

Pursuant to the State Water Code, water suppliers providing water for municipal purposes to more than 3,000 customers or supplying more than 3,000 acre-feet (approximately 980 million gallons) of water annually must prepare and adopt an UWMP and update it every five years. As part of a UWMP, water agencies are required to evaluate and describe their water resource supplies and projected needs over a 20-year planning horizon, water conservation, water service reliability, water recycling, opportunities for

water transfers, and contingency plans for drought events. The City adopted its most recent UWMP in 2020.

Assembly Bill 939

The California Integrated Waste Management Act of 1989, or AB 939, established the Integrated Waste Management Board, required the implementation of integrated waste management plans (IWMP), and mandated that local jurisdictions divert at least 50 percent of solid waste generated (from 1990 levels), beginning January 1, 2000, and divert at least 75 percent by 2010. Projects that would have an adverse effect on waste diversion goals are required to include waste diversion mitigation measures.

Assembly Bill 341

AB 341 was passed in 2011 and sets forth the requirements of the statewide mandatory commercial recycling program. Businesses that generate four or more cubic yards of garbage per week and multi-family dwellings with five or more units in California are required to recycle. AB 341 sets a statewide goal for 75 percent disposal reduction by the year 2020.

Senate Bill 1383

SB 1383 was passed in 2022 and establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. The bill grants the CalRecycle the regulatory authority required to achieve the organic waste disposal reduction targets and establishes an additional target that at least 20 percent of currently disposed edible food is recovered for human consumption by 2025.

Regional

Santa Clara County Integrated Waste Management Plan

The County's Integrated Waste Management Plan (IWMP) was approved by the California Integrated Waste Management Board in 1996 and reviewed in 2004, 2007, 2011, and 2016. Each jurisdiction in the County has a landfill diversion requirement of 50 percent per year. According to the IWMP, the County has adequate capacity beyond 2030.¹¹²

Local

Santa Clara 2010-2035 General Plan¹¹³

The Conservation Goals and Policies sections of the General Plan addresses the City's goals, policies, and implementing actions regarding public utilities and service systems. The follow General Plan policies related to utilities and service systems are applicable to the project:

¹¹² County of Santa Clara. 2010. *Five-Year CIWMP/RAIWMP Review Report*. Available: <https://files.santaclaracounty.gov/migrated/CalRecycle709-rev7.pdf>. Accessed: February 5, 2024.

¹¹³ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available at: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

- 5.10.1-P6** Require adequate wastewater treatment and sewer conveyance capacity for all new development.
- 5.10.1-P7** Encourage the use of local recycling facilities to divert waste from landfills.
- 5.10.1-P8** Increase to 80 percent reduction for solid waste tonnage by 2020, or as consistent with the CAP.
- 5.10.1-P9** Encourage curbside recycling and composting of organic and yard waste.
- 5.10.1-P10** Promote the reduction, recycling and safe disposal of household hazardous wastes through public education and awareness and through an increase in hazardous waste collection events.

Environmental Setting

Potable Water

The City provides water service through their Department of Water and Sewer Utilities and would serve the project site. The City's water and utilities system consists of approximately 335 miles of water mains, seven storage tanks, and 26 wells that tap the underground aquifers and make up 62 percent of the City's water supply.¹¹⁴ The City's water system produces an average of 16.3 million gallons per day, and has 28.8 million gallons of water storage capacity.¹¹⁵ The remainder of the City's potable water supply is purchased from two wholesale water agencies: Valley Water and the San Francisco Hetch Hetchy System. Approximately 19 percent of the City's water use is composed of recycled water, discussed below. Existing utility connections on site include domestic water, electrical, gas, and sewage pipelines on Comstock Street.

Recycled Water

Recycled water within the City is supplied from the jointly owned San José-Santa Clara Regional Wastewater Facility (RWF). Recycled water from the plant is delivered to the City through a system of water pipelines totaling 33 miles.¹¹⁶ The City utilizes recycled water in order to offset and conserve use of potable water citywide. Recycled water is primarily used for irrigation within the City; however, several industries use recycled water in industrial processes, cooling towers, or for flushing toilets in dual plumbed buildings.¹¹⁷

¹¹⁴ City of Santa Clara Water & Sewer Utility. 2020. *Water Utility*. Available: <https://www.santaclaraca.gov/our-city/departments-g-z/water-sewer-utilities/water-utility>. Accessed: February 5, 2024.

¹¹⁵ City of Santa Clara Water & Sewer Utility. 2023. Fact Sheet, 2023. Available: <https://www.santaclaraca.gov/our-city/departments-g-z/water-sewer-utilities/fact-sheet>. Accessed: February 5, 2024.

¹¹⁶ City of Santa Clara Water & Sewer Utilities. 2023. Recycled Water Utility. <https://www.santaclaraca.gov/our-city/departments-g-z/water-sewer-utilities/recycled-water-utility>. Accessed: February 5, 2024.

¹¹⁷ City of Santa Clara Water and Sewer Utilities. 2015. *Urban Water Management Plan*. Available: <http://santaclaraca.gov/home/showdocument?id=48088>. Accessed: February 5, 2024.

Wastewater

Wastewater from the City is collected and treated at the RWF. The RWF provides primary, secondary, and tertiary treatment of wastewater and has capacity to treat 167 million gallons per day, with an average of 110 million gallons per day.¹¹⁸

The City owns and operates the wastewater collection system within the City. According to the City's Urban Water Management Plan, the system includes over 270 miles of sewer mains and 7 pump stations to convey an average of 15 million gallons per day of wastewater to the RWF, located just north of Highway 237 in San José.

Solid Waste

The City maintains multiple, non-exclusive franchise hauler agreements to provide garbage, recycling, organics recycling, and debris bin services to businesses located on properties that are zoned for industrial use. The City requires these non-exclusive franchise haulers to provide a bundled service that includes garbage, recycling, and organics collection. Businesses located on parcels zoned for industrial use are free to select a hauler that best suits their needs. Additional information about these non-exclusive franchise haulers can be found on the City's website. The current term for these non-exclusive franchise haulers is set to expire on December 31, 2026.¹¹⁹ The City has an agreement with Newby Island Landfill, located in San José, to provide disposal capacity for the City. The Newby Island Landfill is currently permitted to operate until 2041. Recycling services are provided through Stevens Creek Disposal and Recycling.

Natural Gas and Electricity Services

Electric and gas services within the City are provided by Silicon Valley Power (SVP) and PG&E, respectively. SVP owns more than 854.7MW of electric-generating resources. This capacity far exceeds the City's current peak electricity demand of approximately 669.2-MW.¹²⁰

Impact Discussion

- a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?**

Less than Significant Impact. The project would include seven air-cooled chillers located on the roof top of the building. Aside from a one-time fill up prior to the start of operation, these closed-loop chillers would require negligible additional water during operation. All proposed plumbing fixtures will be low

¹¹⁸ City of San José. 2016. *San José-Santa Clara Regional Wastewater Facility Fact Sheet*. Available: <https://www.sanjoseca.gov/home/showdocument?id=32061>. Accessed: February 5, 2024.

¹¹⁹ City of Santa Clara. *Commercial and Industrial Garbage & Recycling*. Available: <https://www.santaclaraca.gov/our-city/departments-g-z/public-works/environmental-programs/commercial-and-industrial-garbage-recycling>. Accessed March 19, 2024.

¹²⁰ Silicon Valley Power. 2023. *Utility Fact Sheet*. Available: <http://www.siliconvalleypower.com/svp-and-community/about-svp/utility-fact-sheet>. Accessed: April 26, 2024.

flow and WaterSense Labeled. Therefore, the project would not require new or expanded water facilities.

The project site is currently served by the RWF. It is anticipated that up to 20 employees would work every 24 hours. This level of employment is consistent with growth projections in the General Plan EIR, which found that impacts to public utilities would be less than significant with mitigation, with the exception of solid waste. For a discussion of solid waste impacts, refer to **threshold d)**, below.

The project would include alterations to the project site to provide proper drainage. As discussed in **Section 2.10, Hydrology and Water Quality**, permitting requirements would ensure the project does not result in a net increase in stormwater leaving the site. Onsite stormwater design is included in this analysis, and no offsite stormwater infrastructure improvements or changes would be needed. Therefore, the project would not require new or expanded stormwater facilities, other than those analyzed in this Initial Study.

As discussed in **Section 2.6, Energy**, the project would be served by SVP, which has adequate capacity for the project. No new or expanded offsite SVP facilities would be required to serve the project. No offsite changes to gas or telecommunication facilities would be required. Therefore, this impact would be less than significant, and no mitigation is required.

b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?

Less than Significant Impact. The City's Water and Sewer Utilities system currently serves the project site. The project would require potable water for restrooms, the break area, and to run the colling systems. As previously discussed in **Section 2.10, Hydrology and Water Quality** and in the Valley Groundwater Management Plan, the City has sufficient potable water supplies to service the project. The project is consistent with growth anticipated in the General Plan EIR, which found that the City would have enough potable water to meet anticipated demand with implementation of mitigation measures. Therefore, there would be no need to develop additional resources or entitlements to serve the project. There would be a less than significant impact and no mitigation is required.

c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?

Less than Significant Impact. As stated in **thresholds (a) and (b)** above, the RWF has available capacity to serve the project. Therefore, the project would not require the construction of new water or wastewater treatment facilities. Any impact would be less than significant, and no mitigation is required.

d) Generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?

Less than Significant Impact. Construction activities such as demolition, utility trenching, and foundation excavation would generate construction debris and excavated materials on site. Where feasible, such material would be used on site or recycled to reduce impacts on local and regional

landfills. Material that cannot be feasibly used on site or recycled would be hauled offsite by trucks to the Newby Island Sanitary Landfill. The Newby Island Sanitary Landfill, located in San José, has an agreement with the City to provide disposal capacity through 2024. The project would comply with the City's construction debris diversion ordinance and State waste diversion requirements. If the Newby Island Landfill is not available to accept waste after 2024, the City will prepare a contract with another landfill with capacity, such as Guadalupe Mines in San José, which is not anticipated to close until 2048.

Once operational, solid waste generated by the project would be disposed of at the Newby Island Sanitary Landfill. The project would adhere to the City's recycling and waste reduction programs. Given this adherence, and the fact that the project would be served by a landfill with sufficient capacity, this impact would be less than significant, and no mitigation is required.

e) Comply with federal, state, and local statutes and regulations related to solid waste?

Less than Significant Impact. AB 939 relates to solid waste diversion requirements for the State of California. In 1995, all jurisdictions in California were required by AB 939 to divert 25 percent of waste generation from landfills. By the year 2000, all California Jurisdictions were required to divert 50 percent of waste generation from landfills. The Solid Waste Disposal Measurement System Act, California Senate Bill 1016 (SB 1016), was passed in 2008 and required the AB 939 50 percent diversion requirement to be calculated in a per capita disposal rate equivalent.

In the year 2020, the City reported an annual per capita disposal rate of 5.6 pounds per day (PPD) per employee, which is below the Per Employee Disposal Target Rate of 9 PPD set for the city by the CalRecycle. The project would comply with relevant City requirements and policies related to waste disposal and recycling. Therefore, the project would not result in a new increase of solid waste in the City that would jeopardize the City's consistency with AB 939 and SB 1016. Therefore, the project would have a less than significant impact and no mitigation is required.

2.20. Wildfire

	Significant Impact	Less than Significant with Mitigation	Less than Significant Impact	No Impact
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
a) Substantially impair an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage change?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Regulatory Setting

State

Fire Hazard Severity Zones (FHSZ)

CAL FIRE is required by law to map areas of significant fire hazards based on fuels, terrain, weather, and other relevant factors. FHSZs maps influence how people construct buildings and protect property to reduce to reduce risk associated with wildland fires.¹²¹ FHSZs are divided into areas where the State has financial responsibility for wildland fire protection, known as State responsibility areas (SRAs), and areas where local governments have financial responsibility for wildland fire protection, known as local responsibility areas (LRAs). Homeowners living in an SRA are responsible for ensuring that their property is in compliance with California's building and fire codes. Only lands zoned for very high fire hazard are identified within LRAs.

¹²¹ CAL FIRE. *Fire Hazard Severity Zones Maps*. Available: <https://osfm.fire.ca.gov/fire-hazard-severity-zones-maps-2022/>. Accessed: February 5, 2024.

California Fire Code Chapter 47

Chapter 47 of the California Fire Code sets requirements for wildland-urban interface fire areas that increase the ability of buildings to resist the intrusion of flame or burning embers being projected by a vegetation fire, in addition to systematically reducing conflagration losses through the use of performance and prescriptive requirements.

California Public Resources Code Section 4442 through 4431

The California Public Resources Code includes fire safety regulations that restrict the use of equipment that may produce a spark, flame, or fire; require the use of spark arrestors on construction equipment that uses an internal combustion engine; specify requirements for the safe use of gasoline-powered tools on forest-covered land, brush-covered land, or grass-covered land; and specify fire suppression equipment that must be provided onsite for various types of work in fire-prone areas. These regulations include the following:

- Earthmoving and portable equipment with internal combustion engines would be equipped with a spark arrestor to reduce the potential for igniting a wildland fire (Public Resources Code Section 4442);
- Appropriate fire suppression equipment would be maintained during the highest fire danger period, from April 1 to December 1 (Public Resources Code Section 4428);
- On days when a burning permit is required, flammable materials would be removed to a distance of 10 feet from any equipment that could produce a spark, fire, or flame, and the construction contractor would maintain appropriate fire suppression equipment (Public Resources Code Section 4427); and
- On days when a burning permit is required, portable tools powered by gasoline-fueled internal combustion engines would not be used within 25 feet of any flammable materials (Public Resources Code Section 4431).

California Code of Regulations Title 14

The California Board of Forestry and Fire Protection has adopted regulations, known as SRA Fire Safe Regulations, which apply basic wildland fire protection standards for building, construction, and development occurring in a SRA. The future design and construction of structures, subdivisions and developments in SRAs are required to provide for the basic emergency access and perimeter wildfire protection measures discussed in Title 14.

Fire Management Plans

CAL FIRE has developed an individual Unit Fire Management Plan for each of its 21 units and six contract counties. CAL FIRE has developed a strategic fire management plan for the Santa Clara Unit, which covers the project area and addresses citizen and firefighter safety, watersheds and water, timber, wildlife and habitat (including rare and endangered species), unique areas (scenic, cultural, and historic),

recreation, range, structures, and air quality.¹²² The plan includes stakeholder contributions and priorities and identifies strategic areas for pre-fire planning and fuel treatment as defined by the people who live and work with the local fire issues.

Regional

The California Department of Forestry and Fire Protection identifies fire hazards based on relevant factors such as fuels, terrain, and weather. There are no FHSZ within the urbanized portion of Santa Clara County that are ranked with moderate to high fire susceptibility. The project site is and the majority of the City is not located within a Very High Fire Hazard Severity Zone (VHFHSZ).

Local

Santa Clara 2010-2035 General Plan¹²³

The Goals and Policies of the General Plan address the City's goals, policies, and implementing actions regarding wildfire. The following General Plan policies related to wildfire are applicable to the project:

5.9.3-P1 Encourage design techniques that promote public and property safety in new development and public spaces.

5.10.5-P28 Continue to require all new development and subdivisions to meet or exceed the City's adopted Fire Code Provisions.

Environmental Setting

The project site is located in an urbanized area of Santa Clara. According to the California Department of Forestry and Fire Protection (CAL FIRE), the project site is not located within a moderate, high, or very high fire hazard severity zone (FHSZ) or near any state responsibility areas.¹²⁴ The nearest Very High Fire Hazard Severity Zone (VHFHSZ) is located approximately 7.5 miles east of the project site in Alum Rock Park in East San José.

¹²² California Department of Forestry and Fire Protection (CAL FIRE). 2022. *CAL FIRE Santa Clara Unit Strategic Fire Plan*. May 8, 2022. Available at <https://osfm.fire.ca.gov/media/hjndvue2/2022-santa-clara-contra-costa-alameda-west-stanislaus-west-sann-joaquin-unit-fire-plan.pdf>. Accessed: February 5, 2024.

¹²³ City of Santa Clara. 2010. *City of Santa Clara 2010-2035 General Plan*. Available: <https://www.santaclaraca.gov/home/showpublisheddocument/56139/636619791319700000>. Accessed: February 5, 2024.

¹²⁴ Cal FIRE. 2023. *Fire Hazard Severity Zone Viewer*. Available: <https://egis.fire.ca.gov/FHSZ/>. Accessed: February 5, 2024.

Impact Discussion

a) Substantially impair an adopted emergency response plan or emergency evacuation plan?

OR

b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?

OR

c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?

OR

d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage change?

Less than Significant Impact. Given that the risk of wildfire at or near the project site is low, there is a similarly low potential for the project to indirectly or directly interfere with emergency services during a wildfire event. As mentioned in **Section 2.15, Public Services**, there are no formal evacuation routes or emergency response plans near the project site that would be impacted by the project. The project site and surrounding area are relatively flat and developed with urban uses, which preclude factors such as slopes or strong winds from exacerbating wildfire risk. Similarly, post-fire impacts such as drainage changes and landslides would not occur as the project site and its surroundings are highly urbanized and do not have steep slopes or hillsides that would be susceptible to landslides or flooding. The project is located on an existing developed site and would not require the installation or maintenance of infrastructure that may exacerbate fire risk. Furthermore, the project site is not located within a FHSZ.¹²⁵ The nearest Very High Fire Hazard Severity Zone (VHFHSZ) is located approximately 7.5 miles east of the project site in Alum Rock Park in East San José.

¹²⁵ Cal FIRE. 2023. *Fire Hazard Severity Zone Viewer*. Available: <https://egis.fire.ca.gov/FHSZ/>. Accessed: February 5, 2024.

2.21. Mandatory Findings of Significance

	Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
Does the project:				
a) Have the potential to degrade quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- a) Have the potential to degrade quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?**

Less than Significant with Mitigation. As described in **Section 2.4, Biological Resources, Section 2.5, Cultural Resources, Section 2.7, Geology and Soils and Section 2.18, Tribal Cultural Resources**, the project includes mitigation measures to reduce potential impacts to wildlife and cultural resources. Implementation of mitigation measures described in this Initial Study would reduce all potentially significant impacts of the project to a less-than-significant level.

- b) Have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in**

connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

Less than Significant with Mitigation. Cumulative impact analysis determines whether an individual project in combination with other approved or foreseeable projects would result in significant impacts. If cumulative impacts could occur, cumulative analysis asks whether the project's contribution to the significant cumulative impact would be cumulatively considerable.

The analysis of cumulative impacts for each environmental factor can employ one of two methods to establish the effects of other past, current, and probable future projects. A lead agency may select a list of projects, including those outside the control of the agency, or, alternatively, a summary of projections. These projections may be from an adopted general plan or related planning document, or from a prior environmental document that has been adopted or certified, and these documents may describe or evaluate the regional or area-wide conditions contributing to the cumulative impact.

This Initial Study evaluates cumulative impacts using the City's General Plan Integrated EIR (2011). The General Plan Integrated EIR evaluated future development, as identified in the current General Plan, and concluded that the following significant environmental impacts would occur.

- Exacerbation of land use impacts arising from the jobs –housing imbalance;
- Degradation of traffic operations on regional roadways and highways within the City of an unacceptable level of service;
- Contribution to solid waste generation beyond available capacity after 2024;
- Contribution to GHG emission exceeding the City's emission reduction target for 2035; and
- Increase in localized traffic noise level on roadway segments throughout the City.

Transportation

As described in **Section 2.17, Transportation**, traffic operations would decrease compared to existing uses. Based on the decreased trip generation rate of the project, there would not be operational issues associated with these new trips. Additionally, the project would not alter the roadway circulation network. The General Plan Integrated EIR states that despite the General Plan's overall land use-transportation efficiency, future development would nonetheless generate substantial additional traffic volumes that would cause congestion along certain roadway segments within the City's jurisdiction for which, in most cases, no feasible mitigation (i.e., ability to add new travel lanes) exists. However, the project would result in a net decrease in trips on local roadways as compared to existing land use. Therefore, the project's contribution to this significant impact would not be cumulatively considerable.

Population and Housing

The General Plan Integrated EIR identified significant cumulative land use impacts from the build-out of the General Plan land use designations, in conjunction with other regional developments. The EIR concluded that the proposed land uses would create a regional jobs-housing imbalance, as workers who are unable to live near their employment would commute long distances from outlying areas. As described in **Section 2.14, Population and Housing**, the project would not result in a substantial increase

in employment outside of what is anticipated in the General Plan. Therefore, the project's contribution to this significant impact would not be cumulatively considerable.

Utilities and Service Systems

As previously discussed in **Section 2.19, Utilities and Service Systems**, the project would not result in a significant increase in solid waste generation. Although the General Plan Integrated EIR identified solid waste generation as a significant impact, the amount of solid waste generated by the project operations would be minimal and is accounted for and analyzed in the General Plan. Therefore, the project's contribution to this significant cumulative impact would not be cumulatively considerable. Further, the Newby Island Landfill was permitted to operate until 2041 after the General Plan Integrated EIR was certified (the General Plan EIR assumed a 2024 closure date), making this impact potentially moot.

Greenhouse Gas Emissions

As previously discussed in **Section 2.8, Greenhouse Gas Emissions**, the project's GHG emissions would be consistent with applicable plans, policies and regulations. Therefore, the project's contribution to this significant cumulative impact would not be cumulatively considerable.

Noise and Vibration

As previously discussed in **Section 2.13, Noise and Vibration**, the project would not exceed applicable noise level standards for the project site. The General Plan Integrated EIR identified a significant impact related to the localized noise increase in traffic noise level on roadway segments, the project would not result in a net increase in traffic on surrounding roadways and highways and would not contribute to an increase in traffic noise levels. Therefore, the project would not contribute to this significant cumulative impact.

c) Have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

Less than Significant with Mitigation. As previously discussed throughout this Initial Study, the project would not result in significant environmental impacts on human beings with implementation of mitigation measures. Mitigation measures are identified in this Initial Study to reduce potential significant impacts related to air quality, biological resources, geology and soils and hazards which could otherwise affect humans. Implementation of these mitigation measures would ensure that the project would not result in impacts that would cause significant impacts on human beings, either directly or indirectly.

**PRIME DATA CENTER PROJECT
1231 COMSTOCK STREET**

Mitigation Monitoring and Reporting Program (MMRP)

City File No: PLN22-00282

Prepared For:

**City of Santa Clara
Community Development Department
1500 Warburton Avenue
Santa Clara, CA 95050**

Prepared By:

**Circlepoint
46 S First Street
San Jose, CA 95113**

September 2024

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Mitigation Monitoring and Reporting Program

Environmental Factor	Mitigation Measures	Level of Impact	Responsible Party	Timing
Biological Resources	<p><u>BIO-MM-1: Nesting Bird Survey</u></p> <p>To the degree feasible, construction should be scheduled to occur outside the nesting bird season from September 15 through January 15. If construction occurs during the nesting bird season (January 15 through September 15), pre-construction surveys will be conducted by a qualified biologist no more than one week prior to construction to determine the presence/absence of nesting birds within the project site. If active nests are found, the qualified biologist will establish an appropriate buffer, taking into account the species sensitivity and physical location of the nest (line of site to the work area). In no cases will the buffer be smaller than 50 feet for non-raptor bird species and 200 feet for raptor species. To prevent encroachment, the established buffer(s) will be clearly marked by high visibility material. The established buffer(s) will remain in effect until the young have fledged or the nest has been abandoned as confirmed by the qualified biologist.</p>	Less than Significant with Mitigation	Project Applicant, Contractor, Qualified Biologist	Pre-Construction, Construction

<p>Cultural Resources</p>	<p><u>CUL MM-1.1: Archaeological Monitoring</u></p> <p>A Secretary of the Interior-qualified archaeologist and a Native American cultural resources monitor shall be on site to monitor grading and excavation of native soil. The project applicant shall submit the name and qualifications of the selected archaeologist and Native American Monitor to the Director of Community Development prior to the issuance of a grading permit. Preference in selecting Native American monitors shall be given to Native Americans with:</p> <ul style="list-style-type: none"> • Traditional ties to the area being monitored. • Knowledge of local historic and prehistoric Native American village sites. • Knowledge and understanding of Health and Safety Code, Section 7050.5 and Public Resources Code, Section 5097.9 et seq. • Ability to effectively communicate the requirements of Health and Safety Code, Section 7050.5 and Public Resources Code, Section 5097.9 et seq. • Ability to work with law enforcement officials and the NAHC to ensure the return of all associated grave goods taken from a Native American grave during excavation. • Ability to travel to project sites within traditional tribal territory. • Knowledge and understanding of Title 14, California Code of Regulations, Section 15064.5. • Ability to advocate for the preservation in place of Native American cultural features through knowledge and understanding CEQA mitigation provisions. • Ability to read a topographical map and be able to locate site and reburial locations for future inclusions in the NAHC's Sacred Lands Inventory. • Knowledge and understanding of archaeological practices, including the phases of archaeological investigation. 	<p>Less than Significant with Mitigation</p>	<p>Contractor, Qualified Archaeologist, Native American cultural resources monitor</p>	<p>Construction</p>
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Environmental Factor	Mitigation Measures	Level of Impact	Responsible Party	Timing
	<p><u>CUL MM-1.2: Discovery of prehistoric or historic resources during construction</u></p> <p>In the event that prehistoric or historic resources that are not discovered during presence/absence testing are encountered during excavation and/or grading of the site, all activity within a 50-foot radius of the find will be stopped, the Director of Community Development will be notified, and the archaeologist will examine the find and make appropriate recommendations prior to issuance of building permits. If the find is deemed significant, a Treatment Plan will be prepared as outlined in CUL MM-1.1.</p>			

Environmental Factor	Mitigation Measures	Level of Impact	Responsible Party	Timing
	<p><u>CUL MM-2: Protocol for Human Remains Discovery</u></p> <p>In the event that human remains are discovered during presence/absence testing or excavation and/or grading of the project site, all activity within a 50-foot radius of the find will be stopped. The County Coroner will be notified and shall make a determination as to whether the remains are of Native American origin or whether an investigation into the cause of death is required. If the remains are determined to be Native American, the Coroner will notify the NAHC immediately. Once NAHC identifies the most likely descendants, the descendants will make recommendations regarding proper burial, which will be implemented in accordance with Section 15064.5(e) of the CEQA Guidelines. All actions taken under this mitigation measure shall comply with Health and Human Safety Code § 7050.5(b).</p>	Less than Significant with Mitigation	Contractor, Professionally Qualified Staff	Pre-construction, Construction

Environmental Factor	Mitigation Measures	Level of Impact	Responsible Party	Timing
Geology and Soils	<p><u>GEO MM-1: Treatment of Expansive Soils</u></p> <p>Expansive soils shall be addressed through treatment or removal, in order to reduce the potential for structural damage. Where highly expansive soil is encountered, it should be capped by up to 24 inches of imported (select) fill to construct any new building pads; 12 inches of select fill material should be placed beneath any proposed exterior concrete flatwork, including patio slabs and sidewalks. The select fill should extend at least five and two feet beyond the building slab and exterior concrete slab edges, respectively. Select fill should be non-hazardous, free of organic material, contain no rocks or lumps larger than three inches in greatest dimension, and have a low expansion potential (defined by a liquid limit of less than 40 and a plasticity index lower than 12).</p>	Less than Significant with Mitigation	Project Applicant, Contractor	Pre-Construction, Construction
	<p><u>GEO MM-2: Discovery of paleontological specimen</u></p> <p>Discovery of a paleontological specimen during any phase of the project shall result in a work stoppage in the vicinity of the find until it can be evaluated by a professional paleontologist. Should loss or damage be detected, additional protective measures or further action (e.g., resource removal), as determined by a professional paleontologist, shall be implemented to mitigate the impact.</p>	Less than Significant with Mitigation	Project Applicant, Contractor, Professional Paleontologist	Pre-Construction, Construction
Tribal Cultural Resources	Please see CUL MM-1.1, CUL MM-1.2 and CL MM-2.	Less than Significant with Mitigation	Contractor, Qualified Archeologist, Native American cultural resources monitor	Pre-Construction, Construction

Environmental Factor	Mitigation Measures	Level of Impact	Responsible Party	Timing
Mandatory Findings of Significance	See BIO MM-1, CUL MM-1.1, CUL MM-1.2, GEO MM-1, and GEO MM-2.	Less than Significant with Mitigation	Project Applicant, Contractor, Qualified Archeologist, Qualified Paleontologist, Native American cultural resources monitor	Pre-construction, Construction

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
ADOPTING AN INITIAL STUDY, MITIGATED NEGATIVE
DECLARATION AND A MITIGATION MONITORING AND
REPORTING PROGRAM FOR A DATA CENTER PROJECT
WITH BACK UP GENERATORS LOCATED AT 1231 COMSTOCK
STREET, SANTA CLARA**

PLN22-00282 (Conditional Use Permit, Variance)

WHEREAS, on December 13, 2022, Prime Data Centers (“Applicant”), on behalf of 1231 Comstock Property LLC (“Owner”) made an application for the development of a 1.37-acre site (Assessor’s Parcel Numbers: 224-08-120) located at 1231 Comstock Street in Santa Clara (“Project Site”);

WHEREAS, the Project Site has a General Plan designation of Low Intensity Office / Research and Development and was zoned Light Industrial (ML) when the application was “deemed complete” under the prior Zoning Code. As a reference, under the new Zoning Code, the project is zoned Low Intensity Office / Research and Development (LO-RD);

WHEREAS, the Project Site is currently developed with an approximately 25,000 square-foot single-story warehouse building, surface parking lot and site landscaping;

WHEREAS, the Applicant proposes to construct a 111,978 square foot four-story data center building with a total capacity of 13.5 Megawatts (MW) housing computer servers and administrative functions, rooftop mechanical equipment, and six 3,000-kilowatt (kW) diesel generators, with a surface parking lot and on- and off-site improvements; in conjunction with demolition of the existing structures and site improvements (“Project”);

WHEREAS, the Project requires a Conditional Use Permit, Variances, and Architectural Review by the City for which the Applicant has simultaneously applied;

WHEREAS, the City, as Lead Agency, in tandem with Consultant ‘Circlepoint’ prepared an Initial Study and a Negative Mitigation Declaration (“IS/MND”) for the Project in accordance with CEQA and circulated copies for 30-day review to public agencies which have jurisdiction by law

with respect to the Project, as well as to other interested persons and agencies, and sought the comments of such persons and agencies beginning on August 10, 2024 and concluding on September 10, 2024 ("Comment Period");

WHEREAS, the IS/MND identified possible impacts on the environment with Project development that with implementation of the mitigation measures specified in the Mitigation Monitoring and Reporting Program ("MMRP") for the Project would reduce the potentially significant effects to less than significant;

WHEREAS, the City prepared written responses to the comments received during the Comment Period and included these responses in a Final Mitigated Negative Declaration ("MND");

WHEREAS, with implementation of mitigation measures for any identified environmental effects impacts would be reduced to less than significant through the inclusion of mitigation measures proposed in the MND;

WHEREAS, on October 23, 2024, Planning Commission held a duly noticed public hearing to consider the Project, at the conclusion of which, the Commission voted 4-3 to deny the Variance and Use Permit.

WHEREAS, pursuant to CEQA guidelines 15270 ("Projects Which Are Disapproved"), the Planning Commission was not required to take any action on the environmental document;

WHEREAS, on October 24, 2024, the Applicant filed a timely appeal of the Planning Commission's decision to the City Council;

WHEREAS, pursuant to SCCC Chapter 18.144, on November 22, 2024, notices of the public meeting for the City Council Hearing of December 3, 2024 were mailed to all property owners within a 1,000 foot radius, in accordance with SCCC Chapter 18.146;

WHEREAS, on December 3, 2024, City Council held a duly noticed public hearing to consider the Appeal during which the City Council invited and considered any and all verbal and written testimony and evidence offered in favor of and in opposition to the Project.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. That pursuant to CEQA Guidelines Section 15074, the decision-making body for the Lead Agency, the City Council, has reviewed and considered the information contained in the MND for the Project.
3. That the City Council hereby finds that the MND is complete, prepared in compliance with CEQA, and represents the independent judgment and analysis of the City Council.
4. That pursuant to CEQA Guidelines Section 15074(b), the City Council hereby adopts the findings made in the MND, and further finds that approval of the Project as mitigated will have no significant negative effects on the area's environmental resources, cumulative or otherwise, as the impacts as mitigated fall within the environmental thresholds identified by CEQA, and the Council hereby adopts the MND.
5. That the City Council hereby adopts the MMRP, Exhibit C in the MND, for implementation with Project Development as required by Section 15097(a) of the CEQA Guidelines.
6. That the City Council hereby designates the Planning Division of the Community Development Department as the location for the documents and other material that constitute the record of proceedings upon which this decision is based and designates the Director of Community Development as the custodian of records.

7. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED
AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING
THEREOF HELD ON THE 3rd DAY OF DECEMBER, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
TO SUSTAIN AN APPEAL AND APPROVE A USE PERMIT TO
ALLOW A DATA CENTER PROJECT WITH BACK UP
GENERATORS LOCATED AT 1231 COMSTOCK STREET,
SANTA CLARA**

PLN22-00282 (Conditional Use Permit, Variance)

WHEREAS, on December 13, 2022, Prime Data Centers (“Applicant”), on behalf of 1231 Comstock Property LLC (“Owner”) made an application for the development of a 1.37-acre site (Assessor’s Parcel Numbers: 224-08-120) located at 1231 Comstock Street in Santa Clara (“Project Site”);

WHEREAS, the Project Site has a General Plan designation of Low Intensity Office / Research and Development and was zoned Light Industrial (ML) when the application was “deemed complete” under the prior Zoning Code. As a reference, under the new Zoning Code, the project is now zoned Low Intensity Office / Research and Development (LO-RD);

WHEREAS, the Project Site is currently developed with an approximately 25,000 square-foot single-story warehouse building, surface parking lot and site landscaping;

WHEREAS, the Applicant proposes to construct a 111,978 square foot four-story data center building with a total capacity of 13.5 Megawatts (MW) housing computer servers and administrative functions, rooftop mechanical equipment, and six 3,000-kilowatt (kW) diesel generators, with a surface parking lot and on- and off-site improvements; in conjunction with demolition of the existing structures and site improvements (“Project”);

WHEREAS, the Project requires a Conditional Use Permit, Variances, and Architectural Review by the City for which the Applicant has simultaneously applied;

WHEREAS, pursuant to Santa Clara City Code (“SCCC”) Section 18.48.040, a Conditional Use Permit is required to allow a data center use in the ML zoning district;

WHEREAS, the City, as Lead Agency, in tandem with Consultant ‘Circlepoint’ prepared an

Initial Study and a Negative Mitigation Declaration ("IS/MND") for the Project in accordance with CEQA and circulated copies for 30-day review to public agencies which have jurisdiction by law with respect to the Project, as well as to other interested persons and agencies, and sought the comments of such persons and agencies beginning on August 10, 2024 and concluding on September 10, 2024 ("Comment Period");

WHEREAS, the IS/MND identified possible impacts on the environment with Project development that with implementation of the mitigation measures specified in the Mitigation Monitoring and Reporting Program ("MMRP") for the Project would reduce the potentially significant effects to less than significant;

WHEREAS, pursuant to SCCC Section 18.114.050, the Planning Commission cannot grant a Conditional Use Permit without first making specific findings related to the effect of the project on public convenience, health, interest, safety, and general welfare, among other factors, based upon substantial evidence in the record;

WHEREAS, on October 23, 2024, the Planning Commission held a duly noticed public hearing to consider the Project, at the conclusion of which, the Commission voted 4-3 to deny the Use Permit;

WHEREAS, pursuant to SCCC Section 18.114.040.B.3, The Planning Commission's decision is appealable to the Council in compliance with SCCC Chapter 18.144;

WHEREAS, on October 24, 2024, the Applicant filed a timely appeal of the Planning Commission's decision to the City Council;

WHEREAS, pursuant to SCCC Chapter 18.144, on November 22, 2024, notices of the public meeting for the City Council Hearing of December 3, 2024 were mailed to property owners within a 1,000 foot radius;

WHEREAS, pursuant to SCCC Section 18.146.020, on November 27, 2024, notices of the public hearing of December 3, 2024 were posted at City Hall, the Central Park Library, the Mission Branch Library, the Northside Branch Library, and on the City's website;

WHEREAS, on December 3, 2024, City Council held a duly noticed public hearing to consider the Appeal during which the City Council invited and considered any and all verbal and written testimony and evidence offered in favor of and in opposition to the Project.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. That the City Council hereby Sustains the Appeal and Approves the Use Permit, to allow the construction of a new four-story 111,978 square foot data center with rooftop mechanical equipment, backup generators, and associated landscaping and site improvements, as depicted on Exhibit "Development Plans," attached hereto and incorporated herein by this reference.
3. That based upon substantial evidence in the record of the hearing, including the facts stated in this resolution, the City Council hereby finds that:
 - A. The proposed use is consistent with the General Plan and any applicable specific plan, in that the project site has a General Plan land use designation of Low-Intensity Office/R&D which allows free standing data centers.
 - B. The proposed use is allowed within the subject zone and complies with all other applicable provisions of this Zoning Code and the SCCC, in that the project meets the development standards for data centers listed in Section 18.60.090 of the Zoning Code:
(1) the primary structure façade contain design features that avoid the use of undifferentiated surfaces; (2) the exterior lighting is designed with cutoff or fully shielded fixtures directing light downward and into the interior of the property; and (3) the project noise levels would be reduced by the rooftop parapet wall and the IS/MND did not identify any significant noise impacts that would result from the project.
 - C. The design, location, size, and operating characteristics of the proposed use are compatible with the allowed uses in the vicinity, in that the project is surrounded on three sides by current Data Centers and the parcel directly to the south of the proposed

project is an Industrial parcel previously owned by Owens-Corning. There are no residentially zoned parcels within a mile of the proposed project.

D. Operation of the use at the location proposed would not be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare, in that the proposed project has met all of the standards in Section 18.60.090 for aesthetic concerns, lighting, and noise reduction, and the potential environmental impacts associated with the project was examined in an Initial Study/MND and mitigation measures were adopted for any potential impacts to be reduced to less than significant.

E. The subject site is:

1. Physically suitable in terms of design, location, operating characteristics, shape, size, topography, and the provision of public and emergency vehicle (e.g., fire and medical) access and public services and utilities; in that the site meets the SCCC requirements for minimum lot size for Light Industrial zoned properties, is adjacent to other Data Center properties, and meets all standards for emergency services
2. Served by highways and streets adequate in width and improvement to carry the type and quantity of traffic the proposed use would likely generate, in that the proposed project is unlikely to generate a significant number of trips, but any additional trips for local workers would be handled by Comstock Street which can be accessed by either Scott Boulevard or Lafayette Street.

3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED
AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING
THEREOF HELD ON THE 3rd DAY OF DECEMBER, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Development Plans55

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
TO SUSTAIN AN APPEAL AND APPROVE A VARIANCE TO
HEIGHT, PARKING, AND FRONT SETBACK REQUIREMENTS IN
ORDER TO ALLOW A DATA CENTER PROJECT WITH BACK UP
GENERATORS LOCATED AT 1231 COMSTOCK STREET, SANTA
CLARA**

PLN22-00282 (Conditional Use Permit, Variance)

WHEREAS, on December 13, 2022, Prime Data Centers (“Applicant”), on behalf of 1231 Comstock Property LLC (“Owner”) made an application for the development of a 1.37-acre site (Assessor’s Parcel Numbers: 224-08-120) located at 1231 Comstock Street in Santa Clara (“Project Site”);

WHEREAS, the Project Site has a General Plan designation of Low Intensity Office / Research and Development and was zoned Light Industrial (ML) when the application was “deemed complete” under the prior Zoning Code, and is now zoned Low Intensity Office / Research and Development (LO-RD);

WHEREAS, the Project Site is currently developed with an approximately 25,000 square-foot single-story warehouse building, surface parking lot and site landscaping;

WHEREAS, the Applicant proposes to construct a 111,978 square foot four-story data center building with a total capacity of 13.5 Megawatts (MW) housing computer servers and administrative functions, rooftop mechanical equipment, and six 3,000-kilowatt (kW) diesel generators, with a surface parking lot and on- and off-site improvements; in conjunction with demolition of the existing structures and site improvements (“Project”);

WHEREAS, the Project requires a Conditional Use Permit, Variances, and Architectural Review by the City for which the Applicant has simultaneously applied;

WHEREAS, the City, as Lead Agency, in tandem with Consultant ‘Circlepoint’ prepared an Initial Study and a Negative Mitigation Declaration (“IS/MND”) for the Project in accordance with CEQA and circulated copies for 30-day review to public agencies which have jurisdiction by law with

respect to the Project, as well as to other interested persons and agencies, and sought the comments of such persons and agencies beginning on August 10, 2024 and concluding on September 10, 2024 ("Comment Period");

WHEREAS, the IS/MND identified possible impacts on the environment with Project development that with implementation of the mitigation measures specified in the Mitigation Monitoring and Reporting Program ("MMRP") for the Project would reduce the potentially significant effects to less than significant;

WHEREAS, pursuant to SCCC Section 18.124.050, the Planning Commission cannot grant a Variance without first making specific findings, based upon substantial evidence in the record;

WHEREAS, on October 23, 2024, Planning Commission held a duly noticed public hearing to consider the Project, at the conclusion of which, the Commission voted 4-3 to deny the variance;

WHEREAS, pursuant to SCCC Section 18.124.040 D., The Planning Commission's decision is appealable to the Council in compliance with SCCC Chapter 18.144;

WHEREAS, pursuant to SCCC Chapter 18.144, on November 22, 2024, notices of the public meeting for the City Council Hearing of December 3, 2024, were mailed to all property owners within a 1,000 foot radius, in accordance with SCCC Chapter 18.146;

WHEREAS, pursuant to SCCC Section 18.146.020, on November 27, 2024, notices of the public hearing of December 3, 2024 were posted at City Hall, the Central Park Library, the Mission Branch Library, the Northside Branch Library, and on the City's website;

WHEREAS, on December 3, 2024, City Council held a duly noticed public hearing to consider the Appeal during which the City Council invited and considered any and all verbal and written testimony and evidence offered in favor of and in opposition to the Project.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. That the City Council hereby Sustains the Appeal and approves the Variance for

maximum height allowed from 70-feet to the proposed 87-feet, required on-site parking spaces from 25 parking spaces to the proposed 21 parking spaces, and front setbacks from 15-feet to 10-feet for a proposed security fence, as depicted on Exhibit “Development Plans,” attached hereto and incorporated herein by this reference.

3. That pursuant to SCCC Section 18.124.050, the City Council makes the following findings in support of the variance:

1. There are special circumstances or conditions applicable to the subject property or existing buildings (e.g., location, shape, size, surroundings, topography, or other physical features) that do not apply generally to other properties in the vicinity under an identical zoning classification, in that the project would not require a height variance if submitted under the Updated City Code; the updated zoning Designation of LO-RD has a height maximum of 100-feet whereas the older codes Light Industrial (ML) had a maximum height of 70-feet. The applicant has provided alternative parking measures like bike racks, bike lockers, and improvements to street frontage for employees who bike or walk to work, which should reduce the amount of parking required on the lot. Lastly, the proposed structure itself will be 15-feet from the front setback line, however the applicant is proposing a security fence at 10-feet; moving the fence to meet the 15-foot setback line would be infeasible and would hinder security on the site;
2. Strict compliance with Zoning Code requirements would deprive the subject property of privileges enjoyed by other property in the vicinity and under an identical zoning classification, in that the immediate surrounding properties are zoned LO-RD which have a maximum height of 100-feet, the proposed project was deemed complete while the parcel was zoned ML which has a maximum height of 70-feet;
3. Approving the Variance would not constitute a grant of special privilege inconsistent with the limitations on other properties in the same vicinity and zone in which the subject property is situated, allowing the proposed 87-foot height would be consistent with the site's

current zoning, that the structure itself will be 15-feet from the setback while only the security fence would be at the 10-foot setback line, and that applicant has provided alternative means to comply with required parking spaces and that the Data Center use is usually limited in the amount of spaces needed on site; and

4. Granting the Variance will not adversely affect the interests of the public or the interests of residents and property owners in the vicinity of the subject property in question, in that approving the three variances would be in keeping with the Data Center uses that surround the project, the proposed project would revitalize the current parcel by removing the vacant warehouse and providing landscaping and frontage improvements.

3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 3RD DAY OF DECEMBER, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:
1. Development Plans

Attachment 2: Project Data/Compliance (Non-Residential)

Project Address: 1231 Comstock
Zoning: ML – Light Industrial

Project Number: PLN22-00282

Standard	Existing	Proposed	Requirement	Complies? (Y/N)
Lot Area (SF) (min):	59,677	59,677		
Building Square Footage (SF)				
Main Building:	n/a	111,978	--	--
Total:	n/a	111,978	--	--
Building Coverage (%)				
Building Coverage (All):	n/a	39%	75%	Y
Main Building Setbacks (FT)				
Front:	n/a	15	15	Y
Side (left): (right):	n/a	49 61	n/a	Y
Rear:	n/a	47	n/a	Y
Height (FT)				
Main building:	n/a	87	70	N
Parking: Is the site AB 2097 eligible?				
Off-Street:	n/a	21	25	N
Loading spaces:	n/a	Yes	Yes	Y
Landscaping				
Required Front Yard Landscaping:	n/a	10'	15-feet*	Y
Open Landscaped Area:	n/a		10% of required parking	Y

*15-feet except areas used for driveways / walkways

CONDITIONS OF APPROVAL

GENERAL

- A. If relocation of an existing public facility becomes necessary due to a conflict with the developer's new improvements, then the cost of said relocation shall be borne by the developer.
- B. Comply with all applicable codes, regulations, ordinances and resolutions.

ATTORNEY'S OFFICE

- A. The Developer agrees to defend and indemnify and hold City, its officers, agents, employees, officials and representatives free and harmless from and against any and all claims, losses, damages, attorneys' fees, injuries, costs, and liabilities arising from any suit for damages or for equitable or injunctive relief which is filed by a third party against the City by reason of its approval of developer's project.

COMMUNITY DEVELOPMENT

BUILDING DIVISION

1. Prior to overall construction permit application, submit to the Santa Clara Building Division, 2 copies of an addressing diagram request, to be prepared by a licensed architect or engineer. The addressing diagram(s) shall include all proposed streets and all building floor plans. The addressing diagram(s) shall conform to Santa Clara City Manager Directive #5; Street Name and Building Number Changes, and Santa Clara Building Division Address Policy For Residential and Commercial Developments. The addressing diagram(s) shall indicate all unit numbers to be based off established streets, not alleys nor access-ways to garages. Allow a minimum of 10 working days for initial staff review. Please note city staff policy that existing site addresses typically are retired. Provide digital pdf printed from design software, not scanned from printed paper sheet.
 - a) Any building or structure that is demolished shall have its address retired and a new address/s shall be issued for the project.
2. The construction permit application drawings submitted to the Santa Clara Building Division shall include a copy of the latest Federal Emergency Management Agency (FEMA) Flood Zone Map: <https://msc.fema.gov/portal/home>. The project drawings shall indicate how the project complies with the Santa Clara Flood Damage Prevention Code.
 - a. FEMA Flood Zone map designations and requirements are based on the map in effect at date of Building Permit issuance.
3. The construction permit application drawings submitted to the Santa Clara Building Division shall include Santa Clara Valley Urban Runoff Pollution Prevention Program Low Impact Development (LID) practices http://www.scvurppp-w2k.com/nd_wp.shtml. All projects that disturb more than one acre, or projects that are part of a larger development that in total disturbs more than one acre, shall comply with the Santa Clara Valley Urban Runoff Pollution Prevention Program Best Management Practices (BMP): http://www.scvurppp-w2k.com/construction_bmp.shtml, and shall provide a Storm Water Pollution Prevention Plan (SWPPP) by a certified Qualified SWPPP Developer (QSD). All site drainage and grading permit applications submitted to the Santa Clara Building Division shall include a city of Santa Clara "C3" data form, available on this web page:
 - <https://www.santaclaraca.gov/our-city/departments-g-z/public-works/environmental-programs/stormwater-pollution-prevention> and will be routed to a contract consultant for review.
4. No construction code review or analysis is being done at this time. The construction permit application drawings submitted to the Santa Clara Building Division shall include an overall California Building Code analysis, including; proposed use and occupancy of all spaces (CBC Ch. 3), all building heights and areas (CBC Ch. 5), all proposed types of construction (CBC Ch. 6), all proposed fire and smoke protection features, including all types of all fire rated penetrations proposed (CBC Ch. 7), all proposed interior finishes fire resistance (CBC Ch. 8), all fire protection systems proposed (CBC Ch. 9), and all

means of egress proposed (CBC Ch. 10). -Noncombustible exterior wall, floor, and roof finishes are strongly encouraged.

- **During** construction retaining a single company to install all fire rated penetrations is highly recommended.
 - The grade level lobbies shall be min. 1 hour rated all sides and above.
 - All stair shafts shall be min. 1 hour rated.
 - All elevator shafts shall be min. 1 hour rated.
 - All trash chute shafts shall be min. 1 hour rated.
 - Recommendation: provide a minimum of two trash chutes; one for recyclables, one for trash, each trash chute to be routed down to a grade level trash collection room.
 - Any trash rooms shall be min. 1 hour rated all sides and above.
5. The overall project construction permit application shall include the geotechnical, architectural, structural, energy, electrical, mechanical, and plumbing drawings and calculations. Prior to the issuance of the overall project construction permit, a conditions of approval review meeting must be held in city hall, which meeting must be attended by the on-site field superintendent(s). The meeting will not be held without the attendance of the on-site field superintendent(s). The on-site grading permit shall be a separate permit application to the Building Division.
6. Temporary Certificates of Occupancy will not be routinely issued and will be considered on a very limited basis only when there is a clear and compelling reason for city staff to consider a TCO. A TCO will be approved only after all applicable City staff have approved in writing; Planning, P.W./ Engineering, Fire Prev., Santa Clara Water, Silicon Valley Power, and any other applicable agencies such as the Santa Clara County Health Dept., with the Building Division being the final approval of all TCO's.
7. See Title 15 of the Santa Clara City Code for any amendments to the California Building Codes.
8. This project is subject to the provisions of the City of Santa Clara 2022 Reach Code, effective January 2022 See Ordinance No. 2034 and/or Title 15 of the Santa Clara City Code.
- Chp. 15.36 – Energy Code for “all electric” provisions for new construction.
 - Chp. 15.38 – Green Building Code for additional Electric Vehicle Charging requirements for new construction.

HOUSING & COMMUNITY SERVICES DIVISION

1. In accordance with the Santa Clara City Code chapter 17.40, this project is subject to the requirements of the Affordable Housing Ordinance which may be met through payment of an impact fee of \$2.59 per square foot. The fee is determined by the net square footage of the existing building to be demolished minus the square footage of the proposed new construction building multiply by the \$2.59 per square foot. Please note that Applicant shall pay impact fees prior to the issuance of the occupancy certificate of the building (all fees are based on the current Municipal Fee Schedule in effect at the time the project is approved). The FY 2023-24 fee is \$2.88 per sf, effective 7/1/2023. The estimated fee will be provided once applicant confirm the sf of existing and proposed new building during design documents documentation.

PLANNING DIVISION

1. Obtain required permits and inspections from the Building Official and comply with the conditions thereof. If this project involves land area of 1 acre or more, the developer shall file a Notice of Intent (NOI) with the State Water Resources Control Board prior to issuance of any building permit for grading, or

construction; a copy of the NOI shall be sent to the City Building Inspection Division. A storm water pollution prevention plan is also required with the NOI.

2. Submit plans for final architectural review to the Architectural Committee and obtain architectural approval prior to issuance of building permits. Said plans to include, but not be limited to: site plans, floor plans, elevations, landscaping, trash enclosure details, lighting and signage. Landscaping installation shall meet City water conservation criteria in a manner acceptable to the Director of Community Development.
3. A Landscape plan showing the tree protection plan and a replacement plan for review and approval by the City prior to any demolition, grading or other earthwork in the vicinity of the existing trees on the site. Landscape plan to include type and size of proposed trees. Coordinate with the City Arborist for the type, location, installation and maintenance of large canopy street trees fronting the project site along the public right-of-way. Type and size of tree replacement on project site shall be at the direction of the City Arborist and require Planning Division review and approval. Installation of root barriers and super-soil may be required with the installation of trees where electric, water, and sewer utilities are in proximity.
4. Project site landscaping shall be maintained in good condition throughout the life of the Project and no trees shall be removed without City review and approval. Trees permitted by the City for removal shall be replaced at a 2:1 ratio with 24-inch box specimen tree, or equal alternative as approved by the Director of Community Development.
5. A complete landscape plan that includes, type, size and location of all plant species shall be required as part of architectural review of the project. Review and approval of the complete landscape plan, including water conservation calculations and irrigation plan shall be required prior to issuance of building permits. Installation of landscaping is required prior to occupancy permits.
6. Commercial, industrial, and multi-family residential buildings must have enclosures for solid waste and recycling containers. The size and shape of the enclosure(s) must be adequate to serve the estimated solid waste and recycling needs and size of the building(s) onsite, and should be designed and located on the property so as to allow ease of access by collection vehicles. As a general rule, the size of the enclosure(s) for the recycling containers should be similar to the size of the trash enclosure(s) provided onsite. Roofed enclosures with masonry walls and solid metal gates are the preferred design. Any required enclosure fencing (trash area, utility equipment, etc.) if not see-thru, shall have a six (6) inch opening along the bottom for clear visibility. Any gates or access doors to these enclosures shall be locked.
7. The noise levels from the proposed use shall be within the maximum permissible limits in Light Industrial (ML) / Low Intensity Office / R&D (LO-RD) zones per the City's Noise Ordinance.
8. Building design shall incorporate measures to avoid bird strike.
9. The Final Storm Water Management Plan (SWMP) must be certified by a third-party consultant from SCVURPP's current list of qualified consultants. Five copies of the approval letter from the certified third-party review (wet stamped and signed) must be submitted prior to the issuance of grading or building permit.
10. Construction activity shall be limited to the hours of 7:00 a.m. to 6:00 p.m. weekdays and 9:00 a.m. to 6:00 p.m. Saturdays for projects within 300 feet of a residential use and shall not be allowed on recognized State and Federal holidays.
11. Prior to the issuance final occupancy, the applicant shall enter into Operations and Maintenance (O&M) agreement with the City. The project operator is responsible for the operations and maintenance of the SWMP and storm water BMPs consistent with the O&M agreement throughout the life of the project.
12. The Developer shall comply with the Mitigations Monitoring and Reporting Program that will be identified in the Walsh Bowers Data Center Initial Study / Mitigated Negative Declaration, and shall be incorporated in the Conditions of Approval for this project.
13. Developer is responsible for collection and pick-up of all trash and debris on-site and adjacent public right-of-way.

FIRE

1. Fire apparatus access roadways shall be provided so that all portion of an exterior wall of the first story of the buildings are located more than 150 feet from fire apparatus access as measured by an approved route around the exterior of the building. Ariel access roadways shall be located a minimum

of 15 feet and a maximum of 30 feet from the protected building, or the project team will be required to mitigate the lack of compliance. If these conditions cannot be met the project team will be required to complete an Alternative materials, design and methods of construction and equipment application. The required mitigation measure will be determined by the Fire Department.

2. At time of Building Permit application provide documentation to show the minimum required fire-flow for the building based on the construction type and square footage in accordance with the California Fire Code, Appendix B, Table B105.1 can be met. A 75% reduction in fire-flow is allowed with the installation of a automatic fire sprinkler system designed in accordance with California Fire Code § B105.2. The resulting fire-flow shall not be less than 1,500 gallons per minute (or 1,000 gallons per minute for NFPA 13 fire sprinkler systems) minute for the prescribed duration.
3. At time of Building Permit application, the required number, location and distribution of fire hydrants for the building based on the California Fire Code, Appendix C, Table C102.1 shall be incorporated into the construction documents. The required number of fire hydrants shall be based on the fire-flow before the reduction.
4. At time of Building Permit application, construction documents for proposed fire apparatus access, location of fire lanes and construction documents and hydraulic calculations for fire hydrant systems shall be submitted to the Fire Prevention and Hazardous Materials Division.
5. Prior to the start of construction, fire protection water supplies shall be installed and made serviceable prior to the time of construction or prior to combustible materials being moved onsite, unless an approved alternative method of protection is approved by the Fire Prevention and Hazardous Materials Division.
6. At time of Building Permit application, construction documents for the fire department apparatus access roads are required submitted to the Fire Prevention and Hazardous Materials Division. Access roadways shall be provided to comply with all of the following requirements:
 - a. Fire apparatus access roadways shall be provided for every facility, building, or portion of a building hereafter constructed or moved when any portion of an exterior wall of the first story of the building is located more than 150 feet from fire apparatus access as measured by an approved route around the exterior of the building.
 - b. Fire apparatus access roadways shall have a “minimum” width of a fire apparatus access roadway for Engines is 20 feet. The “minimum” width of roadways for aerial apparatus is 26 feet. Aerial access roadways shall be located a minimum of 15 feet and a maximum of 30 feet from the protected building and the sides of the building requiring access shall be approved by the Fire Department. Trees, overhead wiring, etc. shall not conflict with any means of fire department access.
 - c. Fire access roadways shall have a “minimum” unobstructed vertical clearance of not less than 13 feet 6 inches. Aerial apparatus access roads may require additional vertical clearance.
 - d. Fire access roadways shall All fire department access roadways shall be an all-weather surface designed to support the imposed load of fire apparatus with a gross vehicle weight of 75,000-pounds.
 - e. Fire apparatus access roadways shall have a “minimum” inside turning radius for fire department access roadways shall be 36 feet or greater.
 - f. Dead-end fire apparatus access roadways in excess of 150 feet in length shall be provided with approved provisions for turning around.
 - g. Traffic calming devices are not permitted on any designated fire access roadway, unless approved by the Fire Prevention & Hazardous Materials Division.
 - h. All Fire Department Access roadways shall be recorded as an Emergency Vehicle Access Easement (EVAE) on the final map. No other instruments will be considered as substitutions such as P.U.E, Ingress/Egress easements and/or City Right-of-Ways.
 - i. All gates installed on designated fire department access roads are required to electrically automatic powered gates. Gates shall be provided with an emergency battery power supply, or shall be a fail-safe design, allowing the gate to be pushed open without the use of special knowledge or equipment. To control the automatic gates a detector/strobe switch shall be installed to allow emergency vehicles (e.g., fire, police, ems) to flash a vehicle mounted strobe light towards the detector/strobe switch, which in turn overrides the system and opens the gate.

The gates shall be equipped with a TOMAR Strobe Switch or 3M OPTICOM Detector to facilitate this override. Said device shall be mounted at a minimum height of seven feet (7') above the adjacent road surface and is subject to an acceptance test witnessed by the Fire Department prior to final approval of the project.

7. Provisions shall be made for Emergency Responder Radio Coverage System (ERRCS) equipment, including but not limited to pathway survivability in accordance with Santa Clara Emergency Responder Radio Coverage System Standard.
8. Prior to issuance of a Building Demo Permit, Steps 1 through 3 summarized below must be addressed during the planning phase of the project. Submit Phase II environmental documents:
 - a. **Step 1** – Hazardous Materials Closure (HMCP): This is a permit issued by the Santa Clara Fire Department, Fire Prevention & Hazardous Materials Division. Hazardous materials closure plans are required for businesses that used, handled or stored hazardous materials. While required prior to closing a business this is not always done by the business owner, and therefore should be part of the developer's due diligence. The hazardous materials closure plans demonstrate that hazardous materials which were stored, dispensed, handled or used in the facility/business are safely transported, disposed of or reused in a manner that eliminates any threat to public health and environment.
 - b. **Step 2** – Site Mitigation: Site mitigation is the cleanup or management of chemical contaminants in soil, soil vapor or groundwater. The type and extent of contamination on site(s) governs which of the regulatory agencies noted below will supervise the cleanup.
 - Santa Clara Fire Department, Fire Prevention & Hazardous Materials Division (CUPA)
 - Department of Toxic Substances Control (DTSC)
 - State Water Resources Control Board
 - Santa Clara County, Department of Environmental Health.
 - c. **Step 3** – Community Development, Building Division Demolition Application: For the majority of projects within the City of Santa Clara, Steps 1 and/or 2 described above need to be completed prior to proceeding to demolition application in order to avoid permit approval delays. The purpose of a demolition permit is to ensure that the parcel is clear of debris and other health hazard material (lead, asbestos, etc.) and that the utility connections have been plugged and sealed."

If the project intends to contract with a State or County Agency for onsite/offsite environmental remediation activities the following documentation shall be provided to the Fire Prevention & Hazardous Materials Division prior to issuance of a Building Permit for demolition or grading:

- Oversight agency case number; and
- Oversight managers contact name, phone number.

PUBLIC WORKS ENGINEERING

1. Obtain site clearance through Public Works Department prior to issuance of Building Permit. Site clearance will require payment of applicable development fees. Other requirements may be identified for compliance during the site clearance process. Contact Public Works Department at (408) 615-3000 for further information.
2. All work within the public right-of-way and/or public easement, which is to be performed by the Developer/Owner, the general contractor, and all subcontractors shall be submitted within a Single Encroachment Permit to be reviewed and issued by the City Public Works Department. Issuance of the Encroachment Permit and payment of all appropriate fees shall be completed prior to commencement of work, and all work under the permit shall be completed prior to issuance of occupancy permit.
3. Submit public improvement/encroachment permit plans prepared in accordance with City Public Works Department procedures which provide for the installation of public improvements directly to the Public Works Department. Plans shall be prepared by a Registered Civil Engineer and approved by the City Engineer prior to approval and recordation of final map and/or issuance of building permits.
4. All work within the Santa Clara County right-of-way requires County encroachment permit.

5. Existing non-standard or non-ADA compliant frontage improvements shall be replaced with current City standard frontage improvements as directed by the City Engineer or his designee.
6. Damaged curb, gutter, and sidewalk within the public right-of-way along property's frontage shall be repaired or replaced (to the nearest score mark) in a manner acceptable to the City Engineer or his designee. The extents of said repair or replacement within the property frontage shall be at the discretion of the City Engineer or his designee.
7. Developer shall provide a complete storm drain study for the 10-year and 100-year storm events. The grading plans shall include the overland release for the 100-year storm event and any localized flooding areas. System improvements, if needed, will be at developer's expense.
8. All storm drain mains and laterals, sanitary sewer mains and laterals shall be outside the drip line of mature trees or 10' clear of the tree trunk whichever is greater.
9. Provide root barriers when the drip line of the mature trees covers the sidewalk. Root barriers for sidewalk protection shall be 16' long or extend to drip line of the mature tree, whichever is greater, and be 1.5' deep, and centered on trees. Root barriers for curb and gutter protection shall be 16' long or extend to drip line of the mature tree, whichever is greater, and be 2' deep, and centered on trees.
10. Existing streetlights shall be clear of proposed sidewalk, developer shall relocate as necessary.
11. Dedicate required on-site easements for any new public utilities, and/or emergency vehicle access by means of subdivision map or approved instrument at time of development.
12. Dedicate sidewalk easements along the project frontage where public sidewalks extend into private property. Sidewalk easements are to be 1' behind proposed back of walk where there is landscaping behind sidewalk. Sidewalk easement where hardscape is behind sidewalk is to be at back-of-walk. Cold joint is required between public sidewalk and private hardscape.
13. If requested, Developer/property owner shall prepare and submit for City approval a maintenance plan for all sidewalk, curb and gutter, landscaping and irrigation system improvements installed within the public right-of-way prior to encroachment permit issuance. Such plan shall include at a minimum, maintenance requirements for trees and shrubs, in acknowledgement of developer's/property owner's obligation under Chapter 12.30 and 17.15.
14. Pavement treatment shall be surface reconstruction for the full street width of Comstock Street along the project frontage. The thickness of the asphalt concrete replacement shall be the existing asphalt concrete thickness or City equivalent structural pavement section thickness determined by potholing with a TI value of 6.0, whichever is greater.
15. Traffic improvements must comply with the City of Santa Clara Standard Specifications for Public Works Construction
16. Class I bicycle parking spaces shall be 5% of tenant vehicle parking and Class II bicycle parking spaces shall be 5% of visitor vehicle parking per 2019 California Building Code 5.106.4.
17. Class I and Class II bicycle parking, as defined in SCMC 18.74.075, shall be conveniently accessible from the street, within 200 feet of a building entrance and/or highly visible areas.
18. Landscape improvements within 10 feet of a driveway must be less than 3 feet or greater than 10 feet per City Standard Detail TR-9.
19. All on-site structures must be clear of Driveway and Corner Visibility Clearance Areas per City Standard Detail TR-9.
20. Design and construct minimum 5-foot wide sidewalk.
21. Design and construct driveway in accordance with City Standard Detail ST-8.
22. Trash collection shall be conducted on-site.

SILICON VALLEY POWER

1. Clearances: (Make sure job notes do not conflict with SVP clearance requirements)

a. EQUIPMENT

- i. Ten (10) foot minimum clearance is required in front of equipment access doors. (UG1000 sheet 11)
- ii. Five (5) foot minimum clearance from pad is required on sides without equipment access doors. (UG1000 sheet 11)
- iii. Eighteen (18) foot minimum width, shall be provided and maintained on one side of the equipment pad to allow an electric dept. line truck to drive up next to the pad for installation and maintenance of equipment. (UG1000 Sheet 11).
- iv. Barrier pipes are required only on sides accessible to vehicles. (UG1000 Sheet 12).
 - 1. Thirty (30) inches from side of equipment sides.
 - 2. Forty Eight (48) inches in front of access doors.
 - a. Barrier Pipes in front of access doors shall be removable.

b. CONDUITS

- i. Five (5) foot minimum longitudinal clearance between new conduits or piping systems (open trench installation) and any existing or proposed SVP conduit system. This is for longitudinal. (UG1250 sheet 5)
- ii. Twelve (12) inch minimum vertical clearance between new conduit/pipes installed perpendicular to existing SVP conduits for open trench installations. (UG1000 sheet 36, UG1250 Sheet 6)
- iii. Three (3) foot six (6) inches clearance is required from poles for open trench installation. Exceptions are for riser conduit. (UG1250 Sheet 7)
- iv. Three (3) foot minimum clearance is required between signposts, barrier pipes or bollards, fence posts, and other similar structures. (UG1250 sheet 10).
- v. Five (5) foot minimum from new splice boxes, pull boxes, manholes, vaults, or similar subsurface facilities. (UG1000 sheet 8)
- vi. Five (5) foot minimum clearance from walls, footings, retaining wall, landscape planter, tree root barrier or other subsurface wall or structure. (UG1250 sheet 9).
- vii. Five (5) foot minimum clearance is required between fire hydrant thrust block. The thrust block extends 5' foot on either side of the fire hydrant in line with the radial water pipe connected to the hydrant.

c. VAULTS/MANHOLES

- i. Ten (10) foot minimum clearance is required between adjacent Vaults or Manholes.
- ii. Five (5) foot minimum clearance is required between adjacent conduits.
- iii. Minimum 36" from face of curb, or bollards required.

d. Poles (Electrolier, Guy Stub poles, service clearance poles, self-supporting steel poles and lighting poles.)

- i. Three (3) foot six (6) inches clearance is required from poles for open trench installation. Exceptions are for riser conduit. (UG1250 Sheet 7)

e. Guy Anchors

- i. Five (5) foot minimum clearance is required between center of anchor line and any excavation area. (UG1250 sheet 15).

f. Trees

- i. OH 1230 for Overhead Lines
- ii. SD 1235 for Tree Planting Requirements near UG Electric Facilities

2. Reference listed SVP standards for clearances.

- a. Installation of Underground Substructures by Developers
- b. UG1250 – Encroachment Permit Clearances from Electric Facilities

- c. UG0339 – Remote Switch Pad
 - d. OH1230 – Tree Clearances From Overhead Electric Lines
 - e. SD1235 – Tree Planting Requirements Near Underground Electric Facilities
3. Prior to submitting any project for Electric Department review, applicant shall provide a site plan showing all existing utilities, structures, easements and trees. Applicant shall also include a “Load Survey” form showing all current and proposed electric loads. A new customer with a load of 500KVA or greater or 100 residential units will have to fill out a “Service Investigation Form” and submit this form to the Electric Planning Department for review by the Electric Planning Engineer. Silicon Valley Power will do exact design of required substructures after plans are submitted for building permits.
 4. The Developer shall provide and install electric facilities per Santa Clara City Code chapter 17.15.210.
 5. Electric service shall be underground. See Electric Department Rules and Regulations for available services.
 6. Installation of underground facilities shall be in accordance with City of Santa Clara Electric Department standard UG-1000, latest version, and Santa Clara City Code chapter 17.15.050.
 7. Underground service entrance conduits and conductors shall be “privately” owned, maintained, and installed per City Building Inspection Division Codes. Electric meters and main disconnects shall be installed per Silicon Valley Power Standard MS-G7, Rev. 2.
 8. The developer shall grant to the City, without cost, all easements and/or right of way necessary for serving the property of the developer and for the installation of utilities (Santa Clara City Code chapter 17.15.110).
 9. If the “legal description” (not “marketing description”) of the units is condominium or apartment, then all electric meters and services disconnects shall be grouped at one location, outside of the building or in a utility room accessible directly from the outside. If they are townhomes or single-family residences, then each unit shall have it’s own meter, located on the structure. A double hasp locking arrangement shall be provided on the main switchboard door(s). Utility room door(s) shall have a double hasp locking arrangement or a lock box shall be provided. Utility room door(s) shall not be alarmed.
 10. If transformer pads are required, City Electric Department requires an area of 17’ x 16’-2”, which is clear of all utilities, trees, walls, etc. This area includes a 5’-0” area away from the actual transformer pad. This area in front of the transformer may be reduced from a 8’-0” apron to a 3’-0”, providing the apron is back of a 5’-0” min. wide sidewalk. Transformer pad must be a minimum of 10’-0 from all doors and windows, and shall be located next to a level, drivable area that will support a large crane or truck.
 11. All trees, existing and proposed, shall be a minimum of five (5) feet from any existing or proposed Electric Department facilities. Existing trees in conflict will have to be removed. Trees shall not be planted in PUE’s or electric easements.
 12. Any relocation of existing electric facilities shall be at Developer’s expense.
 13. Electric Load Increase fees may be applicable.
 14. The developer shall provide the City, in accordance with current City standards and specifications, all trenching, backfill, resurfacing, landscaping, conduit, junction boxes, vaults, street light foundations, equipment pads and subsurface housings required for power distribution, street lighting, and signal communication systems, as required by the City in the development of frontage and on-site property. Upon completion of improvements satisfactory to the City, the City shall accept the work. Developer shall further install at his cost the service facilities, consisting of service wires, cables, conductors, and associated equipment necessary to connect a customer to the electrical supply system of and by the City. After completion of the facilities installed by developer, the City shall furnish and install all cable,

switches, street lighting poles, luminaries, transformers, meters, and other equipment that it deems necessary for the betterment of the system (Santa Clara City Code chapter 17.15.210 (2)).

15. Electrical improvements (including underground electrical conduits along frontage of properties) may be required if any single non-residential private improvement valued at \$200,000 or more or any series of non-residential private improvements made within a three-year period valued at \$200,000 or more (Santa Clara City Code Title 17 Appendix A (Table III)).
16. Non-Utility Generator equipment shall not operate in parallel with the electric utility, unless approved and reviewed by the Electric Engineering Division. All switching operations shall be “Open-Transition-Mode”, unless specifically authorized by SVP Electric Engineering Division. A Generating Facility Interconnection Application must be submitted with building permit plans. Review process may take several months depending on size and type of generator. No interconnection of a generation facility with SVP is allowed without written authorization from SVP Electric Engineering Division.
17. Encroachment permits will not be signed off by Silicon Valley Power until Developers Work substructure construction drawing has been completed.
18. All SVP-owned equipment is to be covered by an Underground Electric Easement (U.G.E.E.) This is different than a PUE. Only publically-owned dry utilities can be in a UGEE. Other facilities can be in a joint trench configuration with SVP, separated by a 1’ clearance, providing that they are constructed simultaneously with SVP facilities. See UG 1000 for details.
19. Proper clearance must be maintained from all SVP facilities, including a 5’ clearance from the outer wall of all conduits. This is in addition to any UGEE specified for the facilities. Contact SVP before making assumptions on any clearances for electric facilities.
20. Transformers and Switch devices can only be located outdoors. These devices MAY be placed 5’ from an outside building wall, provided that the building wall in that area meets specific requirements. (See UG 1000 document for specifics) EXAMPLE: If there are any doors, windows, vents, overhangs or other wall openings within 5’ of the transformer, on either side, then the transformer MUST be 10’ or more away from the building. These clearances are to be assumed to be clear horizontally 5’ in either direction and vertically to the sky.
21. All existing SVP facilities, onsite or offsite, are to remain unless specifically addressed by SVP personnel by separate document. It is the Developers responsibility to maintain all clearances from equipment and easements. Developer to contact SVP outside of the PCC process for clear definitions of these clearance requirements. Developer should not assume that SVP will be removing any existing facilities without detailed design drawings from SVP indicating potential removals. *Simply indicating that SVP facilities are to be removed or relocated on conceptual plans does not imply that this action has been approved by SVP.*
22. SVP does not utilize any sub-surface (below grade) devices in its system. This includes transformers, switches, etc.
23. All interior meter rooms at ground level are to have direct, outside access through only ONE door. Interior electric rooms must be enclosed in a dedicated electric room and cannot be in an open warehouse or office space.
24. High Rise Metering and Multi-Floor Infrastructure Requirements
 - a. Refer to UG0250 – High Density Residential Metering Requirements
 - b. Refer to FO-1901 – Fiber Optic Splicing and Testing Methods
25. In the case of podium-style construction, all SVP facilities and conduit systems must be located on solid ground (aka “real dirt”), and cannot be supported on parking garage ceilings or placed on top of structures.

26. Applicant is advised to contact SVP (CSC Electric Department) to obtain specific design and utility requirements that are required for building permit review/approval submittal. Please provide a site plan to Leonard Buttitta at 408-615-6620 to facilitate plan review.
27. In events where electric load demand exceeds 2MVA or service size exceeds 4000 Amps at 480V for a building, the Customer shall take service at 12KV. If electric load for a single metered location service exceeds 4.5MVA, additional 12KV service(s) may be provided. All 12KV utility connection points terminate at the Customer Switchgear. UGEE easement up to the Customer Switchgear is required, along with an 18' drivable space. 10' working clearance is required in front of and behind the switchgear. 5' working clearance is required on the sides of the switchgear (with no panels). Customer 12KV Switchgear must be located outdoors on "real dirt" unless otherwise agreed upon with SVP. SVP owns and maintains the cable/conduit up to the customer switchgear.
28. In events where electric service is provided at 120/208V or 277/480V the utility connection point is at the secondary compartment of SVP transformers. Customer owns and maintains the cable and conduits up to the SVP transformers.
29. No cross-parcel distribution is allowed. SVP service points must be within the parcels that they serve.

WATER & SEWER

1. Recycled Water Use: Pursuant to Chapter 13.15, Water, Article IV. Regulation of Recycled Water Service and Use, of the Municipal Code, the project is required to use recycled water for all non-potable uses where recycled water is made available and where provided for by Recycled Water regulations. This project is required to extend and connect to the City's existing Recycled Water System.
2. Recycled Water Design: Each Recycled Water land use (irrigation, dual-plumbing, cooling system, industrial processes, etc.) shall have a separate metered service connection to the main. Applicant shall verify separations between all potable/fire lines and recycled water lines, pipe type, pipe depths, equipment types, warning lids, tags and signs.
3. Potable Water Redundancy: For all onsite industrial water use that requires uninterrupted service, the project shall provide a potable water back-up supply source that complies with all recycled water separation requirements.
4. On-site Recycled Water Construction: Construction and installation of all on-site recycled water system equipment shall not begin until the Compliance Division of Water and Sewer Utilities has approved the on-site recycled water design. Please note on-site designs are generally not the same as the Building Permit plans. On-site recycled water plans require SBWR and California State Water Resources Control Board, Division of Drinking Water signatures for final approval.
5. On-site Recycled Water Inspection: Inspections are required at all on-site recycled water systems being installed prior to backfilling trenches or cover in walls and ceilings. Request a recycled water inspection by email watercompliance@santaclaraca.gov or call (408) 615-2002. Please provide the site location, SBWR project ID, and date and time preferences. These inspections are in addition to the Building Permit inspections.
 - a. Need to verify separations between all potable/fire lines and recycled water lines, pipe type, pipe depths, equipment types, warning lids, tags and signs.
6. Recycled Water Main: The project shall install a new 12" DIP recycled water main extending from the point of connection near 975 Comstock to the project site and provide RW services to the site and to 1111 Comstock.
7. Potable Water Main: The applicant shall replace the existing 12" AC water main on Comstock with a new 12" DIP main. The water main replacement shall begin and end at a valve connection and shall extend, at a minimum, the entire length of the property's frontage.
8. Encroachment Permit: Prior to issuance of Building Permits, the applicant shall submit an encroachment permit application and design plans for construction of water utilities that comply with the latest edition of the Water & Sewer Utilities Water Service and Use Rules and Regulations, Water System Notes, and Water Standard Details and Specifications. In addition, prior to the City's issuance of Occupancy, the applicant shall construct all public water utilities per the approved plans. The Water

& Sewer Utilities will inspect all public water utility installations and all other improvements encroaching public water utilities.

9. Utility Design Plans: Utility Design Plans shall indicate the pipe material and the size of existing water, recycled water and sewer main(s). The plans shall show the nearest existing fire hydrant and the two nearest existing water main line gate valves near the project area. The plans shall show meter and backflow configurations to scale and per City of Santa Clara Water & Sewer Utilities Standard Details. Note that all new water meters and backflow prevention devices shall be located behind the sidewalk in a landscape area. Fire hydrants should be located two feet behind monolithic sidewalk if sidewalk is present; two feet behind face of curb if no sidewalk is present, per City Std Detail 18. The plans shall provide the profile section details for utilities crossing water, sewer, or recycled water mains to ensure a 12" minimum vertical clearance is maintained.
10. Utility Separations: Applicant shall adhere to and provide a note indicating that all horizontal and vertical clearances comply with State and local regulations. The applicant shall maintain a minimum 12" of vertical clearance at water service crossing with other utilities, and all required minimum horizontal clearances from water services: 10' from sanitary sewer utilities, 10' from recycled water utilities, 8' from storm drain utilities, 5' from fire and other water utilities, 3' from abandoned water services, 5' from gas and electric utilities, and 5' from the edge of the propose or existing driveway. For sanitary sewer, water, and recycled water utilities, the applicant shall maintain a minimum horizontal clearance of 10' from existing and proposed trees. If applicant installs tree root barriers, clearance from tree reduces to 5' (clearance must be from the edge of tree root barrier to edge of water facilities). No structures (fencing, foundation, biofiltration swales, etc.) allowed over sanitary sewer, potable water and/or recycled water utilities and easements.
11. Separate Services: Applicant shall submit plans showing proposed water, recycled water, sanitary sewer, and fire services connected to a public main in the public right-of-way to the satisfaction of the Director of Water & Sewer Utilities. Different types of water and recycled water use (domestic, irrigation, fire) shall be served by separate water services, each separately tapped at the water main. Tapping on existing fire service line(s) is prohibited. Approved backflow prevention device(s) are required on all potable water services.
12. City Standard Meters and Backflows: All proposed meters and backflows for all water services shall meet the current City of Santa Clara Water & Sewer Utilities Standard Details. Plans shall show meter and backflow configurations to scale.
13. Existing Services: The applicant must indicate the disposition of all existing water and sewer services and mains on the plans. If the existing services will not be used, then the applicant shall properly abandon these services to the main per Water & Sewer Utilities standards and install a new service to accommodate the water needs of the project. The applicant shall bear the cost of any relocation or abandonment of existing Water Department facilities required for project construction to the satisfaction of the Director of Water and Sewer Utilities.
14. On-Site Storm Drain Treatment: Prior to issuance of Building Permit, the applicant shall submit plans showing any onsite storm water treatment system. The plan shall include a section detail of the treatment system. No water, sewer, or recycled water facilities shall be located within 5-feet of any storm water treatment system.
15. Water Usage: Prior to the issuance of Building Permits, the applicant shall provide documentation of water usage so the Water Division can verify the appropriate size of all proposed water meters. Please note that if the existing water services are incapable of supplying the water needs to the site, the existing services shall be abandoned, and new separate dedicated water services shall be provided for each use (domestic and irrigation).
16. Landscaping: All the landscaping for the project shall comply with the California Water Conservation in Landscaping Act, Government Code Section 65591 et. seq. All plants shall be either California native or non-invasive, low water-using or moderate water-using plants. High water-using plants and nonfunctional turf are prohibited.
17. Prior to issuance of Building Permits, the applicant shall submit plan details for all water features (including but not limited to fountains and ponds) designed to include provisions for operating the system without City potable water supply and capable of being physically disconnected from source of potable water supply during City declared water conservation periods, to the satisfaction of the Director

of the Water & Sewer Utilities. Decorative water features may be permanently connected to the City's recycled water supply.

18. Easements: Prior to City's issuance of Building or Grading Permits, the applicant shall provide a dedicated water utility easement around the backflow prevention device onsite. The water utility easement for the water services and all other public water appurtenances shall be a minimum 15 feet wide and be adjacent to the public right-of-way without overlapping any public utility easement. Additionally, the applicant shall submit plans defining existing easements so Water Division can verify if there are any conflicts with proposed easements and water utilities.
19. Underground Fire Permit: Prior to issuance of Building Permits, applicant shall submit an underground fire permit unless otherwise waived by the Fire Department. If fire flow information is needed, applicant shall coordinate with Water and Sewer Utilities Department, for fire flow information at (408)615-2000. A dedicated fire service line, with an approved backflow prevention device, shall be used for on-site fire hydrants. Fire service lines required for commercial and industrial use shall be sized appropriately per fire flow demand and code requirements.
20. Record Drawings: Upon completion of construction and prior to the City's issuance of a Certificate of Occupancy, the applicant shall provide "as-built" drawings of the public water utility infrastructure prepared by a registered civil engineer to the satisfaction of the Director of Water & Sewer Utilities Department.
21. Water Shortage Response Actions: Pursuant to the City of Santa Clara's Urban Water Management Plan, during times of drought or water shortage, the City implements water shortage response actions in accordance with the level of water shortage declared. All construction activities and all new irrigation connections are subject to the Water Shortage Response Actions in effect at the time of construction and connection of the irrigation service.

Water Shortage Response Actions for Stage 2 and higher include water use restrictions that limit the use of potable water such as:

- a. prohibiting the installation of new potable water irrigation services. new irrigation connections, construction, and dust control.
- b. restrict the use of potable water used for construction and dust control if recycled water is available.

This project is subject to all the requirements and restrictions of the Water Shortage Response Actions in place or adopted during the duration of the project. For more information, visit the City of Santa Clara Water & Sewer Utilities website at www.santaclaraca.gov/waterconservation.

San Jose Airport Comments on PLN22-00282

1231 Comstock Street Project

1. The 4/07/2017 plan set identifies a proposed maximum building height (top of roof screen) of 98 feet above ground level (AGL) / 138 feet above mean sea level (AMSL).

Federal regulations applicable to this project site require that any proposed structure higher than approximately 35 feet AGL / 75 feet AMSL must be submitted to the FAA for airspace safety review via applicant filings of a “Notice of Proposed Construction or Alteration” (FAA Form 7460-1).

- The Airport recommends that the applicant file Form 7460-1 notices with the FAA for each roof-top corner and the top point of the structure (if not coincident with a roof-top corner). The location and elevation data on the forms should be prepared by a licensed civil engineer or surveyor at a “1-A” accuracy standard using NAD83 latitude/longitude coordinates out to hundredths of seconds and NAVD88 elevation rounded off to net highest foot.
 - In conformance with Santa Clara General Plan policy (5.10.5-P33), FAA “Determinations of No Hazard” should be issued prior to PLN22-00282 approval, with any conditions set forth in the FAA determinations, such as roof-top obstruction lighting or construction-related notifications, incorporated into PLN22-00282 as permit conditions of approval.
2. If the proposed project is approved, permit conditions of approval to be fulfilled prior to issuance of a building permit would include property owner dedication of an Avigation Easement (City of Santa Clara General Plan policy 5.10.5-P32) to the City of San Jose, as this project is in the Santa Clara County Airport Land Use Commission, Airport Influence Area (AIA).
 3. Federal regulations applicable to this project require that any proposed temporary structure (construction cranes or similar) must also be submitted to the FAA for airspace safety review via applicant filings of a “Notice of Proposed Construction or Alteration” (FAA Form 7460-1).

For any staff or applicant questions regarding the above comments contact San Jose Airport Planning & Development: Ryan Sheelen, at 408-392-1193, rsheelen@sjc.org or John Wilson at 408-392-1136, jwilson@sjc.org.

PRIME DATA CENTERS - USA-SJC04-01
1231 COMSTOCK ST.
SANTA CLARA, CA 95054



OWNER
PRIME DATA CENTERS
400 N BERRY ST. FLOOR #1000
SANTA CLARA, CA 95050

ARCHITECT
HKS INC.
100 S. CLAY STREET, SUITE 1100
CHICAGO, IL 60607

STRUCTURAL
TERRA
800 W. VAN BUREN STREET, SUITE 400
CHICAGO, IL 60607

MEP ENGINEERS
SYNKA ENGINEERING GROUP
400 S. FLORENCE STREET, SUITE 2000
LOS ANGELES, CA 90013

CIVIL ENGINEERS
BRI
1700 N. FIRST STREET, SUITE 400
SANTA CLARA, CA 95050

LANDSCAPE ARCHITECT
OFLA
700 BURLY AVE.
PACIFIC, CA 94041

I CERTIFY THAT THE PRIMARY PATH OF TRAVEL TO THE SPECIFIC AREA OF ALTERATION, STRUCTURAL, REMOVAL OR ADDITION FROM THE PUBLIC WAY OR AS ACCESSIBLE TRAVELING SPACE AS INDICATED ON THE PLANS DOES NOT INCLUDE STOPS OF A SLURP ENGINEERED 1.50 EXCEPT WHERE ACCESS IS PROVIDED BY A STAIR WITH 1.50 MINIMUM RISE, ACCESSIBLE ELEVATOR OR OTHER MEANS OF ACCESS. I UNDERSTAND THAT IF THE PRIMARY PATH OF TRAVEL IS FOUND NOT TO BE AS INDICATED, SIGNIFICANT DELAYS MAY RESULT.

FURTHERMORE, I CERTIFY THAT THESE PLANS WERE PREPARED UNDER MY DIRECT SUPERVISION AND THAT THE AREA OF SPECIFIC ALTERATION, STRUCTURAL, REMOVAL OR ADDITION, INCLUDING A PRIMARY ENTRANCE TO THE EXISTING BUILDING AND, WHEN APPLICABLE, EXISTING FACILITIES, REMAINS ACCESSIBLE TO THE PUBLIC AND COMPLIES WITH CURRENT CALIFORNIA TITLE 24 ACCESSIBILITY REQUIREMENTS.

Signature _____ Title _____

Signature _____ Title _____

FOR CITY OF SANTA CLARA USE - DIRECTIONAL APPROVAL STAMP

SANTA CLARA USE DEPARTMENT-SEPARATE PERMITS REQUIRED
MUTUAL RELEASE/AGREEMENT REQUIRED:

1. MODIFICATIONS TO THE AUTOMATIC SPRINKLER SYSTEM
2. MODIFICATIONS TO THE FIRE ALARM SYSTEM
3. MODIFICATIONS TO THE FIRE EXTINGUISHING SYSTEM
4. MODIFICATIONS TO THE LANDSCAPE IRRIGATION SYSTEM
5. MODIFICATIONS TO THE LANDSCAPE IRRIGATION SYSTEM
6. MODIFICATIONS TO THE LANDSCAPE IRRIGATION SYSTEM
7. MODIFICATIONS TO THE LANDSCAPE IRRIGATION SYSTEM
8. MODIFICATIONS TO THE LANDSCAPE IRRIGATION SYSTEM
9. MODIFICATIONS TO THE LANDSCAPE IRRIGATION SYSTEM
10. MODIFICATIONS TO THE LANDSCAPE IRRIGATION SYSTEM

PERMITS REQUIRED: OCCUPANCY WILL NOT BE GRANTED FOR THIS BUILDING.

RECEIVED SUBMITTALS
THE FOLLOWING HAVE BEEN ALL DETERMINED SUBMITTALS REQUIRED BY THIS SCOPE OF WORK:

1. BASE GRADING/DEVELOPMENT DESIGN FOR DRAINAGE PLATFORM
2. UTILITY CROSS SECTION DRAWING (SLOPE TO DRAINAGE)
3. EROSION CONTROL PLAN (SLOPE TO DRAINAGE)
4. ADDITIONAL PAVING, CHALKING, (SLOPE TO DRAINAGE) FOR SUSPENDED CEILING TO WITHSTAND DESIGN LOADS
5. PUMP HOUSE, (SLOPE TO DRAINAGE) FOR SUSPENDED CEILING TO WITHSTAND DESIGN LOADS
6. TYPICAL AND GENERAL CONDITIONS FOR PAVING, SUSPENDING AND EQUIPMENT (SLOPE TO DRAINAGE)
7. EMERGENCY RESPONSE RISKY (SLOPE TO DRAINAGE) SYSTEM DESIGN (SLOPE TO DRAINAGE)

REFERENCED SUBMITTALS CALCULATIONS AND/OR DRAWINGS SHALL BE REVIEWED AND APPROVED BY THE ARCHITECT AND/OR ENGINEER OF RECORD PRIOR TO SUBMITTING TO THE CITY FOR REVIEW AND APPROVAL. THE EXISTING SUBMITTALS SHALL BE REVIEWED AND APPROVED BY THE CITY PRIOR TO FABRICATIONS AND INSTALLATIONS OF THESE ITEMS.

DEVELOPMENT REVIEW PLANS FOR CITY OF SANTA CLARA



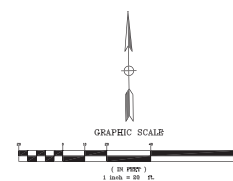
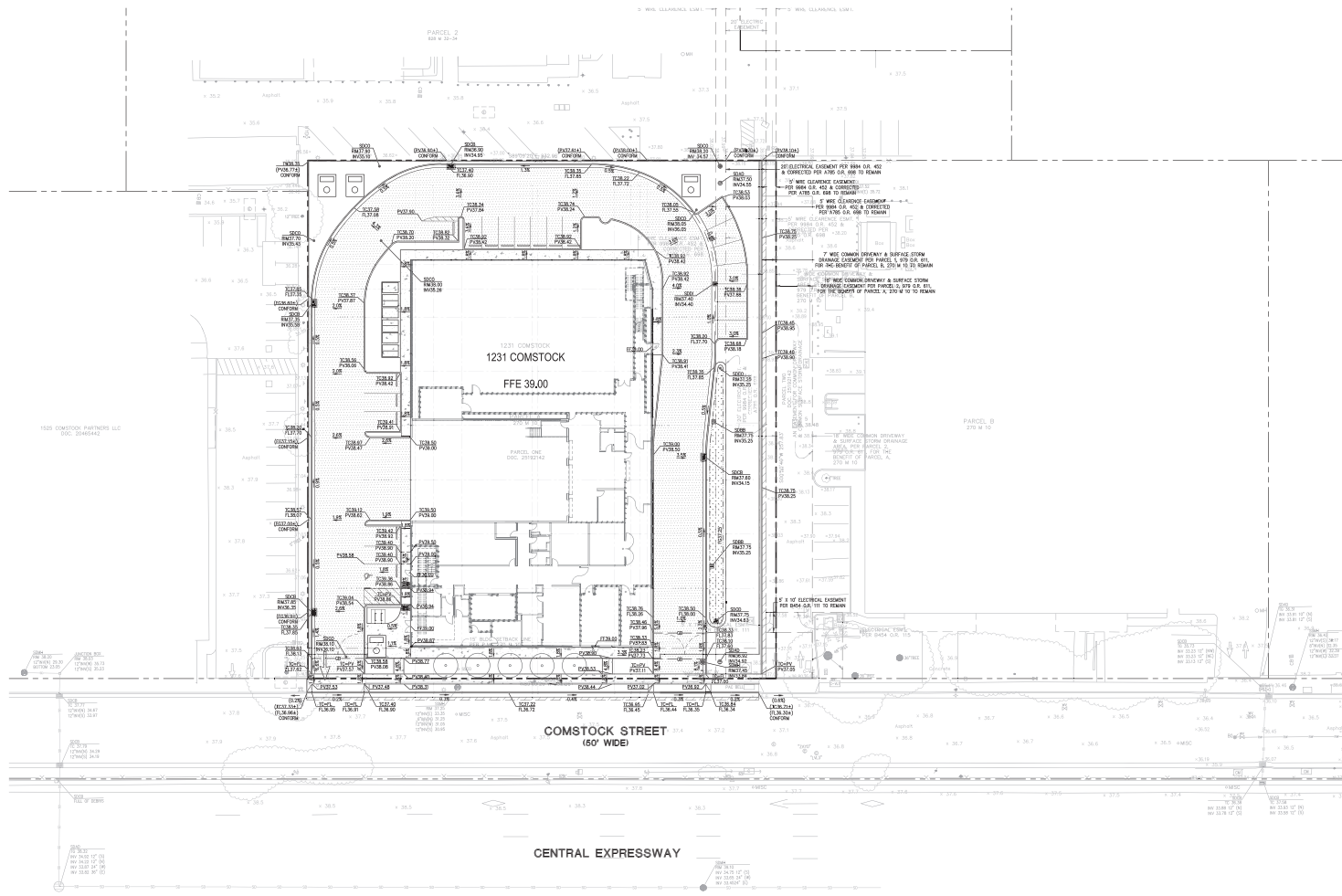
LEGEND

SOFTSCAPE	HARDSCAPE	SLOPE DIRECTION
		100 YEAR STORM OVERLAND RELEASE
		PROPOSED SPOT GRADE
		EXISTING SPOT GRADE
		GRADE BREAK
		DETENTION AREA (SEE DETAIL 12/04-05)

PRELIMINARY EARTHWORK QUANTITIES

CUT	3,000 CY
FILL	1,500 CY
NET	1,500 CY OFFHAUL

1. EARTHWORK QUANTITIES SHOWN ARE FOR PLANNING PURPOSES ONLY. CONTRACTOR SHALL FURNISH THEIR OWN EARTHWORK QUANTITY CALCULATIONS.
2. EARTHWORK QUANTITIES ARE BASED ON NEAT LINE QUANTITIES AND DO NOT FACTOR IN ANY DRAINAGE ADJUSTMENTS. CONTRACTOR'S BID SHALL INCORPORATE OVERPAKE BASED ON ACTUAL FIELD CONDITIONS AND GEOTECHNICAL RECOMMENDATIONS.



LEGEND

---	PROPERTY LINE
---	PROPOSED STORM DRAIN LINE
---	PROPOSED STORM DRAIN PUMP PIPE
---	PROPOSED SANITARY SENDER LINE
---	PROPOSED DOMESTIC WATER LINE
---	PROPOSED FIRE WATER LINE
---	PROPOSED RECYCLED WATER LINE
---	PROPOSED ELECTRICAL LINE
---	PROPOSED FIBER OPTIC LINE
1" x 1/2"	FIRE HYDRANT (CITY STD DETAIL 15/C9.2)
1" x 1/2"	FIRE DEPARTMENT CONNECTION
1" x 1/2"	WATER VALVE (CITY STD DETAIL 16/C9.2)
1" x 1/2"	DOMESTIC WATER METER (CITY STD DETAIL 10/C9.0)
1" x 1/2"	RECYCLED WATER METER (CITY STD DETAIL 2/C9.0)
1" x 1/2"	DOMESTIC BACKFLOW PREVENTER (NIBLINS 97/03.0)
1" x 1/2"	FIRE BACKFLOW PREVENTER (NATTS 17/09.89/04)
1" x 1/2"	POST INDICATOR VALVE
1" x 1/2"	STORM DRAIN CLEAFOUT (SEE DETAIL 12/C9.0)
1" x 1/2"	STORM DRAIN BUBBLER BOX (SEE DETAIL 11/C9.0)
1" x 1/2"	STORM DRAIN OVERFLOW DRAIN (SEE DETAIL 10/C9.0)
1" x 1/2"	STORM DRAIN AREA DRAIN (SEE DETAIL 17/C9.0)
1" x 1/2"	STORM DRAIN CATCH BASIN (SEE DETAIL 15/C9.0)
1" x 1/2"	STORM DRAIN MANHOLE (CITY STD DETAIL 05-1, 05-3/C9.1)
1" x 1/2"	STREET LIGHT (CITY STD DETAIL 18-4/C9.1)

UTILITY NOTES

1. DRY UTILITIES (ATT. COMSTOCK, PGM. ETC) SHOWN FOR REFERENCE ONLY. FUTURE ELECTRICAL PLANS TO SHOW MORE INFORMATION.
2. CONTRACTOR TO PROVIDE ALL UTILITY CROSSINGS FOR GRAVITY LINES AND REPORT ANY DISCREPANCIES TO THE ENGINEER.
3. WHERE UTILITY CROSSINGS DO NOT MEET ONE FOOT OF CLEARANCE, (CITY) CONTROLLED DENSITY FILL AND A NEOPRENE CUSHION WILL BE USED.
4. THE CONTRACTOR SHALL VERIFY ELEVATIONS AND LOCATIONS OF EXISTING PIPES AND UTILITIES BY POINTEERING BEFORE EXCAVATION WORK OR MAKING CONNECTIONS.
5. ALL UTILITIES SHALL MAINTAIN MINIMUM HORIZONTAL AND VERTICAL CLEARANCES FROM OTHER UTILITIES.
6. THE APPLICANT SHALL MAINTAIN A MINIMUM 12" OF VERTICAL CLEARANCE AT WATER SERVICE CROSSING WITH OTHER UTILITIES, AND ALL REQUIRED MINIMUM HORIZONTAL CLEARANCES FROM WATER SERVICES: 10' FROM SANITARY SENDER UTILITIES, 10' FROM RECYCLED WATER UTILITIES, 10' FROM STORM DRAIN UTILITIES, 5' FROM FIRE AND OTHER WATER UTILITIES, 5' FROM ABANDONED WATER SERVICES, 5' FROM GAS UTILITIES, AND 5' FROM THE EDGE OF THE PURPOSE OF EXISTING DRIVEWAY. FOR SANITARY SENDER, WATER, AND RECYCLED WATER UTILITIES, THE APPLICANT SHALL MAINTAIN A MINIMUM HORIZONTAL CLEARANCE OF 10' FROM EXISTING AND PROPOSED TREES. IF APPLICANT INSTALLS TREE ROOT BARRIERS, CLEARANCE FROM TREE REDUCED TO 5' CLEARANCE MUST BE FROM THE EDGE OF TREE ROOT BARRIER TO EDGE OF WATER FACILITIES.
7. ALL ON-SITE STORM DRAIN INLETS SHALL BE MARKED WITH "NO DUMPING - FLOWS TO BAY".
8. RECYCLED WATER METER SHALL NOT BE INSTALLED UNTIL ON-SITE RECYCLED WATER PLANS ARE APPROVED.

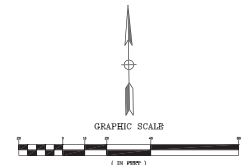
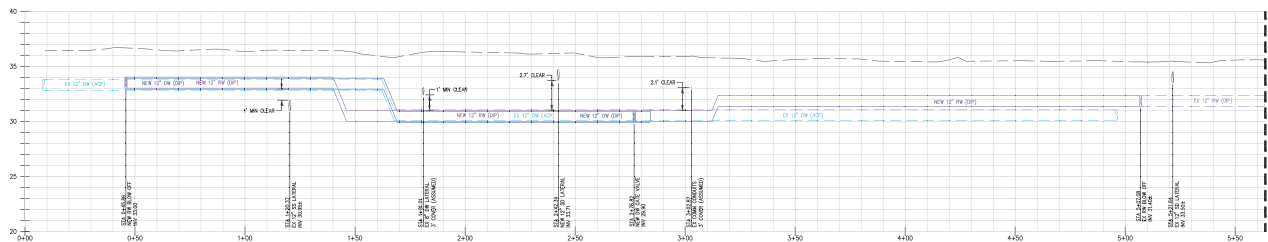
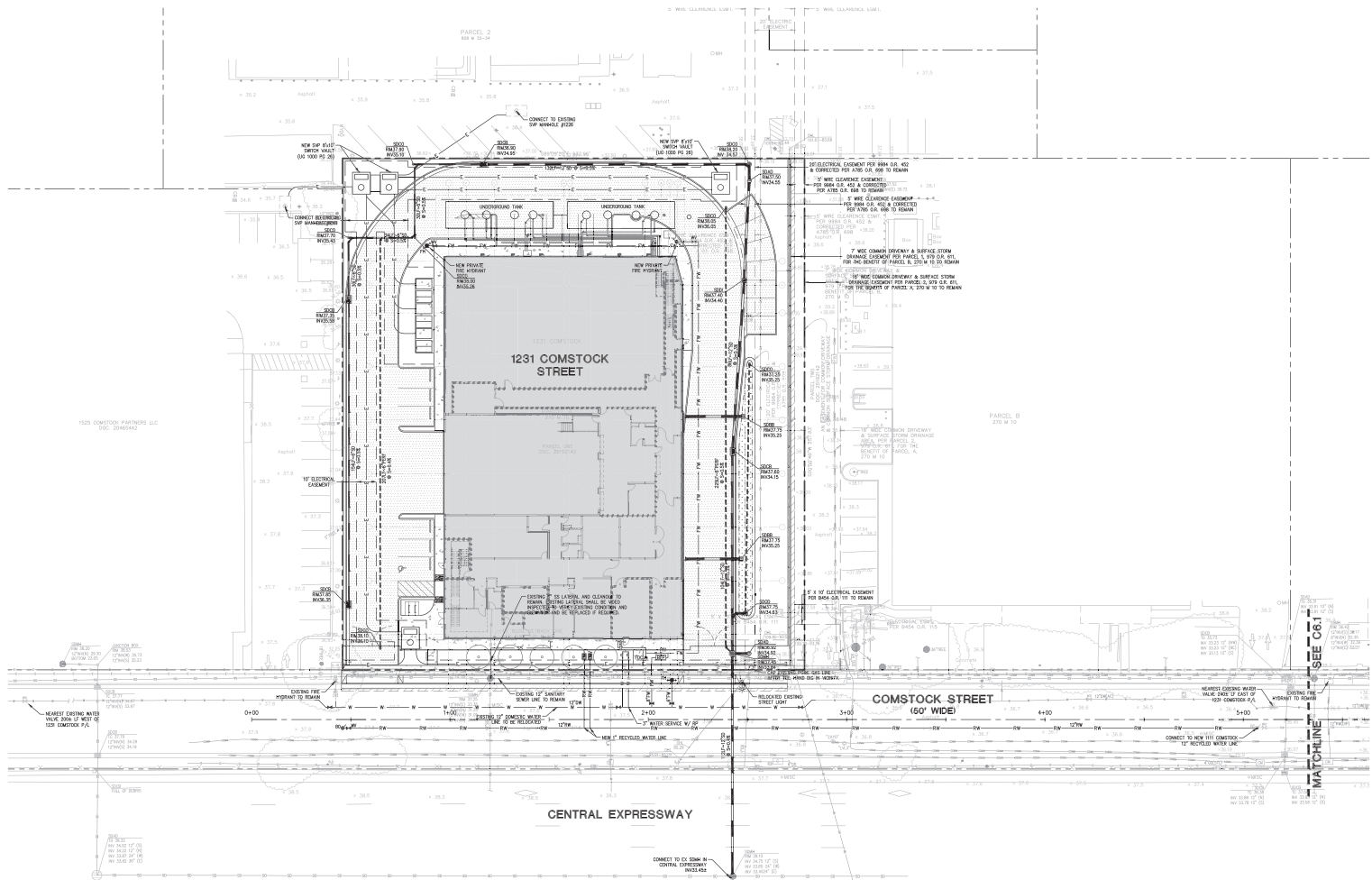
WATER SERVICES SUMMARY

- EXISTING WATER SERVICES TO BE ABANDONED:
- (1) 2" DOMESTIC WATER SERVICE, METER AND BACKFLOW
 - (2) 6" FIRE SERVICE AND BACKFLOW
- NEW WATER SERVICES TO BE INSTALLED:
- (1) 1" RECYCLED WATER SERVICE AND METER
 - (2) 2" DOMESTIC WATER SERVICE, METER AND BACKFLOW
 - (3) 8" FIRE HYDRANT ASSEMBLY
 - (4) 8" FIRE SERVICE AND BACKFLOW

ANY CONSTRUCTION IN THE CITY'S PUBLIC RIGHT-OF-WAY SHALL HAVE AN APPROVED ENCROACHMENT POINT PRIOR TO COMMENCEMENT OF THIS WORK. THE PERFORMANCE OF THIS WORK IS NOT AUTHORIZED BY THE BUILDING POINT ISSUANCE BUT SHOWN ON THE BUILDING POINT PLANS FOR INFORMATION ONLY.

REVISION	DESCRIPTION	DATE
1	ISSUE FOR PERMIT	08-08-2024
2	ISSUE FOR PERMIT	08-27-2024
3	ISSUE FOR PERMIT	09-04-2024
4	ISSUE FOR PERMIT	09-04-2024
5	ISSUE FOR PERMIT	09-04-2024
6	ISSUE FOR PERMIT	09-04-2024

PROJECT NUMBER:
20220780
DATE:
09/04/2024
SHEET TITLE:
95% RE-DESIGN
UTILITY PLAN AND PROFILE



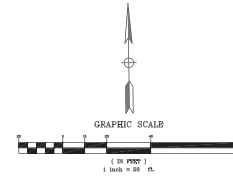
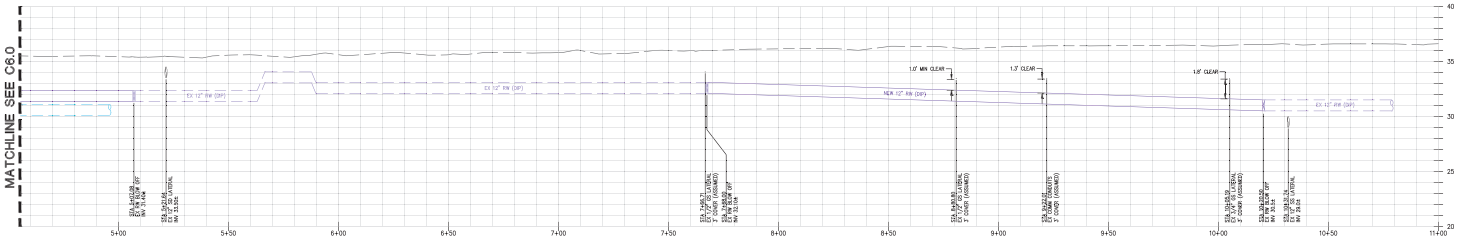
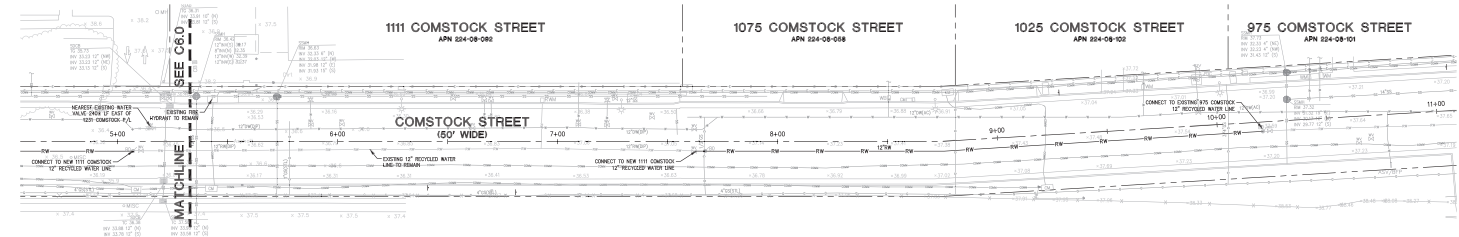
- LEGEND**
- PROPERTY LINE
 - PROPOSED STORM DRAIN LINE
 - PROPOSED STORM DRAIN PIPE
 - SS PROPOSED SANITARY SINK LINE
 - W PROPOSED DOMESTIC WATER LINE
 - FW PROPOSED FIRE WATER LINE
 - RW PROPOSED RECYCLED WATER LINE
 - E PROPOSED ELECTRICAL LINE
 - FO PROPOSED FIBER OPTIC LINE
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 - 1" DOMESTIC WATER METER (CITY STD DETAIL 10/C9.0)
 - 1" RECYCLED WATER METER (CITY STD DETAIL 2/C9.0)
 - 1" DOMESTIC BACKFLOW PREVENTER (MANSUET 970A.2)
 - 1" FIRE BACKFLOW PREVENTER (MANSUET 970A.4)
 - 1" POST INDICATOR VALVE
 - 1" STORM DRAIN CLEANSOUT (SEE DETAIL 12/C9.0)
 - 1" STORM DRAIN BUBBLER BOX (SEE DETAIL 11/C9.0)
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LEGEND

TRIBUTARY AREA

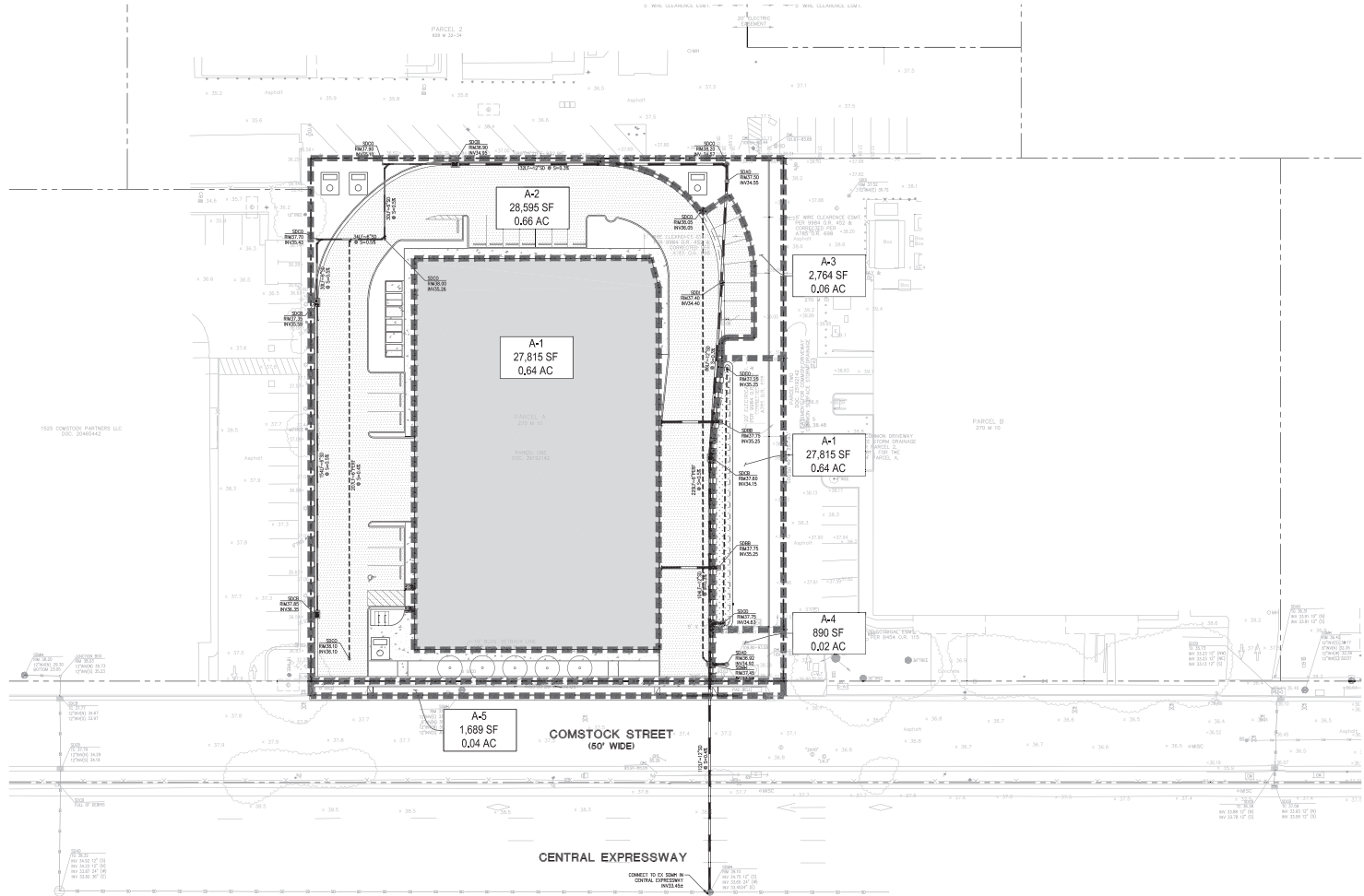
BUILDING

10" WCE PAVEMENT REPLACEMENT
PER QTY STD DETAIL AP-A GENERAL NOTE 5/C3.0

NEW VEHICULAR PERVIOUS ASPHALT PAVEMENT, 10" (4" PERVIOUS ASPHALT / 7"-1" CHOKER COURSE / 1" CRUSHED ROCK RESERVOIR PER GEOTECH) (SEE DETAIL 20/C9.0)

NEW PEDESTRIAN PERVIOUS CONCRETE PAVEMENT (4" PERVIOUS CONCRETE / 6" BASE COURSE NO. 57 PER GEOTECH) (SEE DETAIL 16/C9.0)

BIORETENTION BASIN (SEE DETAIL 15/C9.0)



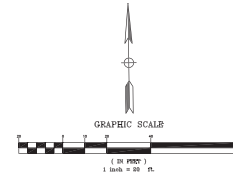
CITY OF SANTA CLARA C.3 TREATMENT FACILITIES CONSTRUCTION NOTES

- THIRD PARTY REVIEW AND CERTIFICATION OF INSTALLATION AND COMPLETED STORMWATER TREATMENT MEASURES IS REQUIRED. THIRD PARTY REVIEWER MUST BE A CIVIL ENGINEER, ARCHITECT OR LANDSCAPE ARCHITECT REGISTERED IN THE STATE OF CALIFORNIA AND MUST HAVE A CURRENT TRAINING ON STORMWATER TREATMENT DESIGN. A LIST OF QUALIFIED THIRD-PARTY REVIEWERS CAN BE LOCATED AT WWW.SANTACLARA.CA.GOV/HOME/SHOWPUBLICDOCUMENT/46903/630805004330072.
- AT BEGINNING OF CONSTRUCTION, THE PROJECT APPLICANT SHALL ARRANGE FOR A SITE VISIT (INSPECTION) BY A THIRD-PARTY REVIEWER ACCEPTABLE TO THE CITY OF SANTA CLARA. THE THIRD-PARTY REVIEWER WILL RECOMMEND THE REQUIRED NUMBER OF SITE INSPECTIONS AT DIFFERENT INTERVALS OF CONSTRUCTION.
- THE 3RD PARTY SHALL REVIEW ALL INSTALLED STORMWATER TREATMENT MEASURES AND CERTIFY THAT THEY HAVE BEEN CONSTRUCTED IN ACCORDANCE WITH THE APPROVED BUILDING PLANS.
- SOLS IN THE BIORETENTION FACILITIES SHOULD MEET THE BIORETENTION SOL MIX (BIM) SPECIFICATIONS PER SCOURPPY C.3 STORMWATER HANDBOOK, APPENDIX C. A MINIMUM PERCOLATION RATE OF 5 INCHES/HOUR AND A MAXIMUM PERCOLATION RATE OF 10 INCHES/HOUR ARE REQUIRED. DRAINAGE INFILTRATION RATE MAY EXCEED THIS TO ALLOW FOR TENDENCY OF INFILTRATION RATE TO REDUCE OVER TIME. PLANTING SOL LAYER SHOULD BE AT LEAST 18 INCHES DEEP. CONTRACTOR TO SUBMIT MATERIAL CERTIFICATES SIGNED BY THE MATERIAL PRODUCER, CERTIFYING THAT SOL COMPLES WITH OR EXCEEDS SPECIFIED REQUIREMENTS.
- PERMEABLE DRAIN ROCK SHALL BE CLASS 2 PERM ROCK PER CALTRANS STANDARD SECTION 68-1.022. THE MATERIAL SHALL BE WASHED AND FREE FROM CLAY OR ORGANIC MATERIAL.
- PERFORATED PIPE SHALL BE SOLVENT WELD PVC SDR 35 (OR APPROVED EQUAL) WITH PERFORATIONS FACED DOWN. LOCATION OF THE PIPE VARIES. SEE PLAN.
- INSTALLATION OF PERVIOUS PAVEMENT AND/OR VAULTS SHALL BE DONE PER STANDARD DETAILS AND SPECIFICATIONS. THIRD PARTY REVIEWER OR VENDOR SHALL INSPECT THE PERVIOUS PAVEMENT AND/OR VAULTS INSTALLATION INCLUDING, IF NECESSARY, PERFORMING PERCOLATION TESTS AND SUBMIT THEIR CONCURRENCE LETTER TO THE CITY OF SANTA CLARA.
- FOR ANY LINER PENETRATIONS, GLAZI, CUT THE LINER FOR PIPE, MASTIC AND SEAL WITH PIPE CLAMP TO INSURE WATER-TIGHT SEAL.
- SEE LANDSCAPE PLANS AND SPECIFICATIONS FOR PLANTING MATERIALS WITHIN BIORETENTION FACILITIES.

SOURCE CONTROL MEASURES

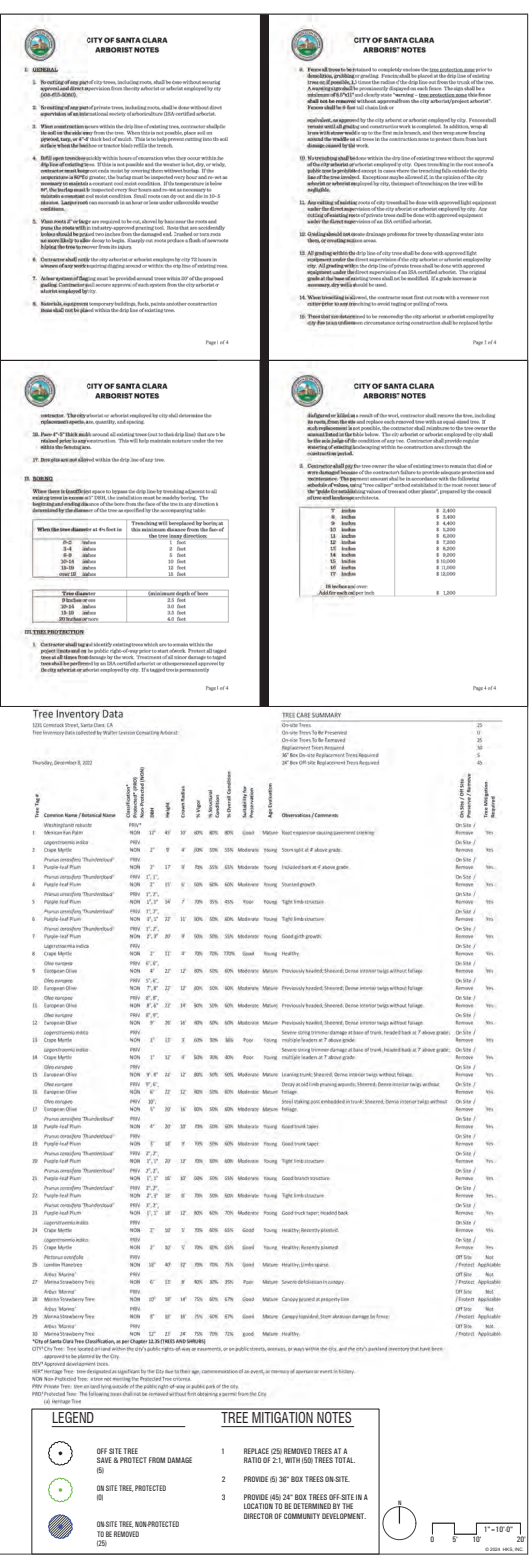
- COVER DUMPSTER AREA, DRAIN TO SANITARY SEWER
- BENEFICIAL LANDSCAPING (MINIMIZE IRRIGATION, RUNOFF, PESTICIDES AND FERTILIZERS; PROMOTES TREATMENT)
- COVERS, DRAINS FOR LOADING DOCKS, MAINTENANCE BAYS, FUELING AREAS
- MAINTENANCE (PAVEMENT SHEEDING, CATCH BASIN CLEANING, GOOD HOUSE KEEPING)
- STORM DRAIN LABELING

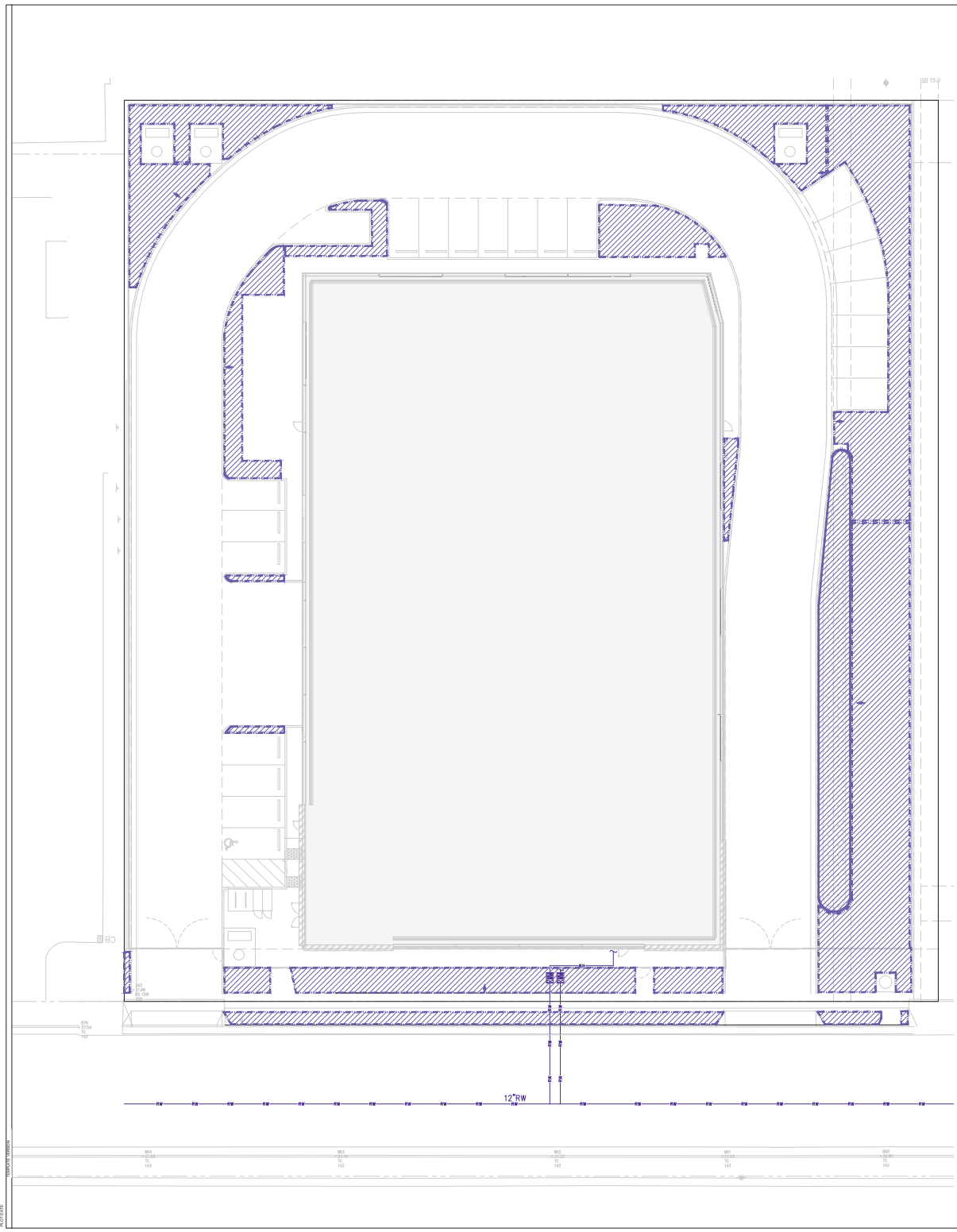
STORMWATER TREATMENT CONTROL MEASURE SUMMARY										
DRAINAGE AREA	ORANGE AREA SIZE (SF)	LANDSCAPE SURFACE (SF)	PERVIOUS PAVEMENT (SF)	TOTAL PERVIOUS SURFACE (SF)	IMPERVIOUS SURFACE (SF)	TYPE OF IMPERVIOUS SURFACE	TREATMENT CONTROL	TREATMENT AREA (FLOW-COMPD SIZING METHOD)		CONFORMS TO STANDARD
								REQUIRED (SF)	PROVIDED (SF)	
A-1	27,815	4,585	0	4,585	23,230	ROOF	BIORETENTION AREA	758	758	YES
A-2	28,595	3,788	24,797	28,595	0	--	--	N/A	N/A	YES
A-3	2,764	2,073	0	2,073	691	ASPHALT	SELF RETAINING	N/A	N/A	YES
A-4	890	650	0	650	240	ASPHALT	SELF RETAINING	N/A	N/A	YES
TOTAL (EXISTING)	60,064	11,106	24,797	35,903	24,161	--	--	758	758	--
A-5 (OFFSITE)	1,689	665	0	665	1,024	CONCRETE	SELF RETAINING	N/A	N/A	YES
TOTAL (PROJECT)	61,753	11,771	24,797	36,568	25,185	--	--	758	758	--



ABBREVIATIONS

Ø	AT	ID	INSIDE DIAMETER
#	NUMBER	INT	INVERT ELEVATION
Ø	DIAMETER	INT	INTERIOR
±	PLUS OR MINUS	INV	INVERT
AC	ASPHALT CONCRETE	JT	JOINT
AD	AREA DRAIN	L	LONG
AUG	AUGER/EGG	LA	LANDSCAPE ARCHITECT
ALT	ALTERNATE	LAT	LATRAL
ALUM	ALUMINUM	LF	LINEAL FEET
AR	AS REQUIRED	LP	LOW POINT
ARCH	ARCHITECT	LV	LOW VOLTAGE
ASPH	ASPHALT	MAX	MAXIMUM
BC	BOTTOM OF CURB	MECH	MECHANICAL
BP	BACK FLOW PREVENTER	MFR	MANUFACTURER
BDC	BUILDING	MFRD	MANUFACTURED
BDC	BACK OF CURB	MN	MANHOLE
BOW	BACK OF WALK	MN	MANHOLE
BS	BOTTOM OF RAMP	MOD	MODEL NUMBER
BS	BOTTOM OF STAIRS	MTR	METER
BW	BOTTOM OF WALL	N	NORTH
CB	CAULDER	NC	NOT IN CONTRACT
CB	CATCH BASIN	NO	NUMBER
CJ	CONTROL JOINT / COLD JOINT	NOM	NORMAL
CL	CENTER LINE	N/S	NOT TO SCALE
CLB	CLEAR	OC	ON CENTER
CMB	CONCRETE MASONRY UNIT	OD	OUTSIDE DIAMETER
CO	CLEAR OUT	OPP	OPPOSITE
COL	COLUMN	ORN	ORNAMENTAL
CONC	CONCRETE	PA	PROPOSED
CONT	CONTINUOUS	PA	PLANTING AREA
CTR	CURB YARD	PERF	PERFORATED
CT		PL	PROPERTY LINE
A	DEPT	PLTW	PLYWOOD
DET	DETAIL	POC	POINT OF CONNECTION
DF	DOUGLAS FIR	POD	POUNDS PER SQUARE FOOT
DG	DECOMPOSED GRANITE	PP	PRESSURE TREATED DOUGLAS FIR
DIA	DIAMETER	PVC	POLYVINYL CHLORIDE
DIM	DIMENSION	QCV	QUICK COUPLER VALVE
DN	DOWN	QUANT	QUANTITY
DWGS	DOCUMENTS	R	RADIUS
DS	DOWN SPOUT	RCV	REMOTE CONTROL VALVE
DW	DOMESTIC WATER	REC	RECOMMENDATIONS
DWG	DRAWING	REIN	REINFORCED
E	EAST	REQD	REQUIRED
EA	EACH	RIMP	REDUCED PRESSURE BACK FLOW PREVENTER
EJ	EXPANSION JOINT	RWD	REWORK
ELEC	ELECTRICAL	RWB	RAIN WATER LEADER
ELFV	ELEVATION	SCD	SCHEDULE
ENCL	ENCLOSURE	SCD	SCHEDULE
EQ	EQUAL	SE	SEE ELECTRICAL DRAWINGS
EQ SP	EQUAL SPACES	SM	SIMILAR
EQMT	EQUIPMENT	SP	SPECIFICATIONS
EX	EXISTING	SP	SPECIFICATIONS
EXT	EXTERIOR	SQ	SQUARE
FD	FLOOR DRAIN	STD	STANDARD
FON	FOUNDATION	STL	STEEL
FPE	FINISH FLOOR ELEVATION	STR	STRUCTURAL
FS	FINISH GRADE	SYN	SYMMETRICAL
FS	FINISH	SYN	SYMMETRICAL
FL	FLOW LINE	SSS	SLIP SLIP SLIP
FSB	FACE OF BUILDING	ST	STANDARD
FOC	FACE OF CURB	STL	STEEL
FSW	FACE OF WALL	STR	STRUCTURAL
FS	FINISH SURFACE	SYN	SYMMETRICAL
FT	FEET	SSS	SLIP SLIP SLIP
FTB	FOOTING	ST	STANDARD
FTN	FOUNTAIN	STL	STEEL
G	GAS	STR	STRUCTURAL
GA	GAGE	SYN	SYMMETRICAL
GAL	GALLON w/ GALLONS	SSS	SLIP SLIP SLIP
GALV	GALVANIZED	ST	STANDARD
GB	GRADE BREAK	STL	STEEL
GC	GENERAL CONTRACTOR	STR	STRUCTURAL
G	GALVANIZED IRON	SYN	SYMMETRICAL
GPH	GALLONS PER HOUR	SSS	SLIP SLIP SLIP
GPM	GALLONS PER MINUTE	ST	STANDARD
H	HIGH	STL	STEEL
HB	HOLE BOR	STR	STRUCTURAL
HC	HANDICAP	SYN	SYMMETRICAL
HCD	HOT OPIPO GALVANIZED	SSS	SLIP SLIP SLIP
HDR	HEADER	ST	STANDARD
HDR	HARDWARE	STL	STEEL
HDRZ	HORIZONTAL	STR	STRUCTURAL
HP	HIGH POINT	SYN	SYMMETRICAL
HT	HEIGHT	SSS	SLIP SLIP SLIP
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USE AREA LEGEND, SHEET PK4-L3.1

SYMBOL	MODEL NUMBER	DESCRIPTION
	44-DNP	RAIN BIRD QUICK COUPLING VALVE WITH PURPLE LOCKING COVER
		AREAS IRRIGATED WITH DRP AND BUBBLERS.

Irrigation Consultant:
Russell D. Mitchell Associates, Inc.
2760 Camino Diablo
Walnut Creek, CA 94597
tel 925.939.3868 • fax 925.932.5671
www.rmairrigation.com

HKS
ARCHITECT
HKS, INC.
100 S. CLARK STREET
SUITE 100
CHICAGO, IL 60603
MEP ENGINEERS
STAN HANSEN GROUP
100 S. CLARK STREET
SUITE 100
CHICAGO, IL 60603
STRUCTURAL
STAN HANSEN GROUP
100 S. CLARK STREET
SUITE 100
CHICAGO, IL 60603
CIVIL ENGINEERS
STAN HANSEN GROUP
100 S. CLARK STREET
SUITE 100
CHICAGO, IL 60603
LANDSCAPE ARCHITECT
STAN HANSEN GROUP
100 S. CLARK STREET
SUITE 100
CHICAGO, IL 60603

PRIME DATA CENTERS
USA SJC04-01 (COMSTOCK)

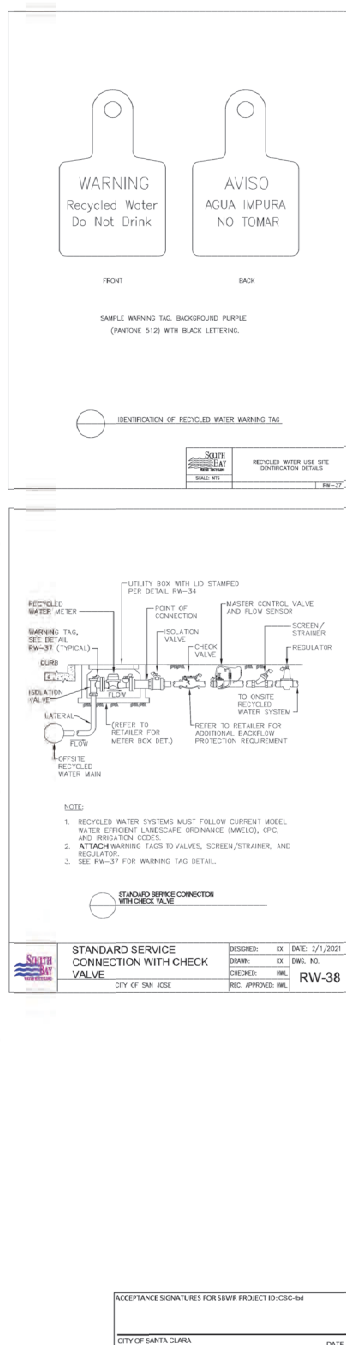
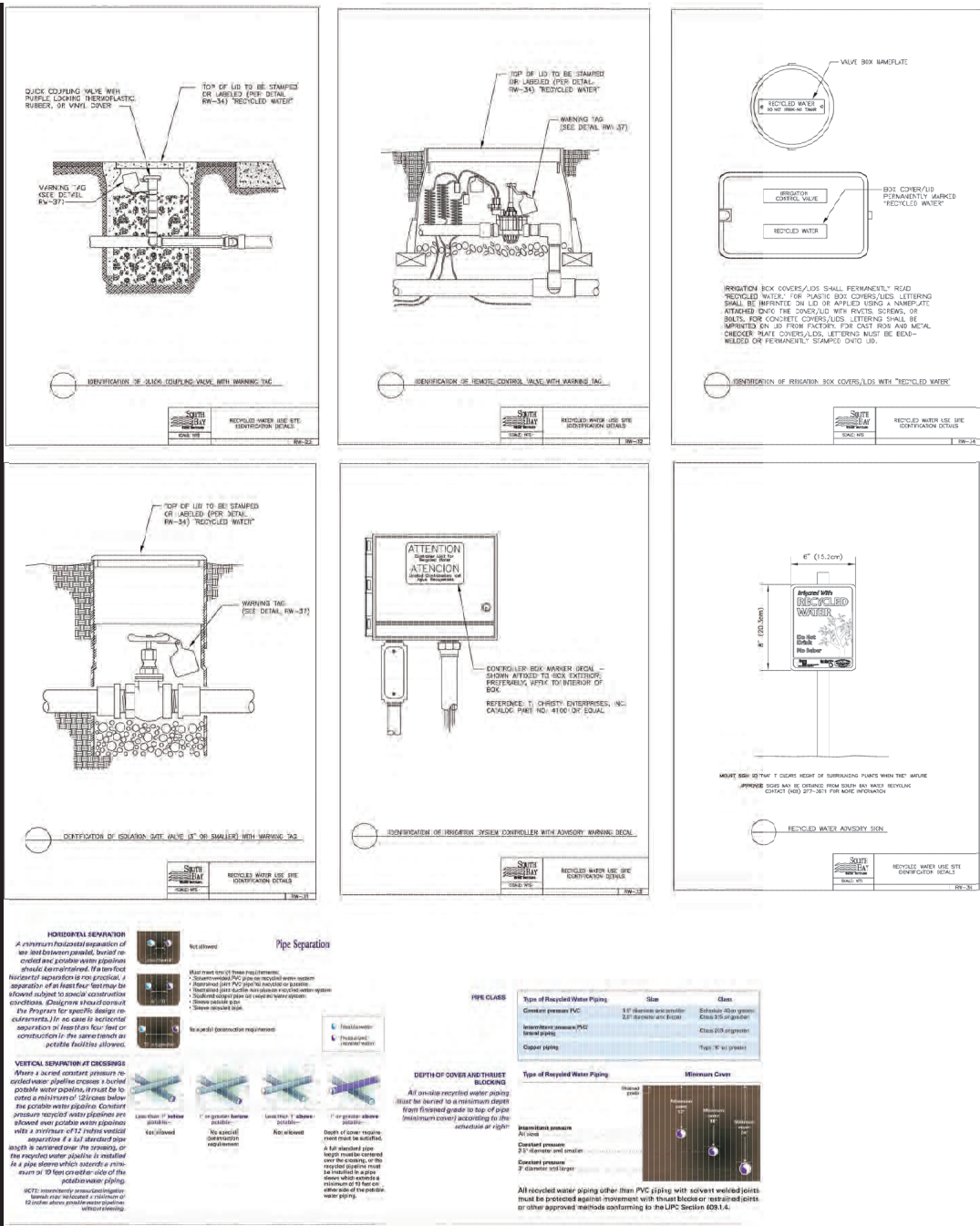
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Date: May 10, 2024

KEY PLAN

REVISION	DESCRIPTION	DATE
1	ISSUE PROPOSED	05/08/2024
2	REVISED	05/08/2024
3	REVISED	05/08/2024
4	REVISED	05/08/2024
5	REVISED	05/08/2024

PROJECT NUMBER
2203
DATE
09/04/2024
PROJECT
95% RE-DESIGN
PROJECT TYPE
IRRIGATION USE AREAS
SHEET NO.
L2.0

L2.1

[illegible]

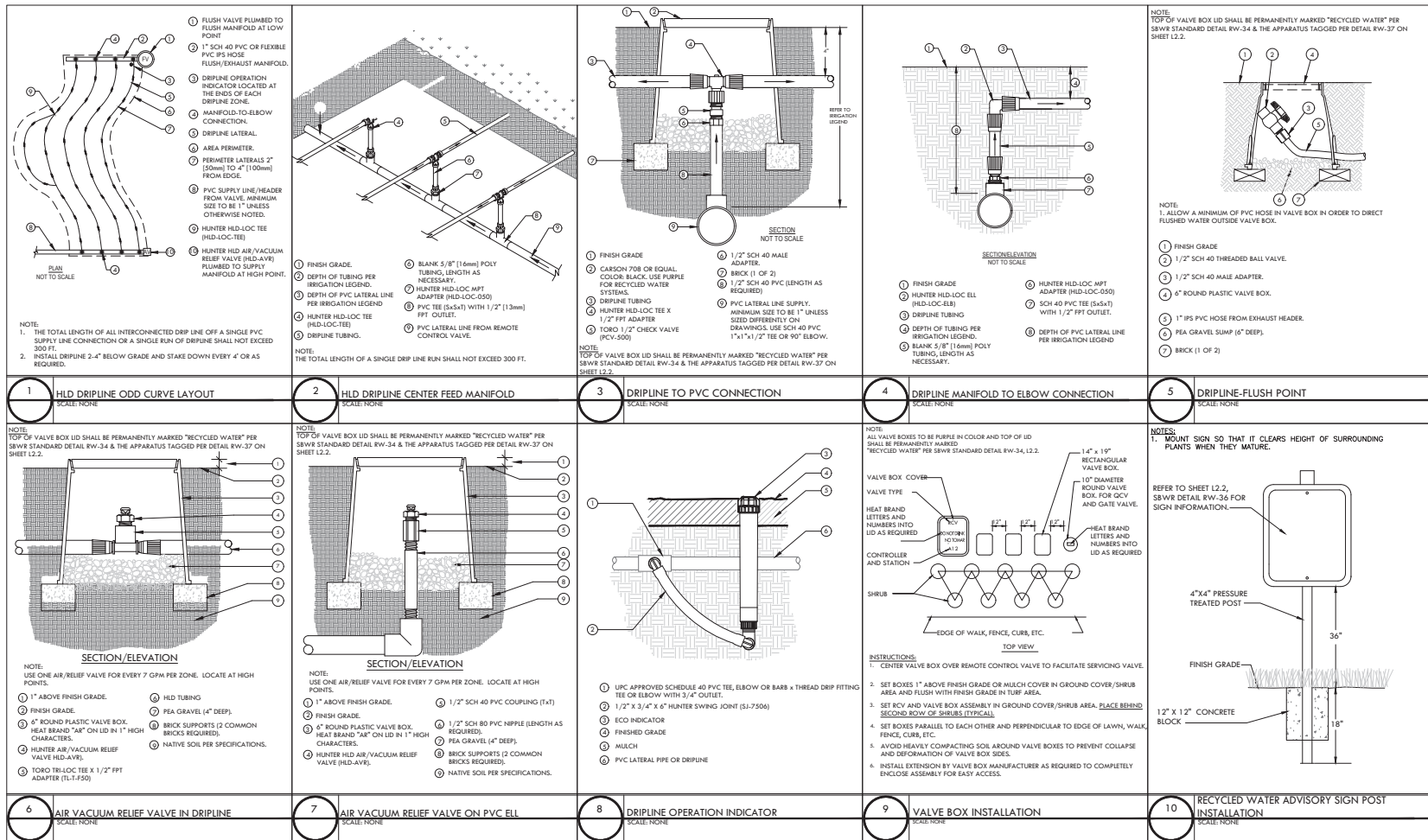
<p>NOTE: LABEL CONTROLLER PER SBWR STANDARD DETAIL RW-33, SHEET 12.2.</p> <p>NOTE: CONTROLLER SHALL BE LABELED AS PER DETAIL RW-33 ON SHEET 12.2.</p> <ol style="list-style-type: none">IRRIGATION CONTROLLER.120 VOLT SERVICE IN RIGID STEEL CONDUIT.120 VOLT LOCKABLE WEATHERPROOF ON/OFF SWITCH PROVIDED UNDER IRRIGATION CONTRACT.120 VOLT SERVICE TO CONTROLLER LOCATION PROVIDED BY CONTRACTOR.MATCH EXISTING SURFACE COLOR.FINISH GRADE OR HARDSCAPE.	<p>NOTE: MAXIMUM LINE OF SIGHT FROM SENSOR TO RECEIVER IS 1000 FT. DISTANCE IS LESS IF OBSTRUCTIONS EXIST. SENSOR MUST BE INSTALLED IN "CLEAR SPACE" WHERE IT IS EXPOSED TO UNOBSTRUCTED RAINFALL AND IS CLEAR OF IRRIGATION SPRAY.</p> <ol style="list-style-type: none">WIRELESS CLIMATE SENSOR TRANSMITTER (EVE/GUTTER MOUNTED)MOUNT SENSOR ON GUTTER/EVEGUTTER/EVESENSOR RECEIVERCONTROLLER	<p>NOTE: TOP OF VALVE BOX LD SHALL BE PERMANENTLY MARKED "RECYCLED WATER" PER SBWR STANDARD DETAIL RW-34 & THE APPARATUS TAGGED PER DETAIL RW-37 ON SHEET 12.2.</p>	<p>NOTE: TOP OF VALVE BOX LD SHALL BE PERMANENTLY MARKED "RECYCLED WATER" PER SBWR STANDARD DETAIL RW-34 & THE APPARATUS TAGGED PER DETAIL RW-37 ON SHEET 12.2.</p> <ol style="list-style-type: none">10\"/>8\"/>PURPLE PVC MAIN LINE.FINISH GRADE.PEA GRAVEL OR 3/4\"/>BRICK-2 TOTAL.19 GAUGE 1/2\"/>GATE VALVE.MALE ADAPTER. REFER TO LEGEND FOR FITTING TYPE.RW IDENTIFICATION TAG, SEE DETAIL RW-37, SHEET 12.2.
<p>1 CONTROLLER - EXTERIOR WALL MOUNTED SCALE: NONE</p> <p>NOTE: TOP OF VALVE BOX LD SHALL BE PERMANENTLY MARKED "RECYCLED WATER" PER SBWR STANDARD DETAIL RW-34 & THE APPARATUS TAGGED PER DETAIL RW-37 ON SHEET 12.2.</p> <ol style="list-style-type: none">REMOTE CONTROL VALVE WITH FLOW CONTROL AND MANUAL BLEED PRESSURE REGULATOR W/RE SHOWN ON PLANS. USE A 1 1/4\"/>SCHEDULE 80 PVC THREADED UNION. LD FOR 1 1/2\"/>PEA GRAVEL OR 3/4\"/>19 GAUGE 1/2\"/>UPC APPROVED SCHEDULE 40 PVC TEE (ONE PER VALVE).SCHEDULE 80 PVC 90\"/>REMOTE CONTROL VALVE WITH PRESSURE REGULATOR (SET TO 45 PSI)VALVE LD, TAG (CONTROLLER AND STATION NUMBER) AND RW IDENTIFICATION TAG, SEE DETAIL RW-37, SHEET 12.2.SCHEDULE 40 MALE ADAPTER.BRICK-1 EACH CORNER.PURPLE PVC MAIN LINE.SCHEDULE 80 PVC UNION BALL VALVE (ONE PER VALVE).FINISH GRADE.PURPLE PVC LATERAL LINE.REFER TO IRRIGATION SPECS.3\"/>VALVE CONTROL WIRE. PROVIDE SEAL PACKS AT ALL SPICES AND 3\"/>SCHEDULE 80 PVC NIPPLE (4 TOTAL).	<p>2 WIRELESS WEATHER SENSOR SCALE: NONE</p> <p>NOTE: TOP OF VALVE BOX LD SHALL BE PERMANENTLY MARKED "RECYCLED WATER" PER SBWR STANDARD DETAIL RW-34 & THE APPARATUS TAGGED PER DETAIL RW-37 ON SHEET 12.2.</p> <ol style="list-style-type: none">FINISH GRADERECTANGULAR JUMBO PURPLE PLASTIC VALVE BOX WITH BOLT DOWN LD. ONE VALVE PER BOX - NO EXCEPTIONS. INSTALL BOX AS SHOWN IN BOX INSTALLATION DETAIL.SCHEDULE 80 PVC UNION BALL VALVE (ONE PER VALVE)SCHEDULE 80 PVC THREADED UNION. LD FOR 1 1/2\"/>REMOTE CONTROL VALVE WITH PRESSURE REGULATOR (SET TO 45 PSI)VALVE LD, TAG (CONTROLLER AND STATION NUMBER) AND RW IDENTIFICATION TAG, SEE DETAIL RW-37, SHEET 12.2.SCHEDULE 40 MALE ADAPTERBRICK-1 EACH CORNER.PURPLE PVC MAIN LINE.UPC APPROVED SCHEDULE 40 PVC TEE. VALVE BOX WITH BOLT DOWN LD. ONE VALVE PER BOX - NO EXCEPTIONS. INSTALL BOX AS SHOWN IN BOX INSTALLATION DETAIL.PEA GRAVEL OR 3/4\"/>19 GAUGE 1/2\"/>SCHEDULE 80 PVC 90\"/>VALVE CONTROL WIRE. PROVIDE SEAL PACKS AT ALL SPICES AND 3\"/>SCHEDULE 40 MALE ADAPTERBRICK-1 EACH CORNER.	<p>3 INSTALLATION DETAIL - MASTER VALVE/FLOW SENSOR SCALE: NONE</p> <p>NOTES: 1. ALL MAIN SUPPLY LINES AND LATERAL LINES SHALL BE PLACED IN SLEEVES UNDER PAVED SURFACES. INSTALL LOW VOLTAGE WIRES WITHIN A SEPARATE CONDUIT UNDER PAVED SURFACES. DO NOT TAPE WIRES WITHIN CONDUIT.</p> <ol style="list-style-type: none">CLEAN BACKFILL MATERIAL.FINISH GRADE.LATERAL LINE.MAIN LINE.LOW VOLTAGE CONTROL WIRE. TAPE AND BUNDLE TURNING OR WIRING AT 10 FT. INTERVALS. WIRING SHALL BE LAID OUT LOOSELY IN THE TRENCH.3\"/>TYPICAL DISTANCE BETWEEN PIPES. <p>INSTRUCTIONS: 1. STRIP WIRES APPROXIMATELY 1/2\"/>TWIST CONNECTOR AROUND WIRES CLOCKWISE UNTIL HAND TIGHT, DO NOT OVERTIGHTEN.INSERT WIRE ASSEMBLY INTO PLASTIC TUBE UNTIL WIRE CONNECTOR SHAPS FALL UP IN BOTTOM OF TUBE.PLACE WIRES WHICH EXIT TUBE IN WIRE EXIT HOLES AND CLOSE CAP UNTIL IT SNAPS.INSPECT FINAL SPICE ASSEMBLY TO BE SECURE AND FINISHED.</p>	<p>4 GATE VALVE - 3\"/></p> <p>NOTE: TOP OF VALVE BOX LD SHALL BE PERMANENTLY MARKED "RECYCLED WATER" PER SBWR STANDARD DETAIL RW-34 & THE APPARATUS TAGGED PER DETAIL RW-37 ON SHEET 12.2.</p> <ol style="list-style-type: none">10\"/>8\"/>19 GAUGE 1/2\"/>BRICK-2 TOTALSCHEDULE 80 PVC THREADED NIPPLE.10\"/>UPC APPROVED SCHEDULE 40 PVC TEE OR ELBOW.SCHEDULE 80 PVC THREADED 90\"/>RW IDENTIFICATION TAG, SEE DETAIL RW-37, SHEET 12.2.
<p>5 REMOTE CONTROL VALVE SCALE: NONE DET: RCV-UN-BV</p> <p>NOTE: SUGGESTED QUANTITY OF BUBBLERS PER TREE SIZE: • 15 GAL OR 24\"/>BUBBLER TO BE INSTALLED ON TOP OF ROOTBALL.1/2\"/>4\"/>FINISH GRADE.TREE ROOTBALL.1/2\"/>PVC TEE (5/8\"/>PVC LATERAL LINE.TREE STAKES.TREE.EDGE OF ROOTBALL (TYPICAL).</p>			

ACCEPTANCE SIGNATURES FOR SBWR PROJECT ID: CSC-04

CITY OF SANTA CLARA DATE

SBWR - SOUTH BAY WATER RECYCLING DATE

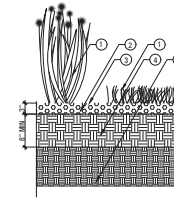
SWRCB - DIVISION OF DRINKING WATER DATE



ACCEPTANCE SIGNATURES FOR SBWR PROJECT ID: CSC-18d	
CITY OF SANTA CLARA	DATE
SBWR – SOUTH BAY WATER RECYCLING	DATE
SWRCB – DIVISION OF DRINKING WATER	DATE

L2.5

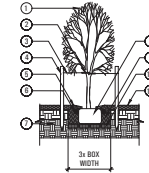




- 1 PLANTING AREA. SEE PLANTING PLAN FOR PLANT MATERIALS.
- 2 MULCH IN ALL PLANTING AREAS.
- 3 SLOPE TOP OF SOIL AT 2% MINIMUM. SEE GRADING PLAN.
- 4 IMPORTED TOPSOIL MIX & AMENDED PLANTING SOIL MIX. IF SOIL SETTLEMENT OCCURS, ADD IMPORTED SOIL MIX & BASE PLANTS TO MAINTAIN PROPOSED GRADES WITHOUT COVERING PLANT ROOT CROWNS.
- 5 EXISTING SITE SOIL / IMPORT TOPSOIL MIX.

1 SOIL AMENDMENT (NON-C.3 PLANTING AREA)

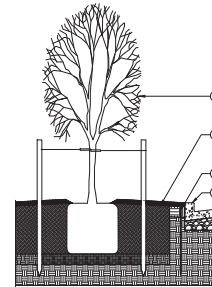
SCALE: NOT TO SCALE



- 1 SPECIFIED TREE - SET ROOT CROWN 1-1/2" ABOVE TOP OF IMPORTED TOPSOIL MIX & AMENDED PLANTING SOIL MIX.
- 2 BLACK REINFORCED RUBBER TREE COLLAR - SET AT LOWEST POINT AT TRUNK TO ENSURE UPRIGHT TREE POSTURE.
- 3 #10 GAUGE GALVANIZED GUY WIRE.
- 4 WOOD STAKES, (2) PER TREE. DO NOT PENETRATE ROOTBALL. TRIM TOP OF STAKE 12" ABOVE GUY WIRE.
- 5 WATERING BASIN: CONT. CIRCULAR SOIL BERM, 2" HIGH.
- 6 FERTILIZER TABLETS: (5) PER 15 GAL. TREE, (8) PER 24" BOX TREE, (12) PER 36" BOX TREE, (16) PER 48" BOX TREE.
- 7 EXISTING SITE SOIL. DO NOT DISTURB.
- 8 ROOTBALL - GENTLY SCARIFY PRIOR TO PLANT INSTALLATION.
- 9 PLANTING PIT: IMPORT TOPSOIL & AMENDED PLANTING SOIL MIX.
- 10 TAMPED IMPORT TOPSOIL & AMENDED PLANTING SOIL MIX, 4" DEEP.
- 11 3" BARK MULCH LAYER MULCH. TOP OF MULCH IS FINISH GRADE ELEVATION. PLACE NO MULCH ON ROOT CROWNS.

2 TREE PLANTING (IN NON-C.3 PLANTING AREA)

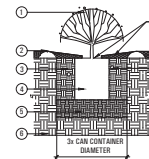
SCALE: NOT TO SCALE



- 1 SEE TREE PLANTING DETAIL, SEE 203.2.
- 2 FINISH GRADE.
- 3 ROOT BARRIER. PLACE ROOT BARRIER 2" MAXIMUM CLEAR OF PAVEMENT EDGE. EXPOSE TOP OF ROOT BARRIER 1/2" ABOVE TOP OF SOIL. SEE PLANS FOR LOCATIONS.
- 4 CURB OR PAVEMENT. SEE PLANS FOR PAVEMENT TYPE.

3 ROOT BARRIER

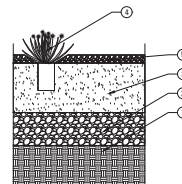
SCALE: NOT TO SCALE



- 1 SPECIFIED SHRUB - SET ROOT CROWN 1-1/2" ABOVE TOP OF IMPORTED TOPSOIL MIX & AMENDED PLANTING SOIL MIX.
- 2 WATERING BASIN: CONT. CIRCULAR SOIL BERM, 2" HIGH.
- 3 PLANTING PIT: IMPORT TOPSOIL & AMENDED PLANTING SOIL MIX.
- 4 ROOTBALL: SCARIFY PRIOR TO PLANT INSTALLATION.
- 5 TAMPED IMPORT TOPSOIL & AMENDED SOIL MIX BACKFILL, 2" DEEP.
- 6 EXISTING SITE SOIL. DO NOT DISTURB.
- 7 3" DEEP MULCH LAYER. PLACE NO MULCH ON ROOT CROWNS.
- 8 FERTILIZER TABLET: (1) PER 1 GAL. SHRUB, (2) PER 5 GAL. SHRUB, (5) PER 15 GAL. SHRUB.

4 SHRUB PLANTING (IN NON-C.3 PLANTING AREA)

SCALE: NOT TO SCALE



- 1 NATIVE SOIL.
- 2 CLASS II PERMEABLE LAYER. SEE CIVIL DWGS.
- 3 TREATMENT SOIL. SEE CIVIL DWGS.
- 4 PLANT. SCARIFY ROOTBALL PRIOR TO PLANTING.
- 5 NON-FLOATING MULCH IN AREAS BETWEEN PLANTS, 3 INCH LAYER. DON'T COVER ROOT CROWNS. SUBMIT SAMPLE FOR APPROVAL PRIOR TO INSTALLATION.

5 GRASS PLANTING (IN C.3 PLANTING AREA)

SCALE: NOT TO SCALE

ARCHITECT

HKS, INC.
100 S. CLARK STREET
SUITE 1100
CHICAGO, IL 60603

MEP ENGINEERS

STYAN HANSEN GROUP
444 S. CLARK STREET
SUITE 1100
LOS ANGELES, CA 90017

STRUCTURAL

TERRILL
300 W. VAN BUREN
SUITE 400
CHICAGO, IL 60607

CIVIL ENGINEERS

HKS
1750 N. FIRST STREET
SUITE 400
SAN JOSE, CA 95131

LANDSCAPE ARCHITECT

HKS
74 DODDLEY AVE.
BERKELEY, CA 94701

REVISION NO.	DESCRIPTION	DATE
1	ISSUE PROPOSED	09-08-2023
2	REVISED TO ADD COMMENTS	02-08-2024
3	REVISED TO ADD COMMENTS	02-07-2024
4	REVISED TO ADD COMMENTS	02-07-2024
5	REVISED TO ADD COMMENTS	02-07-2024

[illegible]



PROJECT NUMBER
25685.000
DATE
09/04/2024
SHEET
5% RE-DESIGN
SHEET TITLE
ARCHITECTURAL
SITE DETAILS
SHEET NO.



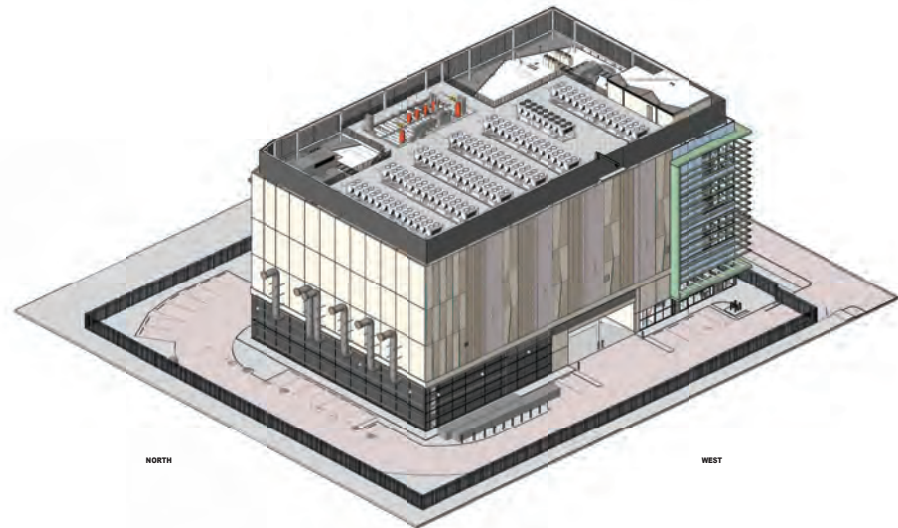
1231 COMSTOCK ST (SJC04-01) - SOUTHEAST ARIEL VIEW



1231 COMSTOCK ST (SJC04-01) - SOUTHWEST ARIEL VIEW



1231 COMSTOCK ST (SJC04-01) - FROM COMSTOCK, EASTBOUND



NORTH

WEST

01 EXTERIOR AXON @ NW CORNER

HKS

ARCHITECT

HKS, INC.
100 S. CLARK STREET
SUITE 1000
CHICAGO, IL 60603

MEP ENGINEERS

STYAN ENGINEERS GROUP
444 S. FLORISSA STREET
SUITE 2000
LOS ANGELES, CA 90071

STRUCTURAL

STYAN
800 W. VAN BUREN
SUITE 800
CHICAGO, IL 60607

CIVIL ENGINEERS

STYAN
1700 N. FIRST STREET
SUITE 800
SAN JOSE, CA 95131

LANDSCAPE ARCHITECT

STYAN
7000 E. 15TH AVE.
DENVER, CO 80202

PRIME DATA CENTERS USA, SJC04-01 (COMSTOCK)

INTERIM REVIEW ONLY

These documents are preliminary and are released for review only and are not intended for regulatory approval, permit, or construction purposes.

Reviewed: _____
Date: _____

FOR CITY OF SANTA CLARA USE:
JURISDICTIONAL APPROVAL STAMP

PERMIT NUMBER PL020000

REVISION	NO.	DESCRIPTION	DATE
1	001	ISSUE FOR PERMIT	08/05/2023
2	002	ISSUE FOR PERMIT	11/01/2023
3	003	ISSUE FOR PERMIT	03/01/2024
4	004	ISSUE FOR PERMIT	03/01/2024
5	005	ISSUE FOR PERMIT	03/01/2024
6	006	ISSUE FOR PERMIT	03/01/2024
7	007	ISSUE FOR PERMIT	03/01/2024
8	008	ISSUE FOR PERMIT	03/01/2024
9	009	ISSUE FOR PERMIT	03/01/2024
10	010	ISSUE FOR PERMIT	03/01/2024

PROJECT TOTAL:

25685.000

DATE:

09/04/2024

95% RE-DESIGN

RENDERINGS (FOR REFERENCE ONLY)

REVISION:

REVISION:

REVISION:

REVISION:

REVISION:

REVISION:

REVISION:

A5.00

[illegible]

General Plan Map - 1231 Comstock



Legend

General Plan Phase III: 2023-2

- Unknown
- Adopted Specific Plans
- Very Low Density Residential
- Low Density Residential
- Medium Density Residential
- High Density Residential
- Very High Density Residential
- Neighborhood Commercial
- Community Commercial
- Regional Commercial
- Urban Center/Entertainment District
- Neighborhood Mixed Use
- Community Mixed Use
- Regional Mixed Use
- Very High Density Mixed Use
- Public / Quasi Public
- Low Intensity Office / R&D
- High Intensity Office / R&D
- Parks / Open Space
- Light Industrial
- Heavy Industrial
- Downtown Core
- Right of Way

Park

Site Addresses

- Multiple
- Place
- Single
- Transit
- Utility

Streets

Air Parcels

Land Parcels

- Land Parcels
- Flood Control Easement
- Right of Ways
- Common Areas

City Operational Boundary

Boundary

Footprint

Image

- Red: Band_1
- Green: Band_2

1: 2,000



Notes

PLN22-00282

0.1 0 0.03 0.1 Miles

Zoning Map - 1231 Comstock



Legend

- Park
- Site Addresses**
 - Multiple
 - Place
 - Single
 - Transit
 - Utility
- Streets
- Air Parcels
- Land Parcels**
 - Land Parcels
 - Flood Control Easement
 - Right of Ways
 - Common Areas
- Zoning Codes**
 - <all other values>
 - Commercial Park
 - Single Family
 - Single Family - Larger Lot
 - Residential Duplex
 - Low-Density Multiple Dwelling
 - Moderate-Density Multiple Dwelling
 - Medium-Density Multiple Dwelling
 - High Density Residential
 - Historic Combining
 - Community Commercial
 - Downtown Commercial
 - Neighborhood Commercial
 - Commercial Park
 - Commercial Thoroughfare
 - Professional Office
 - General Office
 - Planned Industrial
 - Light Industrial
 - Medium Industrial
 - Heavy Industrial
 - Planned Development
 - Planned Development - Master Cor
 - Agricultural
 - Public or Quasi-Public
 - Unincorporated
 - Water
- City Operational Boundary
- Boundary

1: 2,000



Notes

PLN22-00282

0.1 0 0.03 0.1 Miles

NAD_1983_2011_StatePlane_California_III_FIPS_0403_Ft_US
© City of Santa Clara

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION



Planning and Inspection Department

Planning Division
1500 Warburton Avenue
Santa Clara, CA 95050
Ph: (408) 615-2450

Appeal Form

Instructions

Use this form to appeal a decision of the Architectural Review Committee or Planning Commission. **All appeals must be filed in the Planning Division within seven calendar days of the action being appealed.**

Appeals from the Architectural Review Committee are made to the Planning Commission and will be set for hearing on the next available Planning Commission agenda. Appeals from the Planning Commission are made to the City Council and will be placed on the subsequent City Council Agenda to set a hearing date. Please contact the Planning Division at the number listed above with any inquiries about the process.

Please print, complete, and sign this form before mailing or delivering to the City, along with the fee payment, and supporting documentation, letters, etc. (if any).

Appeal Fees

Appeal Fees are set by the Municipal Code of the City of Santa Clara and are subject to annual review. Please call the Planning Division for the current Appeal Fee. **Fee payment must be received by the City of Santa Clara before this form submittal can be certified as complete.**

Appeal fees may be paid by cash, check, or with VISA, MasterCard, or American Express, at the Permit Center at City Hall. Alternatively, checks or money orders made payable to City of Santa Clara can be mailed or delivered to Planning Division, City Hall, 1500 Warburton Avenue, Santa Clara, California 95050.

Appellant Declaration

Name: Nicholas Laag, 1231 Comstock Property LLC
Street Address: 400 N. Ervay St., P.O. Box 131465
City, State, Zip Code: Dallas, TX, 75313
Phone number: 415-941-9050
E-mail address: nlaag@primedatacenters.com

In accordance with the provisions of the Municipal Code of the City of Santa Clara, I hereby appeal the following action of the:

☐ Architectural Review Committee ☒ Planning Commission

at it's meeting of 10/23/24
(date)

Agenda Item No.: 3
File No.(s): PLN22-00282 / 24-958
Address:/APN(s): 1231 Comstock. St, Santa Clara, CA, 95054 / 224-08-120

Appellant Statement

(If more space is required, attach a separate sheet of paper.)

Action being appealed:

Action on an Initial Study and Mitigated
Negative Declaration, Variance, and
Conditional Use Permit (PLH22-00282)
to Allow the Construction of a New
Far-Story III, 938 Square Foot Data
Center at 1231 Comstock St.

Reason for Appeal:

Prime Data Centers appeals our
denial because our project, if variances
are approved as part of the appeal
meets or exceeds all City of Santa
Clara zoning and design requirements.
We respectfully request that City
Council overturn Planning Commission's
denial of our project.

Certification of Authenticity

Beware, you are subject to prosecution if you unlawfully submit this form. Under penalty of law, transmission of this form to the City of Santa Clara is your certification that you are authorized to submit it and that the information presented is authentic.

DocuSigned by:
Nicholas Laag
D910DA7AB6B7429

Signature of Appellant

Nicholas Laag

10/24/24

Date



Agenda Report

24-831

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on FY 2023/24 Budget Year-End Report and Approve the Related Budget Amendments

COUNCIL PILLAR

Enhance Community Engagement and Transparency

EXECUTIVE SUMMARY

To close out each fiscal year, a Budget Year-End Report is prepared that reconciles funds based on actual year-end performance and brings forward associated budget adjustments. This report includes changes to fund balances assumed in the development of the FY 2024/25 budget, other adjustments to account for needed changes resulting from actual year-end performance, and recommendations to allocate any additional fund balance above the amounts assumed in the budget or balancing actions if those fund balances drop below the levels assumed in the budget.

This report provides the year-end financial condition of the City of Santa Clara (City) on a budgetary basis for the fiscal year ended June 30, 2024, and a summary of year-end performance for the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, and Capital Funds. The report includes the recommended approval of a limited number of FY 2023/24 budget amendments to address expenditure overages at year-end, FY 2024/25 budget amendments necessary based on the final FY 2023/24 results, capital project carryover adjustments, and the recommended allocation of the General Fund balance.

In FY 2023/24, the City's General Fund revenues ended the year above the budgeted estimate and expenditures were below budget, generating additional fund balance available for allocation. Performance in other funds typically met or exceeded expectations.

BACKGROUND

The budgetary year-end close process accounts for the year-end revenues and expenditures as well as the resulting ending reserves and fund balances for each budgeted fund. The funds are reconciled to the budgetary fund balances in the Annual Comprehensive Financial Report (ACFR).

This report includes the following recommended budget adjustments:

- 1) Required budget ratifications due to over-expended appropriations in FY 2023/24 (Attachment 1); and
- 2) FY 2024/25 budget actions, including reconciliations of carryover capital projects, grants, special revenue funds, and donation funds; revisions to the starting FY 2024/25 fund balances and reserves based on the actual FY 2023/24 year-end performance; and any other necessary adjustments (Attachment 2).

In addition to the budget actions, this report includes tables that summarize the revenue and expenditure performance by fund (Attachment 3) and a summary of the fund balance adjustments in each fund (Attachment 4).

Section 1305 of the Charter of the City of Santa Clara, entitled 'Budget - Appropriations,' states that:
...from the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several departments, offices and agencies for the respective objects and purposes therein named; all appropriations shall lapse at the end of the fiscal year to the extent that they shall not have been expended or lawfully encumbered; and at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least five members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget.

Because appropriations lapse at the end of each fiscal year, it is necessary to carryover funds to complete capital projects and other projects and to account for grants and donations. Adjustments to the fund balance amounts assumed in the adopted budget are also necessary based on the actual prior year-end results. This includes the allocation of any additional fund balance above the amounts assumed in the budget or balancing actions if those fund balances drop below the levels assumed in the budget.

Each year as part of budget development and budget close-out, staff also reviews the reserve balances, including the General Fund Budget Stabilization Reserve and the Capital Projects Reserve as well as reserve levels in other funds. Per Council Policy, the Budget Stabilization Reserve target is set to cover operations for three months (25% of General Fund expenses) and the Capital Projects Reserve target is set at a minimum balance of \$5.0 million with a goal of having sufficient funds to fund capital projects included in the City's biennial capital budget and five-year CIP. For the FY 2024/25 budget, the City Council approved a Budget Stabilization Reserve level at a minimum level of 15% of expenditures as part of the budget balancing strategy.

DISCUSSION

This report includes a brief summary of budget to actual revenue and expenditure/expense performance for the General Fund, Special Revenue Funds, Internal Service Funds, and Enterprise Funds.

Information is also included regarding the recommended budget amendments, the impact of FY 2023/24 performance on the General Fund, necessary ratifications to address FY 2023/24 expenditure overages, a summary of the unfunded retirement liability and Pension Stabilization Reserve, and the status of General Fund and other reserves.

General Fund

Overall, General Fund revenues exceeded the budget while expenditures ended the year below budget in FY 2023/24. The General Fund ended the year with a surplus of \$17.6 million available to distribute. Budget actions are recommended to allocate those additional funds.

General Fund Revenues

In FY 2023/24, actual revenues and transfers of \$296.9 million were \$13.3 million (4.7%) above the budgeted estimate of \$283.5 million as shown in Table 1 below. Revenues exceeded the budget in all categories except the Documentary Transfer Tax. The categories with the largest positive variances include Property Tax (\$3.6 million), Interest (\$3.4 million), Sales Tax (\$1.3 million), and Transient Occupancy Tax (\$1.1 million). It is important to note that \$3.0 million of the higher revenues in the Licenses and Permits, Other Fees for Services, and Interest categories are allocated to the Advanced Planning Fee Reserve, the Technology Fee Reserve, and the Pension Stabilization Reserve, resulting in net additional revenue of \$10.3 million.

**Table 1 - FY 2023/24 General Fund Revenues and Transfers From
Final Budget vs. Actual**

Description	Adopted Budget	Final Budget	Actual Revenue	Variance Favorable/ (Unfavorable)	Percent Variance
Property Tax	85,800,000	87,143,000	90,710,410	3,567,410	4.09%
Sales Tax	60,524,000	60,524,000	61,776,045	1,252,045	2.07%
Transient Occupancy Tax	21,275,000	21,275,000	22,347,394	1,072,394	5.04%
Taxes - Other	6,750,000	6,750,000	6,741,057	(8,943)	(0.13%)
Licenses and Permits	8,594,000	8,594,000	8,787,607	193,607	2.25%
Fines and Penalties	1,225,000	2,323,589	2,568,129	244,540	10.52%
Revenue from Other Agencies	258,000	389,026	481,423	92,397	23.75%
Revenue from State	262,000	262,000	327,029	65,029	24.82%
Other Fees for Services	38,067,896	41,872,655	44,403,129	2,530,474	6.04%
Interest	3,500,000	3,500,000	6,882,193	3,382,193	96.63%
Rent	13,627,660	14,661,960	14,872,795	210,835	1.44%
Other Revenue	180,000	384,163	986,626	602,463	156.82%
SVP Transfer	32,000,000	33,000,000	33,143,505	143,505	0.43%
Subtotal Revenue	272,063,556	280,679,393	294,027,342	13,347,949	4.76%
Transfers From	2,200,044	2,856,324	2,855,987	(337)	(0.01%)
Total Revenue	274,263,600	283,535,717	296,883,329	13,347,612	4.71%

Following is a discussion of the performance in the major revenue categories.

- **Property Tax** - Receipts of \$90.7 million were \$3.6 million (4.1%) above the budgeted estimate of \$87.1 million. This collection level was 7.2% above the FY 2022/23 level of \$84.6 million, reflecting strong growth in the secured and unsecured property tax categories, partially offset by a decline in the Supplemental property tax category.

There continues to be a legal challenge on the distribution of the property tax related to the Education Revenue Augmentation Fund (under Proposition 98, a portion of property tax receipts are allocated to the ERAF beginning in 1992 and once there are sufficient funds in ERAF to fulfill the obligation to the school districts, excess funds are returned to the taxing entities that contributed the funding). The County of Santa Clara has recommended setting aside 20% of the excess ERAF receipts starting from FY 2020/21. These funds have been set aside in a reserve that was established in FY 2022/23.

- **Sales Tax** - The sales tax category, which includes general sales tax and public safety sales tax proceeds, totaled \$61.8 million. This collection level was \$1.3 million (2.1%) above the budgeted estimate of \$60.5 million but was 4.2% below the prior year level of \$64.5 million. The decline from the prior year was the result of declines in construction (down 19.5%), transportation (down 7.4%), general retail (down 1.0%), and the countywide pool (down 12.2%), partially offset by increases in business-to-business (up 2.0%) and food products (up 7.5%).
- **Transient Occupancy Tax (TOT)** - TOT receipts totaled \$22.3 million in FY 2023/24, exceeding the budget estimate of \$21.3 million, the FY 2022/23 receipts of \$19.0 million, and the FY 2021/22 receipts of \$10.8 million. The increase in receipts is due in part to the 1% TOT rate increase that went into effect in January 2024. This collection level, however, remains below the pre-COVID level of \$22.5 million in FY 2018/19.
- **Other Taxes** - This category includes franchise fees and the documentary transfer tax. In FY 2023/24, receipts totaled \$6.74 million, which was 0.1% below the budget of \$6.75 million. Documentary transfer taxes of \$1.4 million were below the budgeted estimate of \$1.6 million and the prior year level of \$1.5 million. Franchise fees ended the fiscal year at \$5.4 million, which is 4.2% above the budget estimate of \$5.2 million and 10.2% above the FY 2022/23 collection level of \$4.9 million.
- **Licenses and Permits** - Receipts totaled \$8.8 million, which was \$0.2 million above the budgeted estimate of \$8.6 million. This was primarily due to advanced planning revenues of \$1.2 million that had not been estimated in this category as well as higher parking permits revenue. The advanced planning revenues are allocated to the Advanced Planning Reserve. Categories that fell below budget include business tax and fire permits.
- **Fines and Penalties** - Revenues totaled \$2.57 million, slightly exceeding the budgeted estimate of \$2.32 million due to higher than budgeted municipal fines. Actual collections exceeded the FY 2022/23 receipts of \$1.4 million primarily due to higher collection charges and municipal fines.
- **State Revenues/Other Agencies Revenue** - State revenues totaled \$327,000, exceeding the budget of \$262,000 due to higher motor vehicle in-lieu fees. Other Agencies revenue totaled \$481,000, exceeding the budgeted estimate of \$389,000 due primarily to the distribution of lease revenue from the Santa Clara Redevelopment Successor Agency.
- **Other Fees for Services** - This category encompasses various fees and reimbursements, such as those collected for plan check and zoning, engineering, fire prevention, stadium activities, and recreational activities. Revenues totaling \$44.4 million ended the year above the final budget of \$41.9 million due primarily to higher receipts in the technology fee, fire hazardous generation fees, recreation fees, and planning and zoning fees. The higher collections in these areas were partially offset by lower than budgeted receipts in the engineering fees category. The FY 2023/24 revenues exceeded the FY 2022/23 collection level of \$43.2 million, with the largest positive variances in the stadium-related reimbursements, recreation fees, cost allocation plan reimbursements, and planning fees. These positive variances were partially offset by the elimination of fire construction permit fees that have been moved to a separate Fire Development Services Fund.
- **Interest Earnings** - Earnings totaled \$6.9 million and consisted of General Fund interest earning

of \$5.1 million and investment earnings in the Pension Trust Fund of \$1.8 million (these earnings are allocated to the Pension Stabilization Reserve). The General Fund interest earnings of \$5.1 million exceeded the budgeted estimate of \$3.5 million. This collection level was above the FY 2022/23 level of \$4.4 million. The yields on the City's portfolio were up in FY 2023/24 (e.g., June 2024 securities portfolio yield of 3.35% versus 2.16% in June 2023).

- **Rents** - Rent revenues totaled \$14.9 million, slightly exceeding the budgeted estimate of \$14.7 million.
- **Other Revenue** - This category totaled \$1.0 million, well above the budget estimate of \$0.4 million. This reflects higher miscellaneous payments, such as donations and escheatment of prior outstanding checks from the City (over three years) that were not processed.
- **Transfer from Silicon Valley Power (SVP)** - Revenues are directly related to the revenues collected by the City's Electric Utility Department. Per the City's charter, SVP pays 5% of their gross cash revenues to the General Fund. Based on SVP's actual cash revenue collections through June 30, 2024, the City's General Fund received \$33.1 million, which was slightly above the budgeted estimate of \$33.0 million and \$3.5 million (12.0%) above the FY 2022/23 receipts of \$29.6 million.
- **Transfers From Other Funds** - Transfers of \$2.9 million were consistent with the budget.

General Fund Expenditures

In FY 2023/24, actual expenditures of \$292.0 million were \$10.2 million below the final budget of \$302.2 million. The FY 2024/25 Adopted Budget assumed expenditure savings and carryovers of \$2.9 million in FY 2023/24 for use in FY 2024/25; factoring out those savings, expenditures ended the year with net savings of \$7.3 million.

The detailed comparison of budget to actual expenditures are shown in Tables 2 and 3 below, with Table 2 showing the expenditures by department and Table 3 showing expenditures by category (e.g., salaries; materials, services and supplies; and transfers).

**Table 2 - FY 2023/24 General Fund Expenditures and Transfers To
Final Budget vs. Actual by Department**

Function	Adopted Budget	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ (Unfavorable)	Percent Variance
General Government					
Mayor and City Council Offices	1,124,281	1,141,037	1,131,426	9,611	0.84%
City Attorney's Office	3,564,755	3,196,952	2,933,381	263,571	8.24%
City Clerk's Office	1,951,511	2,123,611	1,746,818	376,793	17.74%
City Manager's Office	5,602,377	7,709,087	6,632,995	1,076,092	13.96%
Finance	19,932,064	20,189,776	18,821,115	1,368,661	6.78%
Human Resources	4,484,181	4,464,113	3,691,480	772,633	17.31%
Information Technology	-	-	1,746	(1,746)	N/A
Total General Government	36,659,169	38,824,576	34,958,961	3,865,615	9.96%
Public Works	25,814,305	26,501,506	26,143,171	358,335	1.35%
Community Development	5,314,015	5,227,061	5,067,132	159,929	3.06%
Parks and Recreation	22,320,512	22,711,221	21,367,110	1,344,111	5.92%
Public Safety					
Fire	63,271,877	65,485,063	65,676,118	(191,055)	(0.29%)
Police	85,883,574	85,946,468	84,797,243	1,149,225	1.34%
Total Public Safety	149,155,451	151,431,531	150,473,361	958,170	0.63%
Library	11,285,947	11,229,696	10,918,701	310,995	2.77%
Non-Departmental	24,046,951	25,115,214	21,893,526	3,221,688	12.83%
Subtotal Expenditures	274,596,350	281,040,805	270,821,962	10,218,843	3.64%
Transfers To	11,645,161	21,141,424	21,141,424	-	0.00%
Total Uses of Funds	286,241,511	302,182,229	291,963,386	10,218,843	3.38%

In evaluating the expenditures by department, all departments except Fire and Information Technology remained within their General Fund appropriations. The largest savings were generated in the Parks and Recreation, Finance, and Police Departments, the City Manager's Office and Non-Departmental.

The Fire Department overspent its appropriation by \$191,055 due to higher than anticipated personnel costs. Fire Department Field Operations absences were up 24% through June when compared to the prior fiscal year (from 68,233 hours to 84,744 hours). Through June, compensatory payouts were also up 22% from the prior year and significantly above historical levels. The Information Technology Department is budgeted in a separate fund; small encumbrances totaling \$1,746 were erroneously booked in the General Fund and have been corrected in FY 2024/25.

**Table 3 - FY 2023/24 General Fund Expenditures and Transfers To
Final Budget vs. Actual by Category**

Category	Adopted Budget	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ Unfavorable	Percent Variance
Salaries					
Salary and Wages - Regular	113,930,326	112,640,675	114,549,613	(1,908,938)	(1.69%)
Salary and Wages - As Needed	6,348,837	6,592,331	6,267,336	324,995	4.93%
Overtime	8,223,704	11,004,818	9,705,114	1,299,704	11.81%
Subtotal Salaries	128,502,867	130,237,824	130,522,063	(284,239)	(0.22%)
Benefits					
Retirement - Safety	36,479,753	36,479,753	35,300,245	1,179,508	3.23%
Retirement - Miscellaneous	18,576,594	18,702,893	18,209,349	493,544	2.64%
Health	11,780,323	11,780,323	10,753,470	1,026,853	8.72%
Social Security	3,251,523	3,251,523	2,938,497	313,026	9.63%
Other Benefits	9,007,333	9,007,333	6,893,064	2,114,269	23.47%
Subtotal Benefits	79,095,526	79,221,825	74,094,625	5,127,200	6.47%
Materials, Services and Supplies	39,235,847	43,809,750	38,224,394	5,585,356	12.75%
Capital Outlay	326,519	335,815	534,971	(199,156)	(59.31%)
Interfund Services	27,435,591	27,435,591	27,445,909	(10,318)	(0.04%)
Transfers To	11,645,161	21,141,424	21,141,424	-	0.00%
Total Uses of Funds	286,241,511	302,182,229	291,963,386	10,218,843	3.38%

When evaluating the expenditures by category, the personnel-related expenditures were \$4.8 million below budget while the non-personnel expenditures were \$5.4 million below budget.

Personnel expenditures totaled \$204.6 million and were \$4.8 million below budget due to savings in the benefits category. FY 2023/24 personnel expenditures were 3.2% above the FY 2022/23 expenditure level of \$198.3 million. In FY 2023/24, Fire Department staff that support development services were shifted from the General Fund to a separate fund, reducing the personnel expenses in the General Fund. Factoring out that shift, General Fund personnel expenditures would have increased by 4.5% in FY 2023/24.

Materials, Services, Supplies and Capital Outlay expenditures and encumbrances totaled \$38.8 million and ended the year \$5.4 million, or 12.7%, below the budget of \$44.1 million. The savings were generated in the Materials, Services and Supplies category. The FY 2024/25 Adopted Budget assumed FY 2023/24 expenditure savings of \$335,000 would be available to fund the following: Police Department Parks Patrol (\$230,000), Library Department Sunday Hours (\$92,000), and Parks and Recreation Department Senior Trips (\$13,000). In addition, \$2.6 million of savings in FY 2023/24 was assumed and carried over to FY 2024/25 for the following: Commerce Plaza maintenance and repair costs (\$1.5 million), contractual services for organizational structure review (\$100,000), small business assistance (\$30,000), personnel investigations (\$75,000), ethics documents review (\$100,000), labor negotiations (\$100,000), City Council initiatives (\$250,000), employee recognition (\$200,000), and IT analysis (\$100,000), and Base Budget adjustments (\$127,000). Factoring out the \$2.9 million of assumed uses of FY 2023/24 savings, Materials, Services and Supplies expenditure savings totaled \$2.5 million.

Transfers of \$21.1 million occurred as budgeted.

Recommended Use of General Fund FY 2023/24 Fund Balance

Recommended budget adjustments will allocate the \$17.6 million in additional General Fund

balance. Actions are also recommended to allocate additional funding, including stadium settlement funds and FEMA reimbursements for prior year Covid-related expenses. These actions are summarized below and detailed in Attachment 2.

Table 4 - Recommended General Fund Budget Actions

Recommended Adjustments	\$ Impact
Fund Balance Reconciliation (adjusts for FY 2023/24 year-end revenues and expenditures)	\$17.6 M
Recommended Adjustments	
General Obligation Bond Implementation (cover staffing and other costs that are not eligible for bond funding)	\$1.00 M
Finance - FHRMS Capital Project (PeopleSoft Upgrade, Purchasing/Contracts Module, P-Cards, Inventory Management)	\$1.00 M
New Commerce/Peddler's Plaza Maintenance Capital Project (from excess rent revenue collected over prior two fiscal years)	\$0.43 M
Transfer to the new Fire CUPA Fund (Fire hazardous materials regulation funded from excess FY 2023/24 revenue)	\$0.39 M
Human Resources Department (labor negotiations, safety evaluations, and as-needed staffing for recruitments)	\$0.34 M
Central Park Library Concrete Sidewalk Replacement Capital Project (increase based on the latest engineer's estimate)	\$0.22 M
City Clerk - FY 2024/25 Election Costs (based on latest estimates from the County)	\$0.08 M
Human Resources Department - Safety Program Staff (1.0 Division Manager and 1.0 Management Analyst); cost to be absorbed in FY 2024/25 with ongoing cost of \$524,000	\$0.00 M
Capital Projects Reserve (Increase CPR from project savings at the end of FY 2023/24)	\$0.10 M
Transfer from Capital Funds to Return Project Savings to Capital Projects Reserve	(\$0.10 M)
Transfer from the PW Capital Projects Management Fund (return FY 2023/24 savings)	(\$0.16 M)
Commerce/Peddler's Plaza Carryover Reduction (reduce carryover from FY 2023/24 to FY 2024/25 based on actual FY 2023/24 expenses)	(\$1.00 M)
Pension Trust Reserve (1% of GF unfunded liability/bring reserve to 6.4% of liability, other funds will be increased to 10%)	\$5.38 M
Budget Stabilization Reserve (with FEMA reimbursements and Stadium settlement funds, the BSR would increase by \$16.2 M (from \$53.8 M to \$70.0 M); reserve increased from 18% to 23.8% of expenditures)	\$7.52 M
Ending Fund Balance (set aside funds to address funding needs that arise during FY 2024/25)	\$2.40 M
Total Adjustments to Allocate Additional Fund Balance	\$17.60 M
Other Adjustments	
Transfer from the Other City Departments Operating Grant Trust Fund (FEMA COVID Reimbursements)/Budget Stabilization Reserve	\$1.36 M

Other Revenue (Stadium Settlement Funds)/Budget Stabilization Reserve (performance rent for FY 2022/23 and FY 2023/24)	\$7.32 M
Total Other Adjustments	\$8.68 M
Total Adjustments	\$26.28 M

Capital Projects, Grants, Donations and Other Carryover Reconciliation

Estimates were used to carryover unspent Capital Improvement Program (CIP) funds from FY 2023/24 to FY 2024/25 during the FY 2024/25 and FY 2025/26 adopted CIP budget process. Attachment 2 includes the reconciliation of those project carryover true-up amounts based on actual year-end activity totaling a carryover increase of \$20.9 million. When combined with the capital project carryovers included in the FY 2024/25 budget adopted in June 2024, the capital project carryovers to FY 2024/25 total \$300.8 million.

Attachment 2 also includes amendments to certain capital projects, totaling \$6.8 million. In addition to the year-end true-up amounts and amendments for capital projects, the appropriation carryover of donations and reimbursements of \$2.5 million, grants of \$8.5 million, and other expenditures that are neither donations nor grants of \$6.9 million are also included in Attachment 2.

Other Funds

Attachment 3 - Summary of Revenue and Expenditure Performance summarizes budget to actual performance for the City's General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, Other Agency Funds, and Capital Funds. By default, year-end savings in the other funds revert to fund balances or are re-appropriated to the next year's budget through the recommended carryover of expenditures. Any recommended FY 2024/25 budget adjustments are included in Attachment 2 and a summary of the fund balance reconciliations is included in Attachment 4. Following are highlights of the FY 2023/24 performance of other City funds.

Enterprise Funds

Enterprise funds are used to finance and account for operations and activities performed by designated departments in the City or through third-party agreements. The operating revenues and expenses result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Principal operating revenues of the City's enterprise funds are charges to customers for services. Operating expenses for the City's enterprise funds include the costs of sales and services, administrative expenses and maintenance of capital assets. Following is a discussion of select Enterprise Funds.

Convention Center Enterprise Fund

The Convention Center Enterprise Fund accounts for the operations of the City's Convention Center through third-party agreements. The FY 2023/24 final budget reflects the operating budget of the concession's vendor, the operations management vendor, as well as the City. In FY 2023/24, revenues of \$19.7 million were \$4.1 million above the budgeted estimate of \$15.6 million, while expenditures and encumbrances of \$17.6 million ended the year \$1.1 million above the final budget of \$16.5 million. A budget ratification to correct the overage for FY 2023/24 is included in Attachment 1 due to the higher costs associated with having more events at the Convention Center. The Convention Center performed significantly better in FY 2023/24 as a result of the increase in events. The FY 2023/24 ending fund balance of \$7.9 million was \$2.8 million above the estimated level of

\$5.1 million used to develop the FY 2024/25 budget.

A budget action is included in this report to establish an Operations and Maintenance Reserve, consistent with the other enterprise funds.

Electric Utility Fund

The Electric Utility Fund accounts for the operation and maintenance of the City's electric utility service. This fund receives majority of its revenues from user service charges collected from residential, commercial, and industrial customers.

In FY 2023/24, total revenues and transfers of \$732.6 million were above the budget of \$724.8 million by \$7.8 million, primarily as a result of higher than estimated Interest, wholesale revenue, and charges for services. Customer service charges totaled \$654.5 million, reflecting an increase of 17.4% from the \$557.4 million received in FY 2022/23; this revenue level was \$1.2 million above the budget of \$653.3 million. When compared to the prior year, revenues of \$712.9 million were up \$84.7 million, or 13.5%, from the \$628.2 million received in FY 2022/23. Transfers of \$19.6 million occurred as budgeted.

Expenditures, including encumbrances and transfers, of \$640.0 million were \$34.8 million below the budget of \$674.8 million. This is attributed primarily to savings in salaries and benefits due to vacancies and savings in resource and production expenditures. Resource and production expenditure savings were due to lower purchase power (including fuel) and transmission expenses.

The total unrestricted fund balance and reserves ended the year at \$421.5 million, which was \$55.2 million higher than the estimates used to develop the FY 2024/25 budget.

Sewer Utility Fund

The Sewer Utility Fund accounts for the maintenance of the City's sewer lines and related facilities. These services are provided on a user charge basis to residences and businesses, which is the primary source of revenue for this fund. Revenue receipts totaled \$48.4 million, which was \$4.9 million above the budgeted estimate of \$43.5 million primarily due to the return of funding from the City of San José for the Regional Wastewater Facility capital project. This reflects the reconciliation of the City of Santa Clara's share of the actual project costs from the prior year. Actual expenditures, including encumbrances and transfers to other funds totaled \$36.9 million, ending the year \$16,118 above the final budget. This is primarily due to higher resource and production costs. A budget ratification to correct the FY 2023/24 overage is included in Attachment 1 of this report.

The unrestricted ending fund balance and reserves totaled \$34.8 million, up \$2.7 million from the estimate used to develop the FY 2024/25 budget.

Solid Waste Fund

The Solid Waste Fund accounts for the operations of the City's solid waste collection and disposal system. This fund receives the majority of its revenues from user service charges and other fees for street sweeping, household hazardous waste, and Clean-Up Campaign services. FY 2023/24 revenues of \$39.3 million ended below the budget of \$39.9 million by \$0.6 million, primarily due to lower refuse collection charges. Expenditures, including encumbrances and transfers, of \$39.6 million were \$4.5 million below the budget of \$44.1 million. This is attributed primarily to lower resource and production and material/services/supplies expenditures. The unrestricted ending fund

balance and reserves totaled \$12.9 million, which was higher than the \$9.1 million assumed in the development of the FY 2024/25 budget.

Water Utility Fund

The Water Utility Fund accounts for the operation of the City's water utility services. These services are provided on a user charge basis to residences and businesses, which is its primary source of revenue. In FY 2023/24, actual revenue totaled \$58.2 million, ending under the budgeted estimate of \$60.7 million by \$2.5 million. Actual expenditures, including encumbrances and transfers to other funds, totaled \$56.0 million, ending the year approximately \$0.8 million under the final budget of \$56.8 million.

The unrestricted ending fund balance and reserves totaled \$17.6 million, which was higher than the \$14.1 million fund balance estimate used in the development of the FY2024/25 Adopted Budget.

Special Revenue Funds

Special Revenue Funds are established to account for specific revenue sources that are legally restricted or committed to particular purposes. Following is a discussion of the City Affordable Housing Fund.

City Affordable Housing Fund

This fund promotes and facilitates the construction and retention of affordable housing and accounts for the City's Below-Market Price Purchase (BMP) Program to assist low- and moderate-income families achieve the goal of homeownership. Revenues in this fund are received from developer in-lieu fees, equity share, principal and interest repayments on housing loans, and interest income on pooled investments.

In FY 2023/24, revenues totaled \$0.9 million, which was \$0.2 million below the budgeted estimate of \$1.2 million primarily due to lower interest on housing loans. FY 2023/24 expenditures and encumbrances of \$3.8 million ended the year below the budget of \$15.4 million by approximately \$11.6 million. Of that unexpended amount, approximately \$5.0 million reflects funding for the Civic Center Drive - Low Income Housing project. The carryover of this \$5.0 million is recommended in this report to complete this project in the current fiscal year. Also, part of this balance was funding for the HomeKey project on Benton/Lawrence totaling \$5.1 million. This amount was carried over, approved separately by the City Council on October 29, 2024.

Based on actual FY 2023/24 revenues and expenditures, the ending fund balance ended the year \$11.5 million above the estimate used to develop the FY 2024/25 Adopted Budget.

Required FY 2023/24 Budget Ratifications

Based on the City Charter, the legal appropriation control is designated at the department or office level within a fund. In certain Internal Service and Special Revenue Funds, appropriations are allocated by function rather than departments or offices. In these funds, the appropriation control is at the fund level. Below the appropriation level are expenditure categories and line items. In many cases, actual expenditures may exceed the categories or line items within a department; however, savings from other categories and line items within the same department and fund may offset these overages (for example, savings due to staff vacancies may be offset by an increase in contractual

services).

Attachment 1 - FY 2023/24 Budget Amendments describes the appropriations that exceeded the appropriation control authority and are recommended to be adjusted in order to meet the legal appropriation control limit. There were overages in 14 appropriations totaling \$1.6 million in 10 funds, which were offset by available fund balance and revenues in all funds. In several cases, the overages were driven by higher revenues and activity levels that resulted in additional expenditures.

Unfunded Retirement Liability

As summarized in Table 5, the Pension Stabilization Reserves in the various funds totaled \$42.8 million at the end of FY 2023/24. Per the City's Budget and Fiscal Policies, the goal is to increase the reserve levels by 1% of the unfunded pension liability each year with a targeted level of 10% by the end of FY 2024/25.

A total contribution of \$6.4 million to the pension trust fund is recommended in this report to meet the 10% target in all funds except the General Fund. The recommended General Fund contribution is set at 1% of the unfunded liability and would bring that reserve to just over 6.4% of the total unfunded liability. The General Fund has a lower funded percentage because additional contributions were not made in some of the prior fiscal years due to the significant budget challenges. In total, reserve levels are projected at \$49.2 million, or approximately 7.2% of the City's pension liability amount, based on the figures to be reported in the Consolidated Annual Financial Report GASB 68 Report.

Table 5 - Summary of Unfunded Retirement Liability and Pension Stabilization Reserve

	Pension Stabilization Reserve Balance as of June 30, 2024	FY 2024/25 Estimated Reserve Contribution	Estimated Pension Stabilization Reserve for June 30, 2025	Unfunded Liability as of June 30, 2024 *	Projected Pension Stabilization Reserve Percent of Unfunded Liability
General Fund	\$ 29,226,846	\$ 5,379,912	\$ 34,606,758	\$ 537,991,161	6.4%
Electric	10,065,874	761,105	10,826,979	108,269,790	10.0%
Water	1,927,637	143,261	2,070,898	20,708,985	10.0%
Sewer	958,752	73,347	1,032,098	10,320,983	10.0%
Solid Waste	469,938	36,058	505,996	5,059,962	10.0%
Water Recycling	168,123	12,829	180,952	1,809,523	10.0%
Total	\$ 42,817,170	\$ 6,406,512	\$ 49,223,682	\$ 684,160,404	7.2%

* Excludes the Cemetery Fund unfunded liability amount of \$2.0 million

Status of Selected Reserves

As shown in Table 6 below, there is an overall increase in the City's selected reserves in FY 2024/25. In the FY 2024/25 Budget, the net increase of \$20.9 million was primarily the result of increases to the Rate Stabilization and Operations and Maintenance Reserves across all enterprise funds in the City.

The recommended actions in the Year-End Report adjust various reserves, resulting in an increase of \$104.5 million. This primarily reflects recommended budget actions to increase the Budget Stabilization Reserve in the General Fund and increases to the Rate Stabilization and Operation and

Maintenance reserves in the enterprise funds. This also reflects the increase of \$8.9 million to the Pension Trust Reserve, which includes the allocation of FY 2023/24 investment earnings to these reserves as well as adjustments to meet the targeted reserve levels as discussed above.

Table 6 - Summary of Selected Reserves
(\$ in millions)

Selected Reserve	Estimated July 1, 2024 Beginning Balance	FY 2024/25 Budgeted Contribution / (Use) of Reserves/	FY 2024/25 Budgeted Ending Fund Balance	FY 2023/24 Year-End Recommended Contribution / (Use) of Reserves	FY 2024/25 Revised Ending Fund Balance
General Fund - Budget Stabilization (BSR)	\$ 54.3	\$ (0.5)	\$ 53.8	\$ 16.2	\$ 70.0
General Fund - Capital Projects (CPR)	23.9	(16.1)	7.8	0.1	7.9
General Fund - Land Sale Reserve	18.5	-	18.5	-	18.5
Pension Trust Reserve (All Funds)	40.3	-	40.3	8.9	49.2
Utility Fund Rate Stabilization/O&M *	30.9	7.4	38.2	12.7	50.9
Electric Fund Rate Stabilization/O&M	230.3	30.1	260.4	66.6	327.0
Total	\$ 398.2	\$ 20.9	\$ 419.0	\$ 104.5	\$ 523.5

ENVIRONMENTAL REVIEW

The actions being considered do not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to section 15378(b)(4) of Title 14 of the California Code of Regulations in that they are a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

The fiscal impact of each fund’s results is discussed in detail in the body of this report and attachments. This report includes detailed descriptions of recommended budget amendments (Attachment 1 and 2); summary of year-end performance for the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, Other Agency Funds, and Capital Funds as described in the body of this report (see Attachment 3 tables for revenue and expenditure details); and a summary of beginning and ending fund balance adjustments for each fund due to actual results (Attachment 4). Approval of Budget Amendments included in Attachments 1 and 2 is recommended in this report.

COORDINATION

This report was coordinated with the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City

Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

1. Note and file the FY 2023/24 Budget Year-End Report.
2. Establish a Certified Unified Program Agency (CUPA) Fund to account for CUPA-related activities to be managed by the Fire Department.
3. Approve the FY 2023/24 Budget Amendments to address necessary budget ratifications totaling \$1,590,060 in 10 funds as set forth in Attachment 1 of this report (**five affirmative Council votes required for revenue actions and the use of unused balances as noted for each item in Attachment 1**).
4. Approve the FY 2024/25 Budget Amendments, as set forth in Attachment 2. This includes actions in the General Fund to distribute excess funding from the close-out of FY 2023/24 and actions to recognize FEMA reimbursements and Stadium settlement revenue, as detailed below (**five affirmative Council votes required to appropriate additional revenue and for the use of unused balances**):
 - a. Increase the Budget Stabilization Reserve in the amount of \$7,525,130, offset by an increase to the Beginning Fund Balance, a decrease in expenditures, and transfers from other funds;
 - b. Increase the Pension Stabilization Reserve in the amount of \$5,379,912, offset by an increase to the Beginning Fund Balance;
 - c. Increase the Non-Departmental budget by \$1,000,000 for General Obligation Bond Implementation, offset by an increase to the Beginning Fund Balance;
 - d. Increase the Human Resources Department budget by \$343,000, offset by an increase to the Beginning Fund Balance;
 - e. Increase the City Clerk's Office budget by \$82,000, offset by an increase to the Beginning Fund Balance;
 - f. Increase the Transfer to the General Government Capital Fund for the FHRMS Update Project in the amount of \$1,000,000, offset by an increase to the Beginning Fund Balance;
 - g. Increase the Transfer to the Public Buildings Capital Fund for the Building Parking Lot Improvements Project in the amount of \$216,000 to fund the library concrete sidewalk replacement project, offset by an increase to the Beginning Fund Balance;
 - h. Increase the Transfer to the Public Buildings Capital Fund and establish the Commerce/Peddler's Plaza Maintenance Project in the amount of \$429,894 to fund the maintenance of the two properties, offset by an increase to the Beginning Fund Balance;
 - i. Increase the Transfer from the Other City Operating Grant Trust Fund in the amount of \$8,135 to return unused funding related to Covid-19 and to close out the Tobacco Free Cities Grant Program, offset by an increase to the Budget Stabilization Reserve;
 - j. Increase the Transfer from the Public Works Capital Projects Management Fund in the amount of \$162,667 to return savings, offset by an increase to the Budget Stabilization Reserve;
 - k. Increase the Transfer from the General Government Capital Fund in the amount of \$84,237 to return capital project savings and increase the Capital Projects Reserve by \$84,237;
 - l. Increase the Transfer from the Parks and Recreation Capital Fund in the amount of \$2,642 to return capital project savings and increase the Capital Projects Reserve by \$2,642;
 - m. Increase the Transfer from the Streets and Highways Capital Fund in the amount of \$11,576 to return capital project savings and increase the Capital Projects Reserve by

- \$11,576;
- n. Establish a transfer to the newly established Fire CUPA Fund in the amount of \$392,826 to track all CUPA-related activities separately, offset by an increase to the Beginning Fund Balance;
 - o. Decrease the Commerce/Peddler's Plaza carryover in the City Manager's Office in the amount of \$1,000,000, offset by an increase to the Budget Stabilization Reserve;
 - p. Increase the Transfer to the Patrick Henry Infrastructure Improvement Fund in the amount of \$4,266, offset by an increase to the Beginning Fund Balance;
 - q. Recognize Beginning Fund Balance - Restricted for Prepayments in the amount of \$93,892 and increase the Public Works Department appropriation for remaining developer deposits for third party plan review and inspections;
 - r. Recognize Stadium settlement revenue in the amount of \$7,324,722 and increase the Budget Stabilization Reserve by \$7,324,722;
 - s. Recognize a Transfer from the Other City Departments Operating Grant Trust Fund in the amount of \$1,356,446 to recognize FEMA reimbursements for Covid-related expenses and increase the Budget Stabilization Reserve by \$1,356,446; and
 - t. Increase the Unrestricted Ending Fund Balance by \$2,400,000 to set aside funds to address funding needs that arise during FY 2024/25.
5. Add 1.0 Division Manager and 1.0 Management Analyst in the Human Resources Department to support the City's safety program, employee wellness, and the workers' compensation program.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. FY 2023/24 Budget Amendments
2. FY 2024/25 Budget Amendments
3. Summary of Revenue and Expenditure Performance by Fund
4. Summary of Fund Balance Adjustments

FY 2023/24 Budget Amendments

General Fund (001)

Item	Source of Funds	Use of Funds	Explanation
Fire Department		191,055	Increases the Fire Department budget to offset an overage in personnel costs. This action funds the Field Operations overtime and compensatory payout costs. Field Operations absences were up 24% through June when compared to the prior fiscal year (from 68,233 to 84,744 hours). Through June, compensatory payouts were also up 22% from the prior year and significantly above historical levels (five affirmative Council votes required to appropriate additional revenue) .
Information Technology Department		1,746	Increases the Information Technology Department's budget due to the inadvertent booking of a purchase order for T-Mobile in the incorrect fund. This funding will be released in FY 2024/25 (five affirmative Council votes required to appropriate additional revenue) .
Interest Earnings	192,801		This action increases the Interest Earnings revenue estimate by \$192,801 (from \$3,500,000 to \$3,692,801) to offset the actions above (five affirmative Council votes required to appropriate additional revenue) .
	192,801	192,801	

Convention Center Enterprise Fund (860)

Item	Source of Funds	Use of Funds	Explanation
Other Revenue / Event Expense	1,048,425	1,048,425	Increases the event revenue estimate to reflect higher than anticipated collections and increases the event expense appropriation to account for higher than budgeted costs associated with events held at the Convention Center (five affirmative Council votes required to appropriate additional revenue) .
	1,048,425	1,048,425	

FY 2023/24 Budget Amendments

Electric Utility Capital Fund (591)

Item	Source of Funds	Use of Funds	Explanation
Substation Protective Relay Project		2,544	Increases the Substation Protective Relay Project due to the inadvertent booking of purchase orders to this project rather than the operating budget. This funding will be released in FY 2024/25 (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		(2,544)	Decreases the Unrestricted Ending Fund Balance to offset the action above (five affirmative Council votes required for the use of unused balances) .
	-	-	

Expendable Trust Fund (079)

Item	Source of Funds	Use of Funds	Explanation
Revenue from Other Agencies / Department of Public Works - SVACA Billings	8,615	8,615	This action increases the Revenue from Other Agencies estimate and appropriates the funding to the Department of Public Works. This funding is related to reimbursements received from the Silicon Valley Animal Control Association (SVACA) for services provided by the City (five affirmative Council votes required to appropriate additional revenue) .
Revenue from Other Agencies / Information Technology - SVACA Billings	20,663	20,663	This action increases the Revenue from Other Agencies estimate and appropriates the funding to the Information Technology Department. This funding is related to reimbursements received from the Silicon Valley Animal Control Association (SVACA) for services provided by the City (five affirmative Council votes required to appropriate additional revenue) .
	29,278	29,278	

FY 2023/24 Budget Amendments

General Government Capital Fund (539)

Item	Source of Funds	Use of Funds	Explanation
Consolidate and Upgrade Servers		427	This action increases the Consolidate and Upgrade Servers project due to the inadvertent booking of purchase orders. This funding will be released in FY 2024/25 (five affirmative Council votes required for the use of unused balances) .
Replace Network Equipment		444	This action increases the Replace Network Equipment project due to the inadvertent booking of purchase orders. This funding will be released in FY 2024/25 (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		(871)	Decreases the Unrestricted Ending Fund Balance to offset the actions above (five affirmative Council votes required for the use of unused balances) .
	-	-	

Housing and Urban Development Fund (562)

Item	Source of Funds	Use of Funds	Explanation
Other Revenue / CDBG - Public Services	34,219	34,219	Recognizes additional Community Development Block Grant (CDBG) program income and appropriates the funding to the CDBG Administration project to account for additional staff time spent on CDBG services. The administration budget is based on estimated program income to be received in a given fiscal year. In FY 2023/24, program income received was higher than anticipated (five affirmative Council votes required to appropriate additional revenue) .

FY 2023/24 Budget Amendments

Housing and Urban Development Fund (562) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Other Revenue / HOME Admin Contracts	3,913	3,913	Recognizes additional HOME program income and appropriates the funding to the HOME Administration project to account for additional staff time spent on HOME services. The administration budget is based on estimated program income to be received in a given fiscal year. In FY 2023/24, program income received was higher than anticipated (five affirmative Council votes required to appropriate additional revenue) .
	38,132	38,132	

Parks and Recreation Operating Grant Trust Fund (111)

Item	Source of Funds	Use of Funds	Explanation
Senior Nutrition Program		19,181	Increases the Senior Nutrition Program grant appropriation to cover an overage resulting from a technical issue with the processing of payments. There were expenditures charged to the FY 2023/24 appropriation rather than to an existing purchase order established for this purpose. Both amounts are treated as expenditures for budgetary purposes. The purchase order was subsequently closed and the encumbrance was released in FY 2024/25 (five affirmative Council votes required for the use of unused balances) .
Unrestricted Fund Balance		(19,181)	Decreases the unrestricted ending fund balance to offset the action recommended above (five affirmative Council votes required for the use of unused balances) .
	-	-	

Prefunded Plan Review Fund (157)

Item	Source of Funds	Use of Funds	Explanation
Developer Contributions / Community Development Department - Kylli Project / Democracy Way	29,913	29,913	Increases the developer contributions revenue estimate and the Kylli Project/Democracy Way project appropriation to account for higher activity completed for the Kylli Project/Democracy way development (five affirmative Council votes required to appropriate additional revenue) .
	29,913	29,913	

FY 2023/24 Budget Amendments

Sewer Utility Debt Service Fund (494)

Item	Source of Funds	Use of Funds	Explanation
Bond Proceeds / Administrative Costs	212,798	212,798	Increases the bond proceeds estimate and the administrative costs appropriation. During the development of the FY 2023/24 budget, the cost of issuance was budgeted based on proceeds of \$35 million. However, bond proceeds were higher than anticipated, resulting in higher costs of issuance (five affirmative Council votes required to appropriate additional revenue) .
	212,798	212,798	

Sewer Utility Fund (094)

Item	Source of Funds	Use of Funds	Explanation
Water & Sewer Utilities Department - Resources/Production		16,117	Increases the resources/production appropriation to account for higher than budgeted maintenance and operations costs associated with the Regional Wastewater Facility, which the City co-owns with the City of San Jose (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		(16,117)	Decreases the Unrestricted Ending Fund Balance to offset the action above (five affirmative Council votes required for the use of unused balances) .
	-	-	

FY 2024/25 Budget Amendments General Fund

General Fund (001)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance - Reconciliation - Unrestricted	17,602,216		This action increases the Unrestricted Beginning Fund Balance from \$2,916,599 to \$20,518,815 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Technology Fee Reserve - Beginning Fund Balance/Ending Fund Balance Reconciliation	(16,371)	(16,371)	This action decreases the Technology Fee Reserve Beginning and Ending Fund Balances as a result of the FY 2023/24 year-end actual reconciliation (majority affirmative Council votes required) .
Advanced Planning Fee Reserve - Beginning Fund Balance/Ending Fund Balance Reconciliation	1,209,786	1,209,786	This action increases the Advanced Planning Reserve Beginning and Ending Fund Balance to account for planning revenues in excess of the related expenditures in FY 2023/24 (majority affirmative Council votes required) .
Historical Preservation Reserve - Beginning Fund Balance/Ending Fund Balance Reconciliation	1,893	1,893	This action increases the Historic Preservation Reserve Beginning and Ending Fund Balances as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Beginning Fund Balance - Restricted for Pre- Payments/Public Works Department Budget	93,892	93,892	This action recognizes the Beginning Fund Balance - Restricted for Prepayments to carryforward remaining developer deposit funds. Revenues were originally collected to compensate for third party plan review and inspection services as well as services from the Public Works property development division. These funds are recommended to be allocated to the Public Works Department to provide these services (majority affirmative Council votes required) .
Pension Trust Reserve - Beginning Fund Balance/Ending Fund Balance Reconciliation	1,749,421	1,749,421	This action increases the Pension Trust Reserve Beginning and Ending Fund Balances as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .

FY 2024/25 Budget Amendments General Fund

General Fund (001)

Item	Source of Funds	Use of Funds	Explanation
Accrued Liability Reserve - Beginning Fund Balance/Ending Fund Balance Reconciliation	1,882,000	1,882,000	This action increases the Accrued Liability Reserve Beginning and Ending Fund Balances as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Transfer from the Other City Department Operating Grant Trust Fund	8,135		This action establishes a transfer from the Other City Departments Operating Grant Trust Fund to return unused funding related to COVID-19 (\$5,411) and to close out the Tobacco Free Cities grant program (\$2,724) (five affirmative Council votes required to appropriate additional revenue) .
Transfer from the Public Works Capital Projects Management Fund	162,677		This action establishes a transfer from the Public Works Capital Projects Management Fund to reflect the return of FY 2023/24 savings in costs that were originally funded by the General Fund (five affirmative Council votes required to appropriate additional revenue) .
Transfer from the General Government Capital Fund/Capital Projects Reserve	84,237	84,237	This action establishes a transfer from the General Government Capital Fund in the amount of \$84,237 and an associated increase to the Capital Projects Reserve to return capital project savings from the Fire Station Video Conferencing (\$82,323) and Computer Replacement Program (\$1,914) projects (five affirmative Council votes required to appropriate additional revenue) .
Transfer from the Parks and Recreation Capital Fund/Capital Projects Reserve	2,642	2,642	This action establishes a transfer from the Parks and Recreation Capital Fund in the amount of \$2,642 and an associated increase to the General Fund Capital Project Reserve to return capital project savings for the Senior Center Natatorium HVAC System Replacement Ph I project that was originally funded by the General Fund (five affirmative Council votes required to appropriate additional revenue) .

FY 2024/25 Budget Amendments General Fund

General Fund (001)

Item	Source of Funds	Use of Funds	Explanation
Transfer from the Streets and Highways Capital Fund/Capital Projects Reserve	11,576	11,576	This action establishes a transfer from the Streets and Highways Capital Fund in the amount of \$11,576 and an associated increase to the General Fund Capital Project Reserve to return capital project savings from the Lick Mill-East River Parkway Crosswalk Improvements project that was originally funded by the General Fund (five affirmative Council votes required to appropriate additional revenue) .
Transfer to the Fire CUPA Fund		392,826	This action transfers CUPA-related revenue above the budgeted estimate that was recorded in the General Fund in FY 2023/24 to the new Fire CUPA Fund. All CUPA-related activities will be shifted to the new CUPA Fund beginning in FY 2025/26 (five affirmative Council votes required for the use of unused balances) .
City Manager's Office / Commerce and Peddler's Plaza		(1,000,000)	Based on actual FY 2023/24 expenditures, this action decreases the budgeted carryover for Commerce and Peddler's Plaza maintenance and repair costs by \$1.0 million (from \$1.5 million to \$0.5 million) (majority affirmative Council votes required) .
Transfer to Public Buildings Capital Fund / Commerce and Peddler's Plaza		429,894	This action transfers \$429,894 of excess rental revenue collected from Commerce and Peddler's Plaza to the Public Buildings Capital Fund. This funding will establish a new project to account for the maintenance of the two properties (five affirmative Council votes required for the use of unused balances) .
Transfer to the Patrick Henry Infrastructure Improvement Fund		4,266	This action transfers \$4,266 to the Patrick Henry Infrastructure Improvement Fund to offset the FY 2023/24 negative ending fund balance in that fund (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments General Fund

General Fund (001)

Item	Source of Funds	Use of Funds	Explanation
Transfer to the Public Buildings Capital Fund (Building Parking Lot Improvements Project)		216,000	This action transfers \$216,000 to the Public Building Parking Lot Improvements Project in the Public Buildings Capital Fund to address the additional funding needed for the Central Park Library concrete replacement project that is included in this project. The cost for the library portion of the project, which now incorporates recessed lighting in the concrete pathway, is estimated at \$505,000 based on the project bids (five affirmative Council votes required for the use of unused balances) .
Bond Implementation		1,000,000	This action sets aside \$1.0 million for anticipated costs related to the implementation of the \$400 million General Obligation Bond approved by the voters on November 5, 2024 (five affirmative Council votes required for the use of unused balances) .
Transfer to the General Government Capital Fund (FHRMS Update Project)		1,000,000	This action transfers \$1,000,000 to the Financial and Human Resources Management System (FHRMS) Update Project in the General Government Capital Fund to fund the PeopleSoft upgrade, implement procurement contracts and requisitions modules, P-cards, expense management, and other functionalities as well as streamline inventory and warehouse management (five affirmative Council votes required for the use of unused balances) .
City Clerk's Office (General Election Costs)		82,000	This action requests \$82,000 to increase the budget for general elections (from \$420,000 to \$502,000) based on the most recent cost estimate for the November 2024 election (five affirmative Council votes required for the use of unused balances) .
Human Resources Department (Safety Evaluations and Program Development)		100,000	This action requests \$100,000 for a consultant conducting a city-wide safety audit to ensure compliance with State regulatory programs. Funding will expand the scope of work to identify and implement State mandated trainings, as well as develop programs that are required and currently not in place (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments General Fund

General Fund (001)

Item	Source of Funds	Use of Funds	Explanation
Human Resources Department (Addition of 2.0 FTE for Safety Programs Implementation)			- This action adds 1.0 Safety Officer/Division Manager and 1.0 Management Analyst in the Human Resources Department to respond to safety and training needs that have previously been brought forward. With the city-wide safety review underway, the consultant identified the need for 1.0 Division Manager (Safety Officer) ongoing to manage and oversee the implementation of the recommendations that will be included in the final safety review report. In addition, 1.0 Management Analyst is needed to provide support to the Division Manager to centralize, program, and track safety compliance. The additional positions will coordinate safety programming, worker's compensation, and employee wellness. Factoring in the estimated timeline for hiring, this cost will be absorbed in FY 2024/25. An ongoing cost of approximately \$524,000 will be incorporated into future budgets (five affirmative Council votes required for the use of unused balances) .
Human Resources Department (As-Needed for Recruitments)		93,000	This action requests \$93,000 of as-needed funding for HR Technicians to provide recruitment support. The Management Analyst supervises and leads city-wide recruitments. As the Management Analyst is anticipated to provide support to the City Manager's Office beginning January 2025, as-needed funding will provide recruitment support during that time (five affirmative Council votes required for the use of unused balances) .
Human Resources (Labor Negotiations)		150,000	This action increases the Human Resources Department for contractual services related to labor negotiations (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments General Fund

General Fund (001)

Item	Source of Funds	Use of Funds	Explanation
Transfer from the Other City Departments Operating Grant Trust Fund (FEMA COVID Reimbursements)/Budget Stabilization Reserve	1,356,446	1,356,446	This action recognizes a transfer from the Other City Departments Operating Grant Trust Fund used to record the FEMA reimbursements for COVID-related expenditures in prior years. The General Fund had previously transferred funding to the Other City Departments Operating Grant Trust Fund to offset those COVID-related expenses. These funds are recommended to be allocated to the Budget Stabilization Reserve (five affirmative Council votes required to appropriate additional revenue) .
Other Revenue (Stadium Settlement Funds)/Budget Stabilization Reserve	7,324,722	7,324,722	This action recognizes Stadium settlement funds related to performance-based rent for FY 2022/23 (\$4,174,584) and FY 2023/24 (\$3,150,138). These funds are recommended to be set aside in the Budget Stabilization Reserve (five affirmative Council votes required to appropriate additional revenue) .
Pension Trust Reserve		5,379,912	This action increases the Pension Trust Reserve by \$5.4 million which represents 1% of the unfunded liability for the General Fund. Per the City's Budget Policies, the goal is to increase the Pension Trust Reserve by 1% of the unfunded liability annually. This action would bring the reserve in the General Fund to \$34.6 million, which represents 6.4% of the unfunded liability of \$538.0 million (five affirmative Council votes required for the use of unused balances) .
Budget Stabilization Reserve		7,525,130	This action increases the Budget Stabilization Reserve (BSR) to allocate additional fund balance from FY 2023/24. This action, along with the allocations from the stadium settlement funds and the FEMA reimbursements, would increase the BSR by \$16.2 million (from \$53.8 million to \$70.0 million) (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Unrestricted		2,400,000	Increase the Unrestricted Ending Fund Balance to set aside funds to address funding needs that arise during FY 2024/25 (majority affirmative Council votes required) .
	31,473,272	31,473,272	

FY 2024/25 Budget Amendments Enterprise Funds

Cemetery Fund (093)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	397,418	397,418	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	397,418	397,418	

Convention Center Enterprise Fund (860)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	2,516,747		This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance / Ending Fund Balance Reconciliation - Restricted Levy Funds	316,568	316,568	This action changes the Restricted Levy Funds - Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Ending Fund Balance - Operations and Maintenance Reserve		4,600,000	This action establishes an Operations and Maintenance Reserve in the amount of \$4,000,000. This brings the reserve level to approximately 90 days of operations, which meets the reserve target (five affirmative Council votes required for the use of unused balances).
Unrestricted Ending Fund Balance		(2,083,253)	This action reduces the Unrestricted Ending Fund Balance (from \$2,435,993 to \$352,740) and reallocates the funding to establish an Operations and Maintenance Reserve (majority affirmative Council votes required).
	2,833,315	2,833,315	

FY 2024/25 Budget Amendments Enterprise Funds

Electric Operating Grant Trust Fund (191)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Public Benefits Program	409,701	409,701	This action changes the Public Benefits Program - Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Mandated Program Costs		(500,000)	This action decreases the Mandated Program Costs appropriation to align with available Low Carbon Fuel Program funds and customer participation (majority affirmative Council votes required).
Ending Fund Balance - Low Carbon Fuel Program		500,000	This action increases the Low Carbon Fuel Program - Ending Fund Balance to offset the action above (majority affirmative Council votes required).
Beginning Fund Balance / Ending Fund Balance Reconciliation - Low Carbon Fuel Program	(485,833)	(485,833)	This action changes the Low Carbon Fuel Program - Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance / Ending Fund Balance Reconciliation - Greenhouse Gas Program	4,088,853	4,088,853	This action changes the Greenhouse Gas Program - Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	4,012,721	4,012,721	

Electric Utility Fund (091)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	(4,375,078)		This action decreases the Unrestricted Beginning Fund Balance (from \$95,313,916 to \$90,938,838) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning / Ending Fund Balance Reconciliation - Infrastructure Reserve	30,000,000	10,000,000	This action increases the Infrastructure Reserve Beginning Fund Balance (from \$20,000,000 to \$50,000,000) and the Ending Fund Balance (from \$40,000,000 to \$50,000,000) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).

FY 2024/25 Budget Amendments Enterprise Funds

Electric Utility Fund (091) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Beginning / Ending Fund Balance Reconciliation - Operations and Maintenance Reserve	28,750,000	2,640,000	This action increases the Operations and Maintenance Reserve Beginning Fund Balance (from \$166,250,000 to \$195,000,000) and Ending Fund Balance (from \$192,360,000 to \$195,000,000) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Ending Fund Balance - Operations and Maintenance Reserve		62,000,000	This action increases the Operations and Maintenance Reserve Ending Fund Balance (from \$195,000,000 to \$257,000,000) to contribute funds to the reserve. This brings the reserve level to approximately 154 days of operations, which is within the target range of 90 to 180 days of operations (five affirmative Council votes required for the use of unused balances).
Beginning / Ending Fund Balance Reconciliation - Rate Stabilization Reserve	2,000,000	2,000,000	This action increases the Rate Stabilization Reserve Beginning Fund Balance (from \$64,000,000 to \$66,000,000) and the Ending Fund Balance (from \$68,000,000 to \$70,000,000) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning / Ending Fund Balance Reconciliation - Trading Restricted Reserve	(1,677,372)	(1,677,372)	This action decreases the Trading Restricted Reserve - Beginning and Ending Fund Balance (from \$11,127,179 to \$9,449,807) as a result of FY 2023/24 year-end actuals reconciliation. The reserve reflects cash set aside for trading activity (majority affirmative Council votes required).
Beginning / Ending Fund Balance Reconciliation - Pension Trust Reserve	541,778	541,778	This action increases the Pension Trust Reserve - Beginning and Ending Fund Balance (from \$9,524,096 to \$10,065,874) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Ending Fund Balance - Pension Trust Reserve		761,105	As part of the City's Budget Policy, the targeted annual contribution for the Pension Trust Reserve is 1% of the City's unfunded pension liability. In accordance with this policy, this action increases the Pension Trust Reserve Ending Fund Balance, from \$10,065,874 to \$10,826,979. This brings the reserve level to 10% of the unfunded liability for the Electric Utility Fund (five affirmative Council votes required for the use of unused balances).

FY 2024/25 Budget Amendments Enterprise Funds

Electric Utility Fund (091) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Unrestricted Ending Fund Balance		(21,026,183)	This action reduces the Unrestricted Ending Fund Balance (from \$108,095,323 to \$87,069,140) and reallocates the funding to reserves to align with reserve targets (five affirmative Council votes required for the use of unused balances) .
	55,239,328	55,239,328	

Sewer Utility Fund (094)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	2,627,701		This action increases the Unrestricted Beginning Fund Balance from \$9,319,159 to \$11,946,860 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Ending Fund Balance - Operations & Maintenance Reserve		2,000,000	This action increases the Operations and Maintenance Reserve Ending Fund Balance (from \$14,348,279 to \$16,348,279) to contribute funds to the reserve. This brings the reserve level to approximately 168 days of operations, which meets the target of 90 days of operations (five affirmative Council votes required for the use of unused balances) .
Beginning / Ending Fund Balance Reconciliation - Pension Trust Reserve	50,853	50,853	This action increases the Pension Trust Reserve Beginning and Ending Fund Balance (from \$907,899 to \$958,752) as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Ending Fund Balance - Pension Trust Reserve		73,346	As part of the City's Budget Policy, the targeted annual contribution for the Pension Trust Reserve is 1% of the City's unfunded pension liability. In accordance with this policy, this action increases the Pension Trust Reserve Ending Fund Balance, from \$958,752 to \$1,032,098. This brings the reserve level to 10% of the unfunded liability for the Sewer Utility Fund (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Unrestricted		554,355	This change to the Ending Fund Balance offsets the recommended actions in this fund (majority affirmative Council votes required) .
	2,678,554	2,678,554	

FY 2024/25 Budget Amendments Enterprise Funds

Solid Waste Fund (096)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	3,761,574		This action increases the Unrestricted Beginning Fund Balance from \$4,182,225 to \$7,943,799 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Beginning / Ending Fund Balance Reconciliation - Pension Trust Reserve	24,831	24,831	This action increases the Pension Trust Reserve Beginning and Ending Fund Balance (from \$445,107 to \$469,938) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Transfer to the Solid Waste Capital Fund		500,000	This action increases the transfer to the Solid Waste Capital Fund to cover Sanitary Landfill Development - Corrective Action Landfill reserve costs (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Operations and Maintenance Reserve		7,679,279	This action increases the Operations and Maintenance Reserve Ending Fund Balance (from \$2,675,520 to \$10,354,799) to contribute funds to the reserve. This brings the reserve level to approximately 90 days of operations, which meets the target of 90 days of operations (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Pension Trust Reserve		36,058	As part of the City's Budget Policy, the targeted annual contribution for the Pension Trust Reserve is 1% of the City's unfunded pension liability. In accordance with this policy, this action increases the Pension Trust Reserve Ending Fund Balance, from \$469,938 to \$505,996. This brings the reserve level to 10% of the unfunded liability for the Solid Waste Fund (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Unrestricted		(4,453,763)	This change to the Ending Fund Balance offsets the recommended actions in this fund (majority affirmative Council votes required) .
	3,786,405	3,786,405	

FY 2024/25 Budget Amendments Enterprise Funds

Water Recycling Fund (097)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	1,744,163		This action increases the Unrestricted Beginning Fund Balance from \$651,822 to \$2,395,985 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Beginning / Ending Fund Balance Reconciliation - Pension Trust Reserve	8,946	8,946	This action increases the Pension Trust Reserve Beginning Fund Balance and the Ending Fund Balance (from \$159,177 to \$168,123) as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Resource/Production - Carryover		1,650,000	This action carries over funding in the Resource/ Production appropriation to account for the recycled water costs from April through June 2024. The invoice for the last quarter was received after the close of FY 2023/24 and was recorded in the current fiscal year (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Infrastructure Reserve		27,500	This action increases the Infrastructure Reserve Ending Fund Balance (from \$24,000 to \$51,500) to contribute funds to the reserve. This reserve level meets the target level of 20% of the average capital improvement program budget (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Pension Trust Reserve		12,829	As part of the City's Budget Policy, the targeted annual contribution for the Pension Trust Reserve is 1% of the City's unfunded pension liability. In accordance with this policy, this action increases the Pension Trust Reserve Ending Fund Balance, from \$168,123 to \$180,952. This brings the reserve level to 10% of the unfunded liability for the Water Recycling Fund (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Unrestricted		53,834	This change to the Ending Fund Balance offsets the recommended actions in this fund (majority affirmative Council votes required) .
	1,753,109	1,753,109	

FY 2024/25 Budget Amendments Enterprise Funds

Water Utility Fund (092)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	3,378,905		This action increases the Unrestricted Beginning Fund Balance from \$1,627,218 to \$5,006,123 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Beginning Fund Balance / Ending Fund Balance Reconciliation - Pension Trust Reserve	105,943	105,943	This action increases the Pension Trust Reserve Beginning and Ending Fund Balance (from \$1,821,694 to \$1,927,637) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Ending Fund Balance - Rate Stabilization Reserve		1,000,000	This action increases the Rate Stabilization Reserve Ending Fund Balance (from \$5,823,460 to \$6,823,460) to meet the target reserve level of 10% of the projected rate payer revenue (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Operations & Maintenance Reserve		2,000,000	This action increases the Operations and Maintenance Reserve Ending Fund Balance (from \$5,435,580 to \$7,435,580) to contribute funds to the reserve. This brings the reserve level to approximately 47 days of operations, which is still below the target of 90 days of operations (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Pension Trust Reserve		143,261	As part of the City's Budget Policy, the targeted annual contribution for the Pension Trust Reserve is 1% of the City's unfunded pension liability. In accordance with this policy, this action increases the Pension Trust Reserve Ending Fund Balance, from \$1,927,637 to \$2,070,898. This brings the reserve level to 10% of the unfunded liability for the Water Utility Fund (five affirmative Council votes required for the use of unused balances) .
Ending Fund Balance - Unrestricted		235,644	This change to the Ending Fund Balance offsets the recommended actions in this fund (majority affirmative Council votes required) .
	3,484,848	3,484,848	

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Bridge Maintenance District #2 Fund (463)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	36,242	36,242	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	36,242	36,242	

Building Development Services Fund (155)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	2,436,731		This action increases the Unrestricted Beginning Fund Balance from \$32,170,843 to \$34,607,574 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Community Development - Contractual Services		1,450,000	This action reflects carryover of \$1.5 million from FY 2023/24 for contractual services, related to master service agreements for ten consulting firms for as-needed consultant plan check, inspections, and permitting support services (five affirmative Council votes required for the use of unused balances).
Unrestricted Ending Fund Balance		986,731	This change to the Unrestricted Ending Fund Balance offsets the recommended action above (five affirmative Council votes required for the use of unused balances).
	2,436,731	2,436,731	

Building Special Programs and Training Fund (220)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - CASp Reserve - Restricted	10,539	10,539	This action changes the Restricted CASp Reserve - Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Building Special Programs and Training Fund (220) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Seismic Admin Reserve - Restricted	12,003	12,003	This action changes the Restricted Seismic Admin Reserve - Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance / Ending Fund Balance Reconciliation - Building Standard - Restricted	(331)	(331)	This action changes the Restricted Building Standard Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	22,211	22,211	

City Affordable Housing Fund (165)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	6,785,735		This action increases the Unrestricted Beginning Fund Balance from \$9,340,353 to \$16,126,088 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Community Development - Housing - Capital Outlay		4,944,484	This action reflects the carryover of \$4.9 million from FY 2023/24 for the Civic Center Low Income Housing project. On November 14, 2023, the City Council approved an action to appropriate a total of \$4.9 million to the Charities Housing Development Corporation of Santa Clara County. This will be treated as a loan and is meant to provide funding for the construction of affordable housing units at 1601 Civic Center Drive (five affirmative votes required for the use of unused balances).
Unrestricted Ending Fund Balance		1,841,251	This change to the Ending Fund Balance offsets the recommended actions above (five affirmative votes required for the use of unused balances).
	6,785,735	6,785,735	

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Community Facilities District 2019-1 Lawrence Station (027)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	121,925		This action increases the Unrestricted Beginning Fund Balance from \$739,349 to \$861,274 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning / Ending Fund Balance Reconciliation - Capital Reserve	(637)	(637)	This action decreases the Capital Reserve Beginning Fund Balance (from \$275,672 to \$275,035) and Ending Fund Balance (from \$353,983 to \$353,346) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Special Tax Revenues	636		This action increases the revenue estimate for the community facilities district (CFD) special tax levy from \$391,557 to \$392,193 based on the latest CFD Tax Administration Report. This estimate is based on 501 parcels within the CFD that have been issued a building permit (five affirmative Council votes required to appropriate additional revenue).
Ending Fund Balance - Capital Reserve		127	This action increases the Capital Reserve - Ending Fund Balance to allocate 20% of the increase in the projected special tax revenues (five affirmative Council votes required to appropriate additional revenue).
Ending Fund Balance - Unrestricted		122,434	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required).
	121,924	121,924	

Convention Center Maintenance District Fund (026)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	354,934	354,934	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	354,934	354,934	

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Downtown Parking Maintenance District Fund (025)

Item	Source of Funds		Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	62,804	62,804	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance / Ending Fund Balance Reconciliation - Reserve for Maintenance	1,226	1,226	This action changes the Beginning Fund Balance and Ending Fund Balance Reserve for Maintenance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	64,030	64,030	

Endowment Care Fund (077)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	52,015	52,015	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	52,015	52,015	

Engineering Operating Grant Trust Fund (144)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	91,789		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$91,789 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Other Agencies Revenue / Local Early Action Planning Program	166,087	189,491	This action carries over grant revenue not yet received and unspent appropriations for the Local Early Action Planning grant program. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances).
Regional Early Action Planning		52,684	This action carries over unspent funds for the Regional Early Action Planning grant program. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances).

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Engineering Operating Grant Trust Fund (144) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Tasman East Specific Plan		15,701	This action carries over unspent funds for the Tasman East Specific Plan grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
	257,876	257,876	

Expendable Trust Fund (079)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	1,595,821		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$1,595,821 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
City Attorney's Office		32,189	This action carries over funding from unspent funds designated to the City Attorney's Office for Environmental Enforcement Fines (\$32,189). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
City Manager's Office		12,974	This action carries over unspent funds designated to the City Manager's Office for the Caltrain Station (\$12,974). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Developer Contributions / Community Development Department	49,500	49,500	This action carries over revenue not yet received and unspent funds for the Tasman East Contributions. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Expendable Trust Fund (079) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Fire Department		92,322	This action carries over funding from unspent funds designated to the Fire Department for the following: Fire Prevention (\$1,708), Fire - Haz Mat (\$1,598), Fire - Certification Grant (\$5,223), Fire EMS Grant (\$2,681), OES Emergency Preparation (\$75,000), Training Emergency Preparation (\$4,133), and Training Classes (\$1,979). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Library Department		19,488	This action carries over funding from unspent donations designated to the Library Department for CLSA Transaction Based Reimbursement (\$1,770) and the Public Library Foundation (\$17,718). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Parks and Recreation Department		57,500	This action carries over funding from unspent donations designated to the Parks and Recreation Department for Parks events (\$57,500). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Police Department		832,411	This action carries over funding from unspent funds designated to the Police Department for the following: Bingo Enforcement Fees (\$344,040), Opioid Settlement (\$210,963), Seized Asset Funds for local (\$41) and for State (\$275,047), and Shooting Range Recycled Casings (\$2,320). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Expendable Trust Fund (079) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Public Works	1,251	14,492	This action increases the reimbursements for SVACA Billing not yet received. This action also carries over funding from unspent funds designated to the Public Works Department for Environment Enforcement Fees (\$12,875) and Seized Asset Funds for local (\$1,617). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .
Transfer to the Fire CUPA Fund		535,696	This action carries over funding from unspent funds designated to the Fire Department for Certified Unified Program Agency (CUPA) enforcement and transfers this balance to the newly established Fire CUPA Fund (five affirmative Council votes required for the use of unused balances) .
	1,646,572	1,646,572	

Fire CUPA Fund (159)

Item	Source of Funds	Use of Funds	Explanation
Transfer from the Expendable Trust Fund / CUPA Enforcement	535,696	535,696	This action establishes the Fire CUPA Fund to allow for the Fire Department to separately track Certified Unified Program Agency (CUPA)-related activities associated with state hazardous waste and hazardous materials regulatory management. This recognizes a transfer from the Expendable Trust Fund for the balance of all CUPA enforcement penalty funding and establishes a CUPA enforcement budget (majority affirmative Council votes required) .
Transfer from the General Fund	392,826		This action transfers CUPA-related revenue above the budgeted estimate that was recorded in the General Fund in FY 2023/24. All CUPA-related activities will be shifted to the new CUPA fund beginning in FY 2024/25 (five affirmative Council votes required to appropriate additional revenue) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Fire CUPA Fund (159) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Unrestricted Ending Fund Balance		392,826	This change to the Ending Fund Balance offsets the recommended actions above (five affirmative Council votes required to appropriate additional revenue) .
	928,522	928,522	

Fire Development Services Fund (158)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	819,308	819,308	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
	819,308	819,308	

Fire Operating Grant Trust Fund (178)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	(1,615,230)		This action decreases the Unrestricted Beginning Fund Balance by \$1,615,230 (from \$0 to - \$1,615,230) as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Assistance to Firefighters Grant FY21/22	68,960	81,414	This action carries over grant revenue not yet received and unspent funds for the Assistance to Firefighters Grant FY 21/22. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .
California Environmental Protection Agency Environmental Enforcement Training		26,096	This action carries over unspent funds for the California Environmental Protection Agency Environmental Enforcement Training. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Fire Operating Grant Trust Fund (178) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Emergency Management Preparedness Grant 2023	52,565	51,234	This action carries over grant revenue not yet received and unspent funds for the Emergency Management Preparedness Grant 2023. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .
Emergency Medical Services County Patient Care System 2023	51,446	752	This action carries over grant revenue not yet received and unspent funds for the Emergency Medical Services County Patient Care System 2023. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .
International Association of Fire Chiefs Grant 2023	505	2,744	This action carries over grant revenue not yet received and unspent funds for the International Association of Fire Chiefs Grant 2023. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .
Staffing for Adequate Fire and Emergency Response (SAFER)	1,935,038		This action carries over grant revenue not yet received for the Staffing for Adequate Fire and Emergency Response (SAFER) grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue) .
State Homeland Security Grant Program FY 21/22	256,430	50,073	This action carries over grant revenue not yet received and unspent funds for the State Homeland Security Grant Program FY21/22. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Fire Operating Grant Trust Fund (178) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Urban Search and Rescue Team Training	22,983		This action carries over reimbursement revenue not yet received for the Urban Search and Rescue Team Trainings. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue) .
Unrestricted Fund Balance		560,384	This change to the Unrestricted Ending Fund Balance offsets the recommended action above (five affirmative Council votes required for the use of unused balances) .
	772,697	772,697	

Gas Tax Fund (121)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	1,232,322	1,232,322	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
	1,232,322	1,232,322	

Housing and Urban Development Fund (562)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	(341,756)		This action decreases the Unrestricted Beginning Fund Balance from \$0 to (\$341,756) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Beginning Fund Balance Reconciliation - Restricted Program Income	590,766		This action increases the Beginning Fund Balance - Restricted Program Income from \$0 to \$590,766 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Housing and Urban Development Fund (562) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Other Agencies Revenue	3,648,495		This action adjusts the FY 2024/25 entitlement funds for CDBG from \$899,653 to \$984,693 and for HOME from \$364,642 to \$355,268. This action also carries over grant revenue from HUD that was unspent in FY 2023/24 and recognizes that revenue in FY 2024/25 in the amount of \$3,572,829. Of the \$3,572,829 carryover amount, \$1,598,263 is CDBG funding not yet drawn down, \$457,447 as HOME funding not yet drawn down, and the remaining \$1,517,119 as HOME-ARP funding not yet drawn down (five affirmative Council votes required to appropriate additional revenue) .
CDBG - Public Services		(2,079)	This action decreases the CDBG - Public Services appropriation, from \$525,679 to \$523,600, to reflect updated CDBG entitlement and program income (majority affirmative Council votes required) .
NCIP - CDBG		665,702	This action carries over unspent appropriations in the NCIP - CDBG project from FY 2023/24 and adjusts the FY 2024/25 project budget from \$324,321 to \$990,023 (five affirmative Council votes required for the use of unused balances) .
Rehab - Affordable Rental Housing		1,173,394	This action carries over unspent funds in the Rehab - Affordable Rental Housing project from FY 2023/24 and increases the FY 2024/25 project budget from \$100,000 to \$2,116,394 (five affirmative Council votes required for the use of unused balances) .
Rehab - Public Facilities		575,438	This action carries over unspent funds in the Rehab - Affordable Rental Housing project from FY 2023/24 and adjusts the FY 2024/25 project budget from \$0 to \$575,438 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Housing and Urban Development Fund (562) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
HOME Admin Contracts		(937)	This action decreases the HOME Admin Contracts appropriation, from \$46,464 to \$45,527, to reflect updated HOME entitlement and program income (majority affirmative Council votes required) .
CHDO Project		(1,406)	This action decreases the CHDO Project appropriation, from \$54,696 to \$53,290, to reflect updated HOME entitlement funding (majority affirmative Council votes required) .
Homeless Tenant Based Rental Assistance		(29,726)	This action decreases the Homeless Tenant Based Rental Assistance appropriation, from \$730,908 to \$701,182, to reflect updated HOME entitlement funding (majority affirmative Council votes required) .
HOME American Rescue Plan Program		1,517,119	This action carries over unspent funds in the HOME American Rescue Plan Program project from FY 2023/24 and increases the FY 2024/25 project budget from \$0 to \$1,517,119 (five affirmative Council votes required for the use of unused balances) .

 3,897,505

 3,897,505

Housing Authority Fund (164)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance/ Ending Fund Balance Reconciliation - Unrestricted	350,577	350,577	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
	350,577	350,577	

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Housing Successor Agency Fund (169)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance/ Ending Fund Balance Reconciliation - Unrestricted	806,100	806,100	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	806,100	806,100	

Library Donations Trust Fund (072)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	179,761		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$179,761 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
City Library Foundation Trust		139,444	This action carries over unspent funds associated with the City Library Foundation Trust. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances).
In Memory J. Jaffer		1,440	This action carries over unspent funds from the In Memory J. Jaffer donation. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances).
In Memory Of M. Dry		4,000	This action carries over unspent funds from the In Memory Of M. Dry donation. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances).
Library Books		1,300	This action carries over unspent funds for Library Books. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances).

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Library Donations Trust Fund (072) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Library Tote Bags		1,023	This action carries over unspent funds for Library Tote Bags. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Literacy Program		9,050	This action carries over unspent funds for the Literacy Program. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
SCSQ Irvine Contribution		22,755	This action carries over unspent funds from the SCSQ Irvine Contribution. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Summer Reading		749	This action carries over unspent funds from the Summer Reading donation. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
	179,761	179,761	

Library Operating Grant Trust Fund (112)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	77,843		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$77,843 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Adult Literacy Program 23-24		44,736	This action carries over unspent funds related to the Adult Literacy Program 23-24 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Library Operating Grant Trust Fund (112) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
ESL Tutoring Services 23-24		22,897	This action carries over unspent funds related to the ESL Tutoring Services 23-24 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Pacific Library Partnership (PLP) Link+ Reimbursement 23-24		10,210	This action carries over unspent funds related to the PLP 23-24 reimbursement for the Link+ subscription. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
	77,843	77,843	

Other City Departments Operating Grant Trust Fund (101)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	1,808,135		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$1,808,135 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Other Agency Revenue (FEMA Reimbursement)/Transfer to the General Fund	1,356,446	1,356,446	This action recognizes FEMA reimbursements for COVID-related expenditures in prior years and transfers the funds to the General Fund. The General Fund had previously transferred funding to the Other City Departments Operating Grant Trust Fund to offset those COVID-related expenses (five affirmative Council votes required to appropriate additional revenue) .
City Manager's Office - Santa Clara Overnight Care Locations Program		1,800,000	This action carries over unspent funds related to the Santa Clara Overnight Care Locations Program. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Transfer to the General Fund		8,135	This action establishes a transfer to the General Fund to return unused funding for expenses related to COVID-19 (\$5,411) and to close out the Tobacco Free Communities program (\$2,724) (five affirmative Council votes required for the use of unused balances) .
	3,164,581	3,164,581	

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Parks and Recreation Operating Grant Trust Fund (111)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	(25,911)		This action decreases the Unrestricted Beginning Fund Balance from \$135,086 to \$109,175 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Other Agencies Revenue (Senior Nutrition Program)	11,729		This action carries over reimbursement revenue not yet received for the Senior Nutrition Program. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue).
Santa Clara County Fireworks Grant FY 2024		5,000	This action carries over unspent funds for the Santa Clara County Fireworks Grant FY 2024. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances).
Other Agencies Revenue (Santa Clara Valley Open Space Authority)	21,076	21,076	This action carries over revenue not yet received and unspent funds for the Santa Clara Valley Open Space Authority grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances).
Ending Fund Balance		(19,182)	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required).
	6,894	6,894	

Police Operating Grant Trust Fund (177)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	2,122,002		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$2,122,002 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Police Operating Grant Trust Fund (177) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Abandoned Vehicle Abatement		468,537	This action carries over unspent funds for the Abandoned Vehicle Abatement program. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Alcoholic Beverage Control 23 - 24	40,676	843	This action carries over revenue not yet received and unspent funds for the Alcoholic Beverage Control 23 - 24 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .
Board of State and Community Correction 2017		38,544	This action carries over unspent funds for the Board of State and Community Correction 2017 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Board of State and Community Correction 2020		121,451	This action carries over unspent funds for the Board of State and Community Correction 2020 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Board of State and Community Correction 2023		82,987	This action carries over unspent funds for the Board of State and Community Correction 2023 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Citizens' Option for Public Safety 2018/19		36,641	This action carries over unspent funds for the Citizens' Option for Public Safety 2018/19 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Police Operating Grant Trust Fund (177) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Citizens' Option for Public Safety 2019/20		117,442	This action carries over unspent funds for the Citizens' Option for Public Safety 2019/20 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Citizens' Option for Public Safety 2020/21		163,432	This action carries over unspent funds for the Citizens' Option for Public Safety 2020/21 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Citizens' Option for Public Safety 2021/22		170,332	This action carries over unspent funds for the Citizens' Option for Public Safety 2021/22 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Citizens' Option for Public Safety 2022/23		234,894	This action carries over unspent funds for the Citizens' Option for Public Safety 2022/23 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Citizens' Option for Public Safety 2023/24		204,945	This action carries over unspent funds for the Citizens' Option for Public Safety 2023/24 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Department of Justice Tobacco 2024	27,680	27,680	This action carries over revenue not yet received and unspent funds for the Department of Justice Tobacco 2024 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Police Operating Grant Trust Fund (177) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Seized Asset Funds		305,240	This action carries over unspent funds from the Seized Asset Funds allocation. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
State Homeland Security Training 22	585	575	This action carries over revenue not yet received and unspent funds for the State Homeland Security Training 22 grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .
West Valley College Training Program		217,400	This action carries over unspent funds for the West Valley College Training grant. This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
	2,190,943	2,190,943	

Prefunded Plan Review Fund (157)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	402,169		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$402,169 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Other Revenue/Contractual Services for Development Review	92,913	495,082	This action recognizes developer contributions and carries over contractual services funding for Environment Impact Reviews and other pre-development studies that are required for development and paid by developers (five affirmative Council votes required to appropriate additional revenue and for the use of unused balances) .
	495,082	495,082	

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Public Donations Fund (067)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation	741,426		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$741,426 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
City Manager's Office		50,309	This action carries over unspent donations designated to the City Manager's Office for the following: Bank of Santa Clara Car Seat Program (\$500), Art in Public Places (\$226), Championship Teams (\$1,344), Help Your Neighbor (\$10,177), Mission City Community (\$67), Santa Clara Art in Public Spaces (\$37,720), and Undesignated Donations (\$275). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Community Development Department		5,766	This action carries over unspent donations designated to the Community Development Department including the Berryessa Adobe Donations (\$1,150) and Historical Preservation (\$4,616). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Electric Utility Department		25	This action carries over unspent donations designated to the Electric Utility Department for neighborhood solar (\$25). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Fire Department		3,345	This action carries over unspent donations designated to the Fire Department including Fire Safety (\$1,961) and Public Education (\$1,384). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Public Donations Fund (067) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Parks and Recreation Department		370,020	This action carries over unspent donations designated to the Parks and Recreation Department for the following: Arts, Crafts and Wine Festival (\$164,416), Case Management Grant (\$79,197), Community Garden (\$50), Reed & Grant Equipment (\$632), Robert Jones Jr. Theatre (\$8,874), Youth Commission (\$3,819), and the Wade Brummal Scholarship Fund (\$113,032). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
Police Department		311,961	This action carries over unspent donations designated to the Police Department for the following: Bicycle Safety Program (\$1,377), COVID Donations (\$4,544), Team 200 (\$300,000), Training Simunition Program (\$2,500), and the Police Voucher Program (\$3,540). This is a result of the FY 2023/24 year-end actuals reconciliation (five affirmative Council votes required for the use of unused balances) .
	741,426	741,426	

Public, Educational and Governmental Fee Fund (221)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	822,856	822,856	This action increases the Unrestricted Beginning Fund Balance and Ending Fund Balance from \$1,772,160 to \$2,595,016 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
	822,856	822,856	

Road Maintenance and Rehabilitation (SB1) Fund (122)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	925,374	925,374	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
	925,374	925,374	

FY 2024/25 Budget Amendments Special Revenue Funds and Other Funds

Traffic Mitigation Fund (123)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	(1,008,237)	(1,008,237)	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	(1,008,237)	(1,008,237)	

FY2024/25 Budget Amendments Internal Service Funds

Communication Acquisitions Fund (048)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	446,964		This action increases the Unrestricted Beginning Fund Balance from \$494,348 to \$941,312 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance / Ending Fund Balance Reconciliation - Equipment Reserve	189,717	189,717	This action increases the Beginning Fund Balance - Equipment Reserve and Ending Fund Balance - Equipment Reserve from \$1,030,886 to \$1,220,603 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Other Agencies Revenue Carryover	963,000		This action carries over revenue not yet received from the House Appropriations Committee for the Public Safety Communications Infrastructure Project (majority affirmative Council votes required).
Ending Fund Balance Reconciliation - Unrestricted		1,409,964	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required).
	1,599,681	1,599,681	

Fleet Operations Fund (053)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	63,335	63,335	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	63,335	63,335	

FY2024/25 Budget Amendments Internal Service Funds

Information Technology Services Fund (045)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	974,615	974,615	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
	974,615	974,615	

Public Works Capital Projects Management Fund (044)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	198,329		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$198,329 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Transfer to the General Fund		162,677	This action establishes a transfer to the General Fund to return FY 2023/24 savings in the PW Capital Projects Management costs that were originally funded by the General Fund (five affirmative Council votes required for the use of unused balances) .
Transfer to the Sewer Utility Capital Fund		35,652	This action establishes a transfer to the Sewer Utility Capital Fund to return FY 2023/24 savings in the PW Capital Projects Management costs that were originally funded by the Sewer Utility Capital Fund (five affirmative Council votes required for the use of unused balances) .
	198,329	198,329	

FY2024/25 Budget Amendments Internal Service Funds

Special Liability Insurance Fund (082)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	1,583,687	1,583,687	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	1,583,687	1,583,687	

Unemployment Insurance Fund (087)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	27,944		This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Materials/Services/Supplies - Carryforward		25,000	This action carries forward Materials/Services/Supplies funding for the fourth payment to the Employment Development Department for unemployment insurance, which due to the timing of the received invoice, will be recorded in FY 2024/25 (five affirmative Council votes required for the use of unused balances).
Ending Fund Balance Reconciliation - Unrestricted		2,944	This change to the Ending Fund Balance offsets the recommended actions above (five affirmative Council votes required for the use of unused balances).
	27,944	27,944	

Vehicle Replacement Fund (050)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	(671,661)		This action decreases the Unrestricted Beginning Fund Balance from (\$6,568,424 to \$5,896,763) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).

FY2024/25 Budget Amendments Internal Service Funds

Vehicle Replacement Fund (050) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Beginning / Ending Fund Balance - Equipment Replacement Reserve	1,052,293	1,052,293	This action increases the Equipment Replacement Reserve Beginning and Ending Fund Balance (from \$5,078,464 to \$6,130,757) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Capital Outlay - Expenditure Carryover		673,114	This action carries over Capital Outlay funding for future vehicle purchase expenses not incurred in FY 2023/24 (five affirmative Council votes required for the use of unused balances).
Ending Fund Balance - Unrestricted		(1,344,775)	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required).
	380,632	380,632	

Workers' Compensation Fund (081)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Reserve for Prepayment	78,196	78,196	This action changes the Reserve for Prepayment Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	270,774	270,774	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	348,970	348,970	

FY 2024/25 Budget Amendments Debt Service Funds

Electric Utility Debt Service Fund (491)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Reserve for Debt Service	12,332	12,332	This action changes the Reserve for Debt Service - Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	12,332	12,332	

Public Facilities Financing Corporation Fund (431)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	39,493	39,493	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	39,493	39,493	

Sewer Utility Debt Service Fund (494)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Debt Reserve	8,811	8,811	This action changes the Debt Reserve - Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	8,811	8,811	

FY 2024/25 Budget Amendments Other Agency Fund

Sports and Open Space Authority Fund (801)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	2,346		This action changes the Unrestricted Beginning Fund Balance as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Board Member Stipend		1,000	This action increases the board member stipends appropriation to provide sufficient funding for City Council meetings (five affirmative Council votes required for the use of unused balances) .
Materials, Services, and Supplies		1,000	This action increases the materials, services, and supplies appropriation to provide sufficient funding for audit services (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		346	This change to the Ending Fund Balance offsets the recommended actions above (five affirmative Council votes required for the use of unused balances) .
	2,346	2,346	

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Cemetery Capital Fund (593)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	228,809		This action increases the Unrestricted Beginning Fund Balance from \$79,940 to \$308,749 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Sarah E. Fox Mausoleum Repairs - Expenditure Carryover Adjustment		252,644	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$252,644 (from \$0 to \$252,644). The revised FY 2024/25 project budget is \$252,644 (five affirmative Council votes required for the use of unused balances).
Unrestricted Ending Fund Balance		(23,835)	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required).
	228,809	228,809	

City Affordable Housing Capital Fund (565)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	47,218	47,218	This action changes the Unrestricted Beginning Fund Balance and Ending Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
	47,218	47,218	

Convention Center Capital Fund (865)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	(3,823)		This action decreases the Unrestricted Beginning Fund Balance from \$1,726,973 to \$1,723,150 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Convention Center Capital Fund (865) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Santa Clara Convention Center Condition Assessment Repair Project - Expenditure Carryover Adjustment		(3,823)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$3,823 (from \$1,726,973 to \$1,723,150). The revised FY 2024/25 project budget is \$4,423,150 (majority affirmative Council votes required).
	(3,823)	(3,823)	

Electric Utility Capital Fund (591)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	34,716,979		This action increases the Unrestricted Beginning Fund Balance from \$136,036,903 to \$170,753,882 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Other Revenue - Revenue Carryover Adjustment	(183,355)		Based on actual FY 2023/24 revenues, this action decreases the Other Revenue carryover by a net \$183,355 (from \$26,213,951 to \$26,030,596). This includes reducing the Developer Contributions revenue carryforward for the New Business Estimate Work project by \$324,303 due to Load Development Fees being received in FY 2023/24, which shifts the funding sources for this project (majority affirmative Council votes required).
Fiber Development, Design, and Expansion - Expenditure Carryover Adjustment		(333,990)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$333,990 (from \$2,647,987 to \$2,313,997). The revised FY 2024/25 project budget is \$4,731,512 (majority affirmative Council votes required).
New Business Estimate Work - Expenditure Carryover Adjustment		884,777	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$884,777 (from \$3,232,493 to \$4,117,270). The revised FY 2024/25 project budget is \$14,477,270 (five affirmative Council votes required for the use of unused balances).

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Electric Utility Capital Fund (591) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Transmission and Distribution Capital Maintenance and Betterments - Expenditure Carryover Adjustment		(720,978)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$720,978 (from \$10,824,539 to \$10,103,561). The revised FY 2024/25 project budget is \$22,958,561 (majority affirmative Council votes required) .
Electric Yard Buildings and Grounds - Expenditure Carryover Adjustment		168,732	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$168,732 (from \$1,495,642 to \$1,664,374). The revised FY 2024/25 project budget is \$2,024,374 (five affirmative Council votes required for the use of unused balances) .
Implementation of Advanced Metering Infrastructure (AMI) - Expenditure Carryover Adjustment		(1,572)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$1,572 (from \$66,585 to \$65,013). The revised FY 2024/25 project budget is \$65,013 (majority affirmative Council votes required) .
Generation Capital Maintenance and Betterments - Expenditure Carryover Adjustment		155,656	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$155,656 (from \$731,441 to \$887,097). The revised FY 2024/25 project budget is \$2,387,097 (five affirmative Council votes required for the use of unused balances) .
Transmission System Reinforcements - Expenditure Carryover Adjustment		65,634	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$65,634 (from \$1,248,262 to \$1,313,896). The revised FY 2024/25 project budget is \$1,313,896 (five affirmative Council votes required for the use of unused balances) .
Major Engine Overhaul and Repair - Expenditure Carryover Adjustment		13,729	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$13,729 (from \$2,699,601 to \$2,713,330). The revised FY 2024/25 project budget is \$5,198,330 (five affirmative Council votes required for the use of unused balances) .
Operations and Planning Technology - Expenditure Carryover Adjustment		(34,437)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$34,437 (from \$1,605,962 to \$1,571,525). The revised FY 2024/25 project budget is \$5,601,525 (majority affirmative Council votes required) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Electric Utility Capital Fund (591) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Clean Energy and Carbon Reduction - Expenditure Carryover Adjustment		(1)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$1 (from \$4,118,106 to \$4,118,105). The revised FY 2024/25 project budget is \$4,118,105 (majority affirmative Council votes required).
System Expansion Planning and Analysis - Expenditure Carryover Adjustment		156,488	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$156,488 (from \$2,176,004 to \$2,332,492). The revised FY 2024/25 project budget is \$3,242,492 (five affirmative Council votes required for the use of unused balances).
Esperanca Substation - Expenditure Carryover Adjustment		688,953	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$688,953 (from \$10,025,175 to \$10,714,128). The revised FY 2024/25 project budget is \$26,714,128 (five affirmative Council votes required for the use of unused balances).
Substation Physical Security Improvements - Expenditure Carryover Adjustment		(1,443)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$1,443 (from \$224,472 to \$223,029). The revised FY 2024/25 project budget is \$723,029 (majority affirmative Council votes required).
Storm Water Compliance - Expenditure Carryover Adjustment		53,310	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$53,310 (from \$175,922 to \$229,232). The revised FY 2024/25 project budget is \$229,232 (five affirmative Council votes required for the use of unused balances).
Homestead Substation Rebuild - Expenditure Carryover Adjustment		1,326	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$1,326 (from \$1,414,815 to \$1,416,141). The revised FY 2024/25 project budget is \$3,781,141 (five affirmative Council votes required for the use of unused balances).
Yard Pavement Project - Expenditure Carryover Adjustment		(2,824)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$2,824 (from \$816,713 to \$813,889). The revised FY 2024/25 project budget is \$813,889 (majority affirmative Council votes required).

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Electric Utility Capital Fund (591) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Replace Balance of Plant Control System (DCS) - Expenditure Carryover Adjustment		(58,737)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$58,737 (from \$514,044 to \$455,307). The revised FY 2024/25 project budget is \$570,307 (majority affirmative Council votes required) .
Electric Vehicle (EV) Charging - Expenditure Carryover Adjustment		6,554	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$6,554 (from \$2,764,150 to \$2,770,704). The revised FY 2024/25 project budget is \$2,770,704 (five affirmative Council votes required for the use of unused balances) .
San Tomas Junction - Expenditure Carryover Adjustment		457,933	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$457,933 (from \$119,238 to \$577,171). The revised FY 2024/25 project budget is \$577,171 (five affirmative Council votes required for the use of unused balances) .
Laurelwood Substation - Expenditure Carryover Adjustment		16,290	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$16,290 (from \$2,934,614 to \$2,950,904). The revised FY 2024/25 project budget is \$2,950,904 (five affirmative Council votes required for the use of unused balances) .
Northwest Loop Capacity Upgrade - Expenditure Carryover Adjustment		143,698	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$143,698 (from \$12,815,096 to \$12,958,794). The revised FY 2024/25 project budget is \$18,583,794 (five affirmative Council votes required for the use of unused balances) .
Renewable Energy Microgrid - Expenditure Carryover Adjustment		(446)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$446 (from \$3,970,059 to \$3,969,613). The revised FY 2024/25 project budget is \$3,969,613 (majority affirmative Council votes required) .
Substation Control and Communication System Replacement - Expenditure Carryover Adjustment		11,160	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$11,160 (from \$5,120,764 to \$5,131,924). The revised FY 2024/25 project budget is \$5,331,924 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Electric Utility Capital Fund (591) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Stender Way Junction Substation - Expenditure Carryover Adjustment		544,605	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$544,605 (from \$3,280,208 to \$3,824,813). The revised FY 2024/25 project budget is \$3,824,813 (five affirmative Council votes required for the use of unused balances) .
Memorex Junction Substation - Expenditure Carryover Adjustment		(77,692)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$77,692 (from \$3,625,476 to \$3,547,784). The revised FY 2024/25 project budget is \$3,547,784 (majority affirmative Council votes required) .
Martin Avenue Junction Substation - Expenditure Carryover Adjustment		601,578	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$601,578 (from \$6,643,334 to \$7,244,912). The revised FY 2024/25 project budget is \$7,244,912 (five affirmative Council votes required for the use of unused balances) .
Freedom Circle Junction Substation - Expenditure Carryover Adjustment		481,351	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$481,351 (from \$1,625,613 to \$2,106,964). The revised FY 2024/25 project budget is \$2,106,964 (five affirmative Council votes required for the use of unused balances) .
60KV Breaker Upgrades - Expenditure Carryover Adjustment		749,666	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$749,666 (from \$2,295,967 to \$3,045,633). The revised FY 2024/25 project budget is \$3,045,633 (five affirmative Council votes required for the use of unused balances) .
KRS Rebuild and Replacement - Expenditure Carryover Adjustment		3,626,149	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$3,626,149 (from \$6,399,727 to \$10,025,876). The revised FY 2024/25 project budget is \$33,025,876 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Electric Utility Capital Fund (591) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
NRS Upgrades and Expansion - Expenditure Carryover Adjustment		(104,849)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$104,849 (from \$6,459,873 to \$6,355,024). The revised FY 2024/25 project budget is \$53,355,024 (majority affirmative Council votes required) .
NRS-KRS 115kV Line - Expenditure Carryover Adjustment		3,071,829	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$3,071,829 (from \$6,541,389 to \$9,613,218). The revised FY 2024/25 project budget is \$21,393,218 (five affirmative Council votes required for the use of unused balances) .
SRS Rebuild and Replacement - Expenditure Carryover Adjustment		3,527,527	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$3,527,527 (from \$6,534,425 to \$10,061,952). The revised FY 2024/25 project budget is \$33,061,952 (five affirmative Council votes required for the use of unused balances) .
Bowers Avenue Junction		1,705,568	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$455,568 (from \$1,410,893 to \$1,866,461). The project is also increased by \$1,250,000 to appropriate additional revenue that was received in FY 2023/24 from the customer for the substation project. The revised FY 2024/25 project budget is \$3,116,461 (five affirmative Council votes required for the use of unused balances and to appropriate additional revenue) .
Walsh-Uranium 60kV Reconductor - Expenditure Carryover Adjustment		(54)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$54 (from \$2,750,047 to \$2,749,993). The revised FY 2024/25 project budget is \$12,109,993 (majority affirmative Council votes required) .
Transmission Loop 1 - Expenditure Carryover Adjustment		36,411	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$36,411 (from \$5,146,942 to \$5,183,353). The revised FY 2024/25 project budget is \$10,668,353 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Electric Utility Capital Fund (591) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Grizzly Tap Line Repairs - Expenditure Carryover Adjustment		3,656,958	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$3,656,958 (from \$4,229,588 to \$7,886,546). The revised FY 2024/25 project budget is \$16,886,546 (five affirmative Council votes required for the use of unused balances) .
Battery Energy Storage System - Expenditure Carryover Adjustment		22,116	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$22,116 (from \$655,565 to \$677,681). The revised FY 2024/25 project budget is \$4,427,681 (five affirmative Council votes required for the use of unused balances) .
Juliette Substation Transformer Rerate and Installation		4,332,682	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$501,944 (from \$12,668,736 to \$13,170,680). The project is also increased by \$3,830,738 to appropriate additional revenue that was received in FY 2023/24 from the customer to expand the substation per customer request for design costs. The revised FY 2024/25 project budget is \$17,001,418 (five affirmative Council votes required for the use of unused balances and to appropriate additional revenue) .
Democracy Substation - Expenditure Carryover Adjustment		17,344	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$17,344 (from \$44,612 to \$61,956). The revised FY 2024/25 project budget is \$61,956 (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		10,672,623	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required) .
	34,533,624	34,533,624	

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Fire Department Capital Fund (536)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	155,859		This action increases the Unrestricted Beginning Fund Balance from \$394,436 to \$550,295 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
City-Wide AED Replacements - Expenditure Carryover Adjustment		5,579	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$5,579 (from \$0 to \$5,579). The revised FY 2024/25 project budget is \$5,579 (five affirmative Council votes required for the use of unused balances) .
Computer Aided Dispatch (CAD) Alerting System Upgrade - Expenditure Carryover Adjustment		6,074	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$6,074 (from \$21,377 to \$27,451). The revised FY 2024/25 project budget is \$27,451 (five affirmative Council votes required for the use of unused balances) .
Defibrillator/Monitor Replacement - Expenditure Carryover Adjustment		69,754	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$69,754 (from \$0 to 69,754). The revised FY 2024/25 project budget is \$139,754 (five affirmative Council votes required for the use of unused balances) .
Emergency Operations Center Capital Refurbishment - Expenditure Carryover Adjustment		7,358	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$7,358 (from \$0 to \$7,358). The revised FY 2024/25 project budget is \$7,358 (five affirmative Council votes required for the use of unused balances) .
Emergency Operations Center Communications System Upgrade - Expenditure Carryover Adjustment		40,599	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$40,599 (from \$0 to \$40,599). The revised FY 2024/25 project budget is \$40,599 (five affirmative Council votes required for the use of unused balances) .
Fire Department Accela Implementation - Expenditure Carryover Adjustment		1,346	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$1,346 (from \$169,000 to \$170,346). The revised FY 2024/25 project budget is \$170,346 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Fire Department Capital Fund (536) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Fire Station 2 Window Seismic Upgrades		62,000	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$62,000 (from \$0 to \$62,000). The project is also increased by a budget reallocation of \$22,000 from capital project savings from the Diesel Exhaust Removal Systems project. The revised FY 2024/25 project budget is \$62,000 (five affirmative Council votes required for the use of unused balances) .
Protective Equipment Replacement - Expenditure Carryover Adjustment		(39,826)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$39,826 (from \$48,815 to \$8,989). The revised FY 2024/25 project budget is \$601,008 (majority affirmative Council votes required) .
Replacement SCBA Filling Stations - Expenditure Carryover Adjustment		2,975	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$2,975 (from \$0 to \$2,975). The revised FY 2024/25 project budget is \$2,975 (five affirmative Council votes required for the use of unused balances) .
	155,859	155,859	

General Government Capital Fund (539)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	1,150,028		This action increases the Unrestricted Beginning Fund Balance from \$7,525,112 to \$8,675,140 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Agenda and Document Management Systems Project - Expenditure Carryover Adjustment		85,245	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$85,245 (from \$400,000 to \$485,245). The revised FY 2024/25 project budget is \$485,245 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

General Government Capital Fund (539) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
CAD/RMS System Replacement Project - Expenditure Carryover Adjustment			(2) Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$2 (from \$178,429 to \$178,427). The revised FY 2024/25 project budget is \$178,427 (majority affirmative Council votes required) .
City Facilities Fiber Network Project - Expenditure Carryover Adjustment		155,946	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$155,946 (from \$0 to \$155,946). The revised FY 2024/25 project budget is \$155,946 (five affirmative Council votes required for the use of unused balances) .
Cybersecurity Risk Mitigation Project - Expenditure Carryover Adjustment		7,711	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$7,711 (from \$0 to \$7,711). The revised FY 2024/25 project budget is \$417,711 (five affirmative Council votes required for the use of unused balances) .
Downtown Master Plan Project - Expenditure Carryover Adjustment		13,502	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$13,502 (from \$0 to \$13,502). The revised FY 2024/25 project budget is \$13,502 (five affirmative Council votes required for the use of unused balances) .
El Camino Specific Plan - Expenditure Carryover Adjustment		(44,879)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$44,879 (from \$875,968 to \$831,089). The revised FY 2024/25 project budget is \$831,089 (majority affirmative Council votes required) .
FHRMS Update Project - Expenditure Carryover Adjustment		(109,086)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$109,086 (from \$1,116,917 to \$1,007,831). The revised FY 2024/25 project budget is \$1,662,831 (majority affirmative Council votes required) .
GIS Enterprise System (Geospatial Information System) Project - Expenditure Carryover Adjustment		(31,765)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$31,765 (from \$87,493 to \$55,728). The revised FY 2024/25 project budget is \$355,728 (majority affirmative Council votes required) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

General Government Capital Fund (539) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Morse Mansion Rehabilitation Project - Expenditure Carryover Adjustment		(246)	Based on actual FY 2023/24 expenditures and revenues, this action decreases the project carryover by \$246 (from \$68,042 to \$67,796). The revised FY 2024/25 project budget is \$117,796 (majority affirmative Council votes required) .
Office Reconfiguration Project - Expenditure Carryover Adjustment		(129)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$129 (from \$257,769 to \$257,640). The revised FY 2024/25 project budget is \$257,640 (majority affirmative Council votes required) .
Permit Information System Project - Expenditure Carryover Adjustment		994,149	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$994,149 (from \$226,263 to \$1,220,412). The revised FY 2024/25 project budget is \$1,220,412 (five affirmative Council votes required for the use of unused balances) .
Transportation Demand Management Project - Expenditure Carryover Adjustment		(6,813)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$6,813 (from \$158,374 to \$151,561). The revised FY 2024/25 project budget is \$151,561 (majority affirmative Council votes required) .
Utility Management Information System (UMIS) Enhancements Project - Expenditure Carryover Adjustment		2,158	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$2,158 (from \$2,057,462 to \$2,059,620). The revised FY 2024/25 project budget is \$2,060,620 (five affirmative Council votes required for the use of unused balances) .
Transfer from the General Fund - Capital Projects Reserve/FHRMS Update Project	1,000,000	1,000,000	This action increases the transfers from the General Fund Capital Projects Reserve in the amount of \$1,000,000 to the Financial and Human Resources Management System (FHRMS) Update Project to fund the PeopleSoft upgrade, implement procurement contracts and requisitions modules, P-cards, expense management, and other functionalities as well as streamline inventory and warehouse management (five affirmative Council votes required to appropriate additional revenue) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

General Government Capital Fund (539) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Transfer to the General Fund - Capital Projects Reserve		84,237	This action establishes a transfer to the General Fund Capital Projects Reserve to return capital project savings from the Fire Station Video Conferencing (\$82,323) and Computer Replacement Program (\$1,914) projects (five affirmative Council votes required for the use of unused balances) .
	2,150,028	2,150,028	

Library Department Capital Fund (537)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	16,863		This action increases the Unrestricted Beginning Fund Balance from \$244,327 to \$261,190 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Photovoltaic System Installation at the Northside Branch Library - Expenditure Carryover Adjustment		830	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$830 (from \$0 to \$830). The revised FY 2024/25 project budget is \$830 (five affirmative Council votes required for the use of unused balances) .
Public Spaces - Expenditure Carryover Adjustment		(1)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$1 (from \$28,627 to \$28,626). The revised FY 2024/25 project budget is \$28,626 (majority affirmative Council votes required) .
Central Park Library Concrete Sidewalk Replacement		16,034	Based on actual FY 2023/24 expenditures, this action reallocates the remaining balance of \$16,034 from Central Library Fire Panel Upgrade to Central Park Library Concrete Sidewalk Replacement to increase funding (from \$215,700 to \$231,734). The revised FY 2024/25 project budget is \$231,734 (majority affirmative Council votes required) .
	16,863	16,863	

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Parks and Recreation Capital Fund (532)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Mitigation Fee Act Fees	723,726		This action increases the Mitigation Fee Act Fees Beginning Fund Balance from \$36,996,667 to \$37,720,393 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance Reconciliation - Quimby Act Fees	571,272		This action increases the Quimby Act Fees Beginning Fund Balance from \$5,460,126 to \$6,031,398 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance Reconciliation - Developer Contributions	236,468		This action increases the Unrestricted Beginning Fund Balance from \$757,467 to \$993,935 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance Reconciliation - Recreation Area Lot Fees	5,500		This action increases the Recreation Area Lot Fees Beginning Fund Balance from \$131,075 to \$136,575 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Beginning Fund Balance Reconciliation - Unrestricted	962,103		This action increases the Unrestricted Beginning Fund Balance from (\$1,387,985) to (\$425,882) as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Central Park Access & Parking Improvements - Expenditure Carryover Adjustment		172,727	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$172,727 (from \$2,113,840 to \$2,286,567). The revised FY 2024/25 project budget is \$5,286,567 (five affirmative Council votes required for the use of unused balances).
Eddie Souza Park Building Repair - Expenditure Carryover Adjustment		7,024	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$7,024 (from \$39,357 to \$46,381). The revised FY 2024/25 project budget is \$46,381 (five affirmative Council votes required for the use of unused balances).

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Parks and Recreation Capital Fund (532) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Electronic Access for Meeting Rooms - Expenditure Carryover Adjustment		(53,846)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$53,846 (from \$455,372 to \$401,526). The revised FY 2024/25 project budget is \$401,526 (majority affirmative Council votes required).
Facility Condition Assessment - Expenditure Carryover Adjustment		400,000	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$400,000 (from \$0 to \$400,000). The revised FY 2024/25 project budget is \$400,000 (five affirmative Council votes required for the use of unused balances).
FF&E Developer Delivered Parkland - Expenditure Carryover Adjustment		(3,893)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$3,893 (from \$7,246 to \$3,353). The revised FY 2024/25 project budget is \$3,353 (majority affirmative Council votes required).
Montague Park Enhancement - Expenditure Carryover Adjustment		(1)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$1 (from \$462,981 to \$462,980). The revised FY 2024/25 project budget is \$462,980 (majority affirmative Council votes required).
Park Impact Fees (Quimby, MFA, Developer) Monitoring Project		1,295	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$10 (from \$868,702 to \$868,692). The project is also increased by \$1,305 to appropriate two percent (2%) of additional Quimby Act Fees revenue (\$65,263) that was received in FY 2023/24. These fees are transferred to this project annually (City Chapter 17.35 of the City Code) to support staff and studies related to the park in-lieu program. The revised FY 2024/25 project budget is \$869,997 (five affirmative Council votes required for the use of unused balances).
Park Improvements - Expenditure Carryover Adjustment		(1)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$1 (from \$20,918 to \$20,917). The revised FY 2024/25 project budget is \$490,917 (majority affirmative Council votes required).

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Parks and Recreation Capital Fund (532) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Parkland Acquisition		15,989	This action increases the Parkland Acquisition budget by \$15,989 to appropriate 25% of additional Quimby Act Fees revenue (\$65,263) that was received in FY 2023/24, after allocating two percent (2%) towards the Park Impact Fees Monitoring Project. The revised FY 2024/25 project budget is \$10,541,549 (five affirmative Council votes required for the use of unused balances and to appropriate additional revenue) .
Planning and Construction of Temporary and/or Permanent ISC Replacement Facility - Expenditure Carryover Adjustment		(540)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$540 (from \$662,609 to \$662,069). The revised FY 2024/25 project budget is \$1,362,069 (majority affirmative Council votes required) .
Westwood Oaks Park Playground Rehabilitation - Expenditure Carryover Adjustment		(2,073)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$2,073 (from \$68,590 to \$66,517). The revised FY 2024/25 project budget is \$66,517 (majority affirmative Council votes required) .
Youth Soccer Fields & Athletic Facilities- Reed & Grant Street - Expenditure Carryover Adjustment		893,642	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$893,642 (from \$254,969 to \$1,148,611). The revised FY 2024/25 project budget is \$1,148,611 (five affirmative Council votes required for the use of unused balances) .
Transfer to the General Fund - Capital Projects Reserve		2,642	This action establishes a transfer to the General Fund - Capital Projects Reserve to return capital project savings for the Senior Center Natatorium HVAC System Replacement Ph I project that was originally funded by the General Fund (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		1,066,104	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required) .
		2,499,069	2,499,069

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Patrick Henry Drive Infrastructure Improvement Fund (542)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	(4,266)		This action decreases the Unrestricted Beginning Fund Balance from \$0 to (\$4,266) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Transfer from the General Fund	4,266		This action establishes a transfer from the General Fund to offset the negative fund balance (five affirmative Council votes required to appropriate additional revenue) .
	-	-	

Public Buildings Capital Fund (538)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	1,858,783		This action increases the Unrestricted Beginning Fund Balance from \$1,429,129 to \$3,287,912 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Berman Building Gate and Electrical Panel Upgrades Project - Expenditure Carryover Adjustment		133,370	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$133,370 (from \$0 to \$133,370). The revised FY 2024/25 project budget is \$133,370 (five affirmative Council votes required for the use of unused balances) .
Civic Center Campus Renovation (Multi-Department) - Expenditure Carryover Adjustment		139,127	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$139,127 (from \$0 to \$139,127). The revised FY 2024/25 project budget is \$139,127 (five affirmative Council votes required for the use of unused balances) .
Hazardous Material Management for Soil and Groundwater on City Properties - Expenditure Carryover Adjustment		1,509	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$1,509 (from \$159,666 to \$161,175). The revised FY 2024/25 project budget is \$161,175 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Public Buildings Capital Fund (538) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Public Building Parking Lot Improvements - Expenditure Carryover Adjustment		(7,432)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$7,432 (from \$353,849 to \$346,417). The revised FY 2024/25 project budget is \$346,417 (majority affirmative Council votes required) .
Transfer from the General Fund Capital Projects Reserve/ Public Building Parking Lot Improvements	216,000	216,000	This action transfers \$216,000 from the General Fund Capital Projects Reserve to the Public Building Parking Lot Improvements Project to address the additional funding needed for the Central Park Library concrete replacement project that is incorporated into this larger project. The total cost for the library portion of the project, which now incorporates recessed lighting in the concrete pathway, is estimated at \$505,000 based on the project bids and has a funding gap of \$216,000 (five affirmative Council votes required to appropriate additional revenue) .
Transfer from the General Fund/Commerce and Peddler's Plaza Maintenance Project	429,894	429,894	This action recognizes a transfer from the General Fund in the amount of \$429,894 and establishes a new project for the maintenance of the Commerce and Peddler's Plaza properties. This amount reflects the excess rental revenue collected for both properties (five affirmative Council votes required to appropriate additional revenue) .
Repair to Historic Buildings - Expenditure Carryover Adjustment		9,293	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$9,293 (from \$99,751 to \$109,044). The revised FY 2024/25 project budget is \$209,044 (five affirmative Council votes required for the use of unused balances) .
Repairs-Modifications to City Buildings - Expenditure Carryover Adjustment		178,230	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$178,230 (from \$55,584 to \$233,814). The revised FY 2024/25 project budget is \$408,814 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Public Buildings Capital Fund (538) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Stationary Standby Generators - Expenditure Carryover Adjustment		1,392,741	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$1,392,741 (from \$0 to \$1,392,741). The revised FY 2024/25 project budget is \$1,392,741 (five affirmative Council votes required for the use of unused balances) .
Triton Museum Repair and Modifications - Expenditure Carryover Adjustment		11,945	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$11,945 (from \$0 to \$11,945). The revised FY 2024/25 project budget is \$46,945 (five affirmative Council votes required for the use of unused balances) .
	2,504,677	2,504,677	

Recycled Water Capital Fund (597)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance / Ending Fund Balance Reconciliation - Unrestricted	21,800	21,800	This action changes the Unrestricted Beginning Fund Balance (from \$419,305 to \$441,105) and Ending Fund Balance (from \$19,305 to \$41,105) as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
	21,800	21,800	

Related Santa Clara Developer Fund (540)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	19,828		This action increases the Unrestricted Beginning Fund Balance from \$0 to \$19,828 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Related Other Development Services - Expenditure Carryover Adjustment		19,828	Based on actual FY 2023/24 revenues associated with this project, this action increases the project carryover by \$19,828 (from \$0 to \$19,828). The revised FY 2024/25 project budget is \$669,828 (majority affirmative Council votes required) .
	19,828	19,828	

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Sewer Utility Capital Fund (594)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	(311,709)		This action decreases the Unrestricted Beginning Fund Balance from \$8,363,487 to \$8,051,778 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Beginning Fund Balance Reconciliation - Restricted Sewer Conveyance Fee	837,569		This action increases the Restricted Sewer Conveyance Fee Beginning Fund Balance from \$54,978,049 to \$55,815,618 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Transfer from the Public Works Capital Projects Management Fund	35,652		This action establishes a transfer from the Public Works Capital Projects Management Fund to reflect the return of FY 2023/24 savings in costs that were originally funded by the Sewer Utility Capital Fund (five affirmative Council votes required to appropriate additional revenue) .
Sanitary Sewer Capacity Improvements Project - Expenditure Carryover Adjustment		(76,589)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$76,589 (from \$22,452,460 to \$22,375,871). The revised FY 2024/25 project budget is \$28,375,871 (majority affirmative Council votes required) .
Sanitary Sewer Hydraulic Modeling As Needed Support Project - Expenditure Carryover Adjustment		(30,780)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$30,780 (from \$30,780 to \$0). The revised FY 2024/25 project budget is \$150,776 (majority affirmative Council votes required) .
Sanitary Sewer Master Plan Update Project - Expenditure Carryover Adjustment		8,517	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$8,517 (from \$0 to \$8,517). The revised FY 2024/25 project budget is \$8,517 (five affirmative Council votes for the use of unused balances) .
Sanitary Sewer System Improvements Project - Expenditure Carryover Adjustment		138,608	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$138,608 (from \$183,699 to \$322,307). The revised FY 2024/25 project budget is \$3,422,307 (five affirmative Council votes for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Sewer Utility Capital Fund (594) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Fund Balance Reconciliation - Restricted Sewer Conveyance Fee		(194,658)	This action decreases the Ending Fund Balance - Restricted Sewer Conveyance Fee allocation to reflect the restricted portion of the ending fund balance remaining after the programmed FY 2023/24 expenses (majority affirmative Council votes required) .
Unrestricted Ending Fund Balance		716,414	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required) .
	561,512	561,512	

Solid Waste Capital Fund (596)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	(527,037)		This action decreases the Unrestricted Beginning Fund Balance from \$407,500 to (\$119,537) as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Beginning Fund Balance Reconciliation - Landfill Corrective Action Costs	305,071		This action increases the Landfill Correction Action Costs Beginning Fund Balance (from \$232,062 to \$537,133) to align with the reserve target set by CalRecycle (majority affirmative Council votes required) .
Transfer from the Solid Waste Fund	500,000		This action increases the transfer from the Solid Waste Fund to cover Sanitary Landfill Development - Post Closure project costs to offset the negative Beginning Fund Balance adjustment (five affirmative Council votes required to appropriate additional revenue) .
Sanitary Landfill Development - Post Closure Project - Expenditure Carryover Adjustment		24,569	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$24,569 (from \$0 to \$24,569). The revised FY 2024/25 project budget is \$812,569 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Solid Waste Capital Fund (596) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Ending Fund Balance - Landfill Corrective Action Costs		314,223	This action increases the Landfill Correction Action Costs Ending Fund Balance (from \$239,024 to \$553,247) to align with revised reserve targets (majority affirmative Council votes required) .
Ending Fund Balance - Unrestricted		(60,758)	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required) .
	278,034	278,034	

Storm Drain Capital Fund (535)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	808,912		This action increases the Unrestricted Beginning Fund Balance from \$2,684,162 to \$3,493,074 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Revenue from Other Agencies	332,902		Based on actual FY 2023/24 revenues, this action increases the revenue estimate by \$332,902. The revised FY 2024/25 revenue budget is \$3,332,902 (five affirmative Council votes required to appropriate additional revenue) .
Bowers Park Parking Lot Rehabilitation - Expenditure Carryover Adjustment		(229,866)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$229,866 (from \$382,344 to \$152,478). The revised FY 2024/25 project budget is \$215,478 (majority affirmative Council votes required) .
Lafayette St. Underpass at Subway Pump Station - Expenditure Carryover Adjustment		73,311	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$73,311 (from \$10,476 to \$83,787). The revised FY 2024/25 project budget is \$83,787 (five affirmative Council votes required for the use of unused balances) .
Laurelwood Pump Station Rehabilitation - Expenditure Carryover Adjustment		(1)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$1 (from \$441,685 to \$441,684). The revised FY 2024/25 project budget is \$441,684 (majority affirmative Council votes required) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Storm Drain Capital Fund (535) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
SDPS Motor and Control Maintenance, Repair, and Replacement - Expenditure Carryover Adjustment		887,686	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$887,686 (from \$109,195 to \$996,881). The revised FY 2024/25 project budget is \$1,311,881 (five affirmative Council votes required for the use of unused balances) .
Storm Drain Pump Station Facility Maintenance & Repair - Expenditure Carryover Adjustment		65,922	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$65,922 (from \$118,281 to \$184,203). The revised FY 2024/25 project budget is \$258,753 (five affirmative Council votes required for the use of unused balances) .
Storm Drain Repairs and Maintenance - Expenditure Carryover Adjustment		316,577	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$316,577 (from \$0 to \$316,577). The revised FY 2024/25 project budget is \$466,577 (five affirmative Council votes required for the use of unused balances) .
Storm Drain Slide Gate Rehabilitation - Expenditure Carryover Adjustment		5,240	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$5,240 (from \$98,061 to \$103,301). The revised FY 2024/25 project budget is \$103,301 (five affirmative Council votes required for the use of unused balances) .
Storm Water Retention Basin Remediation - Expenditure Carryover Adjustment		10,877	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$10,877 (from \$0 to \$10,877). The revised FY 2024/25 project budget is \$10,877 (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		12,068	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required) .
	1,141,814	1,141,814	

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Street Lighting Capital Fund (534)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance	129,250		This action increases the Beginning Fund Balance from \$3,739,342 to \$3,868,592 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Reconciliation - Unrestricted			
Great America Street Light Replacement Project - Expenditure Carryover Adjustment		147,950	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$147,950 (from \$1,639,691 to \$1,787,641). The revised FY 2024/25 project budget is \$7,027,641 (five affirmative Council votes required for the use of unused balances).
LED Street Lighting Retrofit Project - Expenditure Carryover Adjustment		(2,925)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$2,925 (from \$1,654,814 to \$1,651,889). The revised FY 2024/25 project budget is \$1,651,889 (majority affirmative Council votes required).
Miscellaneous Street Lighting Project		(15,775)	This action decreases the Miscellaneous Street Lighting project by a total of \$15,775. Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$16,216 (from \$101,003 to \$84,787). The project is also increased by \$441 to appropriate additional revenue that was received in FY 2023/24 to cover developer-related work for street light installations. The revised FY 2024/25 project budget is \$210,228 (majority affirmative Council votes required).
	129,250	129,250	

Streets and Highways Capital Fund (533)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance	(336,446)		This action decreases the Unrestricted Beginning Fund Balance from \$29,382,535 to \$29,046,089 as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required).
Reconciliation - Unrestricted			

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Streets and Highways Capital Fund (533) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Other Agencies Revenue - Revenue Carryover Adjustment	(2,741,782)		Based on actual FY 2023/24 revenues, this action decreases the revenue carryover by \$2,741,782 (from \$22,490,093 to \$19,748,311). The revised FY 2024/25 revenue budget is \$24,949,769 (majority affirmative Council votes required) .
Other Revenue - Revenue Adjustment	(214,938)		Based on actual FY 2023/24 revenues, this action decreases the revenue budget by \$214,938. The revised FY 2024/25 revenue budget is \$535,062 (majority affirmative Council votes required) .
ADA Transition Plan Implementation (Public Right of Way)		159,653	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$114,749 (from \$251,920 to \$366,669). In addition, \$44,904 is reallocated from the closed Citywide Priority Curb Ramp project, resulting in a total increase of \$159,653. The revised FY 2024/25 project budget is \$661,573 (five affirmative Council votes required for the use of unused balances) .
Adaptive Signal System - Expenditure Carryover Adjustment		13,003	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$13,003 (from \$627,321 to \$640,324). The revised FY 2024/25 project budget is \$640,324 (five affirmative Council votes required for the use of unused balances) .
Annual Street Maintenance and Rehabilitation Program - Expenditure Carryover Adjustment		(2,824,598)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$2,824,598 (from \$11,107,790 to \$8,283,192). The revised FY 2024/25 project budget is \$19,451,565 (majority affirmative Council votes required) .
Bassett and Laurelwood Bicycle Lanes - Expenditure Carryover Adjustment		4,497	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$4,497 (from \$21,003 to \$25,500). The revised FY 2024/25 project budget is \$25,500 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Streets and Highways Capital Fund (533) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Benton Bike Lanes - Expenditure Carryover Adjustment		1	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$1 (from \$1,233,521 to \$1,233,522). The revised FY 2024/25 project budget is \$1,233,522 (five affirmative Council votes required for the use of unused balances) .
Bowers Avenue Class IV Bikeway Study - Expenditure Carryover Adjustment		300,000	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$300,000 (from \$0 to \$300,000). The revised FY 2024/25 project budget is \$300,000 (five affirmative Council votes required for the use of unused balances) .
Changeable Message Signs - Expenditure Carryover Adjustment		(3,229,003)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$3,229,003 (from \$3,363,299 to \$134,296). The revised FY 2024/25 project budget is \$134,296 (majority affirmative Council votes required) .
Developer Reimbursement - Expenditure Carryover Adjustment		1,259,898	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$1,259,898 (from \$1,750,000 to \$3,009,898). The revised FY 2024/25 project budget is \$3,009,898 (five affirmative Council votes required for the use of unused balances) .
LED Traffic Signal & Safety Light Replacements - Expenditure Carryover Adjustment		(39,775)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$39,775 (from \$900,810 to \$861,035). The revised FY 2024/25 project budget is \$861,035 (majority affirmative Council votes required) .
MCB/GAP Intersection Improvement Project - Expenditure Carryover Adjustment		(2,404)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$2,404 (from \$42,082 to \$39,678). The revised FY 2024/25 project budget is \$39,678 (majority affirmative Council votes required) .
Multi-Jurisdictional Transportation Technology - Expenditure Carryover Adjustment		(135,000)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$135,000 (from \$135,000 to \$0). The revised FY 2024/25 project budget is \$0 (majority affirmative Council votes required) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Streets and Highways Capital Fund (533) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Neighborhood Traffic Calming - Expenditure Carryover Adjustment		85,591	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$85,591 (from \$115,338 to \$200,929). The revised FY 2024/25 project budget is \$300,929 (five affirmative Council votes required for the use of unused balances) .
Pedestrian and Bicycle Enhancement Facilities - Expenditure Carryover Adjustment		(146,052)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$146,052 (from \$622,115 to \$476,063). The revised FY 2024/25 project budget is \$576,063 (majority affirmative Council votes required) .
Pruneridge Avenue Signal Timing - Expenditure Carryover Adjustment		(1)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$1 (from \$802,695 to \$802,694). The revised FY 2024/25 project budget is \$802,694 (majority affirmative Council votes required) .
Public Right-of-Way ADA Improvements (Settlement Agreement) - Expenditure Carryover Adjustment		1,132,939	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$1,132,939 (from \$389,014 to \$1,521,953). The revised FY 2024/25 project budget is \$1,521,953 (five affirmative Council votes required for the use of unused balances) .
Santa Clara Citywide ITS Project 2 - Expenditure Carryover Adjustment		3,517	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$3,517 (from \$0 to \$3,517). The revised FY 2024/25 project budget is \$3,517 (five affirmative Council votes required for the use of unused balances) .
Santa Clara School Access Improvements - Expenditure Carryover Adjustment		187,029	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$187,029 (from \$10,461 to \$197,490). The revised FY 2024/25 project budget is \$197,490 (five affirmative Council votes required for the use of unused balances) .
Santa Clara Vision Zero - Expenditure Carryover Adjustment		570,000	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$570,000 (from \$0 to \$570,000). The revised FY 2024/25 project budget is \$570,000 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Streets and Highways Capital Fund (533) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Santa Clara VTA - Congestion Management Program - Expenditure Carryover Adjustment		273	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$273 (from \$0 to \$273). The revised FY 2024/25 project budget is \$281,273 (five affirmative Council votes required for the use of unused balances) .
Sidewalk, Curb and Gutter Repair - Expenditure Carryover Adjustment		(27,181)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$27,181 (from \$286,657 to \$259,476). The revised FY 2024/25 project budget is \$989,476 (majority affirmative Council votes required) .
Street Tree Services - Expenditure Carryover Adjustment		40,155	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$40,155 (from \$0 to \$40,155). The revised FY 2024/25 project budget is \$478,875 (five affirmative Council votes required for the use of unused balances) .
TDA 21 Bicycle Facilities Upgrade - Expenditure Carryover Adjustment		639	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$639 (from \$0 to \$639). The revised FY 2024/25 project budget is \$639 (five affirmative Council votes required for the use of unused balances) .
Traffic Impact Fee Nexus Study Update - Expenditure Carryover Adjustment		(13,120)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$13,120 (from \$294,120 to \$281,000). The revised FY 2024/25 project budget is \$281,000 (majority affirmative Council votes required) .
Traffic Signal Interconnect Upgrade - Expenditure Carryover Adjustment		(865,217)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$865,217 (from \$868,014 to \$2,797). The revised FY 2024/25 project budget is \$252,797 (majority affirmative Council votes required) .
Traffic Signal Management Software Upgrade/Replacement - Expenditure Carryover Adjustment		121,997	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$121,997 (from \$276,427 to \$398,424). The revised FY 2024/25 project budget is \$398,424 (five affirmative Council votes required for the use of unused balances) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Streets and Highways Capital Fund (533) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Tree Replacement		653	This action allocates the tree replacement in-lieu fees collected by developers in FY 2023/24 of \$653 to the Tree Replacement budget. The revised FY 2024/25 project budget is \$18,400 (five affirmative Council votes required for the use of unused balances) .
Uncontrolled Crosswalks Improvements - Expenditure Carryover Adjustment		22,286	Based on actual FY 2023/24 expenditures, this action increases the project carryover by \$22,286 (from \$1,027,117 to \$1,049,403). The revised FY 2024/25 project budget is \$2,049,403 (five affirmative Council votes required for the use of unused balances) .
Transfer to the General Fund		11,576	This action establishes a transfer to the General Fund - Capital Projects Reserve to return capital project savings for the Lick Mill-East River Parkway Crosswalk Improvements (five affirmative Council votes required for the use of unused balances) .
Unrestricted Ending Fund Balance		75,478	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required) .
	(3,293,166)	(3,293,166)	

Tasman East Infrastructure Improvement Fund (541)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance Reconciliation - Unrestricted	(596)		This action changes the Unrestricted Beginning Fund Balance as a result of FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Tasman East Administration - Expense Carryover Adjustment		(9,779)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$9,779 (from \$10,849 to \$1,070). The revised FY 2024/25 project budget is \$29,220 (majority affirmative Council votes required) .

FY 2024/25 Budget Amendments Capital Improvement Program Funds

Tasman East Infrastructure Improvement Fund (541) (Cont'd.)

Item	Source of Funds	Use of Funds	Explanation
Unrestricted Ending Fund Balance		9,183	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required) .
	(596)	(596)	

Water Utility Capital Fund (592)

Item	Source of Funds	Use of Funds	Explanation
Beginning Fund Balance	2,210,388		This action increases the Unrestricted Beginning Fund Balance from \$8,887,036 to \$11,097,424 as a result of the FY 2023/24 year-end actuals reconciliation (majority affirmative Council votes required) .
Reconciliation - Unrestricted			
Buildings and Grounds Project - Expenditure Carryover Adjustment		(246,039)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$246,039 (from \$2,095,000 to \$1,848,961). The revised FY 2024/25 project budget is \$2,898,961 (majority affirmative Council votes required) .
Distribution System Replacement/Restoration Project - Expenditure Carryover Adjustment		(252,089)	Based on actual FY 2023/24 expenditures, this action decreases the project carryover by \$252,089 (from \$595,881 to \$343,792). The revised FY 2024/25 project budget is \$3,643,792 (majority affirmative Council votes required) .
Unrestricted Ending Fund Balance		2,708,516	This change to the Ending Fund Balance offsets the recommended actions above (majority affirmative Council votes required) .
	2,210,388	2,210,388	

Summary of Revenue and Expenditure Performance

General Fund Revenue FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Revenue	Variance Favorable/ (Unfavorable)	Percent Variance
General Fund	283,535,717	296,883,329	13,347,612	4.7%
Total	283,535,717	296,883,329	13,347,612	4.7%

General Fund Expenditures FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ (Unfavorable)	Percent Variance
General Fund	302,182,229	291,963,386	10,218,843	3.4%
Total	302,182,229	291,963,386	10,218,843	3.4%

Summary of Revenue and Expenditure Performance

Special Revenue Fund Revenue FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Revenue	Variance Favorable/ (Unfavorable)	Percent Variance
Bridge Maintenance District #2 Fund	80,000	116,242	36,242	45.3%
Building Development Services Fund	15,611,000	16,348,944	737,944	4.7%
Building Special Programs and Training Fund	44,995	58,668	13,673	30.4%
City Affordable Housing Fund	11,235,573	10,992,691	(242,882)	-2.2%
Community Facilities District No. 2019-1 (Lawrence Station) Fund	377,955	374,769	(3,186)	-0.8%
Convention Center Maintenance District Fund	2,167,123	2,179,340	12,217	0.6%
Developer Traffic Payments Fund	0	260,410	260,410	N/A
Downtown Parking Maintenance District Fund	151,230	152,456	1,226	0.8%
Endowment Care Fund	156,500	239,704	83,204	53.2%
Engineering Operating Grant Trust Fund	1,190,981	1,024,894	(166,087)	-13.9%
Expendable Trust Fund	114,597	276,855	162,258	141.6%
Fire Development Services Fund	5,054,432	5,610,942	556,510	11.0%
Fire Operating Grant Trust Fund	4,789,383	2,397,375	(2,392,008)	-49.9%
Gas Tax Fund	4,247,880	4,732,322	484,442	11.4%
Housing and Urban Development Fund	5,725,159	1,256,750	(4,468,409)	-78.0%
Housing Authority Fund	252,495	400,332	147,837	58.6%
Housing Successor Agency Fund	1,306,326	955,572	(350,754)	-26.9%
Library Donations Trust Fund	0	3	3	N/A
Library Operating Grant Trust Fund	179,325	179,325	0	0.0%
Other City Departments Operating Grant Trust Fund	1,950,000	1,950,000	0	0.0%
Parks and Recreation Operating Grant Trust Fund	226,515	193,710	(32,805)	-14.5%
Perpetual Care Fund	970	762	(208)	-21.4%
Police Operating Grant Trust Fund	543,491	872,944	329,453	60.6%
Prefunded Plan Review Fund	62,000	67,000	5,000	8.1%
Public Donations Fund	14,620	208,926	194,306	1329.0%
Public, Educational, and Governmental Fee Fund	200,000	203,494	3,494	1.7%
Road Maintenance Rehabilitation (SB1) Fund	2,550,000	3,475,374	925,374	36.3%
Traffic Mitigation Fee Fund	1,150,000	141,763	(1,008,237)	-87.7%
Total	59,382,550	54,671,567	(4,710,983)	-7.9%

Summary of Revenue and Expenditure Performance

Special Revenue Fund Expenditures FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ (Unfavorable)	Percent Variance
Bridge Maintenance District #2 Fund	80,000	80,000	0	0.0%
Building Development Services Fund	18,282,786	16,213,778	2,069,008	11.3%
Building Special Programs and Training Fund	44,995	32,451	12,544	27.9%
City Affordable Housing Fund	15,379,987	3,761,259	11,618,728	75.5%
Community Facilities District No. 2019-1 (Lawrence Station) Fund	586,448	209,353	377,095	64.3%
Convention Center Maintenance District Fund	2,014,220	1,671,503	342,717	17.0%
Developer Traffic Payments Fund	3,301,046	3,301,046	0	0.0%
Downtown Parking Maintenance District Fund	136,990	74,186	62,804	45.8%
Endowment Care Fund	56,500	48,857	7,643	13.5%
Engineering Operating Grant Trust Fund	735,372	477,496	257,876	35.1%
Expendable Trust Fund	1,604,271	170,708	1,433,563	89.4%
Fire Development Services Fund	3,380,927	3,118,129	262,798	7.8%
Fire Operating Grant Trust Fund	4,382,044	3,605,267	776,777	17.7%
Gas Tax Fund	4,650,000	4,650,000	0	0.0%
Housing and Urban Development Fund	6,686,032	1,968,613	4,717,419	70.6%
Housing Authority Fund	4,043,028	3,672,783	370,245	9.2%
Housing Successor Agency Fund	1,216,887	739,588	477,299	39.2%
Library Donations Trust Fund	179,758	0	179,758	100.0%
Library Operating Grant Trust Fund	262,645	184,802	77,843	29.6%
Other City Departments Operating Grant Trust Fund	2,007,600	199,465	1,808,135	90.1%
Parks and Recreation Operating Grant Trust Fund	217,672	210,777	6,895	3.2%
Perpetual Care Fund	970	762	208	21.4%
Police Operating Grant Trust Fund	2,520,627	728,078	1,792,549	71.1%
Prefunded Plan Review Fund	542,755	145,586	397,169	73.2%
Public Donations Fund	590,113	42,993	547,120	92.7%
Public, Educational, and Governmental Fee Fund	1,106,876	287,514	819,362	74.0%
Road Maintenance Rehabilitation (SB1) Fund	2,500,000	2,500,000	0	0.0%
Traffic Mitigation Fee Fund	1,883,910	1,883,910	0	0.0%
Total	78,394,459	49,978,904	28,415,555	36.2%

Summary of Revenue and Expenditure Performance

Enterprise Fund Revenue FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Revenue	Variance Favorable/ (Unfavorable)	Percent Variance
Cemetery Fund	1,603,470	1,429,415	(174,055)	-10.9%
Convention Center Enterprise Fund	15,663,770	19,745,509	4,081,739	26.1%
Electric Grant Operating Trust Fund	37,842,234	47,915,046	10,072,812	26.6%
Electric Utility Fund	724,767,499	732,566,145	7,798,646	1.1%
Sewer Utility Fund	44,250,825	49,186,253	4,935,428	11.2%
Solid Waste Fund	39,964,423	39,336,750	(627,673)	-1.6%
Water Recycling Fund	7,668,868	8,250,836	581,968	7.6%
Water Utility Fund	60,726,490	58,184,794	(2,541,696)	-4.2%
Total	932,487,579	956,614,748	24,127,169	2.6%

Enterprise Fund Expenditures FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ (Unfavorable)	Percent Variance
Cemetery Fund	1,535,171	990,668	544,503	35.5%
Convention Center Enterprise Fund	16,543,037	17,591,461	(1,048,424)	-6.3%
Electric Grant Operating Trust Fund	42,917,231	29,190,008	13,727,223	32.0%
Electric Utility Fund	674,794,066	639,969,481	34,824,585	5.2%
Sewer Utility Fund	36,917,439	36,933,557	(16,118)	0.0%
Solid Waste Fund	44,122,353	39,629,375	4,492,978	10.2%
Water Recycling Fund	9,443,724	7,369,483	2,074,241	22.0%
Water Utility Fund	56,808,405	56,039,863	768,542	1.4%
Total	883,081,426	827,713,896	55,367,530	6.3%

Summary of Revenue and Expenditure Performance

Internal Service Fund Revenue FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Revenue	Variance Favorable/ (Unfavorable)	Percent Variance
Communication Acquisitions Fund	7,208,232	6,245,232	(963,000)	-13.4%
Fleet Operations Fund	5,460,601	5,503,191	42,590	0.8%
Information Technology Services Fund	13,094,932	13,108,553	13,621	0.1%
Public Works Capital Projects Management Fund	4,111,656	4,113,199	1,543	0.0%
Special Liability Insurance Fund	6,195,000	6,210,606	15,606	0.3%
Vehicle Replacement Fund	6,526,863	6,234,381	(292,482)	-4.5%
Workers' Compensation Fund	6,097,000	6,290,973	193,973	3.2%
Total	48,694,284	47,706,135	(988,149)	-2.0%

Internal Service Fund Expenditures FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ (Unfavorable)	Percent Variance
Communication Acquisitions Fund	7,970,232	6,370,551	1,599,681	20.1%
Fleet Operations Fund	6,125,143	5,754,398	370,745	6.1%
Information Technology Services Fund	15,257,475	14,096,481	1,160,994	7.6%
Public Works Capital Projects Management Fund	5,150,485	4,953,699	196,786	3.8%
Special Liability Insurance Fund	6,397,962	5,500,281	897,681	14.0%
Unemployment Insurance Fund	105,000	54,056	50,944	48.5%
Vehicle Replacement Fund	9,596,211	8,923,097	673,114	7.0%
Workers' Compensation Fund	6,097,000	5,838,003	258,997	4.2%
Total	56,699,508	51,490,566	5,208,942	9.2%

Summary of Revenue and Expenditure Performance

Debt Service Fund Revenue FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Revenue	Variance Favorable/ (Unfavorable)	Percent Variance
Electric Utility Debt Service Fund	17,602,042	17,612,099	10,057	0.1%
Public Facilities Financing Corporation Fund	1,402,940	1,442,378	39,438	2.8%
Sewer Utility Debt Service Fund	35,000,000	35,976,738	976,738	2.8%
Total	54,004,982	55,031,215	1,026,233	1.9%

Debt Service Fund Expenditures FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ (Unfavorable)	Percent Variance
Electric Utility Debt Service Fund	17,602,042	17,599,767	2,275	0.0%
Public Facilities Financing Corporation Fund	1,402,440	1,402,385	55	0.0%
Sewer Utility Debt Service Fund	33,285,418	33,498,216	(212,798)	-0.6%
Total	52,289,900	52,500,368	(210,468)	-0.4%

Summary of Revenue and Expenditure Performance

Other Agency Fund Revenue FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Revenue	Variance Favorable/ (Unfavorable)	Percent Variance
Sports and Open Space Authority Fund	16,500	16,658	158	1.0%
Total	16,500	16,658	158	1.0%

Other Agency Fund Expenditures FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ (Unfavorable)	Percent Variance
Sports and Open Space Authority Fund	15,255	13,067	2,188	14.3%
Total	15,255	13,067	2,188	14.3%

Summary of Revenue and Expenditure Performance

Capital Improvement Program Fund Revenue FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Revenue	Variance Favorable/ (Unfavorable)	Percent Variance
City Affordable Housing Capital Fund	0	47,218	47,218	N/A
Convention Center Capital Fund	421,032	421,032	0	0.0%
Electric Utility Capital Fund	123,595,499	110,960,995	(12,634,504)	-10.2%
Fire Department Capital Fund	627,374	627,374	0	0.0%
General Government Capital Fund	3,686,021	3,686,021	0	0.0%
Parks and Recreation Capital Fund	7,491,738	4,717,865	(2,773,873)	-37.0%
Patrick Henry Drive Infrastructure Improvement Fund	71,281	0	(71,281)	-100.0%
Public Buildings Capital Fund	2,656,819	2,656,673	(146)	0.0%
Related Santa Clara Developer Fund	2,685,319	2,192,096	(493,223)	-18.4%
Sewer Utility Capital Fund	13,980,488	16,506,801	2,526,313	18.1%
Solid Waste Capital Fund	1,619,000	1,616,466	(2,534)	-0.2%
Storm Drain Capital Fund	6,404,740	3,083,905	(3,320,835)	-51.8%
Street Lighting Capital Fund	125,000	125,441	441	0.4%
Streets and Highways Capital Fund	51,656,663	32,159,641	(19,497,022)	-37.7%
Tasman East Infrastructure Improvement Fund	0	9,184	9,184	N/A
Water Utility Capital Fund	218,118	273,723	55,605	25.5%
Total	215,239,092	179,084,435	(36,154,657)	-16.8%

Summary of Revenue and Expenditure Performance

Capital Improvement Program Fund Expenditures FY 2023/24 Final Budget vs. Actual by Fund

Fund Description	Final Budget	Actual Expenditures/ Encumbrances	Variance Favorable/ (Unfavorable)	Percent Variance
Cemetery Capital Fund	276,479	23,835	252,644	91.4%
City Affordable Housing Capital Fund	6,544,484	6,544,484	0	0.0%
Convention Center Capital Fund	2,562,787	839,637	1,723,150	67.2%
Electric Utility Capital Fund	283,169,216	101,774,909	181,394,307	64.1%
Fire Department Capital Fund	1,934,297	1,384,002	550,295	28.4%
General Government Capital Fund	12,205,075	3,530,806	8,674,269	71.1%
Library Department Capital Fund	301,104	39,914	261,190	86.7%
Parks and Recreation Capital Fund	41,032,617	18,164,202	22,868,415	55.7%
Patrick Henry Drive Infrastructure Improvement Fund	71,281	4,266	67,015	94.0%
Public Buildings Capital Fund	8,988,133	5,700,074	3,288,059	36.6%
Recycled Water Capital Fund	218,118	196,318	21,800	10.0%
Related Santa Clara Developer Fund	1,500,691	987,640	513,051	34.2%
Sewer Utility Capital Fund	48,537,608	24,315,118	24,222,490	49.9%
Solid Waste Capital Fund	1,404,841	1,380,272	24,569	1.7%
Storm Drain Capital Fund	11,155,755	4,497,346	6,658,409	59.7%
Street Lighting Capital Fund	3,666,539	142,222	3,524,317	96.1%
Streets and Highways Capital Fund	96,185,958	49,719,896	46,466,062	48.3%
Tasman East Infrastructure Improvement Fund	1,450,475	26,260	1,424,215	98.2%
Water Utility Capital Fund	13,175,196	7,582,427	5,592,769	42.4%
Total	534,380,654	226,853,628	307,527,026	57.5%

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
General Fund								
1	General Fund	Budget Stabilization Reserve	54,299,297	54,299,297	0	53,817,980	70,024,278	16,206,298
1	General Fund	Capital Projects Reserve	23,860,843	23,860,843	0	7,769,117	7,867,572	98,455
1	General Fund	Reserve for Programmed Capital Projects	986,657	986,657	0	6,107,871	6,107,871	0
1	General Fund	Advanced Planning Fee Reserve	4,212,848	5,422,634	1,209,786	3,964,532	5,174,318	1,209,786
1	General Fund	Technology Fee Reserve	2,581,145	2,564,774	(16,371)	2,581,145	2,564,774	(16,371)
1	General Fund	Land Sale Reserve	18,481,036	18,481,036	0	18,481,036	18,481,036	0
1	General Fund	Pension Stabilization Reserve	27,477,426	29,226,847	1,749,421	27,477,426	34,606,759	7,129,333
1	General Fund	Property Tax ERAF Reserve	4,823,000	4,823,000	0	6,744,337	6,744,337	0
1	General Fund	Historical Preservation Reserve	94,212	96,105	1,893	94,212	96,105	1,893
1	General Fund	Development Fee Reserve	1,500,000	1,500,000	0	1,500,000	1,500,000	0
1	General Fund	Budget Balancing Reserve	431,789	431,789	0	0	0	0
1	General Fund	Restricted for Prepayment	0	93,892	93,892	0	0	0
1	General Fund	Accrued Liability Reserve	0	1,882,000	1,882,000	0	1,882,000	1,882,000
1	General Fund	Unrestricted Fund Balance	2,916,599	20,518,815	17,602,216	0	2,400,000	2,400,000

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
Special Revenue Funds								
463	Bridge Maintenance District #2 Fund	Unrestricted Fund Balance	177,133	213,375	36,242	267,133	303,375	36,242
155	Building Development Services Fund	Unrestricted Fund Balance	32,170,843	34,607,574	2,436,731	33,049,657	34,036,388	986,731
220	Building Special Programs and Training Fund	CASp Reserve	48,662	59,201	10,539	48,662	59,201	10,539
220	Building Special Programs and Training Fund	Seismic Admin Reserve - Restricted	127,011	139,014	12,003	127,011	139,014	12,003
220	Building Special Programs and Training Fund	Building Standard Reserve - Restricted	63,380	63,049	(331)	63,380	63,049	(331)
165	City Affordable Housing Fund	Unrestricted Fund Balance	4,215,984	16,126,088	11,910,104	3,790,514	5,631,765	1,841,251
27	Community Facilities District No. 2019-1 Fund	Capital Reserve	275,672	275,035	(637)	353,983	353,473	(510)
27	Community Facilities District No. 2019-1 Fund	Unrestricted Fund Balance	739,349	861,274	121,925	666,453	788,887	122,434
26	Convention Center Maintenance District Fund	Unrestricted Fund Balance	116,459	471,393	354,934	116,459	130,393	13,934
124	Developer Traffic Payments Fund (formerly Traffic Fair Share Fund)	Restricted Fund Balance	5,376,644	5,637,054	260,410	5,376,644	5,637,054	260,410
25	Downtown Parking Maintenance District Fund	Reserve for Maintenance	185,830	187,056	1,226	171,860	173,086	1,226

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
25	Downtown Parking Maintenance District Fund	Unrestricted Fund Balance	412,696	475,500	62,804	413,070	475,874	62,804
77	Endowment Care Fund	Unrestricted Fund Balance	2,498,032	2,550,047	52,015	2,648,032	2,700,047	52,015
144	Engineering Operating Grant Trust Fund	Unrestricted Fund Balance	0	91,789	91,789	0	0	0
79	Expendable Trust Fund	Unrestricted Fund Balance	0	1,595,821	1,595,821	0	0	0
158	Fire Development Services Fund	Unrestricted Fund Balance	1,673,505	2,492,813	819,308	1,554,602	2,373,910	819,308
178	Fire Operating Grant Trust Fund	Unrestricted Fund Balance	0	(1,615,230)	(1,615,230)	0	560,384	560,384
121	Gas Tax Fund	Unrestricted Fund Balance	1,080,331	2,312,653	1,232,322	60,331	1,292,653	1,232,322
562	Housing and Urban Development Fund	Restricted - Program Income	0	590,766	590,766	0	0	0
562	Housing and Urban Development Fund	Unrestricted Fund Balance	0	(341,756)	(341,756)	0	0	0
164	Housing Authority Fund	Unrestricted Fund Balance	824,958	1,175,535	350,577	608,523	959,100	350,577
169	Housing Successor Agency Fund	Unrestricted Fund Balance	3,359,194	4,165,294	806,100	3,762,941	4,569,041	806,100
72	Library Donations Trust Fund	Unrestricted Fund Balance	0	179,761	179,761	0	0	0
112	Library Operating Grant Trust Fund	Unrestricted Fund Balance	0	77,843	77,843	0	0	0
101	Other City Departments Operating Grant Trust Fund	Unrestricted Fund Balance	0	1,808,135	1,808,135	0	0	0

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
111	Parks and Recreation Operating Grant Trust Fund	Unrestricted Fund Balance	135,086	109,175	(25,911)	135,086	115,904	(19,182)
76	Perpetual Care Fund	Unrestricted Fund Balance	38,244	38,244	0	38,244	38,244	0
177	Police Operating Grant Trust Fund	Unrestricted Fund Balance	0	2,122,002	2,122,002	0	0	0
157	Prefunded Plan Review Fund	Unrestricted Fund Balance	0	402,169	402,169	0	0	0
67	Public Donations Fund	Unrestricted Fund Balance	0	741,426	741,426	0	0	0
221	Public, Educational and Governmental (PEG) Fee Fund	Unrestricted Fund Balance	1,772,160	2,595,016	822,856	1,772,160	2,595,016	822,856
122	Road Maintenance and Rehabilitation (SB1) Fund	Unrestricted Fund Balance	1,651,201	2,576,575	925,374	259,286	1,184,660	925,374
123	Traffic Mitigation Fund	Unrestricted Fund Balance	2,200,871	1,192,634	(1,008,237)	1,919,871	911,634	(1,008,237)
Enterprise Funds								
93	Cemetery Fund	Unrestricted Fund Balance	500,254	897,672	397,418	472,317	869,735	397,418
860	Convention Center Enterprise Fund	Unrestricted Fund Balance	4,572,909	7,089,656	2,516,747	2,435,993	352,740	(2,083,253)
860	Convention Center Enterprise Fund	Operations and Maintenance Reserve	0	0	0	0	4,600,000	4,600,000
860	Convention Center Enterprise Fund	Restricted Levy Funds	468,422	784,990	316,568	468,422	784,990	316,568

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
191	Electric Operating Grant Trust Fund	Public Benefits Program Fund Balance	57,429,799	57,839,500	409,701	38,456,131	38,865,832	409,701
191	Electric Operating Grant Trust Fund	Low Carbon Fuel Program Fund Balance	1,205,386	719,553	(485,833)	419,143	433,310	14,167
191	Electric Operating Grant Trust Fund	Greenhouse Gas Program Fund Balance	27,613,467	31,702,320	4,088,853	27,352,964	31,441,817	4,088,853
91	Electric Utility Fund	Infrastructure Reserve	20,000,000	50,000,000	30,000,000	40,000,000	50,000,000	10,000,000
91	Electric Utility Fund	Operations and Maintenance Reserve	166,250,000	195,000,000	28,750,000	192,360,000	257,000,000	64,640,000
91	Electric Utility Fund	Pension Stabilization Reserve	9,524,096	10,065,874	541,778	9,524,096	10,826,979	1,302,883
91	Electric Utility Fund	Rate Stabilization Reserve	64,000,000	66,000,000	2,000,000	68,000,000	70,000,000	2,000,000
91	Electric Utility Fund	Trading Restricted Reserve	11,127,179	9,449,807	(1,677,372)	11,127,179	9,449,807	(1,677,372)
91	Electric Utility Fund	Unrestricted Fund Balance	95,313,916	90,938,838	(4,375,078)	108,095,323	87,069,140	(21,026,183)
94	Sewer Utility Fund	Pension Stabilization Reserve	907,899	958,752	50,853	907,899	1,032,098	124,199
94	Sewer Utility Fund	Replacement and Improvement Reserve	1,507,553	1,507,553	0	1,507,553	1,507,553	0
94	Sewer Utility Fund	Rate Stabilization Reserve	4,248,070	4,248,070	0	4,593,020	4,593,020	0
94	Sewer Utility Fund	Reserve for Settlements	3,000,000	3,000,000	0	3,000,000	3,000,000	0
94	Sewer Utility Fund	Infrastructure Reserve	4,793,175	4,793,175	0	5,288,968	5,288,968	0

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
94	Sewer Utility Fund	Operations and Maintenance Reserve	8,348,279	8,348,279	0	14,348,279	16,348,279	2,000,000
94	Sewer Utility Fund	Unrestricted Fund Balance	9,319,159	11,946,860	2,627,701	1,412,022	1,966,376	554,354
96	Solid Waste Fund	Operations and Maintenance Reserve	2,675,520	2,675,520	0	2,675,520	10,354,799	7,679,279
96	Solid Waste Fund	Pension Stabilization Reserve	445,107	469,938	24,831	445,107	505,996	60,889
96	Solid Waste Fund	Rate Stabilization Reserve	1,765,150	1,765,150	0	1,765,150	1,765,150	0
96	Solid Waste Fund	Unrestricted Fund Balance	4,182,225	7,943,799	3,761,574	4,453,763	0	(4,453,763)
97	Water Recycling Fund	Pension Stabilization Reserve	159,177	168,123	8,946	159,177	180,952	21,775
97	Water Recycling Fund	Rate Stabilization Reserve	2,327,420	2,327,420	0	803,880	803,880	0
97	Water Recycling Fund	Operations and Maintenance Reserve	2,262,095	2,262,095	0	2,800,000	2,800,000	0
97	Water Recycling Fund	Infrastructure Reserve	51,500	51,500	0	24,000	51,500	27,500
97	Water Recycling Fund	Unrestricted Fund Balance	651,822	2,395,985	1,744,163	864,755	918,589	53,834
92	Water Utility Fund	Pension Stabilization Reserve	1,821,694	1,927,637	105,943	1,821,694	2,070,898	249,204
92	Water Utility Fund	Replacement and Improvement Reserve	303,090	303,090	0	303,090	303,090	0
92	Water Utility Fund	Water Conservation Reserve	33,125	33,125	0	33,125	33,125	0

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
92	Water Utility Fund	Rate Stabilization Reserve	3,823,460	3,823,460	0	5,823,460	6,823,460	1,000,000
92	Water Utility Fund	Operations and Maintenance Reserve	5,435,580	5,435,580	0	5,435,580	7,435,580	2,000,000
92	Water Utility Fund	Infrastructure Reserve	1,028,800	1,028,800	0	1,028,800	1,028,800	0
92	Water Utility Fund	Unrestricted Fund Balance	1,627,218	5,006,123	3,378,905	1,769,020	2,004,664	235,644
Internal Service Funds								
48	Communication Acquisitions Fund	Equipment Replacement Reserve	1,030,886	1,220,603	189,717	1,030,886	1,220,603	189,717
48	Communication Acquisitions Fund	Unrestricted Fund Balance	494,348	941,312	446,964	494,348	1,904,312	1,409,964
53	Fleet Operations Fund	Unrestricted Fund Balance	1,106,781	1,170,116	63,335	1,120,669	1,184,004	63,335
45	Information Technology Services Fund	Unrestricted Fund Balance	697,695	1,672,310	974,615	497,695	1,472,310	974,615
44	Public Works Capital Projects Management Fund	Unrestricted Fund Balance	0	198,329	198,329	0	0	0
82	Special Liability Insurance Fund	Reserve for Future Claims	9,000,000	9,000,000	0	9,000,000	9,000,000	0
82	Special Liability Insurance Fund	Unrestricted Fund Balance	2,127,938	3,711,625	1,583,687	2,127,938	3,711,625	1,583,687
87	Unemployment Insurance Fund	Unrestricted Fund Balance	251,103	279,047	27,944	141,103	144,047	2,944
50	Vehicle Replacement Fund	Equipment Replacement Reserve	5,078,464	6,130,757	1,052,293	5,078,464	6,130,757	1,052,293
50	Vehicle Replacement Fund	Unrestricted Fund Balance	6,568,424	5,896,763	(671,661)	6,010,531	4,665,756	(1,344,775)

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
81	Workers' Compensation Fund	Reserve for Future Claims	8,500,000	8,500,000	0	8,500,000	8,500,000	0
81	Workers' Compensation Fund	Reserve for Prepayment	636,930	715,126	78,196	636,930	715,126	78,196
81	Workers' Compensation Fund	Unrestricted Fund Balance	696,599	967,373	270,774	586,599	857,373	270,774
Debt Service Funds								
491	Electric Utility Debt Service Fund	Bond Reserve	3,632,533	3,632,533	0	3,632,533	3,632,533	0
491	Electric Utility Debt Service Fund	Reserve for Debt Service	10,407,324	10,419,656	12,332	10,407,324	10,419,656	12,332
431	Public Facilities Financing Corporation Fund	Debt Reserve	707,202	707,202	0	707,202	707,202	0
431	Public Facilities Financing Corporation Fund	Unrestricted Fund Balance	38,722	78,215	39,493	39,222	78,715	39,493
494	Sewer Utility Debt Service Fund	Debt Reserve	7,684,543	7,693,354	8,811	4,380,781	4,389,592	8,811
Other Agency Funds								
801	Sports and Open Space Authority Fund	Unrestricted Fund Balance	1,746	4,092	2,346	1,746	2,092	346
Capital Improvement Program Funds								
593	Cemetery Capital Fund	Unrestricted Fund Balance	79,940	308,749	228,809	79,940	56,105	(23,835)
565	City Affordable Housing Capital Fund	Unrestricted Fund Balance	1,543,500	1,590,718	47,218	1,543,500	1,590,718	47,218

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
865	Convention Center Capital Fund	Unrestricted Fund Balance	1,726,973	1,723,150	(3,823)	0	0	0
591	Electric Utility Capital Fund	Unrestricted Fund Balance	136,036,903	170,753,882	34,716,979	4,994,081	15,666,704	10,672,623
536	Fire Department Capital Fund	Unrestricted Fund Balance	394,436	550,295	155,859	0	0	0
539	General Government Capital Fund	Unrestricted Fund Balance	7,525,112	8,674,269	1,149,157	0	0	0
537	Library Department Capital Fund	Unrestricted Fund Balance	244,328	261,190	16,862	0	0	0
532	Parks and Recreation Capital Fund	Unrestricted Fund Balance	41,957,350	44,456,419	2,499,069	19,119,385	20,185,488	1,066,103
542	Patrick Henry Drive Infrastructure Improvement Fund	Unrestricted Fund Balance	0	(4,266)	(4,266)	0	0	0
538	Public Buildings Capital Fund	Unrestricted Fund Balance	1,429,129	3,287,913	1,858,784	0	0	0
597	Recycled Water Utility Capital Fund	Unrestricted Fund Balance	419,305	441,105	21,800	19,305	41,105	21,800
540	Related Santa Clara Developer Fund	Unrestricted Fund Balance	0	19,828	19,828	0	0	0
594	Sewer Utility Capital Fund	Restricted - Sewer Conveyance Fee	54,978,049	55,815,618	837,569	26,525,589	26,330,931	(194,658)
594	Sewer Utility Capital Fund	Unrestricted Fund Balance	8,363,487	8,051,778	(311,709)	4,887,548	5,603,962	716,414
596	Solid Waste Capital Fund	Landfill Post Closure Reserve	600,000	600,000	0	600,000	600,000	0
596	Solid Waste Capital Fund	Landfill Corrective Action Costs	232,062	537,133	305,071	239,024	553,247	314,223

Summary of Fund Balance Adjustments

Fund No.	Fund	Reserve	FY 2023/24 Estimated Ending Fund Balance	FY 2023/24 Actual Ending Fund Balance	Variance	FY 2024/25 Current Ending Fund Balance	FY 2024/25 Amended Ending Fund Balance	Variance
596	Solid Waste Capital Fund	Unrestricted Fund Balance	407,500	(119,537)	(527,037)	400,538	339,780	(60,758)
535	Storm Drain Capital Fund	Unrestricted Fund Balance	2,684,162	3,493,074	808,912	155,499	167,567	12,068
534	Street Lighting Capital Fund	Unrestricted Fund Balance	3,739,342	3,868,592	129,250	343,834	343,834	0
533	Streets and Highways Capital Fund	Unrestricted Fund Balance	29,382,535	29,046,089	(336,446)	1,977,048	2,052,527	75,479
541	Tasman East Infrastructure Improvement Fund	Unrestricted Fund Balance	5,944,259	5,943,663	(596)	6,813,004	6,822,187	9,183
592	Water Utility Capital Fund	Unrestricted Fund Balance	8,887,036	11,097,424	2,210,388	3,896,155	6,604,671	2,708,516



Agenda Report

24-1213

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on Approval of Cost-of-Living Salary Adjustment for City Attorney; Approval of Amendment No. 1 to Employment Agreement with City Attorney Glen Googins; Adoption of a Resolution Updating the Unclassified Salary Plan for Position of City Attorney

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

The Employment Agreement between the City of Santa Clara and City Attorney Glen R. Googins (Attachment 1) includes the following provisions:

***3.1. Salary.** Employee shall receive an annual salary of Three Hundred Forty-Five Thousand Dollars (\$345,000), less all authorized or appropriate deductions and withholdings, payable in pro-rata increments on regular City paydays, commencing on the first day of employment.*

***3.2. Adjustments.** Following completion of the annual performance appraisal, as described in Section 4 below, the City Council shall meet with Employee for the express purpose of determining any appropriate salary adjustment. In determining any appropriate salary adjustment, the City Council shall take into account any cost-of-living adjustments, but the ultimate decision regarding the timing and the amount of any adjustment, including but not limited to cost of living, is within the sole discretion of the City Council.*

***4. Performance Appraisal.** The City Council will make its best efforts to undertake a performance appraisal of the Employee at least every twelve (12) months following the Employee's original date of hire. The City Council maintains discretion to conduct performance appraisals more regularly if necessary.*

The City Attorney began his employment with the City on March 1, 2023, and has not had a completed performance appraisal or salary adjustment since that time. During the Closed Session of November 19, 2024, in discussion of the agendaized Performance Appraisal for the City Attorney, the City Council provided direction to staff to bring back for open session discussion and possible action a 3.25% cost of living salary adjustment, retroactive to March 1, 2024. This results in a new annual base salary for the City Attorney of \$356,212.50, which will take effect on December 22, 2024. To effectuate this adjustment, amendments to section 3.1 and 3.2 of the Employment Agreement are proposed (Attachment 2).

Section 9 of the Personnel and Salary Resolution requires City Council approval of compensation

plans for unclassified positions. California Code Regulations Section 570.5 governs and requires the adoption of updated publicly available salary schedules by the governing body. The proposed Council action satisfies these applicable requirements. The updated salary plan reflects the Council approved merit increase for the City Attorney.

In addition, the Brown Act requires that where final action is being taken that includes a change to the compensation of a local agency executive (here, the City Attorney), a verbal summary of that executive compensation shall be stated at the regular meeting of the legislative body at which the action is taken.

DISCUSSION

A performance appraisal for the City Attorney has been agendized on three occasions (2/27/24, 11/12/24, and 11/19/24), however, to date, the appraisal has not been completed. In light of the already-significant delay in completing the performance appraisal process, the anticipated further delays into 2025, and the cost-of-living adjustments provided to Unit 9 members (all employees of the City Attorney's Office are members of Unit 9), the City Council discussed in Closed Session providing the City Attorney with a cost-of-living salary adjustment pending the completion of the performance appraisal process.

During the Closed Session of November 19, 2024, in discussion of the agendized Performance Appraisal for the City Attorney, the City Council provided direction to staff to bring back for open session discussion and possible action a 3.25% cost of living salary adjustment, retroactive to March 1, 2024. This results in a new annual base salary for the City Attorney of \$356,212.50.

The proposed amendments to the Employment Agreement provide for the following: (1) a statement of the new salary level, and (2) clarification that the ultimate decision regarding the timing and the amount of any adjustment (including cost-of-living adjustments) may be made by the City Council at any point in the performance appraisal process.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The wage increase for the City Attorney has an annual salary cost of approximately \$11,212.50 (from \$345,000 to \$356,212.50). In addition, there will be a retroactive payment for the period March 1, 2024, through December 21, 2024, in the amount of \$9,099.38. In FY 2024/25, the total estimated cost is \$14,921 and covers the retroactive period starting March 1, 2024 through June 30, 2025. There is sufficient funding in the City Attorney's Office budget to cover this cost in FY 2024/25, and this additional cost will be factored into the FY 2025/26 budget.

COORDINATION

This report has been coordinated by and between the Human Resources Department, Finance Department, and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve, and authorize Mayor to sign, Amendment No. 1 to the Employment Agreement with City Attorney Glen R. Googins;
2. Approve cost-of-living salary adjustment for City Attorney of 3.25% retroactive to March 1, 2024, resulting in a new annual salary of \$356,212.50 (to take effect on December 22, 2024), and a retroactive payment of \$9,099.38;
3. Adopt a Resolution updating the Unclassified Salary Plan reflecting the new annual salary for the position of City Attorney to satisfy the requirements of California Code of Regulations Section 570.5, effective December 22, 2024.

Reviewed by: Aracely Azevedo, Director, Human Resources Department

Approved by: Jōvan Grogan, City Manager

ATTACHMENTS

1. Employment Agreement between City of Santa Clara and Glen R. Googins
2. Amendment No. 1 to Employment Agreement between City of Santa Clara and Glen R. Googins
3. Resolution Approving and Adopting Updated Unclassified Salary Plan (effective December 22, 2024) approved December 3, 2024
4. Unclassified Salary Plan (effective December 22, 2024) approved December 3, 2024

**EMPLOYMENT AGREEMENT
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
GLEN R. GOOGINS**

This EMPLOYMENT AGREEMENT is made by and between the City of Santa Clara, California, a chartered California municipal corporation ("City") and Glen R. Googins ("Employee") as of January 10, 2023.

RECITALS

This Agreement is entered into on the basis of the following facts, among others:

- A. City, acting with the approval of its duly elected City Council, desires to appoint and employ Glen R. Googins as its City Attorney, including positions connected with the City's related entities such as the Stadium Authority, subject to the terms and conditions set forth in this Agreement, the Government Code of the State of California, the Santa Clara City Code and the Charter of the City of Santa Clara (the "Charter").
- B. The Charter provides, among other things, that the City Attorney shall be appointed by, and serve at the pleasure of the City Council.
- C. Employee desires to be employed by the City as its City Attorney, subject to the terms and conditions set forth in this Agreement, the Government Code of the State of California, the Santa Clara City Code and the Charter.
- D. City and Employee desire to establish specific terms and conditions relating to compensation, including salary and benefits, performance evaluations and related matters.

AGREEMENT PROVISIONS

BASED UPON THE FOREGOING, CITY AND EMPLOYEE AGREE AS FOLLOWS:

- 1. Employment. City Council appoints and employs Employee as City Attorney with the City of Santa Clara and Employee accepts the appointment and employment. Employee acknowledges and agrees that as City Attorney, Employee serves in an at-will capacity, serving at the pleasure of the City, with no expectation of continued employment, and with no right to pre-or-post-separation due process or appeal. Such appointment and employment shall be effective on March 1, 2023 and shall continue until such time as this Agreement is terminated in a manner specified herein.
- 2. Duties of the City Attorney. Employee shall perform the duties established for the City Attorney by the Charter, Santa Clara City Code, City Council and any applicable law, ordinance, resolution, rule or regulation including as reflected in the description of duties

for the City Attorney position, attached hereto as Exhibit E and hereby incorporated by reference.

- 2.1. Full Energy and Skill. Employee shall devote their full energy, skill, ability, and productive time to the performance of the “Duties of the City Attorney” referenced herein.
- 2.2. Conflict. Employee shall not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, which is actually or potentially in conflict with, inimical to, or which interferes with the performance of the “Duties of the City Attorney” described herein. Employee acknowledges that they are subject to the various conflict of interest requirements found in the California Government Code and other applicable state and local policies and regulations concerning conflicts of interest.
- 2.3. Code of Ethics and Values. Employee shall adhere to the City of Santa Clara’s Code of Ethics and Values, a copy of which is attached as Exhibit A and incorporated herein.
- 2.4. Permission Required For Outside Activities. Employee shall not engage in any employment, activity, consulting service, or other enterprise, for compensation or otherwise, without the express, written consent of the City Council.
 - (a) Professional Activities. During Employee’s appointment as City Attorney, they are expressly authorized to participate in professional activities, including but not limited to meetings, conferences and other events conducted or sponsored by any professional organizations related to their work responsibilities as City Attorney provided that their ability to perform the “Duties of the City Attorney” described herein is not compromised. Employee shall be paid regular salary and benefits while traveling to, attending, or participating in professional activities, and shall be entitled to expense advances in accordance with City policy applicable to other Council-appointed officers. Subject to annual appropriation and any limitations in the City travel policy attached hereto as Exhibit D (City Manager’s Directive 028 Travel Policy), Employee is entitled to reimbursement for the actual costs of the following expense categories that they incur as a result of the Professional Activities authorized in this section: membership fees, airfare, rental car (if necessary), conference fees and lodging, in accordance with the City’s policy. To the extent this policy vests authority to an employee’s supervisor, the City Manager or designee, such authority shall be exercised or retained by the Mayor or other council member designated by City Council.

- 2.5. Employee shall inform and receive advance written permission by e-mail from the Mayor or other council member designated by the City Council in advance of absences of more than one day related to such Professional Activities.
3. Compensation. While performing the duties of City Attorney, Employee shall be compensated as provided in this section.
- 3.1. Salary. Employee shall receive an annual salary of Three Hundred Forty-Five Thousand Dollars (\$345,000), less all authorized or appropriate deductions and withholdings, payable in pro-rata increments on regular City paydays, commencing on the first day of employment.
- 3.2. Adjustments. Following completion of the annual performance appraisal, as described in Section 4 below, the City Council shall meet with Employee for the express purpose of determining any appropriate salary adjustment. In determining any appropriate salary adjustment, the City Council shall take into account any cost of living adjustments, but the ultimate decision regarding the timing and the amount of any adjustment, including but not limited to cost of living, is within the sole discretion of the City Council.
- 3.3. Benefits and Allowances.
- (b) Except as otherwise specified in this Agreement, Employee will be eligible for, and shall receive, the benefits provided in the following identified sections of the Miscellaneous Unclassified Employees Memorandum of Understanding ("MOU") for Unit 9 as of March 1, 2023. To the extent these sections vest authority to a Unit 9 member's supervisor, Department Head, City Manager or designee, such authority shall be exercised or retained by the Mayor or other council member designated by City Council.
- i. Section 2 – California Public Employees' Retirement System
 - ii. Section 4 -- Holidays
 - iii. Section 6 – Vacation Accrual and Usage
 - iv. Section 7 – Health Insurance
 - v. Section 8 – Dental Insurance
 - vi. Section 9 – Vision Insurance
 - vii. Section 10 – Long Term Disability
 - viii. Section 11 – Life Insurance
 - ix. Section 12 – Automobile Allowance
 - x. Section 13 – Mobile Communication Device Allowance
 - xi. Section 16 – Sick Leave/Family Sick Leave/Personal Leave

- xii. Section 17 – Bereavement Leave
- xiii. Section 19 – Retiree Medical Reimbursement Benefit
- xiv. Section 24 – Industrial Injury/Continuation of Insurance Benefits While on Workers' Compensation
- xv. Section 25 – Management Leave Program
- xvi. Section 26 – Flexible Spending Plan

- (c) In the event a successor MOU includes a change to the benefits, the City Council shall, in its discretion, determine to the extent to which such changes are applicable to Employee.
- (d) Entitlement to any and all benefits provided under this Subsection 3.3 shall cease immediately upon termination of employment, excluding health benefits provided as Severance pursuant to Subsection 6.2.
- (e) Employee shall not provide substantive advice concerning any terms in a successor Unit 9 MOU. To the extent the City requires legal advice regarding the same, the City will retain outside counsel for such advice.
- (f) A copy of the Miscellaneous Unclassified Employees Unit 9 MOU is attached as Exhibit B and the provisions enumerated in Subsection 3.3(a) are incorporated herein. The Side Letters executed between the City and Unit 9 regarding Amendment to the December 15, 2019 – December 30, 2024 Memorandum of Understanding (MOU) dated September 8, 2022 and Use of Compensatory Time Off (CTO) dated November 4, 2020 are not applicable to Employee.

3.4. Vacation. MOU Section 6 shall govern the terms and conditions related to Employee's use of vacation during their tenure with the City, unless expressly stated otherwise in this Agreement. Section 6, subsection (E) of the MOU [Maximum Vacation Accrual Limit] is not applicable to Employee.

- (a) Employee shall be permitted and eligible to take vacation from their first day of employment with City, subject to written approval by email from the Mayor. This term expressly supersedes Section 6(A) of the MOU.
- (b) Effective the first day of employment, Employee will have a vacation bank of 120 hours.
- (c) Employee shall accrue vacation at the rate specified in Section 6 of the Unit 9 MOU as of March 1, 2023 for employees with twenty-one (21) or more years of service, and shall be subject to a maximum accrual equal to that of employees with twenty-one (21) or more years of service. In the event a successor MOU includes a change to the specified accrual rate, the City Council shall, in its discretion, determine the extent to which such change applies to Employee.

- (d) Employee shall seek and obtain advanced approval from the Mayor or other council member designated by City Council for all vacation time.
- 3.5. Sick Leave. MOU Section 16 [Sick Leave/Family Sick Leave/Personal Leave] shall govern the terms and conditions related to Employee's use of such leaves during their tenure with the City, unless expressly stated otherwise in this Agreement. Effective the first day of employment, Employee will have a sick-leave bank of 120 hours.
- 3.6. Management Leave. MOU Section 25 [Management Leave] shall govern the terms and conditions related to Employee's use of management leave during their tenure with the City, unless expressly stated otherwise in this Agreement. Employee shall not be entitled to management leave until their one-year anniversary date of employment, at which time they will be credited 120 hours in their management leave bank. This term expressly supersedes subsections (A) and (B) of Section 25 of the MOU.
- 3.7. Relocation Assistance. Employee shall receive relocation assistance in the form of a one-time cash payment of Fifteen Thousand Dollars (\$15,000), less applicable deductions, from the City as reimbursement of certain expenses incurred by Employee in relocating to a location within reasonable commuting distance from City Hall in the City of Santa Clara. Such amount shall be due and payable by on or before March 1, 2023.
- 3.8. Professional Membership Dues. The City shall annually set aside an amount for Employee's membership dues to the California State Bar, and the Santa Clara County Bar Association.
- 3.9. Past Practices. No past practices or benefits previously provided to the City Attorney position or past practices or benefits provided to any other City position shall be applicable unless specifically incorporated and approved in this agreement.
- 4. Performance Appraisal. The City Council will make its best efforts to undertake a performance appraisal of the Employee at least every twelve (12) months following the Employee's original date of hire. The City Council maintains discretion to conduct performance appraisals more regularly if necessary.
- 5. Additional Expenses of Employment. The City shall pay the costs of any fidelity or other bonds required by law for Employee.
- 6. Termination, Resignation and Severance Pay. Employee understands and agrees that they have no constitutionally protected property or other interest in continued employment as City Attorney. Employee understands that notwithstanding any other applicable laws, resolutions, and policies, they have no right to pre-or post-disciplinary due process. Employee further understands and agrees that they work at the will and pleasure of the City Council and that they may be terminated at any time, with or without cause.
 - 6.1. City and Employee acknowledge that an excellent City Council-Employee relationship is in the best interest of the City and accordingly each agrees to use

best efforts to foster timely and constructive City Council-Employee communications.

- 6.2. Termination of Employment and This Agreement: General Release/Severance. Subject to the terms of California Government Code section 53260 et seq., in the event that the City Council terminates Employee's employment as City Attorney for no reason or for any reason other than as set forth in Subsections 6.3 and 6.8 below and Employee signs, does not revoke, and delivers to the City Council a general and full release of all claims substantially in the form attached as Exhibit C (Severance and Release Agreement), which may be amended as required by law to effectuate a full and complete release, on or after Employee's termination date but no later than the date set by the City Council at the time of termination in accordance with applicable law, City shall allow Employee to continue to receive their usual base salary through payroll and shall provide health benefits (medical, dental, and vision) continuing under the benefit plans in which Employee and their dependents are then enrolled for a period of months following the below schedule (the cash payment and continuing benefits, collectively "Severance"). Severance shall include only the cash payment and continuing benefits defined in this Subsection 6.2. Health benefits so provided shall not exceed the stated term and shall cease when the Employee finds other employment, whichever occurs first. City shall pay Severance under the following schedule:
- (a) If Employee is terminated before August 31, 2023, City shall allow Employee to continue to receive their usual base salary through payroll for three (3) months and shall provide an equal number of months of health benefits (medical, dental, and vision).
 - (b) If Employee is terminated between September 1, 2023 and November 30, 2023, City shall allow Employee to continue to receive their usual base salary through payroll for six (6) months and shall provide an equal number of months of health benefits (medical, dental, and vision).
 - (c) If Employee is terminated after December 1, 2023, City shall allow Employee to continue to receive their usual base salary through payroll for nine (9) months and shall provide an equal number of months of health benefits (medical, dental, and vision).
- 6.3. Notwithstanding Subsection 6.2 above, City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provisions of Subsection 6.2 if Employee is terminated because of:
- (a) Conviction of or a plea of nolo contendere to a felony or a misdemeanor involving moral turpitude, dishonesty, breach of trust, or unethical conduct;
 - (b) Material willful misconduct, material or willful gross neglect, fraud, misappropriation, embezzlement, theft, or dishonesty;
 - (c) Willful or repeated failure, for reasons other than disability, to devote substantially all of Employee's business time and effort to the City;

- (d) Violation of the City's Code of Ethics and Values (Exhibit A) and/or the California Rules of Professional Conduct.

6.4. Abuse of Office or Position. If Employee is convicted of a crime involving an abuse of their office or position or moral turpitude, all of the following shall apply:

- (a) If Employee is provided with paid administrative leave pending an investigation, Employee shall be required to fully reimburse City such amounts paid;
- (b) If City pays for the criminal legal defense of Employee (which would be in its sole discretion, as it is generally not obligated to pay for criminal defense), Employee shall be required to fully reimburse City such amounts paid; and
- (c) If this Agreement is terminated, any Severance related to the termination that Employee may receive from City shall be fully reimbursed to City or shall be void if not yet paid to Employee.

For purposes of this Section, abuse of office or position means either an abuse of public authority, including waste, fraud, misappropriation of funds, or other illegal fiscal practices, violation of the law under color of authority, or a crime against public justice.

- 6.5. City shall not be obligated to pay, and shall not pay, any amounts or continue any benefits under the provisions of Subsection 6.2 in the event Employee retires or voluntarily resigns in writing prior to termination without affirmative action by City to terminate, initiate termination proceedings or request Employee's resignation.
- 6.6. In the event Employee voluntarily and without an official request from the majority of the City Council retires or resigns their position, Employee shall provide written notice to City at least sixty (60) days in advance of the Employee's final date of employment unless the parties agree otherwise. Such resignation shall not be deemed a termination that triggers payment of Severance benefits described in Subsection 6.2. Employee shall be entitled only to earned but unpaid Base Salary, accrued but unpaid expenses required to be reimbursed, and any vacation accrued through the date of separation from employment. Employee shall not be entitled to any severance benefits in the event of voluntary separation from employment.
- 6.7. If, during the Term or any extended Term, Employee dies, Employee's estate shall receive outstanding wages and accrued vacation but shall not be entitled to any additional compensation or payment, including Severance.
- 6.8. Subject to the provisions of the Americans with Disabilities Act and the Fair Employment and Housing Act, in the event Employee is unable to perform the duties of City Attorney, because of sickness, accident, injury, or mental or physical incapacity for a period exceeding any provided sick leave pursuant to this Agreement or other legally mandated leave, City may terminate Employee's employment and this Agreement without penalty or Severance.

7. Miscellaneous.

7.1. Indemnity. In accordance with and to the extent provided by the California Tort Claims Act (Government Code Sections 825, et seq.) and Government Code Sections 995-996.5, the City shall defend and indemnify Employee against and for all losses sustained by the Employee in direct consequence of the discharge of the Employee's duties on the City's behalf for the period of the Employee's employment. This section shall be equally applicable to each City related entity as though set forth in an indemnity agreement between the Employee and that legal entity. The City hereby guarantees the performance of this indemnity obligation by the City related entity and shall indemnify and hold the Employee harmless against any failure or refusal by the City related entity to perform its obligations under this Section. Further, if the City provides funds for legal criminal defense pursuant to this subsection and the terms of the Government Code, Employee shall reimburse the City for such legal criminal defense funds if Employee is convicted of a crime involving an abuse of office or position, as provided by Government Code Sections 53243-53243.4. This subsection shall survive termination of the Agreement.

7.2. Notices. Notices given under this Agreement shall be in writing and shall be either:

- (a) served personally; or
- (b) delivered by first class United States mail, certified, with postage prepaid and a return receipt requested; or
- (c) sent by Federal Express, or some equivalent private mail delivery service.

Notices shall be deemed received at the earlier of actual receipt or three (3) days following deposit in the United States mail, postage prepaid. Notices shall be directed to the addresses shown below, provided that a party may change such party's address for notice by giving written notice to the other party in accordance with this subsection.

For City: Attention: Mayor
 City of Santa Clara
 1500 Warburton Avenue
 Santa Clara, CA 95050

For Employee: Glen Googins
 1405 Old Janal Ranch Road
 Chula Vista, CA, 91915

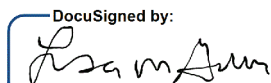
7.3. Recitals/Entire Agreement/Amendment. The foregoing Recitals are true and correct and are a part of this Agreement. This Agreement constitutes the entire understanding and agreement between the parties as to those matters contained in it, and supersedes any and all prior or contemporaneous agreements,

representations and understandings of the parties. This Agreement may be amended at any time by mutual agreement of the parties, but any such amendment must be in writing, dated and signed by the parties, approved by the City Council, and attached hereto.

- 7.4. Applicable Law and Venue. This Agreement shall be interpreted according to the laws of the State of California. Venue of any action regarding this Agreement shall be in the Santa Clara County Superior Court.
- 7.5. Severability. In the event any portion of this Agreement is declared void, such portion shall be severed from this Agreement and the remaining provisions shall remain in effect, unless the result of such severance would be to substantially alter this Agreement or the obligations of the parties, in which case this Agreement shall be immediately terminated.
- 7.6. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking or condition. To be effective, a waiver must be in writing, signed and dated by the parties.
- 7.7. Representation by Counsel. Employee and City acknowledge that they each did, or had the opportunity to, consult with legal counsel of their respective choices with respect to the matters that are the subject of this Agreement prior to executing it.
- 7.8. Section Headings. The headings on each of the sections and subsections of this Agreement are for the convenience of the parties only and do not limit or expand the contents or any such section or subsection.

The Parties acknowledge and accept the terms and conditions of this Employment Agreement as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Agreement shall become operative on the Effective Date first set forth above.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

DocuSigned by:

0F8DB1F0CAAE41C...
LISA M. GILLMOR
Mayor

APPROVED AS TO FORM:


DocuSigned by:

25C022CF6A6A485...
JENICA MALDONADO
Renne Public Law Group

DocuSigned by:

D5478A0100BF4D3...
GLEN R. GOOGINS
Employee

ATTEST:

DocuSigned by:

FAF980D6EFD44FA...
NORA PIMENTEL
City Clerk

Attachments incorporated by reference:

Exhibit A - City of Santa Clara's Code of Ethics and Values

Exhibit B - Miscellaneous Unclassified Employees Unit 9 Memorandum of Understanding

Exhibit C - Severance and Release Agreement

Exhibit D - City Manager's Directive 028 Travel Policy

Exhibit E – Description of Duties for City Attorney

EXHIBIT A

City of Santa Clara's Code of Ethics and Values



City of Santa Clara, CA

Code of Ethics and Values



PREAMBLE

The proper operation of democratic government requires that decision-makers be independent, impartial, and accountable to the people they serve. The City of Santa Clara has adopted this Code of Ethics and Values to promote and maintain the highest standards of personal and professional conduct in the City's government. All elected and appointed officials, City employees, volunteers, and others who participate in the city's government are required to subscribe to this Code, understand how it applies to their specific responsibilities, and practice its eight core values in their work. Because we seek public confidence in the City's services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this code.

1. As a Representative of the City of Santa Clara, I will be *ethical*.

In practice, this value looks like:

- a.) I am trustworthy, acting with the utmost integrity and moral courage.
- b.) I am truthful, do what I say I will do, and am dependable.
- c.) I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, and financial and other personal interests that impair my independence of judgment or action.
- d.) I am fair, distributing benefits and burdens according to consistent and equitable criteria.
- e.) I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions.
- f.) I show respect for persons, confidences, and information designated as "confidential."
- g.) I use my title(s) only when conducting official City business, for information purposes, or as an indication of background and expertise, carefully considering whether I am exceeding or appearing to exceed my authority.

2. As a Representative of the City of Santa Clara, I will be *professional*.

In practice, this value looks like:

- a.) I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent, and productive manner.
- b.) I approach my job and work-related relationships with a positive attitude.
- c.) I keep my professional knowledge and skills current and growing.

3. As a Representative of the City of Santa Clara, I will be *service-oriented*.

In practice, this value looks like:

- a.) I provide friendly, receptive, courteous service to everyone.
- b.) I am attuned to, and care about, the needs and issues of citizens, public officials, and city workers.

Attachment A

CMD NUMBER 67

c.) In my interactions with constituents, I am interested, engaged, and responsive.

4. As a Representative of the City of Santa Clara, I will be *fiscally responsible*

In practice, this value looks like:

- a.) I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the City, especially its financial stability.
- b.) I demonstrate concern for the proper use of City assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
- c.) I make good financial decisions that seek to preserve programs and services for City residents.

5. As a Representative of the City of Santa Clara, I will be *organized*.

In practice, this value looks like:

- a.) I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long term goals.
- b.) I follow through in a responsible way, keeping others informed, and responding in a timely fashion.
- c.) I am respectful of established City processes and guidelines.

6. As a Representative of the City of Santa Clara, I will be *communicative*.

In practice, this value looks like:

- a.) I convey the City's care for and commitment to its citizens.
- b.) I communicate in various ways that I am approachable, open-minded and willing to participate in dialog.
- c.) I engage in effective two-way communication, by listening carefully, asking questions, and determining an appropriate response which adds value to conversations.

7. As a Representative of the City of Santa Clara, I will be *collaborative*.

In practice, this value looks like:

- a.) I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding.
- b.) I work towards consensus building and gain value from diverse opinions.
- c.) I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.
- d.) I consider the broader regional and State-wide implications of the City's decisions and issues.

8. As a Representative of the City of Santa Clara, I will be *progressive*.

In practice, this value looks like:

- a.) I exhibit a proactive, innovative approach to setting goals and conducting the City's business.
- b.) I display a style that maintains consistent standards, but is also sensitive to the need for compromise, "thinking outside the box," and improving existing paradigms when necessary.
- c.) I promote intelligent and thoughtful innovation in order to forward the City's policy agenda and City services.

Attachment A

CMD NUMBER 67

Approved by City Council on April 4, 2000; modified by Council on August 21, 2001

EXHIBIT B

Miscellaneous Unclassified Employees Unit 9 Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

between

CITY OF SANTA CLARA

and

**MISCELLANEOUS UNCLASSIFIED
MANAGEMENT EMPLOYEES
UNIT 9**



DECEMBER 15, 2019 - DECEMBER 31, 2024

MEMORANDUM OF UNDERSTANDING
between
CITY OF SANTA CLARA
and
MISCELLANEOUS UNCLASSIFIED MANAGEMENT EMPLOYEES, UNIT #9
DECEMBER 15, 2019 - DECEMBER 31, 2024

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MEMORANDUM OF UNDERSTANDING
between
CITY OF SANTA CLARA
and
MISCELLANEOUS UNCLASSIFIED MANAGEMENT EMPLOYEES, UNIT #9
DECEMBER 15, 2019 - DECEMBER 31, 2024

In accordance with the provisions of Section 18 of the City of Santa Clara Resolution #2979, entitled "Employer-Employee Relations", this Memorandum of Understanding constitutes the results of discussions between designated representatives of the City Management Staff (City) and the Miscellaneous Unclassified Management Employees of the City of Santa Clara (Unit 9) on all matters within the scope of representation. The term of this Agreement shall be from December 15, 2019 through December 31, 2024.

1. WAGE ADJUSTMENTS

- A. Effective December 15, 2019, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall remain status quo.
- B. Effective the first pay period of calendar year 2021, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall remain status quo.
- C. Effective the first pay period of calendar year 2022, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 4.5%.
- D. Effective the first pay period of calendar year 2023, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 3.25%.
- E. Effective the first pay period of calendar year 2024, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 3.25%.
- F. During the term of this Agreement, the parties agree that the MOU will reopen on the issue of wages if either of the following occurs:
 - 1) The total annual calendar year General Fund Transient Occupancy Tax (or "TOT") revenues remitted to the City and allocated to any of the calendar years covered by this Agreement Equal or surpass the City's actual total TOT revenues from March 1, 2018 to February 28, 2019. After calendar year 2022, the TOT revenues remitted to the City shall be adjusted to normalize for any potential change in the TOT rate if passed by voters on the ballot for purposes of this section; OR
 - 2) Forecasted General Fund deficits remain above \$20 million ongoing, as reflected in updated or revised Ten-Year General Fund Forecasts released after July 1, 2021.

The City agrees to provide an update on the City's TOT revenues to the Association upon the Association's request. In the event either of the foregoing occur, either party may request to meet to discuss the subject of wages. Any changes will be by mutual agreement. The parties understand and agree that this will not be a meet and confer within the meaning of section 3505 of the MMBA and that neither party will have access to any impasse resolution procedure except as mutually agreed.

- G. The parties agree to meet and confer over wages in the event the City reaches agreement on a new general wage increase to be effective during Calendar Year 2021 or 2022 with any other miscellaneous bargaining unit as part of an agreement on a successor Memorandum of Understanding (MOU). For purposes of this section, "general wage increase" means a wage increase applicable to all members of the bargaining unit (not a subset), but only if that agreement does not also include an agreement for an alternative cost saving measure (including but not limited to unpaid furlough days). Additionally, the parties agree that this section shall not apply to any general wage increases applicable to sworn public safety bargaining units or to miscellaneous bargaining units that are exclusively funded through sources other than the General Fund.

2. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

The City has contracted with CalPERS to provide employees with the 2.7% at age 55 formula with "highest single year" effective December 17, 2006 for "Classic" or "Legacy" employees as defined by CalPERS and the Public Employees' Pension Reform Act of 2013 (PEPRA) and the 2.0% at 62 with "highest three year average" for "New Members" as defined by CalPERS and PEPRA. Classic/Legacy employees shall continue to pay the employee contribution rate and New Members shall contribute 50% of the "normal cost" of their pension formula as required and defined by CalPERS and PEPRA. The employee's CalPERS retirement contribution will continue to be treated as tax deferred.

3. APPLICATION OF MOU TO REIMBURSED SERVICES

The terms of this Memorandum of Understanding shall not apply to Unclassified Management Employees when such employees are providing their services to another agency that is reimbursing the City of Santa Clara for salary and fringe benefits of such employees. Such arrangements shall be mutually agreed upon between the employee and the City.

4. HOLIDAYS

- A. Employees shall be provided 13 annual paid holidays (computed on the eight hour per day pay rate). Any additional permanent holidays designated by the City Council will be afforded represented employees of Unit 9. Additional permanent holidays under this section shall be defined as a holiday on which City offices are closed.
- B. Additionally, effective December 2020, the City shall provide 32 hours for four additional paid holidays between December 25th and January 1st of the following calendar year. If there are more than four working days between December 25th and January 1st of the following calendar year,

the City shall designate which four working days shall be paid holidays under this paragraph. Employees whose jobs require them to work on these days would receive banked paid hours off instead (up to 8 hours per holiday), which hours may and must be used during the applicable MOU year with the approval of the applicable supervisor/manager.

5. JOB SECURITY

Represented members will be compensated at the rate of forty (40) hours salary per year of service to a maximum of six hundred and forty (640) hours should they be terminated from employment for reasons other than cause as defined under Section 6.4 of the Civil Service Rules and Regulations.

6. VACATION ACCRUAL AND USAGE

Represented employees will be entitled to use vacation as it is earned under the following conditions:

- A. Vacation may not be taken during the first 6 months of regular employment.
- B. Vacation will be earned on a bi-weekly basis (1/26 of the yearly accrual) provided that the employee is in a paid status for at least 2/3 of the hours (53.4 hours) of that pay period.
- C. Accrued vacation time will be paid off regardless of term of employment.
- D. Annual and maximum vacation accrual rates, calculated to four decimal points for accuracy, are as follows:

COMPLETED YEARS OF SERVICE	ANNUAL ACCRUAL	MAXIMUM VACATION ACCRUAL LIMIT
1 through 4	80 hours	480 hours
5 through 9	120 hours	480 hours
10 through 15	168 hours	480 hours
16 through 20	176 hours	480 hours
21 years +	192 hours	480 hours

- E. Maximum Vacation Accrual Limit – Employees are limited to the maximum accrual of vacation as defined. The current vacation balance, the annual accrual and the current pay period usage are all shown on the employees' pay check stub and are the responsibility of the employee to track for compliance with this provision.
 - 1) Effective December 27, 2020 (the first pay period of calendar year 2021), the Maximum Vacation Accrual Limit as described in Section 6.D above shall be temporarily suspended for two (2) years until the end of the last pay period of calendar year 2022. Employees may continue to accrue vacation above the Maximum Vacation Accrual

Limit until December 24, 2022 (the end of the last pay period of calendar year 2022).

- 2) Effective December 25, 2022 (the first pay period of calendar year 2023), employees shall not be allowed to accrue vacation above the Maximum Vacation Accrual Limit.
- 3) Temporary Supplemental Vacation Accrual – Effective December 25, 2022 (the first pay period of calendar year 2023), employees holding positions in classifications assigned to Unit 9 shall be eligible for the Temporary Supplemental Vacation Accrual. The Temporary Supplemental Vacation Accrual is a separate vacation balance subject to the following:
 - (a) Effective December 25, 2022, all unused accrued vacation hours above 400 hours as of December 24, 2022 (the last pay period of calendar year 2022) shall be placed in the Temporary Supplemental Vacation Accrual balance.
 - (i) The following is only an example of the Temporary Supplemental Vacation Accrual described above, and any figures are for illustration purposes only and assumes the employee does not use vacation.

Issue	Hours
Vacation Balance as of December 24, 2022 (the last pay period of calendar year 2022)	500
Hours to be placed in Temporary Supplemental Vacation Accrual	100
Vacation Balance as of December 25, 2022 (the first pay period of calendar year 2023)	400
Hours that can be accrued in calendar year 2023	80
Hours that can be accrued above the Maximum Vacation Accrual Limit of 480 hours	0

- (b) The Temporary Supplemental Vacation Accrual balance may not be increased.
- (c) Subject to supervisory approval, any Temporary Supplemental Vacation Accrual shall be available for use to the employee until the Temporary Supplemental Vacation Accrual balance has been exhausted.
- (d) If an employee leaves or retires from City service, any unused Temporary Supplemental Vacation Accrual hours shall not be subject to the terms of Section 6.I below. Any accrued but unused Temporary Supplemental Vacation Accrual hours will be cashed out upon the employee's retirement or other separation from City service. If permitted by the City's deferred compensation plan and applicable law, the separating employee may elect to contribute all or a portion of their accrued but unused Temporary Supplemental Vacation Accrual hours to their deferred compensation account by

submitting a written request no later than 30 days prior to their separation from City service.

- (e) An employee must first use their Temporary Supplemental Vacation Accrual for any vacation leave taken until the Temporary Supplemental Vacation Accrual balance has been exhausted, subject to supervisory approval.
 - (f) An employee must use their Temporary Supplemental Vacation Accrual for any leave of absence until the Temporary Supplemental Vacation Accrual balance has been exhausted subject to any requirement that sick leave be utilized first.
 - (g) An employee may not be on unpaid status until the Temporary Supplemental Vacation Accrual balance has been exhausted and must use their Temporary Supplemental Vacation Accrual until the Temporary Supplemental Vacation Accrual balance has been exhausted, with the exception of any formal disciplinary action pursuant to the City's Civil Service Rules.
- F. Vacation may be used in one-tenth (1/10th) hour increments.
- G. Employees who begin work prior to July 1st or continue to be employed after the first calendar year of employment are required to use at least one-half of the vacation accrued during the prior calendar year during the current calendar year.
- H. Subject to having a sufficient balance of accrued vacation available, an employee may, on a twice per year basis, request to be paid at his/her current hourly pay rate for a total combined maximum of 80 hours of accrued vacation.
- I. In lieu of receiving a vacation-leave cash payout at retirement, the Miscellaneous Unclassified Management Employees may vote to roll accrued vacation leave hours (except for any hours in the Temporary Supplemental Vacation Accrual balance) into the employee's VEBA account, subject to Association compliance with Federal rules associated with employee contributions of vacation leave to their VEBA accounts.

7. HEALTH INSURANCE

- A. For employees who enroll in a City offered health plan and whose benefits exceed the total of the City's Health Flex Contribution, Additional Health Flex Contribution, and/or Regular Flex Contribution applicable to the employee and as described below, the balance of the benefits shall be paid by a salary deduction from the pay of the individual employee.
- B. Health Flex Contribution
- 1) The City offers full-time employees a Health Flex Contribution to put toward the payment of a City offered health plan. The City shall modify the Health Flex Contribution each calendar year using the Rate of Pay Safe Harbor (based on the lowest base pay of any full-time position covered by this MOU) to ensure the City's offered

coverage is “affordable.” The City contributes the statutorily required minimum contribution under the Public Employees Medical and Hospital Care Act (PEMHCA) as determined by CalPERS in each calendar year. It is understood and agreed that the Health Flex Contribution described in this paragraph shall be equal to or exceed the City’s statutorily required minimum PEMHCA contribution.¹

- 2) Employees may not receive all or any portion of the Health Flex Contribution as cash or any other taxable benefit, and must apply the Health Flex Contribution to City-offered health benefits. Employees who do not enroll in City-offered health benefits will not receive any of the Health Flex Contributions.

C. Additional Health Flex Contribution

- 1) Full-time employees who enroll in a City health plan for which the premium amount is more than \$946.86/month shall receive an Additional Health Flex Contribution in the amounts described in this section.
- 2) Employees may not receive all or any portion of the Additional Health Flex Contribution as cash or any other taxable benefit, and must apply the Additional Health Flex Contribution to City-offered health benefits. Employees who do not enroll in City-offered health benefits will not receive any of the Additional Health Flex Contributions.
- 3) Effective January 1, 2020, full-time employees who enroll in a City health plan for which the premium amount is more than \$946.86/month shall receive an Additional Health Flex Contribution. The Additional Health Flex Contribution, when added to the Health Flex Contribution described in the prior section and the Regular Flex Contribution described herein, shall not exceed \$200 per month over the Kaiser employee only premium amount for the applicable year.²
- 4) Effective January 1, 2023, full-time employees:
 - (a) Who enroll in a City health plan for Employee Only coverage for which the premium amount is more than \$946.86/month shall receive an Additional Health Flex Contribution to be put towards the premium amount. The City will provide an Additional Health Flex Contribution amount that, when added to the Health Flex Contribution described above and the Regular Flex Contribution described herein, shall not exceed \$200 per month over the Kaiser employee only premium amount for the applicable year.
 - (b) Who enroll in a City health plan for Employee Plus One coverage or Employee Plus Family coverage for which the premium amount

¹ As an example, for 2020, the PEMHCA minimum is approximately \$139/month and the Health Flex Contribution is \$139.00/month, which includes the PEMHCA minimum of \$139/month.

² As an example, for 2020, the Additional Health Flex Contribution is approximately \$23.70/month to these individuals since \$200 over the Kaiser employee only premium amount in 2020 is approximately \$970.56/month.

is more than \$946.86/month shall receive an Additional Health Flex Contribution to be put towards the premium amount. The Additional Health Flex Contribution, when added to the Health Flex Contribution described above and the Regular Flex Contribution described herein, shall not exceed an amount equal to 100% of the Kaiser Employee Plus One rate for the applicable year.

D. Regular Flex Contribution

- 1) The City will provide full-time employees a Regular Flex Contribution equal to \$946.86 less the Health Flex Contribution.³ Employees may use the Regular Flex Contribution to pay for health benefits offered under the City's Section 125 plan or may opt to receive any or all of the Regular Flex Contribution as taxable cash. An employee will receive a Regular Flex Contribution whether or not he/she enrolls in City-offered health benefits and notwithstanding the provisions of Section 7.E. below.
- 2) Employees hired or rehired on or after January 1, 2023, who choose not to enroll in a City health plan are not eligible for a Regular Flex Contribution.

E. Cash In Lieu

- 1) Full-time employees hired before January 1, 2023, who choose not to enroll in a City health plan for a plan year, and meet the requirements set forth below shall receive a Cash in Lieu amount per month for that plan year equal to \$946.86 minus the Regular Flex Contribution as calculated each calendar year.⁴ A full-time employee hired before January 1, 2023, who enrolls in coverage for a plan year, shall be treated in accordance with Sections 7.A-D and will not receive Cash in Lieu for that plan year.
- 2) Full-time employees hired or rehired on or after January 1, 2023, who choose not to enroll in a City health plan for a plan year, and meet the requirements set forth below, shall receive a Cash in Lieu amount for that plan year equal to \$250/month. A full-time employee hired on or after January 1, 2023, who enrolls in coverage for a plan year, shall be treated in accordance with Sections 7.A-D and will not receive Cash in Lieu for that plan year.
- 3) In order to receive Cash in Lieu of health coverage, an employee must sign a form attesting that the employee and the employee's Tax Family have the Alternative Required Coverage for the Opt Out Period.
 - (a) Tax Family means all individuals for whom the employee intends to claim a personal exemption deduction for the taxable year or

³ As an example, for 2020, the Regular Flex Contribution for employees who are regularly scheduled to work 40 hours per week is approximately \$807.86/month.

⁴ As an example, for 2020, the Cash in Lieu amount is approximately \$139.00/month for employees who are regularly scheduled to work 40 hours per week.

years that begin or end in or with the City's plan year to which the opt out applies.

- (b) Alternative Required Coverage required means minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California).
- (c) Opt Out Period means the plan year to which the opt out arrangement applies.
- (d) An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year for each plan year the employee would like to receive Cash in Lieu.
- (e) The Cash in Lieu payment cannot be made and the City will not in fact make payment if the City knows or has reason to know that the employee or a Tax Family member does not have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.
- (f) An employee who opts out of City-offered health benefits, but cannot provide the attestation, will not receive the Cash in Lieu contribution described in this subsection.

F. Flexible Spending Account (IRS Section 125 Plan)

The City has established a Flexible Spending Account benefit (IRS Section 125 Plan) for employees, which provides accounts in which employees may contribute pre-tax dollars for dependent care and un-reimbursed medical expenses. This Plan will follow the regulations outlined by the Internal Revenue Service. Detailed information will be available in the Summary Plan Document.

This Plan is voluntary and participating employees will make pre-tax salary reduction elections to fund the plan.

G. Proration of Benefits:

For employees who may be eligible for benefits but work less than 40 hours per week, benefits shall be prorated based on the employee's full-time equivalent (FTE) level.

8. DENTAL INSURANCE

The City will pay toward dental insurance premiums an amount equal to the lowest cost employee only premium amount among the dental plans offered by the City. All employees are required to enroll in a dental plan.

9. VISION INSURANCE

For persons enrolled in the City's VSP vision plan, the City will pay toward vision insurance premiums an amount equal to the lowest cost employee only vision premium. Participation is voluntary. Employees that do not choose to enroll in a vision plan are not entitled to the benefit of City contributions to vision premiums.

described in this paragraph.

10. LONG TERM DISABILITY

The City will continue to pay the cost of a long term disability insurance program. The LTD plan will have a maximum 60 day waiting period and the maximum monthly benefit will include those offsets required by law such as, but not limited to, SDI, retirement, reduced work schedule, worker's compensation, social security, and Railroad retirement.

11. LIFE INSURANCE

The City will pay the required premium for life insurance for represented employees in the amount of \$50,000.

12. AUTOMOBILE ALLOWANCE

As an alternative to IRS mileage reimbursement or use of a City vehicle, an automobile allowance program will be available to represented employees as follows:

- A. Department Heads including Assistant City Manager, Deputy City Manager and Deputy Director Redevelopment Agency/Sports & Open Space Authority (Executive Management) shall be entitled to a base monthly automobile allowance of \$320 for use of their personal vehicles to conduct City business. Executive Management employees may be eligible to receive an additional amount up to a maximum of \$200 per month based on required driving while conducting City business, at the discretion of the City Manager or his/her designee.
- B. Assistant Department Heads and Division Managers shall be entitled to a base monthly automobile allowance of \$200 for use of their personal vehicles to conduct City business. Assistant Department Heads and Division Managers may be eligible to receive an additional amount up to a maximum of \$300 per month based on required driving while conducting City business, at the discretion of the City Manager or his/her designee.
- C. Effective December 27, 2020 (the first pay period of calendar year 2021), the base monthly automobile allowance shall be paid on the first 2 pay periods of every month.
- D. Upon request of the employee, prior to the beginning of each fiscal year, the City Manager or his/her designee will determine whether or not it is appropriate for a manager to receive an amount above the base monthly allowance. The determination will be made based on the requirements for use of the personal vehicles for City business and may require detailed driving information in order to grant an amount above the base monthly amount. This rate adjustment will become effective at the beginning of each fiscal year and will remain in effect for the full year unless there are unique circumstances requiring a modification.
- E. Prior to the granting of this allowance, all insurance, driver's license, and vehicle registration as required under the State of California Vehicle Code, will be provided by the represented employee, and must be valid and in force at all times employees are operating their personal vehicles on City

business.

- F. Employees receiving the automobile allowance are responsible for all gasoline and maintenance costs. Employees shall also maintain their personal vehicles in a clean and presentable condition while conducting City business.
- G. A represented employee, who is currently assigned a City vehicle, may choose to continue using that assigned City vehicle in lieu of the automobile allowance.
- H. The City reserves the right to substitute an assigned City vehicle in lieu of this automobile allowance for a represented employee if it is deemed to be in the City's best interest to provide a City vehicle to conduct City business.
- I. A represented employee who is currently reimbursed for use of a personal vehicle in accordance with the IRS mileage reimbursement rate, may continue to utilize direct mileage reimbursement, in lieu of participation in this automobile allowance program.

13. MOBILE COMMUNICATION DEVICE ALLOWANCE

Mobile communication device allowance of \$80.00 per month for eligible classifications.

14. MERIT PAY/SALARY ADJUSTMENT SYSTEM

Merit pay adjustments, or merit increases, as provided for in the Personnel and Salary Resolution are, and will continue to be available during the term of this MOU when and if approved by the applicable Department Head and the City Manager, subject to Section 14.G below. The Merit Pay Adjustment system shall include the following elements:

- A. Each Unit 9 employee shall receive an annual evaluation.
- B. Annual consideration of merit pay adjustments, subject to Section 14.G below, with an affirmative decision by the applicable Department Head shall be required each year following the annual evaluation.
- C. Merit pay adjustments shall range from 0 to 5%. However, in 2016 and 2017 only, employee is guaranteed at least 2% and, with Department Head approval, up to 5%, subject to Section 14.G below.
- D. In 2016, employees are eligible for a merit pay adjustment based on an evaluation prepared by February 2, 2016, which date will be their merit pay anniversary each year going forward.
 - 1) Notwithstanding D. above, for employees that have been employed a full year as of February 2, 2016, they will be eligible on their actual anniversary date, which shall also be their merit pay anniversary date thereafter.
 - 2) Notwithstanding D. above, for employees that receive a merit increase between January 1, 2015 and February 2, 2016, the date of their last merit increase shall be their new merit pay anniversary date.

- 3) If a Department Head has not completed an evaluation in time for a merit adjustment by an employee's anniversary date (February 2, 2016 for most employees), the applicable merit pay adjustment once determined shall be made retroactive to the first full pay period following the anniversary date (and to February 2, 2016 in 2016 for those persons whose anniversary date is February 2, 2016).
- E. subject to Section 14.G below , the City shall not suspend or freeze consideration of merit pay adjustments for Unit 9 employees unless step increases are suspended or frozen for all bargaining units that utilize a step system.
 - F. The City and Unit 9 may, by mutually agreement, meet to discuss potential changes to the merit pay system and/or movement toward a step pay system more like other bargaining units.
 - G. Effective January 1, 2021, employees holding positions in classifications assigned to Unit 9 shall be ineligible for a merit increase for the next two (2) consecutive rating periods. This means that an employee in Unit 9 shall not be eligible for a merit increase until the third rating period after January 1, 2021, and after the employee has skipped two (2) consecutive rating periods where they did not receive a merit increase. Employees with a rating period that ends before January 1, 2021, will be eligible for a merit increase for that rating period pursuant to the Personnel and Salary Resolution, even if such merit increase (if any) is not approved until after January 1, 2021.
- 1) Employees hired or rehired or promoted or reclassified on or after January 1, 2021, and until on or before December 31, 2022, into positions in classifications assigned to Unit 9 shall be ineligible for a merit increase for the first two (2) consecutive rating periods. This means that an employee hired or rehired or promoted between January 1, 2021, and December 31, 2022, will not be eligible for a merit increase until the employee's third rating period with the City after the employee was hired or rehired or promoted or reclassified into positions in classifications assigned to Unit 9.
 - (a) A current active City employee promoted or reclassified from another bargaining unit into a position in a classification assigned to Unit 9 between January 1, 2021, and December 31, 2022, shall be ineligible for a merit increase until the employee's third rating period from the effective date of the promotion or reclassification.
 - (b) A current active City employee holding a position in a classification assigned to Unit 9 as of the effective date of this agreement who is promoted or reclassified into or accepts another position in Unit 9 between January 1, 2021, and December 31, 2022, shall be ineligible for a merit increase unless the employee has skipped two (2) consecutive rating periods where they did not receive a merit increase since January 1, 2021.
 - (c) Nothing in this Section is intended to prohibit a pay increase that may result from a current active City employee being promoted or reclassified into a position in a classification assigned to Unit 9.

15. EMERGENCY PAID LEAVE PROGRAM

A. Administration

Administration of this program shall be provided by a three (3) member Emergency Paid Leave Board (Board), consisting of two (2) members of the Unit 9 Board and the City Director of Human Resources (or designee). Determination of eligibility to use the vacation established in this Emergency Paid Leave pool will be by majority vote of this board. An adverse decision of this board may be appealed to the Unit 9 Board of Directors and their determination shall be final.

B. Method of Donation

- 1) Contribution of vacation will be computed at the employee's base hourly rate of pay (excluding premium or specialty pay).
- 2) Contribution may be made from earned vacation, or cash only. Conversion of Sick Leave to Vacation for purposes of donation to this pool will be immediately credited to the pool.
- 3) In a case where it has become known that an employee has been seriously injured or has a life-threatening illness and is in need of assistance from the Emergency Paid Leave Pool, contributions from accrued Sick Leave, computed at the contributing employee's base hourly rate of pay (excluding premium or specialty pay) may be made for the benefit of that specific employee who has the need.
- 4) Employee may authorize the City to automatically convert vacation that should be accrued to the employee to the pool when the employee's vacation accrual has reached the maximum allowed.
- 5) Funds contributed to the Emergency Paid Leave Pool will be placed in an interest bearing Trust Fund. The Trust Fund will be accumulated in total dollars. No record of number of hours contributed to the Pool will be maintained. An employee making a donation to the Pool will not have a vested right to the amount donated.
- 6) Employees, appointed Council officers, and the elected City Clerk may contribute earned vacation, or cash to the Emergency Paid Leave Pools of other City bargaining groups.

C. Use of Pool

- 1) Employee must have a verified emergency need for time off to request Emergency Paid Leave from the pool. An employee's initial request to use leave from the Emergency Paid Leave Pool shall be made to the City's Director of Human Resources (or designee). The Director of Human Resources (or designee) shall make an initial determination regarding whether the employee's request to use Emergency Paid Leave is for a verified medical emergency. The Director of Human Resources (or designee) shall notify the rest of the Board of the name of the

individual making the request, the date of the request and whether or not the individual's request qualified as a verified medical emergency need under this section. Medical emergencies for the employee or dependent shall be verified by a doctor's certification and shall include the anticipated duration of the medical emergency. Non-medical emergencies shall be verified by certification acceptable to the Board and shall include the anticipated duration of the emergency.

- 2) Employee must have exhausted appropriate paid leave (sick leave including eligible conversion to vacation or vacation) prior to becoming eligible to request emergency paid leave benefits from the pool.
- 3) The maximum time available from the pool (subject to the assets of the pool) will be 320 hours (four [4] pay periods) for Emergency Paid Leave benefits due to the illness or injury of the employee or the maximum allowable accrual of vacation for emergency needs of the family of the employee.
- 4) Emergency Paid Leave will be deducted from the pool based upon the employee's base hourly rate of pay (excluding premium or specialty pay).
- 5) Emergency Paid Leave hours will be made available for use in the pay period following approval by the Miscellaneous Unclassified Management Employees' Emergency Paid Leave Board.
- 6) Use of Emergency Paid Leave from the pool will be treated in the same manner as use of regular vacation. The employee will continue to accrue sick leave, vacation, insurance coverage and other benefits in the same manner as he/she would if using regularly credited vacation.
- 7) Emergency Paid Leave, which has been credited to the employee and has not been used when the emergency has terminated will be reinstated to the pool. Vacation, sick leave and other benefits, which have accrued to the employee, will remain in the employee's account.

16. SICK LEAVE/FAMILY SICK LEAVE/PERSONAL LEAVE

A. Sick Leave

- 1) Employees shall accrue ninety-six (96) hours of sick leave per year of regular City employment. Sick leave shall accrue in equal amounts each pay period. Employees shall not accrue sick leave while they are on unpaid status.
- 2) Use of sick leave will be under the same terms and conditions as are now in place. Vacation, and Management Leave may be used to supplement sick leave with Department Head approval, as permitted and set forth in CMD 30.

B. Family Sick Leave

- 1) Not more than forty-eight (48) hours of sick leave within one calendar year shall be granted to any employee for the care or attendance upon members of his/her immediate family, unless the use of additional leave is

approved by the City Manager or designee. "Immediate family" is defined as spouse, parent, child, sibling, grandparent, grandchild, aunt, uncle, niece, nephew, first cousin, parent by marriage, step-parent, step-child, grandparent by marriage, son-in-law, daughter-in-law, sibling by marriage, foster parent, domestic partner, anyone residing with employee, or anyone dependent on the employee for care.

C. Personal Leave

- 1) Each calendar year, an employee is entitled to use thirty-two (32) hours of accrued sick leave as Personal Leave, provided he/she has sufficient sick leave balance available.
- 2) Personal leave is intended to provide the employee with paid time off to attend to legitimate personal business that may arise from time to time during the year. Personal Leave may be used to supplement sick leave as required.
- 3) The employee has an obligation to provide as much notice as possible so as to allow for proper scheduling by the department.
- 4) Providing that the minimal requirements of proper notification have been met, the use of Personal Leave should not be denied.
- 5) The adoption of this program does not modify the existing ability of the employee to exchange up to 96 hours of accrued sick leave for up to 48 hours of vacation, based upon two (2) hours of sick leave for one (1) hour of vacation as provided and defined in the Personnel and Salary Resolution.

17. BEREAVEMENT LEAVE

- A. The City will provide employees with a paid bereavement leave benefit to attend to the customary obligations arising from the death of a member of an employee's immediate family, as defined in this Section. Employees are eligible to receive up to forty (40) hours of bereavement leave in the event of the death of a parent, child, or sibling of the employee, employee's spouse or employee's domestic partner (including, in each case, step, adoptive and in-law), spouse or domestic partner; up to three (3) work days (regardless of shift assigned) of bereavement leave in the event of the death of a grandparent, grandchild, aunt or uncle of the employee, employee's spouse or employee's domestic partner (including, in each case, step, adoptive and in-law); and up to one (1) work day (regardless of shift assigned) of bereavement leave in the event of the death of a great-grandparent, great-grandchild, great-aunt, great uncle, niece, nephew, or first cousin of the employee, employee's spouse or employee's domestic partner (including, in each case, step, adoptive and in-law).
- B. The bereavement leave benefit is based on each death occurrence and is not charged to the Salary Adjustment Form.
- C. Up to five (5) work days of additional bereavement leave may be charged to an employee's sick leave balance with City Manager approval.

D. At the request of the City, the employee will provide verification.

18. VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION (VEBA)

- A. The City established a Voluntary Employee Beneficiary Association (VEBA) trust under Internal Revenue Code Section 501(c)(9) for the purpose of providing a defined contribution post-retirement medical benefit for employees. The City contributes \$50 per month per represented employee. Per the City's contract with VEBA, VEBA's consulting fee will be deducted from plan participant's accounts. These contributions shall be included on total compensation surveys. Specific information regarding the Plan is referenced in the Plan Document.
- B. VEBA is a tax-exempt trust account formed under Internal Revenue Code Section 501(c)(9) designed to accumulate assets to fund the future payment of qualified unreimbursed medical expenses (including specified insurance premiums). At retirement, participants may withdraw the accumulated plan benefits to pay for unreimbursed health insurance premiums, qualified long-term care insurance premiums, and other qualified unreimbursed medical expenses and will not be taxed under current state and federal law. Withdrawals cannot be made for nonmedical purposes.

19. RETIREE MEDICAL REIMBURSEMENT BENEFIT

- A. The Retiree Medical Reimbursement Benefit shall provide each employee who retires from the City with at least ten (10) years of regular City service with a reimbursement for unreimbursed single retiree health insurance premium beginning with the second full month after retirement from City service and ending with the last full month before the retiree's sixty-fifth (65th) birthday. Starting in the month in which the retiree turns age sixty-five (65), the reimbursement will be for unreimbursed Medicare single retiree supplemental health insurance premium. For premiums paid in calendar year 2017 that will be reimbursed in 2018, the City will reimburse an amount up to \$343 per month, including the PEMHCA minimum, for unreimbursed single retiree health insurance premium or up to \$205 per month, including the PEMHCA minimum, for unreimbursed Medicare single retiree supplemental health insurance premium. The amount of the City reimbursement will be adjusted thereafter once each year by the percentage change from October to October in the San Francisco-Oakland-San Jose urban wage earners and clerical workers (W) consumer price index from the prior year, but in no event will be increased more than 3.5%.
- B. Beginning in 2004, the City will pre-fund this benefit with an amount to be determined by an actuary.
- C. Each retiree will be required to submit proof of health insurance coverage to the City each year. The City will pay the reimbursement in a lump sum payment each year.

20. EMPLOYEE ASSISTANCE PROGRAM

The City will provide a confidential Employee Assistance Program for represented employees.

21. CHANGES TO JOB DESCRIPTIONS

Should the City propose a change of the job description, or should the City propose a new job classification and job description, of any job classification represented herein, the City Manager or designee will provide a copy of that proposed job description to Unit 9 for its review and comment back at least ten (10) work days before it is scheduled to be presented to the City Council for adoption. If the proposed compensation control point of a new classification has been established, the City Manager will also provide that proposed compensation control point to Unit 9 for its comment. For a revision of an existing job description, Unit 9 may include a request that the City Manager review the existing compensation control point for the job classification if there has been a significant change in the duties, responsibilities, or safety hazards of the job classification. The City Manager will give consideration to Unit 9 comments, but the final decision on the job description and compensation control point that is submitted to the City Council for adoption will be made by the City Manager.

22. LIMITED/ALTERNATIVE DUTY

A. Alternate Work Schedule (Nine-Eighty Schedule)

A Miscellaneous Unclassified Management employee shall be eligible to work a 9/80 alternate work schedule according to the conditions, criteria, and requirements set forth in City Manager's Directive 71. Requests to work a 9/80 schedule shall be made through or by the Department Head to the City Manager. The City Manager must approve the schedule and the City Manager or Department Head (for employees other than Department Heads) may terminate the schedule at any time.

B. Job Related Illness or Injury

Employees with a job related illness or injury, covered by Workers' Compensation, which prohibits performance of their regular duties, will be reassigned to limited or alternative duty under the following conditions:

- 1) Supervisors shall be advised of any industrial injury/illness as soon as practical.
- 2) Upon receipt of a Doctor's report providing work limitations, the City may identify a regular or modified assignment for which the employee has the required experience and training. Such assignment may be on a 40 hour per week or less basis, if mutually agreed between the City and the employee.
- 3) If the City is unable to identify a limited or alternative duty assignment for which the employee has the required experience and training, the employee will be reassigned to a Monday through Friday work schedule to accommodate required medical or other workers' compensation commitments.

C. Non Job Related Illness, Injury or Condition

Employees who have a non-job related illness, injury or condition which

prohibits performance of the employee's regular duties, may request assignment to limited or alternative duty. Nothing in these provisions is intended to imply that an employee has a right to a limited/alternative duty assignment, unless expressly provided by law. Such request will be accommodated, unless no appropriate limited or alternative duty assignment is available, under the following conditions:

- 1) Identification by the City of a regular or modified assignment for which the employee has the essential experience and training. Such assignment may be on a 40 hour per week or less basis, if mutually agreed between the City and the employee.
- 2) Submission of a written release from employee's doctor, subject to review by the City doctor, which allows the employee to perform all of the duties of the contemplated assignment.
- 3) Employee may account for regular work schedule through a combination of limited or alternative duty hours and sick leave or other paid leave sufficient to maintain eligibility for regular accrual of benefits.

D. Work Week

Under both limited or alternative duty assignments employees will be required to work their regularly scheduled number of hours (normally forty (40) hours) per week, unless such assignment is modified by mutual agreement between the City and the employee. It is recognized that performance of limited or alternative duty assignments will not be permitted to interfere with any medically related treatment designed to assist the employee to return to full, unrestricted duty in the earliest possible time frame.

E. Temporary Assignment

All such assignments, and their duration, are temporary assignments and are subject to periodic sixty (60) day review of the employee's continued need for limited or alternative duty, the employee's continued ability to perform the limited or alternative duty and the department's ability to continue the employee in the assignment. All temporary assignments shall be at the employee's regular rate of pay.

F. Law to Prevail

In the event the Americans With Disabilities Act requires modification of the provisions of this section, it is agreed that the law will prevail.

23. REDUCED WORK WEEK VOLUNTARY TIME OFF (VTO) PROGRAM

A. Employee Participation

Employee participation in this plan is with the City's understanding and agreement that employee participation is temporary and participation is not to be construed as a representation of employee commitment to a permanent program or an admission of any kind that the employee would not be harmed by such a plan becoming mandatory.

B. Reduced Work Week/Reduced Pay

Employees may request a reduced work week schedule (32 hours per week instead of 40 hours per week, for example) at the same hourly rate of pay, subject to the following conditions:

- 1) With the approval of the Department Head and the City Manager, a binding work schedule as requested by the employee will be developed that may be modified only with the approval of both the City and the employee.
- 2) More than a 20% reduction of the work week in a pay period will result in proportionate reduction of accrual of sick leave and vacation.

24. INDUSTRIAL INJURY/CONTINUATION OF INSURANCE BENEFITS WHILE ON WORKERS' COMPENSATION

Workers authorized by the City's Workers' Compensation Administrator to undergo therapy or treatment due to an industrial injury, who are required to leave work, shall receive leave with pay, including reasonable travel time, providing the treatment falls within the normal working hours, is pre-scheduled and cannot be scheduled during non-work hours.

The City will continue payment toward health, dental and life insurance coverage for the employee and dependents up to the maximum amount allocated under total compensation for an employee who is disabled from work because of a work related injury if the employee is no longer in a paid status sufficient to continue the coverage afforded under the terms of the program, subject to the following conditions:

- A. The employee may not increase the existing coverage after the date of injury except to add children born within nine months of the injury.
- B. Continuation toward payment of employee and dependent health/dental/life insurance coverage up to the maximum allocated under Total Compensation is limited to one (1) year from the date of injury. Continuation toward payment of employee health/dental/life insurance coverage up to the maximum allocated under Total Compensation may be extended if the employee continues to be on temporary disability status for a Workers' Compensation injury.
- C. The employee has supplemented his/her workers' compensation benefit with sick leave, vacation, management leave or other paid leave sufficient to qualify for payment of the health/dental/life insurance premium and is no longer entitled to any salary from the City.

25. MANAGEMENT LEAVE PROGRAM

The Management Leave Program is as follows:

- A. Effective January 1 of each year, represented employees will be credited with 120 hours of Management Leave per calendar year.
- B. New hires or employees promoted into Unit 9 between January 1 and June 30 will be credited with 120 hours of Management Leave. New hires or

employees promoted into Unit 9 between July 1 and December 31 will be credited with 60 hours of Management Leave.

- C. Use of Management Leave is subject to approval by the applicable Department Head, or the City Manager or his/her designee in the case of a Department Head request, taking into account the relevant circumstances including work/Department needs, staffing limitations, conflicts, timing of request, etc.
- D. Management Leave may not be converted to cash or other paid time off.
- E. Unused Management Leave may be carried over from one calendar year to the next; however, an employee may never have more than a balance of 180 hours of management leave, subject to Section 25.E.1-4 below. (Thus, and for example, an employee that already has 180 hours of management leave on January 1 would not receive any further management leave. An employee that already has 100 hours of management leave on January 1 would "only" receive an additional 80 hours. An employee with 60 or fewer hours of banked management leave on January 1 would receive 120 hours.)
 - 1) For calendar year 2021, an employee may have up to a balance of 240 hours of management leave.
 - 2) For calendar year 2022, an employee may have up to a balance of 240 hours of management leave.
 - 3) For calendar year 2023, an employee may have up to a balance of 240 hours of management leave.
 - 4) For calendar year 2024, an employee may have up to a balance of 240 hours of management leave.
 - 5) Effective the first pay period of calendar year 2025, the terms of Section 25.E above shall apply, and an employee may have no more than a balance of 180 hours of management leave.

26. FLEXIBLE SPENDING PLAN (INTERNAL REVENUE CODE SECTION 125)

The City will make available a Flexible Spending Plan under the Internal Revenue Code Section 125 for employees. Employees may contribute pretax (federal, state, FICA, Medicare) dollars for dependent care and qualified unreimbursed medical expenses. This Plan will follow the regulations outlined by the Internal Revenue Code. Detailed information will be available in the Summary Plan Document.

The City will pay the administrative expenses for the plan. This Plan is voluntary and participating employees will pay the monthly participation cost. The monthly participation cost will be considered pre-tax, as defined above, under Internal Revenue Code Section 106. Participating employees will be provided with an Employee Plan Summary and regular statements regarding the status of their flexible spending accounts.

27. DOMESTIC PARTNERS

The City shall make all benefit programs available to employees, dependents

and domestic partners, subject to the requirements of each benefit provider.

28. PAY PERIODS

Allowances/payments or accrual rates that are an agreed upon amount per month or year but are paid for administrative purposes in incremental amounts each pay period, shall be the same total amount per year in years in which there are 27 pay periods instead of 26 pay periods. This clarification is not intended to and would not modify anyone's salary/rate of pay.

29. DECLARATION

The parties hereto have reached an understanding concerning the proposed salaries and fringe benefits described in the above paragraphs. All other matters dealing with wages, hours, fringe benefits including health and dental insurance contributions, and working conditions included in ordinances, resolutions, rules or regulations, or previous memorandums of understanding, shall remain unchanged for the term of this memorandum in the absence of agreement to the contrary.

30. NEXT MEMORANDUM OF UNDERSTANDING

Unit 9 will submit its proposals for a Memorandum of Understanding for the term commencing at the expiration of this Memorandum of Understanding no later than January 31, 2024.

FOR THE CITY OF SANTA CLARA

Aracely Azevedo Digitally signed by Aracely Azevedo
Date: 2021.01.06 10:07:14 -08'00'

Aracely Azevedo
Director of Human Resources
Date: _____

Marco Mercado Digitally signed by Marco Mercado
Date: 2021.01.08 09:12:31 -08'00'

Marco Mercado
Assistant Director of Human Resources
Date: _____

Ashley Lancaster Digitally signed by Ashley Lancaster
Date: 2021.01.06 12:38:57 -08'00'

Ashley Lancaster
Human Resources Division Manager
Date: _____

FOR THE CITY OF SANTA CLARA
MISCELLANEOUS UNCLASSIFIED
EMPLOYEES

Chris Jackson Digitally signed by Chris Jackson
Date: 2020.12.16 12:55:47 -08'00'

Chris Jackson
President
Date: _____

craig johnson Digitally signed by craig johnson
DN: C=US, E=cjohnson@santacleara.gov, O=City of
Santa Clara, OU=Building Division, CN=craig johnson
Date: 2020.12.16 13:07:37 -08'00'

Craig Johnson
Vice President
Date: _____

Carolyn McDowell Digitally signed by Carolyn McDowell
Date: 2020.12.16 13:31:18 -08'00'

Carolyn McDowell
Treasurer
Date: _____

Lee Hagan Digitally signed by Lee Hagan
Date: 2020.12.17 12:57:37 -08'00'

Lee Hagan
Secretary
Date: _____

APPROVED: Deanna J. Santana Digitally signed by Deanna J. Santana
Date: 2021.01.15 11:08:29 -08'00'
Deanna J. Santana
City Manager

Date

APPROVED BY THE CITY COUNCIL ON: November 17, 2020

ATTEST: Nora Pimentel Digitally signed by Nora Pimentel
Date: 2021.01.29 17:10:15 -08'00'
City Clerk

Date

APPENDIX A: MOBILE COMMUNICATION DEVICE PROGRAM

APPENDIX A: PDA/SMART PHONE STIPEND INFORMATION

City Manager's Office

**Interoffice Memorandum**

Date: April 15, 2014

To: Unit 9 – Unclassified Miscellaneous Management Employees

From: Julio Fuentes, City Manager

Subject: **Cell Phone/Smartphone Stipend Program for Unit 9 – Unclassified Miscellaneous Management Employees**

Scope: This cell phone/smartphone stipend program applies to members of Unit 9– Unclassified Miscellaneous Management Employees. The stipend program is \$80 per month and was effective April 1, 2009.

Purpose: To establish policies regarding the provision and usage of City-owned cellular telephones or smartphones (devices that have voice, data and internet/web access capabilities). The City has determined that it is beneficial to have Unit 9 members accessible by phone/data communications at all times. A Unit 9 employee can choose to have a City-issued cell phone, where the City pays for the Unit 9 employee's cell phone device and service plan through City-managed contracts with cell providers, or they can choose to receive a stipend in the amount of \$80 per month, whereby the Unit 9 employee will purchase and own their own cell phone/smartphone device and pay all service provider charges, or the Unit 9 employee can choose not to participate in either of the above programs.

Summary: This policy outlines and establishes eligibility criteria for Unit 9 employees wishing to receive a monthly cell phone stipend and should be read and understood in conjunction with CMD 116-Use of City Resources and Confidential Nature of Information on City Equipment.

Cellular Telephone/Smartphone Stipend Program: Unit 9 employees may choose to receive an \$80 a month stipend to purchase, maintain, replace or repair their personal cell phone, and pay for any level of cell phone service plan from any provider the employee may select. The \$80 per month allowance is not intended to cover the full cost of any particular cell phone device and/or cell phone service plan. If a Unit 9 employee wishes to purchase a cell phone/smartphone and connect to the City's email system, they must confirm with the City's Information Technology Department that the device they wish to purchase can be connected to the City's Outlook email system. Not all cell phone devices or service programs may be compatible with the City's information technology systems. If you do not desire to connect to the City's email system, then any cell phone or service provider could be selected.

To be eligible for the monthly stipend, the Unit 9 employee must provide the Human Resources Department with an active cell phone number. It is expected that the employee will respond to work-related calls and most critical, actively monitor their phone during City emergency

Cell Phone Stipend Program for Unit 9 – Miscellaneous Unclassified Management Employees

April 11, 2014

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situations. If a Unit 9 employee participating in the stipend program experiences a lost, stolen or damaged cell phone, it is expected that the employee will actively seek to have the device replaced or repaired in a reasonable period of time in order to remain eligible for the monthly stipend (refer to CMD 116 for additional requirements if a phone is lost or stolen). The stipend program is focused only to the Unit 9 employee's personal cell phone or smartphone, and not to other cell phones that might be included under a shared or family plan that the employee may have with a service provider.

If the Unit 9 employee changes their cell phone number for any reason, the Human Resources Department must be notified in the next work week of the new cell phone number. If an employee receiving a cell phone stipend chooses to no longer use a personal cell phone for any reason, the Human Resources Department should be notified immediately, and the stipend will be discontinued in the next applicable pay period.

The stipend is paid at a rate of \$40 per pay period (with no payment on two of twenty-six pay periods annually). A Unit 9 employee starting employment or terminating employment in the middle of any month will receive one-half of the monthly stipend (\$40). The stipend will commence in the first applicable pay period after the Unit 9 employee's request has been received, reviewed and approved by the Human Resources Department. The essential review criteria are that the employee is a member of Unit 9 Miscellaneous Management Employees' Association, and that the employee has submitted a valid cell phone number as requested. The stipend is considered income to the employee, and is subject to payroll withholding.

CMD 116: Use of City Resources/Non-Confidential Nature of Information on City Equipment:

This CMD addresses key issues related to the ownership and usage of cell phone devices, and should always be read and understood in conjunction with this stipend policy. While it is generally the case that call records for a personally owned phone are not subject to public records requests, the law in this area can and does change. CMD 116 advises that employees adhere to City policies related to public records and email retention. The City Attorney's Office should be consulted for advice and/or resolution of public records concerns.

City-Issued Cell Phone Program: A Unit 9 employee can choose to have a City-owned cell phone issued to them in lieu of a monthly stipend. Under this program, the Information Technology Department has responsibility for the selection of cell phone devices and cell phone service providers. The City then maintains a record of an employee's cell phone number and usage information. Activity on City-owned cell phones is accessible as a public record. A Unit 9 employee cannot have a City-issued phone and a stipend. One or the other must be selected. If you currently have a City-issued cell phone and wish to participate in the stipend program, you will need to acquire a personal cell phone and service plan and then turn in your City-issued cell phone. Part of the rationale for this program is to decrease the number of City supplied/City supported cell phones through the use of a stipend program.

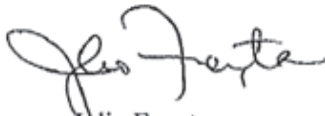
Cell Phone Stipend Program for Unit 9 – Miscellaneous Unclassified Management Employees

April 11, 2014

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Opt Out: A Unit 9 Miscellaneous Management employee can choose not to participate in either the cell phone stipend program or the City-issued cell phone program. If certain work assignments require the use of a cell phone that can be accomplished through the temporary provision of a City-issued cell phone through the duration of the assignment.

Cell Phone/Smartphone Stipend Program Enrollment: A current Unit 9 employee can initially enroll in this stipend program by emailing the Human Resources Department and requesting participation in the stipend program. You must include your 10-digit cell phone number in the email; therefore you must have a personal cell phone device and a service plan activated prior to receiving a stipend. At that time the Human Resources Department will send you a Cell Phone Stipend packet and form, which you will need to fill out and return to them. Thereafter, the Human Resources Department will present the cell phone stipend enrollment opportunity to new Unit 9 employees through employee orientation.

A handwritten signature in black ink, appearing to read 'Julio Fuentes', is positioned above the printed name and title.

Julio Fuentes
City Manager



SmartPhone Android Phone Setup

Setup Process

The purpose of this Quick Reference is to assist you in setting up your Android phone to receive City of Santa Clara email.

1. Complete the SmartPhone Authorization form and return to the Help Desk.
2. If you have contact or calendar items on your Android phone, **you may lose them if you choose to sync with Outlook's contacts and/or Calendar.** Back up your Android phone so you can restore them if necessary.
3. Add your City email account to your Android phone.

Add Email Account

1. Go to **Settings**, and choose **Accounts**.
2. Choose **Add Account**, then **Corporate Sync**.
3. Complete the fields as follows (They may not appear in this exact order.)

Domain\Username: *City or Electric* for SVP
Employees\username.

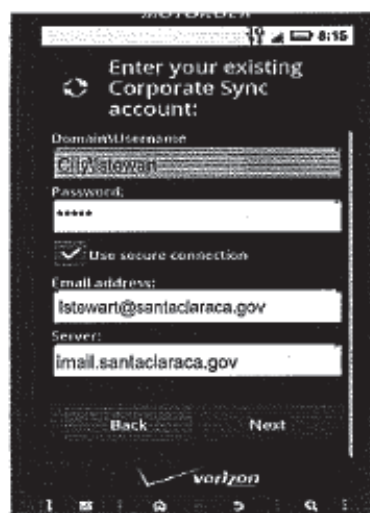
Password: Your current network password

Check **Use secure connection** box.

Email Address:

Your city email address.

Server: imail.santaclaraca.gov.



Change Passcode Options

Once you set up your City email account, you will be required to enter a 4 digit passcode. You will be required to enter this passcode to unlock your screen if your phone is unused for 5 minutes. This time can be increased up to 15 minutes.

To change the passcode,

1. Go to **Settings** then choose **Location & Security**.
3. Choose **Change screen lock**, then **PIN**.
4. Enter a new PIN.

Warning: You cannot turn off the Erase Data feature. If you have 8 failed passcode attempts, the data will be erased from your phone.

Increase Screen Lock Timeout

To increase the screen lock timeout,

1. Go to **Settings** then choose **Location & Security**.
2. Choose **Security Lock Timer**.
3. Increase the time.



SmartPhone iPhone Setup

Setup Process

The purpose of this Quick Reference is to assist you in setting up your iPhone to receive City of Santa Clara email.

1. Complete the SmartPhone Authorization form and return to the Help Desk.
2. If you have contact or calendar items on your iPhone, you may lose them if you choose to sync with Outlook's contacts and/or Calendar. Back up your iPhone using iTunes so you can restore them if necessary.
3. Add your City email account to your iPhone.

Add Email Account

1. Choose **Settings** from the iPhone menu.
2. Choose **Mail, Contacts, Calendar**.
3. Choose **Add Account**, then **Microsoft Exchange**.



4. Complete the fields as follows:

Email: your email address.

Domain: *City or Electric* for SVP Employees

Username: Your network login id.

Password: Your current network password

Description: a name that identifies this mail account. You can also set up a personal mail account such as gmail.

5. Click **Next**.

*The screen to the right appears with **Server** field added. It should be: **mail.santaclaraca.gov**.*

6. Choose to turn on **Mail, Contacts, and/or Calendars**.

Change Passcode Options

1. Choose **Settings** from the iPhone menu.
2. Choose **General**, then **Passcode Lock**.
3. From here you can change your passcode, change how quickly the passcode is required, and whether or not you want SMS Preview (text messaging preview) to be on.



Warning: You cannot turn off the Erase Data feature. If you have 8 failed passcode attempts, the data will be erased from your phone.

Add Email Account (continued)

7. Choose **Done**.
8. After you choose **ON** for **Contacts** or **Calendars**, you will be prompted to delete or add your local (iPhone) contacts to Outlook.
9. You will be required to enter a 4 digit Passcode. You will be prompted to enter your passcode if you leave your iPhone idle for 5 minutes.





SmartPhone Windows Mobile Setup

Setup Process

The purpose of this Quick Reference is to assist you in setting up your Windows Mobile device to receive City of Santa Clara email.

1. Complete the SmartPhone Authorization form and return to the Help Desk.
2. Set up your phone to sync with the City's Exchange Server using ActiveSync.

Setup Exchange Server

1. From the Programs menu, choose ActiveSync.
2. If it is the first time you have used your Windows Mobile phone, you will be shown the following prompt:

To sync with a desktop computer, install ActiveSync on your computer and then connect this device.

*If your company supports syncing directly with its Exchange Server you can **set up your device to sync with it**.*

Click the **set up your device to sync with it** link.

This will start the process for connecting your device to the City's exchange server.

Note: The City supports syncing directly with its Exchange Server. The City does NOT support syncing with a desktop computer.

If you have already synced your device to another source, choose **Menu, Add Server Source**.

3. In the Server address field, type **lmail.santaclaraca.gov**.
4. Check the box for **This server requires an encrypted (SSL) connection**.
5. Click **Next**.



Setup Exchange Server (continued)

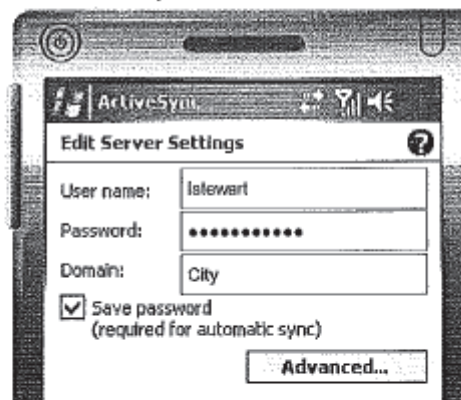
6. Complete the fields as follows:

Username: Your network login id.

Password: Your network password.

Domain: City or Electric for SVP employees.

7. Click the **Save password** check box.



8. Choose **Next**.
9. Check the boxes next to the data you would like to synchronize with your City's Outlook account.
10. Click **Finish**.





ADMINISTRATIVE CODE

CMD NUMBER 116

CITY MANAGER'S DIRECTIVE-PROCEDURE

DATE: March 9, 2009

CANCELS: November 22, 2008

SUBJECT : USE OF CITY RESOURCES, AND NON-CONFIDENTIAL NATURE OF INFORMATION ON CITY EQUIPMENT

PURPOSE:

1. The primary purpose of this CMD is to inform all employees that City equipment and systems, and City work locations, as defined herein, are the sole property of the City, and with a few minor noted exceptions, are to be used for City business only. This policy applies to City-owned and issued devices and the use of City network or systems using City –owned and private devices, including but not limited to Smartphones.
2. Another purpose of this CMD is to inform all City employees that private or personal documents, written messages, electronic messages (including text messages, emails, etc.), materials, information, or files placed in or on City equipment are not private or confidential and may be reviewed to ascertain whether such communications constitute City business. As such, employees should not have any expectation of privacy or confidentiality in any of these circumstances. This CMD does not apply to the confidentiality of personnel records maintained by the Human Resources Department or the Finance Department, or the confidentiality of business and related items within the department where the employee works.

POLICY AS TO CITY-OWNED OR ISSUED DEVICES:

City equipment and systems, and City work locations, are the sole property of the City and, with minor exceptions (as noted below in Item No. 4 under Supervisor and Department Head Responsibility and Action), are to be used for City business only.

City employees are hereby informed that private or personal documents, written messages, electronic messages (including text messages, emails, etc.), materials, information or files, placed in or on City equipment are not private or confidential. Employees should not have any expectation of privacy or confidentiality in any of these circumstances.

In order to conduct City business, including responding to the needs of citizens and staff, City management and City employees, when directed, may need to access City work locations and equipment of any employee who is absent or unavailable. Access to the work locations and equipment may also be necessary

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CMD NUMBER 116

for purposes of monitoring employee work performance and conduct. Under existing provisions of the law, the City reserves the right to monitor the use of City equipment for any reason, including the right to review, audit and disclose all matters sent over or stored in City locations or equipment systems to ensure that uses are in compliance with all laws including copyright laws and City policies, including the City Code of Ethics & Values.

POLICY AS TO PRIVATE DEVICES:

Only City approved and authorized Smartphone devices are permitted to access any City network or systems. The approved list of devices is maintained by Information Technology (IT) and listed on the Smartphone Access Authorization Form (form available from IT HelpDesk).

A user who connects to City networks via an authorized Smartphone device or service must ensure that all components of his/her wireless connection remain as secure as his/her network access. All Smartphones and connections to any City network or systems shall be used to conduct City business and utilized appropriately, responsibly and ethically. All authorized Smartphone device and service users shall, without exception, use secure remote access procedures. Enforcement of this provision will be by device passwords in accordance with the City's password policy.

Prior to initial use or connection to City networks or systems, authorized Smartphone devices, software and related services must be registered with IT. City employees, contractors, or "as needed" staff in possession of an authorized Smartphone device shall not make modifications of any kind to the device, its software, and/or service that may potentially compromise the integrity of City networks or systems, without the express written approval of IT. This includes, but is not limited to, split tunneling, dual homing, non-standard hardware or security configurations, etc.

Users are advised that applicable law related to public records may require the production of certain records on private devices. Users are advised to adhere to City CMD's related to public records and email retention to avoid the potential disclosure of information from their private devices, particularly those users that receive a stipend for private devices.

With respect to Public Safety Officers, it is intended that this CMD be read together with the Public Safety Officers Procedural Bill of Rights.

CMD NUMBER 116**DEFINITIONS:**

"City equipment and systems, and City work locations" is defined herein to include, but not be limited to, the following items whether they be owned, bought, used, paid for, leased, borrowed, or given to areas and the City: Work spaces, desks, lockers, City vehicles and equipment, computer and video equipment, printers, copiers, supplies, telephones, mobile data terminals, fax machines, radios, email, text messages, other mail and electronic messaging services, voice mail, and Internet services (as assigned, including chats, newsgroups, and Internet email), or any files

"City business" includes, but is not limited to, conducting the business of the City of Santa Clara and monitoring employee work performance and conduct.

"Off-Duty time" includes employee time before and after work shift, lunch (or meal period breaks), and approved vacation/other leave time.

"Smartphone" means a mobile handheld device with advanced features like e-mail and Internet capabilities.

RESPONSIBILITY :

Department Heads &
Supervisors

ACTION

1. Authorize issuance and discourage misuse of City equipment, work locations, and Smartphone devices. Approve replacement of lost, stolen or damaged City-owned devices. Replacement costs will be charged to the user's department, which is then responsible for handling reimbursement of City funds with said user. Replacement and Maintenance costs for any personal-owned devices are the sole responsibility of the employee.
2. Understand that the City's security software for the Internet may record for management use the Internet address or site visited by the employee and keep record of any network activity in which the employee transmits or receives any kind of file; the deletion of a message or file from some electronic systems may not fully eliminate the message from the system.
3. Understand that "any writing containing information related to the conduct of the public's business, prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics" (Government Code Section 6252) and under some circumstances, communications sent by email, may be subject to disclosure under the Public Records Act or litigation
4. Notwithstanding statements in the CMD to the contrary, occasional use of City equipment by an employee during off-duty time, i.e., typing of a personal letter during the lunch period, or use of a telephone for urgent reasons (see CMD 78), may be granted from time to time at the discretion of and upon the

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approval of the Department Head.

5. In addition, uses by City employees, during off-duty time, of specific City equipment may also be allowed where certain fees for use of this equipment have been established (i.e., minimal copying, or use of a fax machine, etc.).
6. Managers and supervisors who are authorized to serve as officers of a professional society and/or association in accordance with CMD 49, and who have authorized use of City resources in accordance with the provisions of that CMD, should not have expectations of privacy or confidentiality of information or files placed on City equipment.
7. Become informed and comply with the policies of this CMD.
8. Do not use City equipment, work locations, or authorized access to City networks or systems improperly. Improper use includes any personal use for convenience or profit, playing of games, or use to convey derogatory, defamatory, obscene, or otherwise inappropriate actions or messages or any information unrelated to City business. Personal mail, packages, or catalogs should not be received or sent using a municipal address.
9. Employees shall take reasonable measures to safeguard City property and systems to prevent loss or damage. In the event any City-owned or issued device or privately-owned Smartphone is lost or stolen, or the occurrence of any incident or suspected incident of unauthorized access and/or disclosure of City resources, the user shall *immediately* report such to his/her supervisor and the IT Help Desk. Service will be immediately terminated. Users should immediately report to his/her supervisor and the IT Help Desk if the device is recovered. IT will work with the user to restore service as quickly as possible.
10. The provisions of this CMD also apply to employee use of non-City issued equipment and systems brought into work locations and used for City business. Employees utilizing non City-issued equipment assume responsibility for the repair or replacement of such equipment, including Smartphones.
11. Nothing in this CMD is intended to or shall be construed as affecting the duty and obligation of City employees to maintain the confidentiality of City documents and information which the employee has access to through his or her employment with the City. It is also not intended to nor shall it be construed as granting access to non-City employees to otherwise confidential City documents and information.

All Employees/Users

CMD NUMBER 116

12. Employees should understand that the City's security software for the Internet may record for management use the Internet address or site visited by the employee and keep a record of any network activity in which the employee transmits or receives any kind of files. Any records transmitted or received are recorded and stored in an archive file; deletion of a message or file from some electronic systems may not fully eliminate the message from the system.
13. Understand that "any writing containing information related to the conduct of the public's business, prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics" (Government Code Section 6252) and under some circumstances, communications sent by email, may be subject to disclosure under the Public Records Act or litigation.
14. Employees should understand that the City's network allows Management to access employee passwords. Upon request, employees shall provide their systems passwords to their Department Head to allow access to all files and systems in the employee's absence or as required. Lockers, desks, files or other secured City equipment, systems, or work locations, may also be accessed by the City.
15. Employees shall not knowingly use City equipment or systems, or City work locations, to download or distribute pirated software or data, or to violate Penal Code Section 502, applicable Federal laws, City policies, rules and regulations, including the City's Code of Ethics & Values. Employees shall not use the City's equipment, systems or work locations to disrupt or destroy the City's program systems, nor shall they attempt to disable any security system.
16. Violation of this policy, through direct action on the part of the employee, or through carelessness or negligence, may result in formal disciplinary action, up to and including termination.
17. Unit 9 employees should understand that Smartphone devices they obtain through the assistance of an allowance program are considered personal devices and are under the ownership of the employee. All service, maintenance, and replacement costs are the responsibility of the employee.
18. IT reserves the right to terminate without notice any authorized Smartphone device, service and access to City network or system that may result in a potential security risk to City network systems, data, users, residents and/or other City assets and resources.
19. IT reserves the right to perform a remote wipe of a user's Smartphone,

IT Department:

CMD NUMBER 116

erasing all data and contents, if there is a reasonable belief that the device has been compromised and/or poses a potential security risk to City network systems, data, users, residents and/or other City assets and resources.

20. IT will provide minimal support for privately-owned approved and authorized Smartphone devices. This support is limited to basic documentation to enable the user to connect the device to City networks and systems, and basic troubleshooting to determine if any connection problems are on the City side or outside of the City's control. All additional technical and function questions/issues shall be the responsibility of the user.

Questions regarding this CMD may be addressed to the City's Director of Human Resources.

Cross Reference:

CMD 3 - Overnight Use of City Vehicles
CMD 31 - Transaction of Personal Business During Working Hours
CMD 49 - Membership in Professional Societies and Associations
CMD 78 - Personal Use of City Telephones
City Code of Ethics & Values (Attachment to CMD 67, Gifts & Favors to Individuals)

EXHIBIT C

Severance and Release Agreement

SEVERANCE AND RELEASE AGREEMENT

This severance agreement is made and entered into on [REDACTED], by the City of Santa Clara ("City") and Glen Googins ("Mr. Googins"). The City and Mr. Googins may be referred to collectively throughout this agreement as "the Parties." The effective date of this Agreement shall be the date of the signature of the last of the Parties to sign this Agreement.

RECITALS

WHEREAS on or around MONTH __, 2022, [REDACTED] began their employment with the City as the City Attorney;

WHEREAS on or around MONTH __, 2022, the City Council approved an employment agreement ("Employment Agreement") with [REDACTED];

WHEREAS Mr. Googins holds an at-will position under the City Charter, and serves at the pleasure of the City Council;

WHEREAS Sections 1 and 6 of the Employment Agreement permits the City Council to terminate Mr. Googins' employment at any time subject to certain conditions;

WHEREAS the City Council has determined it appropriate to exercise the right under Section 6 of the Employment Agreement to terminate Mr. Googins' employment;

WHEREAS it is the intention of the parties in entering into this Agreement to amicably conclude the Employee's employment relationship with the City effective [REDACTED] (insert date) ("Separation Date") and consistent with the terms of the Employment Agreement; and,

WHEREAS the Parties enter into this Agreement in order to implement Subsection 6.2 of the Employment Agreement and ensure a smooth transition of City leadership.

NOW, THEREFORE, in consideration of the promises and mutual obligations of the Parties, the sufficiency of which is hereby acknowledged, the Parties hereby covenant and agree with each other as follows:

TERMS AND CONDITIONS

1. **Incorporation of Recitals.** The Recitals are incorporated herein by reference as though fully set forth herein.
2. **Return of Documents.** Mr. Googins agrees and represents that no later than [REDACTED] (insert date), they will return to the City all City property of which they have possession, custody or control, including, but not limited to, computer, electronic and telephonic equipment, as well as all City data and documents whether in hard copy or maintained on any electronic media.
3. **Non-Disclosure of Confidential Information.** The Parties acknowledge that as City Attorney, Mr. Googins is a high-ranking official and an officer of the City; in that capacity they were and are responsible for, among other things, advising the City Council and all

City department heads in matters of law pertaining to their duties and representing and appearing for the City in any or all actions brought against the City or its employees in the course of their duties. Consistent with their Employment Agreement and the City Charter, Mr. Googins represents and agrees that they have not and shall not at any time or in any manner, either directly or indirectly, whether or not for compensation, use, divulge, disclose or communicate to any person, firm, corporation or any other entity in any manner whatsoever any confidential information concerning any matters affecting or relating to the business of the City except with the express written permission of the City or as required by court order or properly-issued subpoena. Such information includes but is not limited to, any attorney-client communications and attorney work product, or any of the information concerning the business of the City, its manner of operation, its plans, or other proprietary data where such information is not publicly known and is not otherwise subject to public inspection or disclosure.

4. **Defense and Indemnity.** Consistent with their Employment Agreement and the City Charter, in accordance with the obligations imposed under Government Code sections 800 and 910, the City shall defend and indemnify Mr. Googins for any actions that result from work performed in the course and scope of their duties as the City Attorney for the City of Santa Clara.
5. **Information Regarding Employment.** Subject to any applicable law, the City agrees that all inquiries with respect to Mr. Googins' separation will be referred to the Mayor who will provide only the following information: (a) the date of hire and date of separation; (b) that this is a mutual and amicable separation based on a mutual desire to terminate Mr. Googins' services and provide a smooth leadership transition.
6. **Personnel File Documents.** No documents shall be entered into Mr. Googins' personnel file after the effective date of this agreement without both parties approving the entry of the document.
7. **Release of Claims.** Except for the rights and obligations created by this Agreement, Mr. Googins, on behalf of themselves, their agents, representatives, attorneys, assignees, heirs, executors, administrators and successors in interest, hereby releases and forever discharges the City and all of its past, present and future Councils, agencies, divisions, and departments, as well as each of their respective former, current and future directors, department heads, supervisors, Managers, employees, attorneys, elected and appointed officials, Councilmembers, City Managers, and any and all of them (all of the above collectively, the "City Released Parties"), to the extent permitted by law, from any and all liability, actions, causes of action, claims, charges, complaints, demands, grievances, obligations, losses, damages, injuries and legal responsibilities, of any type whatsoever, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, which Mr. Googins ever had or held, now has or holds or hereafter can, shall or may have or hold against the City Released Parties, based on any claims or occurrences arising prior to the Effective Date of this Agreement (collectively, "Released Claims"). The Released Claims defined in the immediately preceding sentence and released herein by Mr. Googins as to the City Released Parties include, without limitation, all claims based upon, relating to or arising out of Mr. Googins' employment with the City, and/or the discontinuation of said employment, all claims in law, equity, contract and tort, and all

claims under the California Constitution, California Civil Code, California Labor Code, California Code of Regulations, California Government Code, California Business & Professions Code, California Fair Employment and Housing Act, California Family Rights Act, the California Workers' Compensation Act, the Fair Labor Standards Act, the Equal Pay Act, National Labor Relations Act, Labor Management Relations Act, Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, as amended, Civil Rights Act of 1991, Americans with Disabilities Act, as amended, the Rehabilitation Act, Executive Order 11246, Family and Medical Leave Act, Sarbanes-Oxley Act of 2002, Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, Age Discrimination in Employment Act (ADEA), the Code of Federal Regulations, and all claims under any other federal, state, municipal or other governmental statute, regulation, ordinance or order.

8. Mr. Googins specifically and expressly waives all rights under the provisions of Section 1542 of the Civil Code of California ("Section 1542 Waiver") with respect to the Released Claims. Section 1542 Waiver provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Thus, for the purposes of making a complete settlement of the Released Claims which Mr. Googins may have or claims to have against the City Released Parties, Mr. Googins waives and releases any and all Released Claims against the City Released Parties, including Released Claims which are unknown and unsuspected as of the Effective Date of this Agreement. Mr. Googins warrants that they have read this Agreement, including the Section 1542 Waiver, and have had an opportunity to consult with counsel of their own choosing about this Agreement and specifically about the Section 1542 Waiver, and that they understand this Agreement and the Section 1542 Waiver. Mr. Googins acknowledges that they may later discover facts different from or in addition to those now known or believed to be true regarding the matters released or described in this Agreement, and even so they agree that the releases and agreements contained in this Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Mr. Googins assumes any and all risk of any mistake in connection with the facts involved in the matters, disputes, or controversies released or described in this Agreement or with regard to any facts now known to them relating thereto. Mr. Googins agrees, to the fullest extent permitted by law, that they will not initiate or file a lawsuit or internal City proceeding to assert any Released Claims. If any such action is brought, this Agreement will constitute an Affirmative Defense thereto, and the City shall be entitled to recover reasonable costs and attorneys' fees incurred in defending against any Released Claim.

9. Mr. Googins acknowledges that they have not heretofore assigned or transferred to or purported to assign or transfer to any person or entity the Released claims or any part or portion thereof, and agrees to indemnify and hold harmless the City Released Parties

from and against any claim, demand, controversy, damage, debt, liability, account, reckoning, obligation, cost, expense, lien, action or cause of action (including the payment of attorneys' fees and costs actually incurred whether or not litigation commenced) based on, in connection with, or arising out of any assignment or transfer or claimed assignment or transfer thereof.

10. **Entire Agreement.** This Agreement supersedes any and all agreements, either oral or written, between the Parties with respect to the severance of Mr. Googins' employment relationship with the City. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party that are not contained in this Agreement. No agreement, statement, or promise not contained in this Agreement shall be valid or binding.
11. **Applicable Law and Venue.** This Agreement shall be interpreted according to the laws of the State of California. Venue of any action regarding this Agreement shall be in the Santa Clara County Superior Court.
12. **Modification.** Any modification of this Agreement shall be effective only if it is in writing and signing by all parties to this Agreement.
13. **Severability.** If any part of this Agreement is determined to be invalid, unlawful, or unenforceable, that part shall not be deemed to be part of this Agreement.
14. **Legal Advice and Voluntary Execution.** Each Party represents and warrants that it: (a) had the opportunity to obtain legal advice from legal counsel of its choice before entering into this Agreement, (b) has read the contents of this Agreement; (c) fully understands the terms and consequences of this Agreement; (d) enters this Agreement voluntarily; and (e) shall not deny the validity of this Agreement on the grounds that it did not have advice of counsel or did not voluntarily and knowingly enter into this Agreement and agree to each of its terms.
15. **Full Execution Authority.** Each Party executing this Agreement warrants and represents that it or they have full authority to bind the corresponding Party to this Agreement.
16. **No Admissions.** By entering into this Agreement, the City Released Parties do not admit that they have engaged in, or are now engaging in, any unlawful conduct or employment practice. It is understood and agreed that this Agreement is not an admission of liability, and that the City specifically denies liability related in any manner to Mr. Googins employment. The Parties agree that it is their mutual intention that neither this Agreement nor any terms hereof shall be admissible in any other or future proceedings against the City, except a proceeding to enforce this Agreement.
17. **Acknowledgment of Payment of Compensation/Benefits.** Mr. Googins acknowledges and affirms that they have been paid any and all compensation to which they are entitled pursuant to the terms of the Employment Agreement.

18. **Tax Consequences.** The City has made no representation about and takes no position on the tax consequences of this Agreement. A dispute regarding the tax status of this Agreement shall not affect the validity of this Agreement. Mr. Googins has had an opportunity to discuss the potential tax consequences of this Agreement with their own counsel and agrees to indemnify and hold harmless the City from any and all costs and assessments including, but not limited to delinquent taxes, penalties and/or assessments levied against the City in connection with this Agreement.
19. **Older Workers' Benefits Protection Act.** It is the intention of the Parties that the releases contained in this Agreement apply to all claims of any kind against the City. In order to comply with the Older Workers' Benefits Protection Act (29 U.S.C. § 626(f)) and effectuate the release by Mr. Googins of any potential claims under the federal Age Discrimination in Employment Act, Mr. Googins agrees as follows: (i) they have carefully reviewed the foregoing Agreement, and understands the terms and conditions it contains; (ii) by entering into this Agreement they are giving up potentially valuable legal rights, and they intend to be bound by all the terms and conditions set forth herein; (iii) they are entering into this Agreement freely, knowingly, and voluntarily; (iv) they have been advised of their right to at least twenty-one (21) days to consider whether to agree to the terms and conditions set forth herein; and (v) for a seven (7) day period following their execution of this Agreement they may revoke this Agreement by delivering a written revocation to City, and this Agreement shall not become effective nor enforceable until the revocation period has expired.

THE UNDERSIGNED HAVE READ THE FOREGOING AGREEMENT AND ACCEPT AND AGREE TO THE PROVISIONS CONTAINED HEREIN, AND HEREBY EXECUTE IT, KNOWINGLY AND VOLUNTARILY AND WITH FULL UNDERSTANDING OF ITS CONSEQUENCES.

Name:
Title:
City of Santa Clara
Date: _____

Mr. Googins
Date: _____

Approved as to Form and Legality:

Name:
Special Outside Counsel
Date: _____

Name:
Attorney for Mr. Googins
Date: _____

EXHIBIT D

City Manager's Directive 028 Travel Policy

City Manager's Directive 028 Travel Policy



**City of
Santa Clara**
The Center of What's Possible

POLICY

The City of Santa Clara (the "City") expects to pay all reasonable costs incurred by City employees traveling on approved City business; and City employees are expected to use sound fiscal stewardship when expending public funds, and to travel in the most logical and least expensive manner possible.

PURPOSE

The purpose of this Travel Policy (the "Policy") is to define the City's expectations of its employees who travel in connection with their work responsibilities and to clarify which expenses the City will fund and which expenses are considered the personal responsibility of the traveler. This policy is not intended to cover short trips during work hours made by employees in the course of their regularly assigned work duties.

Local Travel

Local travel is travel necessary to conduct official City business and is performed by the most direct route within and adjacent to an employee's official worksite. Local travel is defined as less than 50 miles from the employee's home or place of business, whichever is the shortest distance. Compensation shall be based upon the number of miles between the travel destination and either the employee's designated work location or residence, whichever is the shortest distance. The City will not pay for lodging or per diem meal expenses related to local travel as defined above. The City will pay for transportation and parking costs related to the local travel.

Employees can settle their allowable local travel expenses through the petty cash reimbursement process if the request is less than the petty cash limit at the time of reimbursement. Requests larger than the petty cash limit require an accounts payable request for payment.

Conference and Meeting Attendance

City employees shall be authorized to join professional and public organizations and attend the meetings and conferences held by such organizations subject to adequate budget appropriations and adherence to this policy.

General Procedures and Guidelines

The Policy shall be reviewed annually by the City Auditor's Office to ensure its consistency with respect to the City's objectives and any modifications must be approved by the City Manager.

CMD 028: Travel Policy

**City of
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The Center of What's Possible

Travel
Authorization

A. City Manager Pre-Travel Authorization Form Required.

City Manager (or designee) authorization is required in advance of travel or the commitment of City funds for the following:

- Travel by Department Directors
- Out-of-State travel by any staff
- Any exception to this policy

Authorization shall be sought via submittal of a Pre-Travel Authorization Form (Attachment A).

B. Department Director Pre-Travel Authorization Form Required.

In-state, overnight travel requires the approval of a Department Director via submittal of a Pre-Travel Authorization Form in advance of travel and the commitment of City funds.

C. Department Director or Designated Supervisor Authorization Required.

A pre-travel authorization form is not required for local travel as defined above, where meal reimbursement, overnight or out-of-state travel is not concerned. Employees are required to obtain approval from their supervisor prior to any business travel for which the City is expected to pay for mileage, bridge tolls and/or parking. This approval can be via email, with a copy of email approval submitted with travel costs. Itemized receipts are necessary to receive reimbursement for all expenses whether through petty cash or accounts payable request for payment. An employee may not approve their own travel documentation under any circumstances.

Travel
Arrangements

Travel arrangements shall be made as far in advance as possible to obtain the best possible fares and rates. Registration for conferences and training shall be made far enough in advance to take advantage of early (discounted) fees, and to avoid late

CMD 028: Travel Policy



**City of
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registration fees. If travel arrangements must be cancelled for any reason, the person who made the arrangements shall cancel them in sufficient time to prevent the City from incurring unnecessary costs when possible.

At the Department Director's discretion, one or more persons may be designated as a Travel Coordinator and be assigned responsibility for making travel arrangements for all business travelers within a department. It is the City's preference that all travel be booked by designated Travel Coordinators using their City Procurement Cards to secure travel arrangements ahead of all travel. Individual travelers may make their own travel arrangements with their personal credit cards and be reimbursed if it is not feasible for a travel coordinator to do so.

Transportation

Travelers shall use whatever mode of transportation is the most reasonable and least expensive. When planning the transportation portion of a trip, the employee shall consider all aspects of cost to the City including daily expenses, overtime, lost work time as well as actual transportation costs.

Use of a mode of transportation other than the most reasonable and least expensive must be documented and have advance approval from the employee's Department Director. The City will pay only the cost of the most reasonable and least expensive mode. If the mode of transportation is determined to be a City vehicle, the traveler shall comply with the City Manager's Directive (CMD) 21 Use and Maintenance of City Vehicles Including General Government/Public Works Pool Vehicles. The difference between the selected mode and the least expensive mode shall be documented and considered the employee's personal expense at the time of travel authorization. This paragraph does not apply to special accommodations made to qualified employees under the Americans with Disabilities Act provided that the alternate mode of transportation is approved in advance.

A. Air Travel.

Employees shall not limit their air travel options by specifying an airline. The airline offering the lowest fare for a reasonable route shall be selected.

CMD 028: Travel Policy



B. Use of Personal Vehicle.

With the exception of employees who have been assigned a City vehicle or who receive a car allowance, employees shall be compensated for the use of their private vehicles for business travel at the current IRS standard mileage rate, provided that it is the most reasonable and least expensive method of transportation. Compensation shall be based upon the number of miles between the travel destination and either the employee's designated work location or residence, whichever is the shortest distance.

Employees that receive a car allowance and are required to travel greater than 50 miles from their work location or residence, whichever is the shortest distance, are eligible to be compensated for the use of their private vehicle for business travel at the current IRS standard mileage rate for miles traveled over 50 each way of the trip (e.g. if travel destination is 80 miles from the work location and 70 miles from the residence, then the employee will receive reimbursement for 20 miles (70-50=20)).

Employees who do not receive a car allowance may also be compensated at the current IRS standard mileage rate for the use of their private vehicles for routine travel on City business between City facilities or to other locations in Santa Clara or the adjoining communities. Compensation shall be based upon the number of miles between the travel destination and either the employee's designated work location or residence, whichever is the shortest distance. Employees must keep a log of such routine travel using the Mileage Reimbursement Log (Attachment C). Expense reimbursements for this type of mileage must be submitted monthly.

The City will reimburse all expenses, such as bridge tolls and parking fees, incurred as the result of an employee's authorized use of a vehicle while traveling on City business. Employees requesting reimbursement for the payment of such expenses shall obtain itemized receipts and submit them as part of their travel expenses on the Travel Expense

CMD 028: Travel Policy



**City of
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Form. Also, whenever possible, employees attending the same event shall travel together to minimize expenses.

To drive a City or privately-owned vehicle on City business an employee must possess a valid California driver's license. An owner/driver of a privately-owned vehicle used for City business must carry adequate liability insurance coverage in accordance with applicable State law, and be responsible for any damage, service, or repair to the car occurring on the trip, as these costs are included in the City's per mile cost reimbursement.

In addition, the employee shall charge any additional personal time spent outside of the normal reasonable travel time during normal work hours to vacation or a similar leave.

C. Train and Other Mass Transit.

Employees shall be compensated for train or other mass transit fares and fees provided that it is the most logical and least expensive method of travel to the conference, conference related events, or meeting site. Any incremental cost beyond the basic cost required for the employee to attend a conference or meeting shall be paid for by the employee. In addition, the employee shall charge any additional personal time spent outside of the normal reasonable travel time during normal work hours to vacation or a similar leave.

D. Ground Transportation at Destination.

Supplementary transportation within the destination city shall be accomplished by hotel courtesy buses or local shuttle services, if available. Taxi or ride-share (Uber/Lyft) service shall be used only when no other convenient, less costly mode of transportation is available for the employee to travel to the conference, conference related events, or meeting site. Any incremental cost beyond the basic cost required for the employee to attend a conference or meeting shall be paid for by the employee.

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E. Rental Vehicles.

Rental vehicles shall be used only when no other mode of transportation is available or when alternate transportation would be more expensive or impractical and must be authorized in advance by the Department Director. If a rental vehicle is authorized, employees shall request the least expensive vehicle category that meets their needs. Employees are required to purchase and shall be reimbursed for optional insurance coverage for the rental vehicle. Optional insurance coverage shall include Damage Waiver (DW) (also referred to as Collision Damage Waiver (CDW)) and third-party liability coverage.

F. Travel Time.

Travel time is compensable under certain conditions identified in the Fair Labor Standards Act (FLSA). As a charter city, the City follows current FLSA regulations for determining the compensability for travel time. The FLSA regulations are available at:

<http://www.dol.gov/whd/regs/compliance/whdfs22.htm>

Lodging

The City will pay lodging expenses for approved City travel, including the evening preceding or subsequent to a meeting or business event when the employee would otherwise have to travel from his/her residence before 6 a.m. or after 9 p.m. to reach or return from his or her destination. Local travel, as defined previously in this policy, does not qualify for City paid lodging expenses.

Employees are expected to use the most cost-effective lodging reasonably available. When a conference or training session is held at a specific hotel, the City shall pay for actual lodging expenses up to the standard lodging rate advertised by the conference or training sponsor unless approved by the Department Director as part of the travel authorization process.

When there is not a specific lodging site associated with official City business, the City shall pay for actual lodging expenses up to the

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GSA maximum rate allowed by location (<http://www.gsa.gov/perdiem>). Note that the GSA maximum rate applies to the base room rate only and does not include taxes. Any exception to applying the GSA rate due to the current market rates in the area of travel must be documented in writing and approved, pre-travel, by the Department Director.

Every effort shall be made to obtain lodging at or near the facility where official City business is to take place to minimize travel time and transportation costs. The lodging should also be clean, safe and appropriate for business travel. Government rates are often available and should be sought. The City will pay for standard room accommodations at the most cost-effective lodging reasonably available. Any incremental cost beyond that of a standard room shall be paid for by the employee unless a written exception has been approved by the City Manager (or designee).

Room reservations may be made in advance using a City procurement card and the employee should request a copy of the hotel's credit card authorization receipt as applicable. This will be used to authorize the hotel to charge the total room cost, including all taxes, on the Travel Coordinator's purchasing card. Employees shall personally pay for any additional expenses incurred, such as movie rental, mini-bar bills, room service, etc.

Employees shall cancel any reservations for lodging they will not use. Any charge for an unused reservation shall be considered the employee's personal expense unless failure to cancel the reservation was due to circumstances reasonably beyond the employee's control.

Meals

A. Overnight Travel

The City will pay for an employee's meals during authorized travel, including tax and tips and incidentals, up to the per diem amount established by the GSA for the destination location (available at: <http://www.gsa.gov/perdiem>) for a full day of travel. Per GSA, rules, employees are only eligible for 75 percent of the total per diem amount on the first and last travel day. The Meals & Incidental Expenses (M&IE) column will be used to generate the per diem rate for meals. Use the guide on <http://www.gsa.gov/mie> to breakdown

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the per diem amount for each meal. For any meal that is provided by the conference or hotel the appropriate meal amount listed on <http://www.gsa.gov/mie> must be deducted from the reimbursement request.

The City will not pay for the following:

- Meals that the employee elects to purchase from another source when the meals are included in the cost of a conference, training registration fee, or hotel stay. In the event an exception is granted due to dietary restrictions, the meal will be reimbursed on an actual expense basis, up to the applicable GSA rate.
- Alcoholic beverages.

B. Non-Overnight Travel

With regard to partial days of travel that is not overnight but exceeds the local travel guidelines detailed above, the City will pay for meals on a pro-rated basis using GSA meal amounts, as follows:

- If the partial day includes travel before 8 a.m., the City will pay for the employee's breakfast.
- If the partial day includes travel between 11 a.m. and 1 p.m., the City will pay for the employee's lunch.
- If the partial day includes travel after 5 p.m., the City will pay for the employee's dinner.

Miscellaneous Fees/Business Expenses

A. Gratuities/Tips.

The City will pay reasonable and customary gratuities and tips during City business travel, which are included in the standard per diem rate per GSA guidelines.

B. Business Expenses.

The City will pay for goods and/or services deemed necessary for the completion of official business, such as printer, copier, and computer usage, etc.; for internet usage at actual cost and for all business telephone calls. Cellular phones are often more cost-effective than using hotel phones

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directly and should be considered as a primary option. Whenever possible, employees shall anticipate the need for supplies and shall take whatever they will need with them instead of buying supplies at their destination.

C. Baggage Fees.

If the airline charges for all checked baggage, the City will cover the cost for one checked bag only. Excess baggage charges are not reimbursable.

D. Personal Expenses.

Personal expenses will not be paid by the City. In addition to those items identified as personal expenses throughout this Policy, personal expenses include early bird flight check-in fee, change flight fee (except as otherwise set forth in this Policy), personal transportation costs outside of the conference or conference event site, personal telephone calls, in-room movies, spas and gyms, optional recreational events in connection with a conference, laundry or dry cleaning, miscellaneous sundries, or other items of a personal nature.

Personal travel shall not be mixed with business travel if it will result in (1) additional costs to the City, (2) employee engaging in personal travel while be compensated, or (3) harming the City's interest in any way. Any extension of a trip for personal travel must be accompanied by Director approval and supporting documentation of what the trip would have cost with the original business itinerary. The City will reimburse the lesser of the original business itinerary cost or the extended trip cost due to personal travel. Any additional cost from the original business itinerary must be covered by the employee. The City will not pay for any expenses of a spouse or other person who accompanies an employee on business travel.

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Settlement of Trip Expenses

Payment of travel expenses incurred during the trip using City procurement cards is not permitted. Purchase cards may be used to pre-pay expenses such as flights, hotel, car rental, or conference registration (preferably by a Travel Coordinator) or may pay these expenses by invoice through accounts payable.

Allowable expenses per this policy during the trip are to be paid out of pocket by employees and reimbursed upon completion of travel. The City will not provide any advance payment of travel costs directly to employees.

Travel Reimbursement

All employee travel reimbursement requests require either direct supervisor or Department Head approval prior to submitting to the City Auditor. Direct supervisors can approve expense reimbursement requests if there is no greater than a 10% variance between the pre-approved travel estimate and the actual expense reimbursement requested. Any reimbursement request with a difference greater than 10% of the pre-approved estimate must be approved by the Department Director.

The City Auditor's Office is responsible for review and has final approval of travel expense reimbursement requests. Approval shall be based upon the employee's compliance or non-compliance with the requirements of this policy. Once approved by the City Auditor, the reimbursement request will be forwarded directly to accounts payable for processing and email notification will be provided to travel coordinators and/or the employee.

Within 30 days of an employee's return from a business trip, a final, department approved expense report associated with the trip shall be submitted to the City Auditor to be eligible for any reimbursement. The employee must complete a signed Travel Form and supporting documentation to substantiate all reported expenses with the exception of meals, as these are reimbursed based on GSA per diem rates. The documentation should be in its original form and include the following, if applicable:

- Pre-travel request authorization as defined by this policy
- Invoice and trip itinerary from vendor
- Event brochure or agenda for conference, training, or special event

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- Any certificates of completion associated with event
- Airfare receipt showing the travel dates and time
- Parking receipts showing the travel date and amount paid
- Transportation receipts showing the travel date and full address to/from the event location
- Car rental receipt showing the dates and number of days
- Final itemized hotel bill or statement showing all charges
- Documentation showing miles between destination and the employee's work location or residence to substantiate the shortest distance driven for mileage
- A brief written explanation if a reporting item doesn't have supporting documentation.

It is the employee's responsibility to submit the travel expense reimbursement request within the specified timeline.

Uncompleted training will not be paid by the City unless the employee's failure to complete the training was due to a cause outside the employee's control as documented with a memorandum.

Advances

The City does not offer advances to employees for travel.

Exceptions to this Policy

This Policy does not claim to address all contingencies and conditions. However, any exception requires City Manager (or designee) approval in writing for anticipated/known exceptions or unanticipated/unplanned expenses. Requests for exceptions should be accompanied by the traveler's written justification for the expense.

Examples of exceptions to this policy include, but are not limited to, the following:

- Unusual business expenses
- Per diem and/or lodging expenses which exceed GSA limits
- The purchase of one or more meals from another source even though they were included in a conference and/or seminar registration fee
- The use of an alternate mode of transportation
- Lodging expenses incurred during local travel
- Travel costs exceeding available budget appropriations

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City Auditor to Conduct Periodic Audits

The City Auditor shall conduct periodic audits in accordance with generally accepted government auditing standards to ensure compliance with this travel policy. Audit results shall be submitted to the City Council.

Cross References:

CMD 49 - Membership in Professional Societies and Associations

CMD 21 - Use and Maintenance of City Vehicles Including General Government/Public Works Pool Vehicles

Attachments:

A – Travel Authorization Form

B – Travel Expenses Reimbursement Form

C – Mileage Reimbursement Log

EXHIBIT E

Description of Job Duties

Description of Duties
for City Attorney



**City of
Santa Clara**
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Charter of the City of Santa Clara, Section 908 City Attorney.

There shall be a City Attorney who shall have the power and be required to:

- (a) Represent and advise the City Council and all City officers in all matters of law pertaining to their offices;
- (b) Represent and appear for the City and any City officer or employee or former City officer or employee, in any or all actions and proceedings in which the City or any such officer or employee in or by reason of his/her official capacity, is concerned or is a party, but the City Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein;
- (c) Attend all meetings of the City Council and give his/her advice or opinion in writing whenever requested to do so by the City Council, or by any of the boards or officers of the City;
- (d) Approve the form of all bonds given to and all contracts made by the City, endorsing his/her approval thereon in writing;
- (e) Prepare any and all proposed ordinances or resolutions for the City, and amendments thereto;
- (f) Prosecute on behalf of the people all criminal cases for violation of this Charter and of City ordinances; and
- (g) On vacating the office, surrender to his/her successor, all books, papers, files, and documents pertaining to the City's affairs.

To be eligible for appointment as City Attorney, the appointee shall have been admitted to practice as an attorney at law before the Supreme Court of the State of California, and shall have been engaged in the active practice of law for at least four years immediately prior to his/her appointment. (Amended by electors at an election held March 7, 2000, Charter Chapter 11 of the State Statutes of 2000)

Description of Duties
for City Attorney



**City of
Santa Clara**
The Center of What's Possible

Santa Clara City Code, Chapter 2.25 City Attorney

2.25.020 Duties and responsibilities.

The City Attorney shall be responsible for the following:

- (a) Advising the City Council, the City Manager and all City department heads in matters of law pertaining to their offices.
- (b) Representing and appearing for the City and any City employee in any or all actions brought against the City or its employees in the course of their duties.
- (c) Keeping the City Council informed as to all legislation affecting the City government and processing all insurance matters and damage claims against the City.
- (d) Rendering written legal opinions when so requested by the City Council or the City Manager.
- (e) Attending designated meetings of boards, commissions and special committees of the City and representing City departments before State or local courts, boards or commissions.
- (f) Reviewing and approving the form of all City contracts, agreements, deeds and legal documents.
- (g) The preparation and promulgation of municipal bond issues and special assessment districts.
- (h) The preparation and promotion of State and Federal legislation proposed by the City Council.
- (i) Preparing and processing all proposed ordinances or resolutions for the City Council.
- (j) The preparation and handling of all City litigation or court proceedings.
- (k) Prosecuting on behalf of the people all cases of violation of the Charter, provisions of this Code or other City ordinances.
- (l) Be responsible for the processing of annexation proceedings and assist in the acquisition of public land, easements and rights-of-way. (Ord. 947. Formerly § 2-31).

**AMENDMENT NO. 1
TO THE EMPLOYMENT AGREEMENT
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
GLEN R. GOOGINS**

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the City of Santa Clara, California, a chartered California municipal corporation ("City") and Glen R. Googins ("Employee"). City and Employee may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Employment Agreement" dated January 10, 2023 ("Agreement"); and
- B. The Parties entered into the Agreement for the purpose of appointing and employing Employee as the City Attorney and associated duties, and the Parties now wish to amend the Agreement to adjust compensation and clarify procedures relating to performance appraisal and compensation.

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

- 1. Section 3.1 of the Agreement, entitled "Salary" is amended to read as follows:
 - 3.1. Salary. Employee shall receive an annual salary of Three Hundred Fifty-Six Thousand Two Hundred Twelve Dollars and Fifty Cents (\$356,212.50), less all authorized or appropriate deductions and withholdings, payable in pro-rata increments on regular City paydays, commencing on the first day of employment.
- 2. Section 3.2 of the Agreement, entitled "Adjustments" is amended to read as follows:
 - 3.2. Adjustments. Following completion of the annual performance appraisal as described in Section 4 below, or at any other time within the discretion of the City Council, the City Council shall meet or otherwise communicate with Employee for the express purpose of determining any appropriate salary adjustment. In determining any appropriate salary adjustment, the City Council shall take into account any cost-of-living adjustments, but the ultimate decision regarding the timing and the

amount of any adjustment, including but not limited to cost of living, is within the sole discretion of the City Council.

3. Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect. In case of a conflict in the terms of the Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: _____

Sujata Reuter
Chief Assistant City Attorney

LISA M. GILLMOR
Mayor

GLEN R. GOOGINS
Employee

RESOLUTION NO. 24- _____

**A RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA TO ADOPT THE AMENDED UNCLASSIFIED
SALARY PLAN FOR THE POSITION OF CITY ATTORNEY
WITH AN APPROVAL DATE OF DECEMBER 3, 2024 AND AN
EFFECTIVE DATE OF DECEMBER 22, 2024**

WHEREAS, the City of Santa Clara contracts with CalPERS to provide retirement benefits;

WHEREAS, to comply with the California Code Regulations section 570.5, the City of Santa Clara shall among other things, have publicly available pay schedules approved and adopted by the City Council which shall indicate an effective date and date of any revisions; and,

WHEREAS, as required by the California Code Regulations section 570.5 and as mandated by CalPERS, the City Council deems it to be in the best interests of the City to adopt the Amended Unclassified Salary Plan for City of Santa Clara classifications when there are salary modifications to existing classifications, and when new classifications are created and salary ranges need to be established or when existing classifications are deleted, with an approval date of December 3, 2024, and an effective date of December 22, 2024.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City hereby adopts the Amended Unclassified Salary Plan for the position of City Attorney reflecting the wage increase approved by the City Council on December 3, 2024.
2. Effective date. In accordance with the California Code Regulations section 570.5 and to comply with CalPERS, the attached salary schedule for unclassified positions, shall be effective December 22, 2024, and adopted with an approval date of December 3, 2024.

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I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED
AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING
THEREOF HELD ON THE ____ DAY OF ____, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Amendment No. 1 to Employment Agreement with Glen R. Googins
2. Unclassified Salary Plan eff 12-22-2024 (for Council 12-3-2024)

City of Santa Clara
Unclassified/Elected Salary Plan

Effective 12/22/2024
Approved 12/3/2024

Job Title	Job Code	Union Code	Minimum Salary			Maximum Salary		
			Hourly	Monthly	Annual	Hourly	Monthly	Annual
Accounting Division Manager	109	9	\$ 86.872788	\$ 15,057.95	\$ 180,695.40	\$ 112.422346	\$ 19,486.54	\$ 233,838.48
Asst Building Official	222	9	\$ 92.595404	\$ 16,049.87	\$ 192,598.44	\$ 119.838923	\$ 20,772.08	\$ 249,264.96
Asst City Attorney	015	9	\$ 107.617442	\$ 18,653.69	\$ 223,844.28	\$ 139.274423	\$ 24,140.90	\$ 289,690.80
Asst City Clerk	010	9	\$ 81.924000	\$ 14,200.16	\$ 170,401.92	\$ 106.009615	\$ 18,375.00	\$ 220,500.00
Asst City Librarian	012	9	\$ 93.769673	\$ 16,253.41	\$ 195,040.92	\$ 121.350462	\$ 21,034.08	\$ 252,408.96
Asst City Manager	016	9	\$ 138.876519	\$ 24,071.93	\$ 288,863.16	\$ 179.714250	\$ 31,150.47	\$ 373,805.64
Asst Dir Of Community Dev	038	9	\$ 105.985442	\$ 18,370.81	\$ 220,449.72	\$ 137.780769	\$ 23,882.00	\$ 286,584.00
Asst Dir Of Electric Util	021	9	\$ 127.039442	\$ 22,020.17	\$ 264,242.04	\$ 164.405538	\$ 28,496.96	\$ 341,963.52
Asst Dir Of Finance	022	9	\$ 101.105192	\$ 17,524.90	\$ 210,298.80	\$ 130.845635	\$ 22,679.91	\$ 272,158.92
Asst Dir Of Human Resources	018	9	\$ 101.105192	\$ 17,524.90	\$ 210,298.80	\$ 130.845635	\$ 22,679.91	\$ 272,158.92
Asst Dir Of Pub Works/City Eng	071	9	\$ 111.497827	\$ 19,326.29	\$ 231,915.48	\$ 144.295269	\$ 25,011.18	\$ 300,134.16
Asst Dir Of Water & Sewer Util	014	9	\$ 100.072731	\$ 17,345.94	\$ 208,151.28	\$ 129.516115	\$ 22,449.46	\$ 269,393.52
Asst Fire Chief	024	9B	\$ 144.731423	\$ 25,086.78	\$ 301,041.36	\$ 187.309038	\$ 32,466.90	\$ 389,602.80
Asst Fire Marshal	026	9B	\$ 111.007846	\$ 19,241.36	\$ 230,896.32	\$ 143.657250	\$ 24,900.59	\$ 298,807.08
Asst Fleet Manager	046	9	\$ 60.779942	\$ 10,535.19	\$ 126,422.28	\$ 78.649269	\$ 13,632.54	\$ 163,590.48
Asst Police Chief	027	9A	\$ 153.086596	\$ 26,535.01	\$ 318,420.12	\$ 190.489673	\$ 33,018.21	\$ 396,218.52
Asst To The City Manager	028	9	\$ 98.837654	\$ 17,131.86	\$ 205,582.32	\$ 127.903269	\$ 22,169.90	\$ 266,038.80
Audit Manager	201	9	\$ 83.633538	\$ 14,496.48	\$ 173,957.76	\$ 108.231519	\$ 18,760.13	\$ 225,121.56
Battalion Chief	036	9B	\$ 119.595692	\$ 20,729.92	\$ 248,759.04	\$ 154.762212	\$ 26,825.45	\$ 321,905.40
Battalion Chief 24 Hrs	036S	9BS	\$ 81.357610	\$ 19,742.78	\$ 236,913.36	\$ 105.280426	\$ 25,548.05	\$ 306,576.60
Budget & Treasury Division Mgr	113	9	\$ 86.872788	\$ 15,057.95	\$ 180,695.40	\$ 112.422346	\$ 19,486.54	\$ 233,838.48
Building Maintenance Manager	041	9	\$ 76.932288	\$ 13,334.93	\$ 160,019.16	\$ 99.559788	\$ 17,257.03	\$ 207,084.36
Building Official	042	9	\$ 101.861019	\$ 17,655.91	\$ 211,870.92	\$ 131.817404	\$ 22,848.35	\$ 274,180.20
Cemetery Operations Manager	045	9	\$ 61.518750	\$ 10,663.25	\$ 127,959.00	\$ 79.611462	\$ 13,799.32	\$ 165,591.84
Chief Asst City Attorney	037	9	\$ 123.759750	\$ 21,451.69	\$ 257,420.28	\$ 160.165558	\$ 27,762.03	\$ 333,144.36
Chief Electric Utility Officer	108	9	\$ 159.713192	\$ 27,683.62	\$ 332,203.44	\$ 206.682346	\$ 35,824.94	\$ 429,899.28
Chief Operating Officer	311	9	\$ 159.713192	\$ 27,683.62	\$ 332,203.44	\$ 206.682346	\$ 35,824.94	\$ 429,899.28

City of Santa Clara
Unclassified/Elected Salary Plan

Effective 12/22/2024
Approved 12/3/2024

Job Title	Job Code	Union Code	Minimum Salary			Maximum Salary		
			Hourly	Monthly	Annual	Hourly	Monthly	Annual
City Attorney	060	Appointed				\$ 171.256038	\$ 29,684.38	\$ 356,212.50
City Auditor	067	9	\$ 101.105192	\$ 17,524.90	\$ 210,298.80	\$ 130.845635	\$ 22,679.91	\$ 272,158.92
City Clerk	063	Elected					\$ 1,500.00	\$ 18,000.00
City Council Member	CNCL	Elected					\$ 2,000.00	\$ 24,000.00
City Librarian	066	9	\$ 126.142269	\$ 21,864.66	\$ 262,375.92	\$ 163.240212	\$ 28,294.97	\$ 339,539.64
City Manager	069	Appointed				\$ 201.067673	\$ 34,851.73	\$ 418,220.76
Communications & Outreach Mgr	083	9	\$ 69.839654	\$ 12,105.54	\$ 145,266.48	\$ 90.375173	\$ 15,665.03	\$ 187,980.36
Communications Operations Mgr	068	9	\$ 79.139019	\$ 13,717.43	\$ 164,609.16	\$ 102.414404	\$ 17,751.83	\$ 213,021.96
Compliance Manager	081	9	\$ 70.939615	\$ 12,296.20	\$ 147,554.40	\$ 91.799135	\$ 15,911.85	\$ 190,942.20
Contracts Manager	342	9	\$ 78.201000	\$ 13,554.84	\$ 162,658.08	\$ 101.192942	\$ 17,540.11	\$ 210,481.32
Deputy City Attorney I	170	9	\$ 67.254981	\$ 11,657.53	\$ 139,890.36	\$ 87.034673	\$ 15,086.01	\$ 181,032.12
Deputy City Attorney II	172	9	\$ 78.464192	\$ 13,600.46	\$ 163,205.52	\$ 101.543827	\$ 17,600.93	\$ 211,211.16
Deputy City Clerk	178	9	\$ 60.574096	\$ 10,499.51	\$ 125,994.12	\$ 78.396692	\$ 13,588.76	\$ 163,065.12
Deputy City Manager	079	9	\$ 108.724212	\$ 18,845.53	\$ 226,146.36	\$ 140.691519	\$ 24,386.53	\$ 292,638.36
Deputy Fire Chief	080	9B	\$ 131.573423	\$ 22,806.06	\$ 273,672.72	\$ 170.282250	\$ 29,515.59	\$ 354,187.08
Deputy Director	176	9	\$ 88.013192	\$ 15,255.62	\$ 183,067.44	\$ 113.900250	\$ 19,742.71	\$ 236,912.52
Development Project Manager	158	9	\$ 88.007423	\$ 15,254.62	\$ 183,055.44	\$ 113.890500	\$ 19,741.02	\$ 236,892.24
Development Review Officer	144	9	\$ 85.145192	\$ 14,758.50	\$ 177,102.00	\$ 110.188558	\$ 19,099.35	\$ 229,192.20
Director Of Community Developm	090	9	\$ 126.393808	\$ 21,908.26	\$ 262,899.12	\$ 163.571192	\$ 28,352.34	\$ 340,228.08
Director Of Finance	087	9	\$ 126.142269	\$ 21,864.66	\$ 262,375.92	\$ 163.240212	\$ 28,294.97	\$ 339,539.64
Director Of Human Resources	088	9	\$ 126.142269	\$ 21,864.66	\$ 262,375.92	\$ 163.240212	\$ 28,294.97	\$ 339,539.64
Director Of Inf Technology/CIO	089	9	\$ 126.142269	\$ 21,864.66	\$ 262,375.92	\$ 163.240212	\$ 28,294.97	\$ 339,539.64
Director Of Public Works	091	9	\$ 133.695577	\$ 23,173.90	\$ 278,086.80	\$ 173.017731	\$ 29,989.74	\$ 359,876.88
Director Of Wtr & Sewer Utils	102	9	\$ 126.142269	\$ 21,864.66	\$ 262,375.92	\$ 163.240212	\$ 28,294.97	\$ 339,539.64
Elec Div Mgr - Engineering	104Q	9	\$ 104.985577	\$ 18,197.50	\$ 218,370.00	\$ 135.873115	\$ 23,551.34	\$ 282,616.08
Elec Div Mgr - Generation	104R	9	\$ 104.985577	\$ 18,197.50	\$ 218,370.00	\$ 135.873115	\$ 23,551.34	\$ 282,616.08
Elec Div Mgr - Operations	104P	9	\$ 104.985577	\$ 18,197.50	\$ 218,370.00	\$ 135.873115	\$ 23,551.34	\$ 282,616.08

City of Santa Clara
Unclassified/Elected Salary Plan

Effective 12/22/2024
Approved 12/3/2024

Job Title	Job Code	Union Code	Minimum Salary			Maximum Salary		
			Hourly	Monthly	Annual	Hourly	Monthly	Annual
Elec Div Mgr - Substations	104M	9	\$ 104.985577	\$ 18,197.50	\$ 218,370.00	\$ 135.873115	\$ 23,551.34	\$ 282,616.08
Elec Div Mgr - Transm, Distrib	104S	9	\$ 104.985577	\$ 18,197.50	\$ 218,370.00	\$ 135.873115	\$ 23,551.34	\$ 282,616.08
Elec Div Mgr-Mkt A & P	107F	9	\$ 104.985577	\$ 18,197.50	\$ 218,370.00	\$ 135.873115	\$ 23,551.34	\$ 282,616.08
Elec Division Manager	104	9	\$ 104.985577	\$ 18,197.50	\$ 218,370.00	\$ 135.873115	\$ 23,551.34	\$ 282,616.08
Elec Program Manager	424	9	\$ 91.299750	\$ 15,825.29	\$ 189,903.48	\$ 118.145077	\$ 20,478.48	\$ 245,741.76
Elec Util Chief Oper Officer	116	9	\$ 139.746808	\$ 24,222.78	\$ 290,673.36	\$ 180.851538	\$ 31,347.60	\$ 376,171.20
Elec Util Risk Control Analyst	697	9	\$ 81.764135	\$ 14,172.45	\$ 170,069.40	\$ 105.815596	\$ 18,341.37	\$ 220,096.44
Emergency Services Officer	106	9	\$ 95.038327	\$ 16,473.31	\$ 197,679.72	\$ 122.983615	\$ 21,317.16	\$ 255,805.92
Environmental Programs Mgr	461	9	\$ 70.939615	\$ 12,296.20	\$ 147,554.40	\$ 91.799135	\$ 15,911.85	\$ 190,942.20
Executive Assistant	187	9	\$ 59.663019	\$ 10,341.59	\$ 124,099.08	\$ 77.208981	\$ 13,382.89	\$ 160,594.68
Fire Chief	117	9B	\$ 157.405038	\$ 27,283.54	\$ 327,402.48	\$ 203.689962	\$ 35,306.26	\$ 423,675.12
Fire Marshal	120	9B	\$ 119.594942	\$ 20,729.79	\$ 248,757.48	\$ 154.758000	\$ 26,824.72	\$ 321,896.64
Fleet Manager	034	9	\$ 73.301596	\$ 12,705.61	\$ 152,467.32	\$ 94.856135	\$ 16,441.73	\$ 197,300.76
Housing & Comm Svc Div Mgr	075	9	\$ 88.087442	\$ 15,268.49	\$ 183,221.88	\$ 114.001442	\$ 19,760.25	\$ 237,123.00
Housing Development Officer	749	9	\$ 69.178327	\$ 11,990.91	\$ 143,890.92	\$ 89.524904	\$ 15,517.65	\$ 186,211.80
Human Resources Div Mgr	139	9	\$ 86.872788	\$ 15,057.95	\$ 180,695.40	\$ 112.422346	\$ 19,486.54	\$ 233,838.48
Information Technology Svc Mgr	112	9	\$ 81.534635	\$ 14,132.67	\$ 169,592.04	\$ 105.505212	\$ 18,287.57	\$ 219,450.84
Inspection Manager	134	9	\$ 87.250615	\$ 15,123.44	\$ 181,481.28	\$ 112.921673	\$ 19,573.09	\$ 234,877.08
Legal Executive Assistant	185	9	\$ 59.663019	\$ 10,341.59	\$ 124,099.08	\$ 77.208981	\$ 13,382.89	\$ 160,594.68
Library Div Mgr -Support Svcs	127G	9	\$ 73.247596	\$ 12,696.25	\$ 152,355.00	\$ 94.802135	\$ 16,432.37	\$ 197,188.44
Management Analyst	008	9	\$ 60.574096	\$ 10,499.51	\$ 125,994.12	\$ 78.396692	\$ 13,588.76	\$ 163,065.12
Mayor	MAYOR	Elected					\$ 2,500.00	\$ 30,000.00
Municipal Services Div Mgr	110	9	\$ 86.872788	\$ 15,057.95	\$ 180,695.40	\$ 112.422346	\$ 19,486.54	\$ 233,838.48
Park Maint & Operations Superv	131	9	\$ 72.404077	\$ 12,550.04	\$ 150,600.48	\$ 93.688673	\$ 16,239.37	\$ 194,872.44
Parks & Recreation Director	132	9	\$ 126.142269	\$ 21,864.66	\$ 262,375.92	\$ 163.240212	\$ 28,294.97	\$ 339,539.64
Parks Const, Mtc & Repair Mgr	130	9	\$ 72.404077	\$ 12,550.04	\$ 150,600.48	\$ 93.688673	\$ 16,239.37	\$ 194,872.44
Performance Auditor I	203	9	\$ 50.478404	\$ 8,749.59	\$ 104,995.08	\$ 65.330596	\$ 11,323.97	\$ 135,887.64

City of Santa Clara
Unclassified/Elected Salary Plan

Effective 12/22/2024
Approved 12/3/2024

Job Title	Job Code	Union Code	Minimum Salary			Maximum Salary		
			Hourly	Monthly	Annual	Hourly	Monthly	Annual
Performance Auditor II	204	9	\$ 60.574096	\$ 10,499.51	\$ 125,994.12	\$ 78.396692	\$ 13,588.76	\$ 163,065.12
Plan Review Manager	629	9	\$ 88.188692	\$ 15,286.04	\$ 183,432.48	\$ 114.116192	\$ 19,780.14	\$ 237,361.68
Planning Manager	072	9	\$ 91.967769	\$ 15,941.08	\$ 191,292.96	\$ 119.015538	\$ 20,629.36	\$ 247,552.32
Police Captain	138	9A	\$ 150.016096	\$ 26,002.79	\$ 312,033.48	\$ 181.432385	\$ 31,448.28	\$ 377,379.36
Police Chief	141	Elected					\$ 28,755.00	\$ 345,060.00
Police Records Manager	647	9	\$ 62.396135	\$ 10,815.33	\$ 129,783.96	\$ 80.751865	\$ 13,996.99	\$ 167,963.88
Power System Scheduler/Trader	674	9	\$ 78.302192	\$ 13,572.38	\$ 162,868.56	\$ 101.334635	\$ 17,564.67	\$ 210,776.04
Power Trader	673	9	\$ 100.072731	\$ 17,345.94	\$ 208,151.28	\$ 129.516115	\$ 22,449.46	\$ 269,393.52
Principal Accountant	148	9	\$ 78.201000	\$ 13,554.84	\$ 162,658.08	\$ 101.192942	\$ 17,540.11	\$ 210,481.32
Principal Electric Utility Eng	145	9	\$ 99.998423	\$ 17,333.06	\$ 207,996.72	\$ 129.408115	\$ 22,430.74	\$ 269,168.88
Principal Eng - Water & Sewer	142W	9	\$ 96.961615	\$ 16,806.68	\$ 201,680.16	\$ 125.480538	\$ 21,749.96	\$ 260,999.52
Principal Eng/City Surveyor	140	9	\$ 101.809846	\$ 17,647.04	\$ 211,764.48	\$ 131.756538	\$ 22,837.80	\$ 274,053.60
Principal Engineer	142	9	\$ 96.961615	\$ 16,806.68	\$ 201,680.16	\$ 125.480538	\$ 21,749.96	\$ 260,999.52
Principal Financial Analyst	149	9	\$ 78.201000	\$ 13,554.84	\$ 162,658.08	\$ 101.192942	\$ 17,540.11	\$ 210,481.32
Principal Planner	143	9	\$ 78.201000	\$ 13,554.84	\$ 162,658.08	\$ 101.192942	\$ 17,540.11	\$ 210,481.32
Principal Power Analyst	154	9	\$ 78.201000	\$ 13,554.84	\$ 162,658.08	\$ 101.192942	\$ 17,540.11	\$ 210,481.32
Principal Util Info System Mgr	146	9	\$ 100.072731	\$ 17,345.94	\$ 208,151.28	\$ 129.516115	\$ 22,449.46	\$ 269,393.52
Public Information Officer	077	9	\$ 95.038327	\$ 16,473.31	\$ 197,679.72	\$ 122.983615	\$ 21,317.16	\$ 255,805.92
Public Records Manager	082	9	\$ 60.574096	\$ 10,499.51	\$ 125,994.12	\$ 78.396692	\$ 13,588.76	\$ 163,065.12
Purchasing Division Manager	147	9	\$ 83.633538	\$ 14,496.48	\$ 173,957.76	\$ 108.231519	\$ 18,760.13	\$ 225,121.56
Recreation Manager	150	9	\$ 78.943327	\$ 13,683.51	\$ 164,202.12	\$ 102.157904	\$ 17,707.37	\$ 212,488.44
Risk Manager	700	9	\$ 83.633538	\$ 14,496.48	\$ 173,957.76	\$ 108.231519	\$ 18,760.13	\$ 225,121.56
Sr Counsel for SVP	179	9	\$ 116.061981	\$ 20,117.41	\$ 241,408.92	\$ 149.719962	\$ 25,951.46	\$ 311,417.52
Sr Deputy City Attorney	161	9	\$ 83.403981	\$ 14,456.69	\$ 173,480.28	\$ 107.941442	\$ 18,709.85	\$ 224,518.20
Sr Elec Div Mgr	173	9	\$ 115.479346	\$ 20,016.42	\$ 240,197.04	\$ 149.457808	\$ 25,906.02	\$ 310,872.24
Sr Elec Div Mgr-Mkt A&P	174A	9	\$ 115.479346	\$ 20,016.42	\$ 240,197.04	\$ 149.457808	\$ 25,906.02	\$ 310,872.24
Sr Information Tech Svcs Mgr	743	9	\$ 89.342654	\$ 15,486.06	\$ 185,832.72	\$ 115.621096	\$ 20,040.99	\$ 240,491.88

City of Santa Clara
Unclassified/Elected Salary Plan

Effective 12/22/2024
Approved 12/3/2024

Job Title	Job Code	Union Code	Minimum Salary			Maximum Salary		
			Hourly	Monthly	Annual	Hourly	Monthly	Annual
Sr Management Analyst	742	9	\$ 66.631269	\$ 11,549.42	\$ 138,593.04	\$ 86.236154	\$ 14,947.60	\$ 179,371.20
Sr Performance Auditor	202	9	\$ 70.939615	\$ 12,296.20	\$ 147,554.40	\$ 91.799135	\$ 15,911.85	\$ 190,942.20
Sr Power System Schedlr/Trader	772	9	\$ 84.159865	\$ 14,587.71	\$ 175,052.52	\$ 108.919846	\$ 18,879.44	\$ 226,553.28
Street Superintendent	159	9	\$ 80.009596	\$ 13,868.33	\$ 166,419.96	\$ 103.548115	\$ 17,948.34	\$ 215,380.08
Transportation Manager	171	9	\$ 97.845750	\$ 16,959.93	\$ 203,519.16	\$ 126.627750	\$ 21,948.81	\$ 263,385.72
Utility Business Systems Mgr	898	9	\$ 78.072750	\$ 13,532.61	\$ 162,391.32	\$ 101.031000	\$ 17,512.04	\$ 210,144.48
Utility Operations Engineer	155	9	\$ 82.418712	\$ 14,285.91	\$ 171,430.92	\$ 106.652423	\$ 18,486.42	\$ 221,837.04
Water & Sewer Operations Mgr	180	9	\$ 81.008365	\$ 14,041.45	\$ 168,497.40	\$ 104.843827	\$ 18,172.93	\$ 218,075.16
Water & Sewer Superintendent	029	9	\$ 73.247596	\$ 12,696.25	\$ 152,355.00	\$ 94.802135	\$ 16,432.37	\$ 197,188.44
Web & Digital Media Manager	073	9	\$ 69.839654	\$ 12,105.54	\$ 145,266.48	\$ 90.375173	\$ 15,665.03	\$ 187,980.36



Agenda Report

24-893

Agenda Date: 12/3/2024

REPORT TO COUNCIL

SUBJECT

Action on Recommendations from the Governance and Ethics Committee to Amend Council Policy 049 ("Community Grant Policy")

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

Council Policy 049 Community Grant Policy ("Community Grant Policy") was approved by the City Council through the adoption of Resolution No. 18-1606 on September 18, 2018. The Community Grant Policy creates a standardized process for the City's Community Grant Program, which awards grants to qualifying applicants up to \$10,000 per applicant, per fiscal year for eligible community events, activities, and Santa Clara youth group participation upon advancement into state, national, or international championship games, competitions, or performances. The City previously provided grants to Santa Clara youth groups/students to support their participation at state, national and international championships, competitions and performances through Policy and Procedure 014 ("Funding Requests - Championship Teams/Individuals"). Policy and Procedure 014 was rescinded when City Council adopted the Community Grant Policy, which merged Policy and Procedure 014 and a draft Sponsorship Policy together into a single policy for grant requests.

Since the Community Grant Program launched on October 1, 2018, the City of Santa Clara has awarded community grants for various community events such as fun runs, social impact summits, car shows, cultural events, pageants, youth events, fundraisers, and community discussions ("Community Event/Activities"). In addition to community events and activities, the City has also awarded grants through the program to Santa Clara youth groups to travel and compete in championship games and performances for football, baseball, softball, robotics, symphonic band, jazz band, and marching band ("Youth Competitions/Performances"). The grants provide organizations and individuals with financial assistance to put on or participate in events, activities, and competitions that provide a benefit to the Santa Clara community.

On May 24, 2022, the City Council approved modifications to the Community Grant Policy that provided additional guidance and requirements on grant eligibility, allowable expenses, and post-event review. Specifically, these updates defined allowable expenses, limited the amount of grant funds for food and beverage, required applicants that received grant funding (grant recipients) to refund any unspent grant funds, provided the City the ability to audit, and restricted the location of general events/activities to Santa Clara, limited advance application submittal to six months prior to events, limited eligibility to competitive grant recipients, and provided the City the ability to evaluate prior events/activities' success and ability to meet requirements for reoccurring applicants. The current Community Grant Policy ("current Policy") is included in this report as Attachment 1.

Approximately a year after the Council's May 24, 2022 approval of the current Policy, staff began the process of proposing additional amendments to the Community Grant Policy that aim to further streamline the grant process for applicants and grant recipients. These proposed amendments include additional requirements for applicants to demonstrate a financial need for grant funding, expanding the types of eligible events/activities to include programs and projects, expanding the eligible expenses grant funds can be spent towards, defining ineligible expenses, additional language aimed to promote accountability and increase protections for the City, updated eligibility requirements that focus on the efforts and goals of the Community Grant Program, and additional requirements for grant recipients in the post event process.

On July 2, 2024, staff presented the proposed amendments to the Community Grant Policy at the Governance and Ethics Committee meeting (Attachment 2). The Governance and Ethics Committee approved staff's recommendations to update the Community Grant Policy and provided staff with additional considerations to evaluate. The Governance and Ethics Committee's feedback is discussed in more detail under the Discussion section.

Staff reviewed the additional considerations proposed by the Governance and Ethics Committee and is requesting the City Council to adopt a resolution that approves an amended Community Grant Policy ("amended Policy") that incorporates much of the Governance and Ethics Committee's feedback and additional edits proposed by staff.

The proposed amendments include a restructuring of the Policy to clarify the separate eligibility criteria and procedures for the two categories of grants funded by the Community Grant Program (Community Events/Activities and Youth Competitions/Performances). As a result of restructuring the Policy, the proposed amendments to the current Policy presented to the Governance and Ethics Committee were highlighted in yellow for ease of reading and to clearly identify the proposed amendments (Attachment 2). The amended Policy includes amendments that enhance grant eligibility requirements and criteria, promote accountability and increase protections for the City, and clarify post event requirements for grant recipients. The amended Policy is attached to this report as a redline version and a clean copy (Attachments 3 and 4, respectively). A draft Resolution for City Council approval is included as Attachment 5. Staff has also prepared a summary of all the proposed amendments for reference (Attachment 6).

DISCUSSION

This section of the report describes the proposed amendments to the Community Grant Policy and the 49ers Grant Commitment to the City's Community Grant Program.

Proposed Policy Amendments - Enhanced Eligibility Requirements and Criteria

The following proposed amendments aim to expand grant eligibility criteria and requirements:

- 1. Assist Applicants That Have Financial Need:** In an effort to promote altruism, inclusivity, and effective use of grant funds towards Community Events/Activities that are being hosted by applicants that have a financial need for grant funding, the Governance and Ethics Committee approved staff's recommendation to include language in the Policy that requires applicants to demonstrate a financial need for grant funding.

If approved, the Community Grant application (Attachment 7) will be updated to include a field

for the applicant to explain why the grant is needed and provide supporting documentation as necessary. The application form is currently an attachment to the policy, but it is not a policy document. Rather, the application is a form intended to aid the applicant and the City Manager's Office in the application process to ensure that staff has sufficient information to evaluate. Therefore, in an effort to streamline the grant process, staff also recommends removing the application as an attachment to the Policy to allow for future administrative updates as necessary. This change was proposed after the Governance and Ethics Committee's July 2, 2024 review.

2. **Expand Eligible Community Events/Activities:** The Community Grant Program was originally designed to support one-time events and activities. However, there are opportunities to promote creativity and increase community engagement and direct benefits to Santa Clara residents by also supporting community projects and programs within Santa Clara. As such, the proposed amendments expanded the definition of eligible Community Events/Activities to include programs and community projects that the Community Grant Program may consider to promote increased public benefits to Santa Clara residents, students, and schools. The Governance and Ethics Committee approved this recommendation without amendment.
3. **Enhance Eligibility Criteria:** The current Policy's eligibility criteria for Community Events/Activities and Youth Competitions/Performances require applicants to demonstrate how the request for grant funding aligns with City Council Goals. City Council Goals are established as part of the City Council's Priority Setting process and are intended to set goals and priorities of the City which may not always be directly applicable to the Community Events/Activities and Youth Performances/Competitions being funded by the Community Grant Program. Staff recommended replacing the Council Goals with the grant focus areas (Santa Clara Youth, Community Service, and Santa Clara Identity/Culture/Representation/Equity) to better assist applicants with identifying how the proposed Community Event/Activity or Youth Competition/Performance aligns with priorities central to the Community Grant Program.

The grant focus areas aim to encourage creative, yet focused, ideas for Community Events/Activities with an emphasis on benefitting the City of Santa Clara. This includes, but is not limited to, supporting Community Events/Activities and Youth Competitions/Performances that positively impact Santa Clara youth (Grant Focus Area: Santa Clara Youth), Community Events/Activities that directly improve the quality of life of Santa Clara residents (Grant Focus Area: Community Service), and supporting Community Events/Activities or Youth Competitions/Performances that celebrate and promote Santa Clara arts, history, sports, education, organizations and individuals, and other efforts that make the City of Santa Clara a great place to live, work, and visit (Grant Focus Area: Santa Clara Identity/Culture/Representation/Equity).

Additionally, the current Policy requires that grant funds are not used for religious or political purposes. Staff recommended updating this requirement to include a clearer definition of both categories for consistency with state and federal laws.

The Governance and Ethics Committee approved the proposed amendments for the grant focus areas and religious and political purposes.

It should be noted that the current Policy requires that the Community Event/Activity and Youth

Competition/Performance must contribute positively to the recognition and image of the City of Santa Clara. The proposed amendments presented to the Governance and Ethics Committee removed this eligibility requirement for Community Events/Activities in an effort to reduce any potential redundancy in the amended Policy. However, this eligibility requirement remained intact for Youth Competitions/Performances. Provided that the eligibility requirements for the two grant categories have been separated for clarity, staff recommends adding this eligibility requirement back into the proposed Policy amendments under Community Events/Activities for consistency.

4. **Expand Eligible Expenses and Define Ineligible Expenses:** The current Policy lists a few eligible expenses (e.g., City permits, fees, and services, venue, food and beverage, trash/recycling, and stage/tent rentals) and is silent on ineligible expenses. However, the City Manager's Office has not historically approved grant funds for give-away items, consultant fees, and other expenses that would otherwise violate the current Policy or any other City policies. Conversely, staff aims to promote successful Community Events/Activities and consider reasonable requests for grant funds towards expenses essential to the success of the event, provided that they do not violate the Policy or any other City policies. As such, staff proposed amendments to expand the eligible expenses in the Policy to include additional event-specific rental expenses, event insurance, event-related supplies for one-time use, marketing costs, and define ineligible expenses to include gifts and give away items such as gift cards and raffle baskets and programmatic expenses such as staff time, overhead costs, consultant services and payment of hired staff. The Governance and Ethics Committee approved staff's recommendation.

Subsequent to the Governance and Ethics Committee's approval, staff proposed further amendments to the eligible expenses to include other permits, fees, and services from other public agencies and other "similar" event rentals and further clarify marketing and promotional expenses, consistent with prior City approval of such grant expenses.

Proposed Policy Amendments - Promote Accountability/Increase Protections for the City

The current Policy is silent on prohibited uses of grant funds and does not provide guidance to address policy violations. However, grant requirements are clearly communicated through the approved grant application and corresponding grant approval letter provided to grant recipients under the grant approval process. The proposed amendments include language that aims to promote accountability and increase protections for the City by setting clear instructions on how grant funds can be spent and what needs to be submitted to the City for auditing. Under the proposed amendments, failure to provide the required verification documentation, failure to follow the terms outlined in the Policy and the approved application, and/or material changes to the Community Event/Activity or Youth Competition/Performance without prior City approval may result in the grant recipient returning grant funds in part or in full and impact their future eligibility to apply for the Community Grant Program.

The Governance and Ethics Committee approved staff's recommendation with an additional request that staff consider term limits for suspension based on the severity of the policy and demonstration of organizational change by which the infraction occurred. Staff evaluated this request and propose a period of one year upon resolution of outstanding issues. A term limit of one year provides a grant recipient sufficient time and opportunity to review the requirements in the Policy in preparation of an application submittal as a recurring applicant, if desired.

Proposed Policy Amendments - Post Event Requirements for Grant Recipients

Within thirty (30) days upon the conclusion of the Community Event/Activity or Youth Competition/Performance, grant recipients must complete a post event process in which receipts and invoices are submitted for verification that grant funds were spent in the manner they were approved. This requirement in the current Policy allows the City Manager's Office to measure a grant recipient's past success when weighing whether to approve or deny a future request for grant funding. Staff recommended including language in the Policy requiring grant recipients to submit additional documentation during the post event process to collect information that could be used to measure the success of the event, including attendance numbers, fundraising actuals (if applicable), and community impact.

The Governance and Ethics Committee approved the proposed amendments with an additional request that grant recipients submit a five hundred (500) word description of how the event went to be included on the City's website. Staff updated the proposed amendments by expanding the community impact requirement that allows the City to post it on the City's website. Additionally, the proposed amendments included language outlining the grant recipient's responsibility in the post event process to provide the required documentation in full and on time. This language was also approved by the Governance and Ethics Committee without additional feedback.

It should be noted that Youth Competitions/Performances have a separate set of requirements in the Community Grant Policy. While the post event process for grant recipients is similar to Community Events/Activities, staff also recommends approval of the proposed amendments that modify the same requirements that are applicable to Youth Competitions/Performances, which were not included in the Governance and Ethics Committee's review.

Proposed Amendments to Policy/Program - Additional Feedback from the Governance and Ethics Committee

In addition to the various amendments described above, the Governance and Ethics Committee also provided the following feedback to the current Policy/Program:

1. **Carryover of Leftover Grant Funds:** The Governance and Ethics Committee requested an update to the policy to include proposed amendments that would allow the remaining balance of unused grant funds in the Community Grant Program budget to be carried over to the next fiscal year.

Since FY 2021/22, an average of \$52,000 has been awarded annually in Community Grants, leaving on average, a remainder of \$38,000 in the Community Grant Program budget per fiscal year that is absorbed back in the City's General Fund. While the Community Grant Program has had remaining balances in past fiscal years, staff is planning to promote and expand the Community Grant Program to encourage more potential applicants to apply which could result in more expended funds. Consistent with City practices, staff recommends bringing forward any potential carryovers of unspent Community Grant Program funds as part of the adopted budget or budgetary year end process for City Council consideration.

2. **Increasing the Maximum Grant Amount:** The Governance and Ethics Committee requested updated policy language to increase the maximum grant award amount annually to account for

inflation.

In the Community Grant application, applicants must specify the amount of grant funds requested. Upon confirming that the requested grant funds will be spent toward eligible expenses, grant amounts have ranged from \$900 to the maximum award amount of \$10,000 for an average grant amount of \$8,715 per approved applicant from FY 2021/22 through FY 2023/24. Staff's recommendation is to leave the current policy language in its current form and re-visit this provision if necessary to increase the grant amount to account for inflation if the \$10,000 maximum award proves to be insufficient over time due to inflation. Additionally, if there is a need for more grant funds, then Council can approve those funds through the budget process or through a budget amendment, consistent with current City practice.

- 3. Reservation of Funds for Youth Competitions/Performances:** The Governance and Ethics Committee requested proposed amendments to allow for a portion of the Community Grant Program budget to be reserved for later in the year for Youth Competitions/Performances.

Before the Community Grant Program absorbed the Championship Team Trust Fund, \$36,000 was budgeted annually for youth participation in championship games. In FY 2023/24, \$18,265 was awarded for youth participation in competitions and performances (inclusive of sports, academics, etc.). Staff recommends leaving the current Policy language in its current form and re-visiting this in the future if the program budget is exhausted before youth groups/individuals have a chance to apply upon advancement to their respective competition or performance.

49ers Grant Commitment

As part of the Santa Clara Stadium Authority (Stadium Authority) and Levi Strauss & Co.'s (Levi's) ten (10) year Naming Rights Agreement extension which was approved by the Stadium Authority Board on January 30, 2024, the Forty Niners SC Stadium Company LLC (49ers) committed to providing \$4 million (\$200,000/annually over 20 years) for grants to non-profits or community projects serving the Santa Clara community.

On June 4, 2024, the City Council approved an Initial Grant Funding Agreement between the City and 49ers (Attachment 8). In the agreement, the 49ers' commitment to contribute \$200,000 annually for 20 years to non-profit organizations and community projects serving or directly impacting the City of Santa Clara community is referred to as the "49ers Grant Commitment". The Initial Grant Funding Agreement directs \$50,000 annually for the initial three years to the City's Community Grant Program.

Per the Initial Grant Funding Agreement, City staff will determine the grant recipients in accordance with the City's Community Grant Program guidelines, after consultations with the 49ers or its designee. Staff has developed a consultation process with the 49ers' designee in which staff reaches out to the 49ers' designee to communicate the City's intention to utilize the 49ers Grant Commitment grant funds for grant applications that have been approved through the City's application review process and allow the 49ers designee the opportunity to seek clarification or ask questions, if necessary. The City retains ultimate approval authority over how the 49ers Grant Commitment funds are awarded. Staff plans to prioritize use of the 49ers Grant Commitment grant funds when awarding grants through the Community Grant Program as the Initial Grant Funding Agreement requires City distribution of amounts designated for the Community Grants Program be made in the corresponding

fiscal year.

The 49ers Grant Commitment has been incorporated into a larger initiative managed by the 49ers called “49ers Cares” which is separate from the 49ers Foundation. 49ers Cares focuses on community benefits specific to Santa Clara.

While establishing the consultation process with staff, the 49ers requested the City to consider acknowledgement that the Community Grant was funded by 49ers Cares, when applicable, through the available channels in the normal Community Grant Program process. As described above, when an application for a Community Grant is approved, the applicant is notified in writing. Staff recommends including language in the grant approval notification acknowledging, when applicable, that the grant was funded by the 49ers Grant Commitment to remain consistent with the terminology stated in the Initial Grant Funding Agreement.

Should the City Council approve the Governance and Ethics Committee’s recommendation to include a description of Community Grant awards on the City’s website, staff will also indicate which Community Grants are funded by the 49ers Grant Commitment.

Governance and Ethics Committee and Staff’s Recommendation

As recommended by the Governance and Ethics Committee, staff has brought forth the proposed amended Council Policy 049 and a corresponding Resolution to the full City Council for approval.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The City’s FY 2024/25 Non-Departmental Budget includes a Community Grants Program line item of \$496,408. Of this amount, \$96,408 reflects the annual appropriation for the Community Grants Program, while the remaining \$400,000 represents Years 1 and 2 of the 49ers Grant Commitment. In alignment with the Initial Grant Funding Agreement’s Year 1 and 2 grant distribution, \$300,000 of the 49ers Grant Commitment was distributed or designated to specific beneficiaries and the remaining \$100,000 has been designated for the City’s Community Grant Program. In total, there is \$196,408 budgeted in FY 2024/25 to administer through the Community Grant Program. Under the Initial Grant Funding Agreement, the City will also receive an additional \$200,000 on or before April 1, 2026 for Year 3, of which \$50,000 will be designated for the City’s Community Grant Program. These funds will be budgeted in FY 2025/26.

As discussed above, staff recommends bringing forward any potential carryovers of unspent Community Grant Program funds as part of the adopted budget or budgetary year end process for City Council consideration. It is important to note that all 49ers Grant Commitment funds for the Community Grant Program must be used for such purpose. Under the Initial Grant Funding Agreement, City distribution of amounts designated for the Community Grants Program shall be made in the corresponding fiscal year.

COORDINATION

This report was coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Approve staff's recommendation; or
2. Any other City Council direction regarding amendments to the Community Grant Policy.

RECOMMENDATION

Adopt a resolution approving amendments to Council Policy 049 ("Community Grant Policy") that enhance grant eligibility requirements and criteria, promote accountability/increased protections for the City, and expand post event requirements for grant recipients.

Reviewed by: Christine Jung, Assistant to the City Manager, City Manager's Office

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Current Council Policy 049 ("Community Grant Policy")
2. Proposed Policy Amendments Approved by the Governance and Ethics Committee on July 2, 2024
3. Proposed Policy Amendments for City Council Approval (Redline)
4. Proposed Policy Amendments for City Council Approval (Clean)
5. Draft Resolution
6. Community Grant Policy Proposed Amendments Summary
7. Community Grant Application
8. Initial Grant Funding Agreement between the City and 49ers



COMMUNITY GRANT POLICY

PURPOSE

To establish a standardized process to award grants to qualifying non-profit community organizations, youth athletic groups or organizations, educational groups or organizations, or individuals, for events, activities, and competitions that provide a public benefit for the City of Santa Clara and its residents.

POLICY

Annually, and subject to availability of funds, the City Council shall establish grant appropriation(s) as part of the approval of the budget. Community grants, subject to availability of funds, shall not exceed \$10,000 per applicant, per fiscal year. To receive grant funds, grant applications must be submitted at least ninety (90) days and no more than six (6) months before the planned event/activity being funded, regardless of the form of the grant. Applications will be evaluated by the City Manager's Office on a case-by-case and "first come-first served" basis, throughout the fiscal year.

The City Manager's Office shall approve or deny an applicant's request based upon the eligibility criteria set forth below, and subject to funding availability as approved by the City Council through the adoption of the annual budget. Additionally, if the event or activity being requested for funding has been previously supported by the City, the City Manager's Office may evaluate the event or activity's past success, measured by the applicant's ability to meet attendance and/or fundraising projections and the individual/organization's ability to satisfy the requirements of this policy when considering approval or denial of a request. Grants for community events shall not be provided for waiver of or reimbursement for already discounted permit fees nor shall they be provided to organizations that receive separate annual funding from the City.

Allowable expenses shall be defined as: City permits, Fees and Services, Venue, Food and Beverage, Trash/Recycling, and Stage/Tent Rentals. Grant funds requested for Food and Beverage do not exceed 15% of the total grant amount or \$1,500. Grantees shall be required to return any unspent grant funds to the City within 3 days after completion of the audit.

Grants for attendance at youth state, national, or international competitions or performances shall be limited to costs associated with registration, hotel, transportation and food for participants and coaches/chaperones only. Due to short notice of advancement to state, national, or international competitions, applicants shall submit an

COMMUNITY GRANT POLICY (cont.)

application within one week of advancing to such competitions.

Submission of an application in no way obligates the City to award a grant and the City reserves the right to reject any or all applications, wholly or in part, at any time, without penalty. In all cases, the City reserves the right to reject any and all applications in the event the City Manager's Office identifies a potential conflict of interest or the appearance of a conflict of interest.

ELIGIBILITY CRITERIA

In addition to a timely and complete application, the applicant must demonstrate that the event or activity being funded (other than competition funding, described below) by the City's grant will satisfy all of the following criteria:

- a) Provides a benefit to Santa Clara residents
- b) Contributes positively to the recognition and image of the City of Santa Clara
- c) If the grant is for an event, then the event will be open to the general public and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law
- d) Aligns with established Council goals
- e) Grant funds will not be used for political or religious purposes
- f) If the event or activity is a fundraising event, that the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara

If the grant is for an event or activity, then the applicant must demonstrate that the event or activity being funded by the City's grant will be held within the City of Santa Clara.

If the activity being funded is individual or group attendance at a youth competition or performance, then the applicant must demonstrate that the activity being funded by the City's grant will satisfy all of the following criteria:

- a) Funding the activity provides a benefit to Santa Clara residents, students or schools
- b) Contributes positively to the recognition and image of the City of Santa Clara
- c) Aligns with established Council goals

COMMUNITY GRANT POLICY (cont.)

- d) Grant funds will not be used for political or religious purposes
- e) The grant funds requested will only be used for a specific state, national, or international title or performance
- f) The grant funds requested do not exceed 20% of the allowable expenses (registration, hotel, transportation, and food) and comport with the other requirements stated in the application
- g) Individuals, teams or groups should either be from Santa Clara schools or have at least 50% of the students from the teams or groups be residents in the City of Santa Clara
- h) The student-to-coach/chaperone ratio is six students to one coach/chaperone

PROCEDURE

1. City Council approves an annual budget item for City grants, to be administered by the City Manager's Office
2. Applicants submit timely and complete grant applications to the City Manager's Office for review
3. City Manager's Office reviews application for compliance with eligibility criteria and availability of funds. City Manager may seek additional information from applicant as necessary.
4. If an application is approved by the City Manager's Office, then the approved application marked accordingly shall be transmitted to the applicant with additional instructions, if any.
5. If an application is not approved by the City Manager's Office, the City Manager shall notify the applicant in writing.
6. If the applicant has received a grant for an event/activity other than performance or competition attendance, then applicant shall submit proof that the grant funds have been spent in the manner and for the purposes stated on the application within thirty (30) days after the event/activity.
7. If the applicant has received a grant for performance or competition attendance, then proof of all allowable expenses actually incurred, as well as allocation of grant funds, shall be submitted to the City Manager's Office by the applicant within thirty (30) days after the competition.
8. Applicants that have received a grant, regardless of type of activity, shall maintain sufficient books and records in accordance with generally accepted accounting principles. The City shall have the

COMMUNITY GRANT POLICY (cont.)

right to audit the books and records of the applicant for up to four (4) years from the date of disbursement of grant funds for the purpose of verifying any and all reimbursement requests made by the applicant.

9. If an applicant makes a grant request directly to a member of the City Council, whether individually or as a group, the Council shall refer the applicant to the City Manager's Office for application and review in accordance with this policy.
10. Staff shall report any distributions in accordance with applicable tax law.

Attachment: City of Santa Clara Community Grant Application



COMMUNITY GRANT POLICY

PURPOSE

To establish a standardized process to award grants to:

- Qualifying 501(c)(3) non-profit community organizations;
- Youth athletic groups or organizations;
- Educational groups or organizations; and
- Individuals,

that have financial need for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as *Community Events/Activities*), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara and its residents, students, and schools.

POLICY

Annually, and subject to availability of funds, the City Council shall establish grant appropriation(s) as part of the budget approval process. Community grants, subject to availability of funds, shall not exceed \$10,000 per applicant, per fiscal year. All grant requests, including those made directly to a member of the City Council, shall be referred to the City Manager's Office for review. Applications will be evaluated by the City Manager's Office on a case-by-case and "first come-first served" basis, throughout the fiscal year.

The City Manager's Office shall approve or deny an applicant's request based upon the eligibility criteria, adherence to procedures set forth below, and subject to funding availability as approved by the City Council through the adoption of the annual budget. Additionally, if the event or activity being requested for funding has been previously supported by the City, the City Manager's Office may evaluate the event or activity's past success, measured by the applicant's ability to meet attendance and/or grant goals, fundraising projections and the applicant's ability to satisfy the requirements of this policy, when considering approval or denial of a request.

An applicant that receives grant funds may be required to return awarded grant funds, in part or in full, and considered ineligible to submit a new grant request after the conclusion of their event/activity/competition should any of the following occur:

COMMUNITY GRANT POLICY (cont.)

- Misuse of grant funds;
- Failure to provide documentation demonstrating that grant funds were spent in the manner that they were approved by the City;
- Failure to follow the terms outlined under this Policy and in the approved grant application; and
- Major changes to the event, activity, or competition without prior City approval.

Submission of an application in no way obligates the City to award a grant and the City reserves the right to reject any or all applications, wholly or in part, at any time, without penalty. In all cases, the City reserves the right to reject any and all applications in the event the City Manager's Office identifies a potential conflict of interest or the appearance of a conflict of interest. Staff shall report any distributions in accordance with applicable tax law.

Applicants that have received a grant, regardless of type of activity, shall maintain sufficient books and records in accordance with generally accepted accounting principles. The City shall have the right to audit the books and records of the applicant for up to four (4) years from the date of disbursement of grant funds for the purpose of verifying any and all reimbursement requests made by the applicant.

ELIGIBILITY CRITERIA FOR COMMUNITY EVENT/ACTIVITY

In addition to a timely and complete application, the applicant must demonstrate that the Community Event/Activity being funded by the City's grant will satisfy all of the following criteria:

- a) Must be held within the City of Santa Clara
- b) Provides a community benefit to the residents of Santa Clara
- c) Must be open to the general public, and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law
- d) Aligns with the following grant focus areas:
 - Santa Clara Identity/Culture/Representation/Equity
 - Santa Clara Youth
 - Community Service

COMMUNITY GRANT POLICY (cont.)

e) Consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:

- Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message.
- Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill.

f) If the event or activity is a fundraising event, that the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara

Grant funds may only be used for the following eligible expenses for the Community Event/Activity:

- City permits, fees and services
- Venue rental fees and related insurance
- Food and non-alcoholic beverage (Food and beverage costs should not exceed 15% of the total grant request amount)
- Trash and recycling
- Stage, tent, and equipment rentals
- Marketing, promotion, and advertising (excluding consultant services and marketing materials production)
- Incidental, one-time related expenses specifically for the Community Event/Activity

Grant funds shall not be used for costs related to the following:

- Gifts and giveaway items (e.g., gift cards, raffle baskets, and prizes)
- Programmatic expenses such as applicant's staff time, overhead costs, consultant services, and payment of hired staff

COMMUNITY GRANT POLICY (cont.)

PROCEDURE FOR COMMUNITY EVENT/ACTIVITY

Additionally, grants for Community Events/Activities shall not be provided for waiver of or reimbursement for already discounted permit fees nor shall they be provided to organizations that receive separate annual funding from the City.

1. Applicant submits timely and complete grant application to the City Manager's Office for review at least ninety (90) days and no more than six (6) months before the planned Community Event/Activity. The application must include an itemized budget of eligible expenses that detail how the requested grant funds will be spent, if awarded.
2. City Manager's Office reviews application for compliance with eligibility criteria and availability of funds. City Manager's Office may seek additional information from the applicant as necessary.
3. If an application is approved, the approved application, marked accordingly, shall be transmitted to the applicant with additional instructions, if any.
4. If an application is not approved by the City Manager's Office, the applicant will be notified in writing.
5. If the applicant received grant funding, the applicant shall submit within in 30 days after the Community Event/Activity documentation of:
 - Proof of all allowable expenses incurred (e.g., receipts and invoices) and demonstrate that the grant funds have been spent in the manner and for the purposes stated on the approved application
 - Attendance numbers
 - Community impact
 - Fundraising actuals, if applicable
6. The applicant is responsible for identifying and returning any unspent grant funds to the City within two (2) weeks after the Community Event/Activity. It is the responsibility of the applicant to return any unspent grant funds within the required time frame. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late return or failure to return the unspent grant funds.

COMMUNITY GRANT POLICY (cont.)

ELIGIBILITY CRITERIA FOR YOUTH COMPETITIONS/ PERFORMANCES

7. City Manager's Office will review the submitted documentation outlined above for compliance and notify the applicant to confirm if any funds must be returned to the City. It is the responsibility of the applicant to submit the required documentation within the required timeframe. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late submission of documentation, incomplete/insufficient documentation, or failure to submit documentation.

If the activity being funded is individual or group attendance at a youth competition or performance, then the applicant must demonstrate that the activity being funded by the City's grant will satisfy all of the following criteria:

- a) Funding the activity provides a benefit to Santa Clara residents, students or schools
- b) Contributes positively to the recognition and image of the City of Santa Clara
- c) Aligns with the following grant focus areas:
 - Santa Clara Identity/Culture/Representation/Equity
 - Santa Clara Youth
 - Community Service
- d) Consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:
 - Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message.
 - Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill.
- e) Grant funds requested will only be used for specific state, national, or international titles, competitions, or performances

COMMUNITY GRANT POLICY (cont.)

PROCEDURE FOR YOUTH COMPETITIONS/ PERFORMANCES

- f) Grant funds requested do not exceed 20% of the allowable expenses (registration, hotel, transportation, and food for participants and coaches/chaperones only) and comport with the other requirements stated in the application
 - g) Individuals, teams, or groups should either be from Santa Clara schools or have at least 50% of the students from the teams or groups be residents in the City of Santa Clara
 - h) The student-to-coach/chaperone ratio is at minimum six students to one coach/chaperone
1. Applicant submits timely and complete grant application to the City Manager's Office for review. Due to short notice of advancement to state, national, or international competitions/performances, applicant shall submit an application within one week of advancement.
 2. City Manager's Office reviews application for compliance with eligibility criteria and availability of funds. City Manager's Office may seek additional information from the applicant as necessary.
 3. If an application is approved, the approved application marked accordingly shall be transmitted to the applicant with additional instructions, if any.
 4. If an application is not approved, the applicant will be notified in writing.
 5. If the applicant has received a grant for championship competition/performance attendance, the applicant shall submit documentation within in 30 days after the competition/performance documentation of all allowable expenses incurred (e.g., receipts and invoices) and demonstrate that the grant funds have been spent in the manner and for the purposes stated on the approved application.
 6. The applicant is responsible for identifying and returning any unspent grant funds to the City within two (2) weeks after the Community Event/Activity. It is the responsibility of the applicant to return any unspent grant funds within the required time frame. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late return or failure to return the unspent grant funds.
 7. City Manager's Office will review the submitted documentation outlined above for compliance and notify the applicant to confirm if any funds must be returned to the City. It is the responsibility of the

COMMUNITY GRANT POLICY (cont.)

applicant to submit the required documentation within the required timeframe. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late submission of documentation, incomplete/insufficient documentation, or failure to submit documentation.

Attachment: City of Santa Clara Community Grant Application



COMMUNITY GRANT POLICY

PURPOSE

To establish a standardized process to award grants to qualifying:

- ~~Qualifying~~ 501(c)(3) non-profit community organizations;
- Youth athletic groups or organizations;
- Educational groups or organizations; and
- Individuals,

that ~~have~~ demonstrate a financial need for grant funding for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as “Community Events/Activities”), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara (City) and its residents, students, and schools.

POLICY

Annually, and subject to availability of funds, the City Council shall establish grant appropriation(s) as part of the budget approval process. Community grants, subject to availability of funds, shall not exceed \$10,000 per applicant, per fiscal year. All grant requests, including those made directly to a member of the City Council, shall be referred to the City Manager’s Office for review. Applications will be evaluated by the City Manager’s Office on a case-by-case and “first come-first served” basis, throughout the fiscal year.

The City Manager’s Office shall approve or deny an applicant’s request based upon the eligibility criteria, adherence to procedures set forth below, and subject to funding availability as approved by the City Council through the adoption of the ~~annual~~ budget. Additionally, if the event or activity being requested for funding has been previously supported by the City, the City Manager’s Office may evaluate the event or activity’s past success, measured by the applicant’s ability to meet attendance and/or grant goals, fundraising projections and the applicant’s ability to satisfy the requirements of this policy, when considering approval or denial of a request.

An applicant that receives grant funds (grant recipient) may be required to return awarded grant funds, in part or in full, and considered ineligible to submit a new grant request after the conclusion of their Community

COMMUNITY GRANT POLICY (cont.)

Event/Activity/ or Youth Competition/Performance should any of the following occur:

- Misuse of grant funds,
- Failure to provide documentation demonstrating that grant funds were spent in the manner ~~that they were~~ approved by the City,
- Failure to follow the terms outlined under this Policy and in the approved grant application; and
- ~~Major-Material~~ changes to the Community Event/-Activity, or Youth Competition/Performance without prior City approval.

Grant recipients that are ineligible to apply for a Community Grant in the future due to incompliance with this Policy, may apply again one year after resolution of outstanding issues.

Submission of an application in no way obligates the City to award a grant and the City reserves the right to reject any or all applications, wholly or in part, at any time, without penalty. In all cases, the City reserves the right to reject any and all applications in the event the City Manager's Office identifies a potential conflict of interest or the appearance of a conflict of interest. Staff shall report any distributions in accordance with applicable tax law.

~~Applicants that have received a grant~~Grant recipients, regardless of the type of activity, shall maintain sufficient books and records in accordance with generally accepted accounting principles. The City shall have the right to audit the books and records of the grant recipient for up to four (4) years from the date of disbursement of grant funds for the purpose of verifying any and all reimbursement requests made by the grant recipient.

ELIGIBILITY CRITERIA FOR COMMUNITY EVENTS/ ACTIVITIES

In addition to a timely and complete application, the applicant must demonstrate that the Community Event/Activity submitted for consideration being funded by the~~for the~~ City's grant will satisfy all of the following criteria:

- a) Must be held within the City of Santa Clara
- b) Contributes positively to the recognition and image of the City of Santa Clara
- c) Provides a community benefit to the residents of Santa Clara

COMMUNITY GRANT POLICY (cont.)

d) Must be open to the general public, and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law

e) Aligns with one of the following grant focus areas:

- Santa Clara Identity/Culture/Representation/Equity
- Santa Clara Youth
- Community Service

f) Must be consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:

- Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message.
- Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill.

g) If the event or activity is a fundraising event, ~~that~~ the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara.

Grant funds may only be used for the following eligible expenses for the Community Event/Activity:

- ~~City P~~ermits, fees and services from the City of Santa Clara and other public agencies
- Venue rental fees and related insurance
- Food and non-alcoholic beverage (Food and beverage costs should not exceed 15% of the total grant request amount)
- Trash and recycling
- Rental of stage, tents, and similar equipment rentals
- Marketing and ,promotion of the Community Event/Activity, and advertisingsuch as printing expenses of promotional

COMMUNITY GRANT POLICY (cont.)

materials and fees related to advertising to the public
(excluding third-party consultant services to design marketing materials-production)

- Incidental, one-time expenses purchased specifically for the Community Event/Activity

Grant funds shall not be used for other costs, including but not limited to the following:

- Gifts and giveaway items ~~(e.g., such as~~ gift cards, raffle baskets, and prizes)
- Programmatic expenses such as staff time, overhead costs, consultant services, and payment of hired staff

Additionally, grants for Community Events/Activities shall not be provided for waiver of or reimbursement for already discounted permit fees nor shall they be provided to organizations that receive separate annual funding from the City.

PROCEDURE FOR COMMUNITY EVENTS/ ACTIVITIES

1. Applicant submits timely and complete grant application to the City Manager's Office for review at least ninety (90) days and no more than six (6) months before the planned Community Event/Activity. The application must include an itemized budget for the Community Event/Activity, which must of eligible expenses that detail how the requested grant funds will be spent on eligible expenses, if awarded.
2. City Manager's Office reviews application for compliance with eligibility criteria and availability of funds. City Manager's Office may seek additional information from the applicant as necessary.
3. If an application is approved, the approved application, marked accordingly, shall be transmitted to the applicant with additional instructions, if any.
4. If an application is not approved by the City Manager's Office, the applicant will be notified in writing.
5. Grant recipients shall submit within in thirty (30) days after the Community Event/Activity documentation of:

COMMUNITY GRANT POLICY (cont.)

- Proof of all allowable expenses incurred (e.g., receipts and invoices) and submitted in an organized fashion that clearly demonstrates that the grant funds have been spent in the manner and for the purposes stated on the approved application and identifies unspent grant funds, if any, should be identified.
 - Attendance numbers
 - A cCommunity impact statement that describes how the event impacted the Santa Clara community (not to exceed five hundred words). The community impact statement may be used for the purposes of posting on the City's website.
 - Fundraising actuals, if applicable
6. ~~The applicant is responsible for identifying and returning any unspent grant funds to the City within two (2) weeks after the Community Event/Activity. City Manager's Office will review the submitted documentation outlined above for compliance and notify the grant recipient to confirm if any funds must be returned to the City. It is the responsibility of the applicant-grant recipient to return any unspent grant funds within the required timeframe. submit the required documentation within the required timeframe and return any grant funds to the City within thirty (30) days after the City's confirmation. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late or return incomplete/insufficient documentation, failure to submit documentation, or late return or failure to return grant funds as required by the City.~~
7. ~~City Manager's Office will review the submitted documentation outlined above for compliance and notify the applicant to confirm if any funds must be returned to the City. It is the responsibility of the applicant to submit the required documentation within the required timeframe. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late submission of documentation, incomplete/ Insufficient documentation, or failure to submit documentation.~~

COMMUNITY GRANT POLICY (cont.)

ELIGIBILITY CRITERIA FOR YOUTH COMPETITIONS/ PERFORMANCES

If the activity being funded is individual or group attendance at a youth competition or performance, then the applicant must demonstrate that the activity being funded by the City's grant will satisfy all of the following criteria:

- a) Funding the activity provides a benefit to Santa Clara residents, students or schools
- b) Contributes positively to the recognition and image of the City of Santa Clara
- c) Aligns with one of the following grant focus areas:
 - Santa Clara Identity/Culture/Representation/Equity
 - Santa Clara Youth
 - Community Service
- d) Must be consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:
 - Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message.
 - Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill.
- e) Grant funds requested will only be used for specific state, national, or international titles, competitions, or performances
- f) Grant funds requested should de-not exceed 20% of the allowable expenses (registration, hotel, transportation, and food for participants and coaches/chaperones only) and comport with the other requirements stated in the application
- g) Individuals, teams, or groups should either be from Santa Clara schools or have at least 50% of the students from the teams or groups be residents in the City of Santa Clara.
- h) Grant funds for travel related costs shall not be spent on more than one coach/chaperone for every six students. The

COMMUNITY GRANT POLICY (cont.)

~~student-to-coach/chaperone ratio is at minimum six students to one coach/chaperone~~

PROCEDURE FOR YOUTH COMPETITIONS/ PERFORMANCES

1. Applicant submits timely and complete grant application to the City Manager's Office for review. Due to short notice of advancement to state, national, or international competitions/performances, applicant shall submit an application within one week of advancement.
2. City Manager's Office reviews application for compliance with eligibility criteria and availability of funds. City Manager's Office may seek additional information from the applicant as necessary.
3. If an application is approved, the approved application marked accordingly shall be transmitted to the applicant with additional instructions, if any.
4. If an application is not approved, the applicant will be notified in writing.
5. Grant recipients shall submit within in thirty (30) days after the Youth Competition/Performance documentation of:
 - Proof of all allowable expenses incurred (e.g., receipts and invoices) submitted in an organized fashion that clearly demonstrates that the grant funds have been spent in the manner and for the purposes stated on the approved application. Unspent grant funds, if any, should be identified.
 - Attendance numbers confirming the number of students and coaches/chaperones that attended the youth competition/performance.
 - A community impact statement that describes how the competition/performance impacted the youth groups/organizations or individuals (not to exceed five hundred words). The community impact statement may be used for the purposes of posting on the City's website.
- ~~4. If the applicant has received a grant for championship competition/performance attendance, grant shall submit documentation within in 30 after the competition/performance documentation of all allowable expenses incurred (e.g., receipts and invoices) and demonstrate that the grant funds have been~~

COMMUNITY GRANT POLICY (cont.)

~~spent in the manner and for the purposes stated on the approved application.~~

~~5. The applicant is responsible for identifying and returning any unspent grant funds to the City within two (2) weeks after the Community Event/Activity. It is the responsibility of the applicant to return any unspent grant funds within the required time frame. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late return or failure to return the unspent grant funds.~~

6. City Manager's Office will review the submitted documentation outlined above for compliance and notify the applicant-grant recipient to confirm if any funds must be returned to the City. It is the responsibility of the applicant-grant recipient to submit the required documentation within the required timeframe and return any grant funds to the City within thirty (30) days after the City's confirmation. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late or submission of documentation, incomplete/insufficient documentation, or failure to submit documentation, or late return or failure to return grant funds as required by the City.

~~Attachment: City of Santa Clara Community Grant Application~~



COMMUNITY GRANT POLICY

PURPOSE

To establish a standardized process to award grants to qualifying:

- 501(c)(3) non-profit community organizations;
- Youth athletic groups or organizations;
- Educational groups or organizations; and
- Individuals,

that demonstrate a financial need for grant funding for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as “Community Events/Activities”), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara (City) and its residents, students, and schools.

POLICY

Annually, and subject to availability of funds, the City Council shall establish grant appropriation(s) as part of the budget approval process. Community grants, subject to availability of funds, shall not exceed \$10,000 per applicant, per fiscal year. All grant requests, including those made directly to a member of the City Council, shall be referred to the City Manager’s Office for review. Applications will be evaluated by the City Manager’s Office on a case-by-case and “first come-first served” basis, throughout the fiscal year.

The City Manager’s Office shall approve or deny an applicant’s request based upon the eligibility criteria, adherence to procedures set forth below, and subject to funding availability as approved by the City Council through the adoption of the budget. Additionally, if the event or activity being requested for funding has been previously supported by the City, the City Manager’s Office may evaluate the event or activity’s past success, measured by the applicant’s ability to meet attendance and/or grant goals, fundraising projections and the applicant’s ability to satisfy the requirements of this policy, when considering approval or denial of a request.

An applicant that receives grant funds (grant recipient) may be required to return awarded grant funds, in part or in full, and considered ineligible to submit a new grant request after the conclusion of their Community

COMMUNITY GRANT POLICY (cont.)

Event/Activity/ or Youth Competition/Performance should any of the following occur:

- Misuse of grant funds,
- Failure to provide documentation demonstrating that grant funds were spent in the manner approved by the City,
- Failure to follow the terms outlined under this Policy and in the approved grant application; and
- Material changes to the Community Event/Activity, or Youth Competition/Performance without prior City approval.

Grant recipients that are ineligible to apply for a Community Grant in the future due to incompliance with this Policy, may apply again one year after resolution of outstanding issues.

Submission of an application in no way obligates the City to award a grant and the City reserves the right to reject any or all applications, wholly or in part, at any time, without penalty. In all cases, the City reserves the right to reject any and all applications in the event the City Manager's Office identifies a potential conflict of interest or the appearance of a conflict of interest. Staff shall report any distributions in accordance with applicable tax law.

Grant recipients, regardless of the type of activity, shall maintain sufficient books and records in accordance with generally accepted accounting principles. The City shall have the right to audit the books and records of the grant recipient for up to four (4) years from the date of disbursement of grant funds for the purpose of verifying any and all reimbursement requests made by the grant recipient.

ELIGIBILITY CRITERIA FOR COMMUNITY EVENTS / ACTIVITIES

In addition to a timely and complete application, the applicant must demonstrate that the Community Event/Activity submitted for consideration for the City's grant will satisfy all of the following criteria:

- a) Must be held within the City of Santa Clara
- b) Contributes positively to the recognition and image of the City of Santa Clara
- c) Provides a community benefit to the residents of Santa Clara

COMMUNITY GRANT POLICY (cont.)

- d) Must be open to the general public, and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law
- e) Aligns with one of the following grant focus areas:
 - Santa Clara Identity/Culture/Representation/Equity
 - Santa Clara Youth
 - Community Service
- f) Must be consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:
 - Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message.
 - Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill.
- g) If the event or activity is a fundraising event, the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara.

Grant funds may only be used for the following eligible expenses for the Community Event/Activity:

- Permits, fees and services from the City of Santa Clara and other public agencies
- Venue rental fees and related insurance
- Food and non-alcoholic beverage (Food and beverage costs should not exceed 15% of the total grant request amount)
- Trash and recycling
- Rental of stage, tents, and similar equipment
- Marketing and promotion of the Community Event/Activity, such as printing expenses of promotional materials and fees

COMMUNITY GRANT POLICY (cont.)

related to advertising to the public (excluding third-party services to design marketing materials)

- Incidental, one-time expenses purchased specifically for the Community Event/Activity

Grant funds shall not be used for other costs, including but not limited to the following:

- Gifts and giveaway items such as gift cards, raffle baskets, and prizes
- Programmatic expenses such as staff time, overhead costs, consultant services, and payment of hired staff

Additionally, grants for Community Events/Activities shall not be provided for waiver of or reimbursement for already discounted permit fees nor shall they be provided to organizations that receive separate annual funding from the City.

PROCEDURE FOR COMMUNITY EVENTS / ACTIVITIES

1. Applicant submits timely and complete grant application to the City Manager's Office for review at least ninety (90) days and no more than six (6) months before the planned Community Event/Activity. The application must include an itemized budget for the Community Event/Activity, which must detail how the requested grant funds will be spent on eligible expenses, if awarded.
2. City Manager's Office reviews application for compliance with eligibility criteria and availability of funds. City Manager's Office may seek additional information from the applicant as necessary.
3. If an application is approved, the approved application, marked accordingly, shall be transmitted to the applicant with additional instructions, if any.
4. If an application is not approved by the City Manager's Office, the applicant will be notified in writing.
5. Grant recipients shall submit within in thirty (30) days after the Community Event/Activity documentation of:
 - Proof of all allowable expenses incurred (e.g., receipts and invoices) submitted in an organized fashion that

COMMUNITY GRANT POLICY (cont.)

clearly demonstrates that the grant funds have been spent in the manner and for the purposes stated on the approved application and identifies. Unspent grant funds, if any, should be identified.

- Attendance numbers
 - A community impact statement that describes how the event impacted the Santa Clara community (not to exceed five hundred words). The community impact statement may be used for the purposes of posting on the City's website.
 - Fundraising actuals, if applicable
6. City Manager's Office will review the submitted documentation outlined above for compliance and notify the grant recipient to confirm if any funds must be returned to the City. It is the responsibility of the grant recipient to submit the required documentation within the required timeframe and return any grant funds to the City within thirty (30) days after the City's confirmation. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late or incomplete documentation, failure to submit documentation, or late return or failure to return grant funds as required by the City.

ELIGIBILITY CRITERIA FOR YOUTH COMPETITIONS/ PERFORMANCES

If the activity being funded is individual or group attendance at a youth competition or performance, then the applicant must demonstrate that the activity being funded by the City's grant will satisfy all of the following criteria:

- a) Funding the activity provides a benefit to Santa Clara residents, students or schools
- b) Contributes positively to the recognition and image of the City of Santa Clara
- c) Aligns with one of the following grant focus areas:
 - Santa Clara Identity/Culture/Representation/Equity
 - Santa Clara Youth
 - Community Service

COMMUNITY GRANT POLICY (cont.)

- d) Must be consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:
 - Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message.
 - Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill.
- e) Grant funds requested will only be used for specific state, national, or international titles, competitions, or performances
- f) Grant funds requested should not exceed 20% of the allowable expenses (registration, hotel, transportation, and food for participants and coaches/chaperones only) and comport with the other requirements stated in the application
- g) Individuals, teams, or groups should either be from Santa Clara schools or have at least 50% of the students from the teams or groups be residents in the City of Santa Clara.
- h) Grant funds for travel related costs shall not be spent on more than one coach/chaperone for every six students.

PROCEDURE FOR YOUTH COMPETITIONS/ PERFORMANCES

1. Applicant submits timely and complete grant application to the City Manager's Office for review. Due to short notice of advancement to state, national, or international competitions/performances, applicant shall submit an application within one week of advancement.
2. City Manager's Office reviews application for compliance with eligibility criteria and availability of funds. City Manager's Office may seek additional information from the applicant as necessary.
3. If an application is approved, the approved application marked accordingly shall be transmitted to the applicant with additional instructions, if any.
4. If an application is not approved, the applicant will be notified in writing.

COMMUNITY GRANT POLICY (cont.)

5. Grant recipients shall submit within in thirty (30) days after the Youth Competition/Performance documentation of:
 - Proof of all allowable expenses incurred (e.g., receipts and invoices) submitted in an organized fashion that clearly demonstrates that the grant funds have been spent in the manner and for the purposes stated on the approved application. Unspent grant funds, if any, should be identified.
 - Attendance numbers confirming the number of students and coaches/chaperones that attended the youth competition/performance.
 - A community impact statement that describes how the competition/performance impacted the youth groups/organizations or individuals (not to exceed five hundred words). The community impact statement may be used for the purposes of posting on the City's website.
6. City Manager's Office will review the submitted documentation outlined above for compliance and notify the grant recipient to confirm if any funds must be returned to the City. It is the responsibility of the grant recipient to submit the required documentation within the required timeframe and return any grant funds to the City within thirty (30) days after the City's confirmation. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late or incomplete documentation, failure to submit documentation, or late return or failure to return grant funds as required by the City.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
AMENDING COUNCIL POLICY 049 COMMUNITY GRANT
POLICY TO ENHANCE ELIGIBILITY REQUIREMENTS AND
CRITERIA, PROMOTE ACCOUNTABILITY AND INCREASE
PROTECTIONS FOR THE CITY, AND INCLUDE ADDITIONAL
POST EVENT REQUIREMENTS FOR GRANT RECIPIENTS FOR
THE COMMUNITY GRANT PROGRAM**

WHEREAS, Council Policy 049 Community Grant Policy (Policy) establishes a standardized process for awarding grants to qualifying applicants for events, activities, and youth competitions and performances through the Community Grant Program;

WHEREAS, the City provides such grant funds with the goal of supporting high impact events, activities, programs, community projects, and youth competitions and performances that benefit the City of Santa Clara and its residents, students, and schools;

WHEREAS, the amendments to the Policy seek to encourage inclusivity and creativity by expanding the types of community events/activities and expenses eligible for funding under the Community Grant Program;

WHEREAS, the amendments to the Policy seek to enhance customer service, promote accountability, and streamline the grant process by providing clear and detailed instructions and requirements for applicants and grant recipients regarding the entire grant process, from the time of grant application submittal to post event procedures after the award of grant funds;

WHEREAS, through the amended Policy, the City will continue its promotion of community engagement and service through a further streamlined Community Grant Program to support high impact events and activities that benefit the Santa Clara community.

**NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS
FOLLOWS:**

1. That Council Policy 049 “Community Grant Policy” attached here as Attachment 1, is hereby approved and adopted.
2. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED
AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING
THEREOF HELD ON THE 3rd DAY OF DECEMBER, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachment incorporated by reference:

1. Council Policy 049 Community Grant Policy

Community Grant Policy Proposed Amendments Summary

Current Policy	Proposed Amendments Presented to Governance and Ethics Committee	Feedback from Governance and Ethics Committee	Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion
<p>The current Policy does not require applicants to have a financial need to receive grant funding.</p> <p>Current language: <i>To establish a standardized process to award grants to qualifying non-profit community organizations, youth athletic groups or organizations, educational groups or organizations, or individuals, for events, activities, and competitions that provide a public benefit for the City of Santa Clara and its residents.</i></p>	<p>The reasoning behind this proposed amendment was to promote altruism, inclusivity, and effective use of grant funds towards Community Events/Activities that are being hosted by applicants that have a financial need for grant funding.</p> <p>Proposed language: <i>To establish a standardized process to award grants to:</i></p> <ul style="list-style-type: none"> • <i>Qualifying 501(c)(3) non-profit community organizations;</i> • <i>youth athletic groups or organizations;</i> • <i>educational groups or organizations; and</i> • <i>individuals</i> <p><i>that have a financial need for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as “Community Events/Activities”), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara and its residents, students, and schools.</i></p>	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>Upon further review, staff recommends minor clarifying edits which are reflected below. If approved, the Community Grant application will be updated to include a field for applicants to explain why the grant is needed and provide supporting documentation as necessary. The application is currently an attachment to the policy, but it is not a policy document. Rather, the application is a form intended to aid the applicant and the City Manager's Office in the application process to ensure that staff has sufficient information to evaluate. Therefore, in an effort to streamline the grant process, staff also recommends removing the application as an attachment to the Policy to allow for future administrative updates as necessary.</p> <p>Proposed amended language: <i>To establish a standardized process to award grants to qualifying:</i></p> <ul style="list-style-type: none"> • <i>501(c)(3) non-profit community organizations;</i> • <i>youth athletic groups or organizations;</i> • <i>educational groups or organizations; and</i> • <i>individuals</i> <p><i>that demonstrate a financial need for grant funding for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as “Community Events/Activities”), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara (City) and its residents, students, and schools.</i></p>

Community Grant Policy Proposed Amendments Summary

Current Policy	Proposed Amendments Presented to Governance and Ethics Committee	Feedback from Governance and Ethics Committee	Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion
<p>The current Policy is limited and unclear on the types of events that are eligible.</p> <p>Current language: <i>To establish a standardized process to award grants to qualifying non-profit community organizations, youth athletic groups or organizations, educational groups or organizations, or individuals, for events, activities, and competitions that provide a public benefit for the City of Santa Clara and its residents.</i></p>	<p>The Community Grant Program was originally designed to support one-time events and activities. However, there are opportunities to promote creativity and increase community engagement and direct benefits to Santa Clara residents by also supporting community projects and programs within Santa Clara. As such, the proposed amendments expanded the definition of eligible Community Events/Activities to include programs and community projects that the Community Grant Program may consider to promote increased public benefits to Santa Clara residents, students, and schools.</p> <p>Proposed language: <i>... for the use of supporting high impact events, activities, programs, community projects (collectively referred to in the Policy as “Community Events/Activities”), and youth competitions and performances in which the main purpose is to directly benefit the City of Santa Clara and its residents, students, and schools.</i></p>	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>None</p>
<p>The current Policy outlines the following language regarding grant appropriations: <i>Annually, and subject to availability of funds, the City Council shall establish grant appropriation(s) as part of the budget approval process.</i></p>	<p>There were no proposed amendments to this section in the Policy or aspect of the Community Grant Program when presented to the Governance and Ethics Committee.</p>	<p>The Governance and Ethics Committee requested an update to the Policy to include proposed amendments that would allow the remaining balance of unused grant funds in the Community Grant Program budget to be carried over to the next fiscal year.</p>	<p>Since FY 2021/22, an average of \$52,000 has been awarded annually in Community Grants, leaving on average, a remainder of \$38,000 in the Community Grant Program budget per fiscal year that is absorbed back in the City’s General Fund. While the Community Grant Program has had remaining balances in past fiscal years, staff is planning to promote and expand the Community Grant Program to encourage more potential applicants to apply which could result in more expended funds. Consistent with City practices, staff recommends bringing forward any potential carryovers of unspent Community Grant Program funds as part of the adopted budget or budgetary year end process for City Council consideration.</p>

Community Grant Policy Proposed Amendments Summary

Current Policy	Proposed Amendments Presented to Governance and Ethics Committee	Feedback from Governance and Ethics Committee	Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion
<p>The current Policy outlines the following language regarding maximum grant amount: <i>Community grants, subject to availability of funds, shall not exceed \$10,000 per applicant, per fiscal year.</i></p>	<p>There were no proposed amendments to this section in the Policy or aspect of the Community Grant Program when presented to the Governance and Ethics Committee.</p>	<p>The Governance and Ethics Committee requested updated policy language to increase the maximum grant award amount annually to account for inflation.</p>	<p>In the Community Grant application, applicants must specify the amount of grant funds requested. Upon confirming that the requested grant funds will be spent toward eligible expenses, grant amounts have ranged from \$900 to the maximum award amount of \$10,000 for an average grant amount of \$8,715 per approved applicant from FY 2021/22 through FY 2023/24. Staff's recommendation is to leave the current policy language in its current form and re-visit this provision if necessary to increase the grant amount to account for inflation if the \$10,000 maximum award proves to be insufficient over time due to inflation. Additionally, if there is a need for more grant funds, then Council can approve those funds through the budget process or through a budget amendment, consistent with current City practice.</p>
<p>The current Policy outlines the following language regarding application submittal: <i>Applications will be evaluated by the City Manager's Office on a case-by-case and "first come-first served" basis, throughout the fiscal year.</i></p>	<p>There were no proposed amendments to this section in the Policy or aspect of the Community Grant Program when presented to the Governance and Ethics Committee.</p>	<p>The Governance and Ethics Committee requested proposed amendments to allow for a portion of the Community Grant Program budget to be reserved for later in the year for Youth Competitions / Performances.</p>	<p>Before the Community Grant Program absorbed the Championship Team Trust Fund, \$36,000 was budgeted annually for youth participation in championship games. In FY 2023/24, \$18,265 was awarded for youth participation in competitions and performances (inclusive of sports, academics, etc.). Staff recommends leaving the current Policy language in its current form and re-visiting this in the future if the program budget is exhausted before youth groups/individuals have a chance to apply upon advancement to their respective competition or performance.</p>

Community Grant Policy Proposed Amendments Summary

Current Policy	Proposed Amendments Presented to Governance and Ethics Committee	Feedback from Governance and Ethics Committee	Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion
<p>The current Policy is silent on prohibited uses of grant funds and does not provide guidance to address policy violations.</p>	<p>Grant requirements are clearly communicated through the approved grant application and corresponding grant approval letter provided to grant recipients under the grant approval process. The proposed amendments include language that aims to promote accountability and increase protections for the City by setting clear instructions on how grant funds can be spent and what needs to be submitted to the City for auditing.</p> <p>Proposed language: <i>An applicant that receives grant funds may be required to return awarded grant funds, in part or in full, and considered ineligible to submit a new grant request after the conclusion of their event/activity/competition should any of the following occur:</i></p> <ul style="list-style-type: none"> • <i>Misuse of grant funds,</i> • <i>Failure to provide documentation demonstrating that grant funds were spent in the manner they were approved by the City,</i> • <i>Failure to follow the terms outlined under this Policy and in the approved grant application; and</i> • <i>Major changes to the event, activity, or competition without prior City approval.</i> 	<p>The Governance and Ethics Committee approved staff's recommendation with an additional request that staff consider term limits for suspension based on the severity of the policy and demonstration of organizational change by which the infraction occurred.</p>	<p>Staff reviewed the Committee's request and propose a period of one year upon resolution of outstanding issues. A term limit of one year provides a grant recipient sufficient time and opportunity to review the requirements in the Policy in preparation of an application submittal as a recurring applicant, if desired.</p> <p>Proposed amended language: <i>An applicant that receives grant funds (grant recipient) may be required to return awarded grant funds, in part or in full, and considered ineligible to submit a new grant request after the conclusion of their Community Event/Activity or Youth Competition/Performance should any of the following occur:</i></p> <ul style="list-style-type: none"> • <i>Misuse of grant funds,</i> • <i>Failure to provide documentation demonstrating that grant funds were spent in the manner approved by the City,</i> • <i>Failure to follow the terms outlined under this Policy and in the approved grant application; and</i> • <i>Material changes to the Community Event/Activity or Youth Competition/Performance without prior City approval.</i> <p><i>Grant recipients that are ineligible to apply for a Community Grant in the future due to noncompliance with this Policy, may apply again in one year after resolution of outstanding issues.</i></p>

Community Grant Policy Proposed Amendments Summary

Current Policy	Proposed Amendments Presented to Governance and Ethics Committee	Feedback from Governance and Ethics Committee	Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion
<p>The current Policy's eligibility criteria require applicants to demonstrate how the request for grant funding aligns with City Council Goals which are established as part of the City Council's Priority Setting process and are intended to set goals and priorities of the City which may not always be directly applicable to the Community Grant Program.</p> <p>Current language:</p> <p><i>a) Provides a benefit to Santa Clara residents</i></p> <p><i>b) Contributes positively to the recognition and image of the City of Santa Clara</i></p> <p><i>c) If the grant is for an event, then the event will be open to the general public and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law</i></p> <p><i>d) Aligns with established Council Goals</i></p> <p><i>e) Grant Funds will not be used for political or religious purposes</i></p> <p><i>f) If the event or activity is a fundraising event, that the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara</i></p>	<p>Staff recommended replacing the Council Goals with grant focus areas to better assist applicants with identifying how the proposed Community Event/Activity or Youth Competition/Performance aligns with priorities central to the Community Grant Program. Staff also recommended updating the policy with a clearer definition of political and religious purposes for consistency with state and federal laws.</p> <p>Proposed language:</p> <p><i>a) Must be held within the City of Santa Clara</i></p> <p><i>b) Provides a community benefit to the residents of Santa Clara</i></p> <p><i>c) Must be open to the general public, and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law</i></p> <p><i>d) Aligns with the following grant focus areas:</i></p> <ul style="list-style-type: none"> • Santa Clara Identity/Culture/Representation/Equity • Santa Clara Youth • Community Service <p><i>e) Consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:</i></p> <ul style="list-style-type: none"> • Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message. • Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill. <p><i>f) If the event or activity is a fundraising event, that the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara</i></p>	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>The proposed amendments presented to the Governance and Ethics Committee removed eligibility requirement (b) for Community Events/Activities in an effort to reduce any potential redundancy in the amended Policy. However, this eligibility requirement remained intact for Youth Competitions/Performances. Since the eligibility requirements for the two grant categories have been separated for clarity, staff recommends adding this eligibility requirement back into the proposed Policy amendments under Community Events/Activities for consistency, in addition to the recommended clarifying edits reflected below.</p> <p>Proposed amended language:</p> <p><i>a) Must be held within the City of Santa Clara</i></p> <p><i>b) Contributes positively to the recognition and image of the City of Santa Clara</i></p> <p><i>c) Provides a community benefit to the residents of Santa Clara</i></p> <p><i>d) Must be open to the general public, and does not discriminate on the basis of race, gender, religion, sexual orientation, or any other protected characteristic under state or federal law</i></p> <p><i>e) Aligns with one of the following grant focus areas:</i></p> <ul style="list-style-type: none"> • Santa Clara Identity/ Culture/Representation /Equity • Santa Clara Youth • Community Service <p><i>f) Must be consistent with applicable federal and state laws regarding limitation on use of public funds. Public funds shall not be used for the following:</i></p> <ul style="list-style-type: none"> • Religious Purposes. Grant funds shall not be used to conduct religious services or ceremonies. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message. • Political Purposes. Grant funds shall not be used for political purposes, such as political advocacy efforts whether for or against a political candidate, ballot measure, or bill. <p><i>g) If the event or activity is a fundraising event, the proceeds from the fundraising activity will support programs, services or events for residents of the City of Santa Clara</i></p>

Community Grant Policy Proposed Amendments Summary

Current Policy	Proposed Amendments Presented to Governance and Ethics Committee	Feedback from Governance and Ethics Committee	Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion
<p>The current Policy only lists a few expenses that are eligible for grant funding and is silent on ineligible expenses.</p> <p>Current language: <i>Allowable expenses shall be defined as: City permits, Fees and Services, Venue, Food and Beverage, Trash/Recycling, and Stage/Tent Rentals. Grant funds requested for Food and Beverage do not exceed 15% of the total grant amount or \$1,500.</i></p>	<p>The City Manager's Office has not historically approved grant funds for give-away items, consultant fees, and other expenses that would otherwise violate the current Policy or any other City policies. Conversely, staff aims to promote successful Community Events/Activities and consider reasonable requests for grant funds towards expenses essential to the success of the event, provided that they do not violate the current Policy or any other City policies. As such, staff proposed the amendments below:</p> <p><i>Grant funds may only be used for the following eligible expenses for the Community Event/Activity:</i></p> <ul style="list-style-type: none"> • City permits, fees and services, • Venue rental fees and related insurance; • Food and non-alcoholic beverage (Food and beverage costs should not exceed 15% of the total grant request amount) • Trash and recycling • Stage, tent and equipment rentals • Marketing, promotion, and advertising (excluding consultant services and marketing materials production) • Incidental, one-time related expenses specifically for the Community Event/Activity <p><i>Grant funds shall not be used for costs related to the following:</i></p> <ul style="list-style-type: none"> • Gifts and giveaway items (e.g., gift cards, raffle baskets, and prizes) • Programmatic expenses such as applicant's staff time, overhead costs, consultant services, and payment of hired staff 	<p>Governance and Ethics Committee approved this update without amendment.</p>	<p>Staff proposed further amendments to the eligible expenses to include other permits, fees, and services from other public agencies and other "similar" event rentals and further clarify marketing and promotional expenses, consistent with prior City approval of such grant expenses.</p> <p>Proposed amended language: <i>Grant funds may only be used for the following eligible expenses for the Community Event/Activity:</i></p> <ul style="list-style-type: none"> • Permits, fees and services from the City of Santa Clara and other public agencies • Venue rental fees and related insurance; • Food and non-alcoholic beverage (Food and beverage costs should not exceed 15% of the total grant request amount) • Trash and recycling • Rental of stage, tents, and similar equipment • Marketing and promotion of the Community Event/Activity such as printing expenses of promotional materials and fees related to advertising to the public (excluding third-party services to design marketing materials) • Incidental, one-time related expenses specifically for the Community Event/Activity <p><i>Grant funds shall not be used for costs related to the following:</i></p> <ul style="list-style-type: none"> • Gifts and giveaway items such as gift cards, raffle baskets, and prizes • Programmatic expenses such as applicant's staff time, overhead costs, consultant services, and payment of hired staff

Community Grant Policy Proposed Amendments Summary

Current Policy	Proposed Amendments Presented to Governance and Ethics Committee	Feedback from Governance and Ethics Committee	Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion
<p>The current Policy does not require grant recipients to provide additional information surrounding community impact of the event.</p>	<p>Within thirty (30) days upon the conclusion of the Community Event/Activity or Youth Competition/Performance, grant recipients must complete a post event process in which receipts and invoices are submitted for verification that grant funds were spent in the manner they were approved. This requirement in the current Policy allows the City Manager's Office to measure a grant recipient's past success when weighing whether to approve or deny a future request for grant funding. Staff recommended including language in the Policy requiring grant recipients to submit additional documentation during the post event process to collect information that could be used to measure the success of the event, including attendance numbers, fundraising actuals (if applicable), and community impact.</p> <p>Proposed language: <i>If the applicant received grant funding, the applicant shall submit within 30 days after the Community Event/Activity documentation of:</i></p> <ul style="list-style-type: none"> • <i>Proof of all allowable expenses incurred (e.g., receipts and invoices) and demonstrate that the grant funds have been spent in the manner and for the purposes stated in the approved application</i> • <i>Attendance numbers</i> • <i>Community Impact</i> • <i>Fundraising actuals, if applicable</i> 	<p>The Governance and Ethics Committee approved the proposed amendments with an additional request that grant recipients submit a five hundred (500) word description of how the event went to be included on the City's website.</p>	<p>Staff included updated language to expand the community impact requirement that would allow the City to post grant recipients' community impact statements on the City's website in addition to minor clarifying edits as shown below:</p> <p><i>Grant recipients shall submit within thirty (30) days after the Community Event/Activity documentation of:</i></p> <ul style="list-style-type: none"> • <i>Proof of all allowable expenses incurred (e.g., receipts and invoices submitted in an organized fashion that clearly demonstrates that the grant funds have been spent in the manner and for the purposes stated on the approved application. Unspent grant funds, if any, should be identified.</i> • <i>Attendance numbers</i> • <i>A community impact statement that describes how the event impacted the Santa Clara community (not to exceed five hundred words). The community impact statement may be used for the purposes of posting on the City's website.</i> <p>Staff also recommends applying the same requirements to Youth Competitions/Performances:</p> <p><i>Grant recipients shall submit within thirty (30) days after the Youth Competition/Performance documentation of:</i></p> <ul style="list-style-type: none"> • <i>Proof of all allowable expenses incurred (e.g., receipts and invoices submitted in an organized fashion that clearly demonstrates that the grant funds have been spent in the manner and for the purposes stated on the approved application. Unspent grant funds, if any, should be identified.</i> • <i>Attendance numbers confirming the number of students and coaches/chaperones that attended the Youth Competition/Performance</i> • <i>A community impact statement that describes how the competition/performance impacted the youth groups/organizations or individuals (not to exceed five hundred words). The community impact statement may be used for the purposes of posting on the City's website.</i>

Community Grant Policy Proposed Amendments Summary

Current Policy	Proposed Amendments Presented to Governance and Ethics Committee	Feedback from Governance and Ethics Committee	Proposed Amendments After July 2, 2024 Governance and Ethics Committee Discussion
The current Policy does not clearly state that the post event materials should be submitted completely and on time.	<p>The proposed amendments included language outlining the grant recipient's responsibility in the post event process to provide the required documentation in full and on time:</p> <p>Proposed language: <i>It is the responsibility of the applicant to return any unspent grant funds within the required time frame. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late return or failure to return the unspent grant funds.</i></p> <p><i>It is the responsibility of the applicant to submit the required documentation within the required timeframe. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late submission of documentation, incomplete/insufficient documentation, or failure to submit documentation.</i></p>	Governance and Ethics Committee approved this update without amendment.	<p>Upon further review, staff is proposing additional clarifying updates to the language to consolidate and clearly describe the procedure:</p> <p>Proposed updated language: <i>City Manager's Office will review the submitted documentation outlined above for compliance and notify the grant recipient to confirm if any funds must be returned to the City. It is the responsibility of the grant recipient to submit the required documentation within the required timeframe within thirty (30) days after the City's confirmation. A grant recipient may be deemed ineligible to apply for future grant opportunities through the Community Grant Program for late or incomplete documentation, failure to submit documentation, or late return or failure to return grant funds as required by the City.</i></p>



INTRODUCTION

Please review the [City of Santa Clara Community Grant Policy](#) and complete this application.

- Applications must be submitted at least ninety (90) days before the planned event/activity.
- Applications for attendance at a youth state, national, or international competition or performance must be submitted within a week of advancing to such competition or performance.
- All applications must be submitted by mail to the City Manager's Office at 1500 Warburton Ave. Santa Clara, CA 95050 or by email to Laura Sunseri, lsunseri@santaclaraca.gov
- Submission of this application in no way obligates the City of Santa Clara to award a grant.
- The City of Santa Clara reserves the right to reject any or all applications, wholly or in part, at any time, without penalty.
- If you have questions, contact Laura Sunseri, lsunseri@santaclaraca.gov (408) 615-2213.

TO BE COMPLETED BY APPLICANT

Name of Individual/Entity/Non-Profit Organization: _____

Address: _____

Tax ID #: _____

Contact Person Name and Title: _____

Contact Person E-mail: _____

Contact Person Phone: _____

Are you a non-profit organization? Yes ☐ No ☐

If yes, please attach proof of non-profit status to this application.

Please mark what type of event/activity you are requesting grant funding for:

Youth competition or performance ☐ Other Type of Eligible Event/Activity ☐

EVENT/ACTIVITY FOR WHICH GRANT FUNDS ARE BEING SOUGHT

Event/Activity Name: _____

Event/Activity Date: _____

Event/Activity Start Time: _____

Event/Activity End Time: _____

Event/Activity Description: _____

Event/Activity Venue: _____

Event/Activity Address: _____

Organization/Event/Activity Website: _____

Expected # of Attendees: _____



DESCRIPTION OF EVENT/ACTIVITY FOR WHICH GRANT FUNDS ARE BEING SOUGHT

Describe in detail what the grant funds will be used for and how it will benefit Santa Clara residents, students, or schools.

Describe how you will promote / advertise your event or activity for awareness to the public.

Describe how your event/activity contributes positively to Santa Clara and aligns with [Council goals](#).

Is your event or activity open to the public? Yes ☐ No ☐

Is your event or activity political or religious in nature? Yes ☐ No ☐

Have you received grant funding from the City of Santa Clara in the past?

If yes, please describe when, how much was received, and how the funds were used.

Is your event or activity a fundraiser? Yes ☐ No ☐

If your event is a fundraiser, please describe how the proceeds from the fundraising activity will support programs, services, or events for the residents of Santa Clara.



List all other sources of funding for the event or activity:

Amount of Anticipated Expenses: _____

Amount of Grant Request: _____

Please note that applicants requesting grant funding for any type of event or activity that is not a youth competition or performance are required to submit a completed [Special Event Application](#) and a copy of the event/activity budget with this application.

GRANT FUNDING FOR YOUTH COMPETITIONS AND PERFORMANCES ONLY

Please complete this section only if you are applying for grant funding for attendance at a youth state, national, or international competition or performance.

Are you affiliated with a school? Yes ☐ No ☐

If yes, please complete the information requested below.

School Name: _____

Percentage of Students who are Santa Clara Residents: _____

Please provide the anticipated expense breakdown for registration, transportation, hotel, and/or food. Please note that alcohol is not an allowable expense for grant funds.

Registration: \$ _____

Transportation: \$ _____

Hotel: \$ _____

Food: \$ _____

Total Eligible Expenses: \$ _____

20% of Eligible Expenses: \$ _____

Please state the number of students, coaches and/or chaperones being funded below. Please note that the acceptable ratio is six students to one coach/chaperone.

Number of Youth: _____

Number of Coaches/Chaperones: _____



By my signature below, I have read and understand the Community Grant Policy. I make the following representations and acknowledge agreement to the following terms and conditions:

- Upon approval of this application, as evidenced by the signature of the City Manager below, this application becomes a binding contract between the entity named above and the City of Santa Clara.
- I am the duly authorized representative of the entity named above and can bind the entity to the terms of this Agreement.
- If funds are provided by the City, the funds will be used for the purposes set forth above.
- In no event shall the City's financial responsibility exceed the approved amount, set forth below.
- I bear full responsibility for any and all tax consequences of receiving grant funds including, but not limited to, issuance of a 1099 by the City.
- This application and award of grant shall be subject to the requirements of the Community Grant Policy.
- There is no agency, employment, joint venture or other such relationship created by virtue of award of the grant. The City does not endorse the specific event or activity.
- Applicant shall defend and indemnify the City and its employees from and against any claim, injury, liability, loss, cost and/or expense or damage including all costs and reasonable attorney's fees, arising from or alleged to arise from the activity or event.
- If applicable, the applicant shall satisfy the City's insurance requirements.
- The representations made by applicant in this Application are material terms of the agreement, as is compliance with the requirements of the Community Grant Policy. The City may cancel this agreement at any time upon discovery that any of the information set forth above is inaccurate, that these terms have been violated, or any provision of the Community Grant Policy has been violated.
- If the grant is for competition or performance attendance, Applicant shall abide by the guidelines set forth in the attachment, and will submit to the City Manager's Office proof of expenses actually incurred, as well as allocation of grant funds, in a form acceptable to the City Manager's Office, within thirty (30) days after the competition.

Applicant Signature: _____ **Date:** _____

TO BE COMPLETED BY CITY STAFF

Community Grant Application Granted? Yes ☐ No ☐

If yes, list amount of grant: _____

If no, provide reason for denial: _____

If no, has notification been sent to applicant? Yes ☐ No ☐

Is insurance required for applicant? Yes ☐ No ☐

Additional requirements for applicant: _____

City Manager Signature: _____ **Date:** _____

Post-event Audit Completion Date: _____

Signature of Staff Person Completing the Post-event Audit: _____

**INITIAL GRANT FUNDING AGREEMENT
BETWEEN THE
FORTY NINERS SC STADIUM COMPANY LLC
AND CITY OF SANTA CLARA**

This Initial Grant Funding Agreement ("Agreement") is entered into effective as of June 24, 2024 ("Effective Date"), by and between the City of Santa Clara ("City"), and Forty Niners SC Stadium Company LLC ("StadCo"), (sometimes referred to collectively herein as the "Parties"), with reference to the following facts:

RECITALS

- A. The Santa Clara Stadium Authority ("SCSA") and Levi's Strauss & Co. ("Levi's") have previously entered into that certain Naming Rights Agreement dated May 9, 2013 ("Naming Rights Agreement") pursuant to which SCSA granted certain "Naming Rights Entitlements" as defined therein, to Levi's for a term of 20 years.
- B. On January 30, 2024, SCSA and Levi's entered into that certain First Amendment to Naming Rights Agreement pursuant to which the parties are agreeing to a 10 year extension of the Naming Rights Agreement.
- C. Concurrently, SCSA and StadCo entered into the Levi's Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement ("Implementation Agreement") to address each party's share in the cost for the design, construction and installation of the Enhanced Signage and StadCo has agreed to formalize its ongoing commitment to support charitable causes impacting the City of Santa Clara community.
- D. Through the Implementation Agreement, StadCo committed to contributing, from StadCo or an affiliated entity, \$200,000 annually for twenty years to non-profit organizations and community projects serving or directly impacting the City of Santa Clara community.
- E. While the parties are developing the community grants process for the distribution of these annual grants, StadCo is prepared to make the initial \$200,000 annual funding commitment to the Santa Clara Community for years 1-3. This Agreement serves to address the distribution of the initial \$600,000 and a process for developing a program for the distribution of the remaining commitment in the ensuing years.

NOW, THEREFORE, in consideration of the above-recitals, and other valuable consideration the receipt and sufficiency of which the parties hereby acknowledge, the Parties agree as follows:

- 1. In General: StadCo confirms its commitment under the terms of the Implementation Agreement to cause, through its related companies and/or charitable affiliates, grants and/or donations in the amount of \$200,000 annually for twenty (20) years commencing on or about April 1, 2024 (the "49ers Grant Commitment") for the benefit of non-profit organizations or community projects serving or directly impacting the City of Santa Clara community through the City's community grants program ("Community Grant Program").

2. Initial Grant Distribution for Years 1-3: The parties to this Agreement agree that additional time is required to develop the long-term Community Grant Program for the distribution of the 49ers Grant Commitment. Pending the finalization of this program, the parties agree that the 49ers Grant Commitment distribution for the Years 1-3 (the “Initial Term Commitment”) shall be made as follows:

Year 1 (April 1 2024 – March 31, 2025):

Santa Clara Swim Club:	\$100,000
Bill Wilson Center:	\$50,000
City of Santa Clara Community Grants Program:	\$50,000

Year 2 (April 1, 2025 – March 31, 2026)

Santa Clara Swim Club:	\$100,000
City of Santa Clara Community Grants Program:	\$50,000
Qualified Santa Clara Beneficiary To Be Determined	\$50,000

Year 3 (April 1, 2026 – March 31, 2027):

Santa Clara Swim Club:	\$100,000
City of Santa Clara Community Grants Program:	\$50,000
Qualified Santa Clara Beneficiary To Be Determined	\$50,000

3. Terms for Initial Donation and Distribution. The Initial Term Commitment shall be paid to directly to the City as the “fiscal agent” for the donations contemplated by this Agreement. In year one, StadCo shall cause the payment to occur within ten (10) business-days after the Effective Date. For years two and three, StadCo shall cause the payment to the City to occur on or before April 1, 2025 and April 1, 2026, respectively. Upon receipt of such amounts, the City shall, in turn shall cause the donations to be made in accordance with schedule set forth in Section 2 of this Agreement, above. City shall make all scheduled donation payments to the “Santa Clara Swim Club” and the “Bill Wilson Center” as soon as possible after receipt of the corresponding Initial Term Commitment funds. In the event that the City has not made the distribution within thirty (30) business days following receipt of such funds from StadCo, the respective amounts shall immediately be returned to the entity that provided the funds and such entity shall make such payments directly to the “Santa Clara Swim Club” and the “Bill Wilson Center.”

City distribution of amounts designated for the “City of Santa Clara Community Grants Program” shall be made in the corresponding fiscal year at such times and to such beneficiaries as City staff shall determine, after consultations with StadCo, or its designee, in accordance with City Community Grants Program guidelines.

City distribution of amounts designated for any “Qualified Santa Clara Beneficiary To Be Determined” shall be made in the corresponding fiscal year at such times and

- to such beneficiaries as StadCo, or its designee, shall select through a process it shall determine, after consultations with and subject to approval from City staff. In the event that the City has not made the distribution within thirty (30) business days following the designation of the recipient by StadCo or its designee, the respective amounts shall immediately be returned to the entity that provided the funds and such entity shall make such payments directly to the recipient(s).
4. Subsequent Grant Distribution for Years 4-20: The parties agree to that the grant distributions for Years 4-20 will be made in accordance with the terms of one or more subsequent Grant Funding Agreements between the parties. By no later than April 1, 2026, City staff and StadCo will meet and confer to develop the Community Funding Agreement for the distribution of the Grant Funds for Years 4-20. In order to provide, at a minimum, for the designation of the Year 4 grant recipients the parties shall endeavor to complete the Community Grant Funding Agreement for at least year 4 by on or before October 31, 2026.
 5. Contract Administrator: The City Manager is hereby authorized to execute any grant agreements and other additional documents to effectuate the distribution of Initial Grant Distribution for Years 1-3. Any such documentation shall be reasonably approved by StadCo and reflect StadCo, or its designee, as the source of the funds being provided to the recipient and the City as the “fiscal agent” for StadCo.
 6. Other Agreements; Further Assurances: As reasonably necessary to implement the terms of this Agreement, the parties agree to enter into such additional agreements, and take such additional actions as are reasonably necessary in order to fulfill their respective obligations under the terms of this Agreement.

[NEXT PAGE IS SIGNATURE PAGE]

**SIGNATURE PAGE TO
GRANT FUNDING AGREEMENT
BETWEEN THE
FORTY NINERS SC STADIUM COMPANY LLC
AND CITY OF SANTA CLARA**

IN WITNESS WHEREOF, the undersigned have executed this Agreement and agreed to be bound by its terms as of the Effective Date.

**FORTY NINERS SC STADIUM COMPANY
LLC**

By: DocuSigned by:
Jihad Beauchman
DD6A96265B6C427... _____

Name: Jihad F. Beauchman

Title: Executive Vice President & General Counsel

CITY OF SANTA CLARA

By: DocuSigned by:
Jovan D. Grogan
5EAD88DED5C343A...
JOVAN D. GROGAN _____

CITY MANAGER

Approved as to Form

By: DocuSigned by:
Glen R. Googins
74C9210BEEAE460... _____

Glen R. Googins, City Attorney