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Title:	<p>A. Discussion and Potential Actions Related to Proposed November 2024 Ballot Measure Authorizing the Issuance of General Obligation Bond Debt to Fund Public Infrastructure; Such Actions to Include the Following:</p> <ol style="list-style-type: none">Adoption of a Resolution of NecessityIntroduction of an Ordinance Ordering the Submission of a Measure Incurring Bonded Indebtedness to the Voters at the November 2024 General Municipal ElectionDirection on a Draft Expenditure Plan to be Included with the Measure <p>B. Discussion and Council Direction on a Proposed Charter Amendment Regarding Public Works Procurement [Charter Section 1310] to Update the City's Public Works Bidding and Contracting Authority, Allow for Design-Build Projects and Implement Other Technical Changes</p>				
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Date	Ver.	Action By	Action	Result
7/9/2024	1	Council and Authorities Concurrent Meeting		
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REPORT TO COUNCIL

SUBJECT

- A. Discussion and Potential Actions Related to Proposed November 2024 Ballot Measure Authorizing the Issuance of General Obligation Bond Debt to Fund Public Infrastructure; Such Actions to Include the Following:
- Adoption of a Resolution of Necessity
 - Introduction of an Ordinance Ordering the Submission of a Measure Incurring Bonded Indebtedness to the Voters at the November 2024 General Municipal Election
 - Direction on a Draft Expenditure Plan to be Included with the Measure
- B. Discussion and Council Direction on a Proposed Charter Amendment Regarding Public Works Procurement [Charter Section 1310] to Update the City's Public Works Bidding and Contracting Authority, Allow for Design-Build Projects and Implement Other Technical Changes

BACKGROUND

Unfunded Capital Needs

Over the last several years, the need for capital infrastructure investment has been identified and discussed as part of the budget and the City Council's annual Priority Setting Processes. While the City's utility infrastructure is well funded, there are significant funding gaps in other areas. For capital infrastructure where the General Fund is the primary funding source, the City has relied on a pay-as-you-go approach using funds set aside in the Capital Projects Reserve. This reserve is funded by General Fund surplus funds at the end of a fiscal year and is insufficient to address the City's considerable infrastructure needs.

As part of the development of the FY 2024/25 and FY 2025/26 Biennial Capital Budget, over \$600 million in City infrastructure needs were identified where the General Fund would be the primary funding source. This amount included the most immediate needs over the next five years and did not fully account for all unfunded needs in the City. In 2024 alone, the City received over \$2700 million in infrastructure requests from the various departments with only \$24 million available in the Capital Projects Reserve. Aging roads, bridges, underground stormdrain pipes, and sidewalks all need repairs and maintenance to meet performance, safety, and accessibility needs for residents. The City Fire Department handles approximately 10,000 service calls each year, a 14 percent increase over the past decade. Several of the City's local fire stations are 50 to 55 years old and in need of seismic upgrades and other enhancements to ensure emergency and disaster preparedness and response. Additionally, funding is needed to ensure safe routes and intersections for kids to get to school; safer roads for drivers, pedestrians, and bicyclists; and safe, well-maintained parks, playground, community and recreation facilities, and libraries for our community.

Given the significant infrastructure needs, the City Council took action on July 18, 2023, to approve funding in the amount of \$358,000 for outreach, engagement, and policy analysis to support activities related to potential November 2024 ballot measures (RTC 23-913). A study session on the unfunded needs including a presentation of revenue options and workplan for a November 2024 ballot measure was subsequently held on October 24, 2023. In addition, during the two-day 2024 Council Priority Setting Session on March 25 and April 3, 2024, the City Manager presented on the City's unfunded capital needs and the potential for the City to explore a general obligation (GO) bond measure. Staff have been working with consultants to explore the feasibility of such a bond.

It is also important to note that this is not the first time the City of Santa Clara has recently considered a general obligation bond to address its mounting infrastructure needs. In 2018, the City considered asking voters to approve an infrastructure bond but elected to wait because the Santa Clara United School District was placing a bond on the same ballot. In November 2018, Santa Clara voters approved Measure BB, providing \$720 million for school facilities. Additionally, in 2020, the City was preparing to reactivate its efforts for an infrastructure bond, however, negative economic conditions brought on by COVID-19 caused the City to postpone once again.

Polling Results

During the April 23 and June 4, 2024 City Council meetings, consultants from Tulchin Research presented two rounds of scientific polling surveys. Both surveys were conducted among likely November 2024 general election voters, including newly registered voters and those who have voted in at least one of the past four elections. The initial benchmarking survey took place from April 1 through April 4, and the second survey from May 18 through May 22. Both surveys were offered in English, Chinese, Spanish, and Vietnamese and were conducted by phone to reach a total of 800

likely voters.

A majority of voters indicated they felt Santa Clara could benefit from additional investment in public infrastructure, and that they generally support measures that provide local funding to address infrastructure or service needs. The most popular areas for potential funding continue to include (not in ranked order):

- Public safety improvements (upgrades to 9-1-1 emergency, medical, fire, and disaster response);
- Street safety (fixing potholes and making roaders safer for drivers, pedestrians, and bicyclists); and
- Storm drain improvements (repairs to underground stormwater pipes to prevent erosion and sinkholes).

Community Outreach

In addition to the two likely-voter surveys, the consultant team released a Community Mailer Survey to gather additional thoughts from the community using a broad approach. This mailer went out to over 30,000 households and was made available at City facilities. Responses to this community mailer were submitted online via a QR code or as a tear-off survey to be mailed back to the City. This community feedback method received over 800 responses to date consisting of nearly 500 online responses and over 300 mailed back.

To ensure the community has information about the topic, the City has established a dedicated webpage to help voters learn about the potential bond measure and stay up to date with current information being provided. To support voter education, a fact sheet will also be available at City Hall, the Senior Center, the Community Recreation Center, all City libraries, and other City facilities. In addition, the City has shared educational information about the proposed measure on social media.

DISCUSSION

Based on community feedback of voter priorities related to improvements throughout Santa Clara, and to meet the City's over \$600 million in infrastructure needs, staff is recommending that the City Council place a GO bond measure on the November 2024 ballot. Voter polling indicated that the community is equally supportive of either a \$598 million or a \$298 million bond measure. Because of this and due to the severity of the City's infrastructure needs, staff is recommending the proposed \$598 million bond measure option. As part of the Council presentation, staff will also provide the financial breakdown of a potential bond option for \$298 million and is seeking council direction.

If the voters were to approve a \$598 million GO bond measure, it would be funded by levying an estimated \$29 per \$100,000 of assessed property value annually. In this scenario, the property tax bill for each of the largest 20 commercial property owners in Santa Clara would increase by an average of \$290,000 per year while a typical homeowner would pay on average an additional \$195 per year.

If voters were to approve a \$298 million GO bond measure, it would be funded by levying an estimated \$16 per \$100,000 of assessed property value annually. In this scenario, the property tax bill for each of the largest 20 commercial property owners in Santa Clara would increase by an average of \$160,000 per year while a typical homeowner would pay on average an additional \$110 per year.

Voter Approval

Approval of the bond measure requires that 2/3rds of all qualified voters voting on the proposition at the November 2024 election vote in favor. If this threshold is met, the City would have the authority to issue and sell the bonds in one or more series, in the maximum amount determined at tonight's meeting, and for the objects and purposes set forth in the Ordinance described below.

If issued, the bonds would be general obligations of the City payable from, and secured by, ad valorem taxes levied and collected on taxable property in the City. The revenue generated from the ad valorem taxes would be used solely for the payment of debt service on the bonds and for no other purpose.

Additionally, a measure known as Assembly Constitutional Amendment 10 (ACA 10) was recently placed on the November ballot. ACA 10 formalizes Assembly Constitutional Amendment 1 (ACA1) and would treat cities like K-12 school districts and community colleges, allowing for bonds to pass at a 55% supermajority, subject to certain accountability provisions. The proposed GO bond measure the City is considering to help address infrastructure needs would be written in a manner that meets or exceeds all of the accountability requirements of ACA10, and would be valid under the new rules if ACA10 were to pass statewide in November.

Proposed Ballot Language

California Elections Code Section 9051 requires that a ballot question not exceed 75 words (with the word count determined pursuant to statute) California Elections Code Section 13119 (c) also requires that the statement of the measure "shall be a true and impartial synopsis of the purpose of the proposed measure and shall be in language that is neither argumentative nor likely to create prejudice for or against the measure."

Based on voter polling, feedback from the City Council, input from the City's legal counsel, and City infrastructure priorities, the following ballot question is presented below for the City Council's consideration.

To improve 911 emergency rapid response; fix potholes, repair and improve streets throughout Santa Clara; fix underground stormdrains/pipes to prevent sinkholes; provide safer roads and routes to school for drivers, pedestrians; and repair/maintain safe public facilities; shall the City of Santa Clara's measure authorizing \$598,000,000 in bonds, funded by levying an estimated \$29/\$100,000 of assessed value while bonds are outstanding, generating approximately \$35,000,000 annually, with annual audits and citizen oversight of spending, be adopted?	Yes
	No

After Council input at the July 9th meeting, the final ballot question language will be presented for approval in the Resolution Placing the Measure on the Ballot to be considered at the July 16 Council meeting.

Sources of Bond Repayment

If the bond measure were to be approved by voters, any bonds issued would be payable solely from revenues generated by a property tax levy on all taxable property within the City of Santa Clara,

based on assessed property value. The bonds will not be an obligation of the general fund or any other City revenue source.

The “assessed” value of real property can be very different than its “market value.” “Assessed value” is determined by the County Assessor under Proposition 13 based on the most recent actual sale price of the property, plus up to 2% per year thereafter. “Market value” is what a property could be sold for on the open market at any given time. As a result, property that has been held by one owner for many years that may have a high “market value” is likely to have a significantly lower “assessed value” than a similar property that has recently sold.

Transparency and Accountability

The City’s proposed GO bond measure would incorporate stringent transparency and accountability provisions as outlined in the following Transparency and Accountability Plan (Attachment 4).

Transparency and Accountability Plan
1. Council approval of an Expenditure Plan, including project category areas and related spending amounts, concurrent with placing a bond on the ballot. [Ordinance Section 13(b)(i)]
2. Process for making changes to the Expenditure Plan would require: ○ Staff recommendation; ○ Community Oversight Committee review and input; and ○ Unanimous approval from the City Council. [Ordinance Section 13(b)(ii)]
3. A Community Oversight Committee will be formed to ensure compliance with bond measure requirements. The Committee will consist of nine members selected by a lottery process made up of: ○ Seven residents; ○ One small business representative; and ○ One large business representative. Business representatives shall have experience in budgeting, accounting, finance, and/or audit. Additionally, no business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City of Santa Clara. Business representatives need not be residents but must be an owner or employee of a business headquartered within the City. Members appointed to the Committee shall receive educational training about bonds and fiscal oversight. The role of the Committee shall be to (a) ensure that project implementation is consistent with the bond requirements and the Expenditure Plan, (b) review and report on annual audits, and (c) review and provide recommendations to the City Council on any proposed amendment to the Expenditure Plan. [Ordinance Sections 13(a)(viii) and 13(b)(iv)]
4. Bond expenditures would be subject to independent annual audit with public auditor presentations to the Community Oversight Committee and Council Audit Committee, along with submittal to the State Auditor for review. [Ordinance Sections 13(a)(iv)-(vii) and 13(b)(v)]
5. Strict prohibition on the use of any bond proceeds for: ○ Levi’s Stadium improvements; ○ Any projects for the sole benefit of Levi’s Stadium; and ○ Any projects within the 0.5 miles of Levi’s Stadium, except improvements in existing residential neighborhoods or business districts designed to be of substantial direct benefit to those areas and not Levi’s Stadium; and ○ For the direct or indirect benefit of any professional sports team [Ordinance Section 13(b)(iii)]
6. Funds could only be used for public infrastructure projects that serve the City of Santa Clara. [Ordinance Section 13(a)(ii)]

7. All bond proceeds are to be deposited into a separate account(s) and tracked on a project-by-project basis to facilitate project oversight and legal compliance audits. [Ordinance Section 13(a)(x)]
8. No money could be used for employee salaries or benefits, with the exception of normal and customary personnel charges for project management and delivery services. Project administrative costs shall not exceed 5% of the proceeds from sale of the bonds. [Ordinance Section 13(a)(i)]
9. Annual public presentation on the Expenditure Plan and Project Status Report to the Community Oversight Committee and the City Council presented by the City Manager, or their designee. [Ordinance Section 13(b)(v)]
10. For projects requiring mail notice, increase the requirement for mail notifications to all properties surrounding bond funded projects from 500 feet to 1,000 feet. [Ordinance Section 13(b)(v)]
11. Communications on bond funded projects: ○ City webpage conveying status of all bond funded projects; and ○ Public signage surrounding projects funded by bond proceeds. [Ordinance Section 13(b)(v)]

Proposed Expenditure Plan

City staff have drafted a proposed Expenditure Plan as part of the City Council presentation for consideration. This plan includes the following category areas:

1. Street Repairs and Transportation
2. Fire Stations and Public Safety
3. Parks and Community Facilities
4. Stormdrain and Flood Protection
5. Other Critical City Infrastructure

Proposed Expenditure Plans and Project Lists for both the \$598M and \$298M bond scenario amounts are detailed in the attachments (Attachments 5-8).

Community Oversight Committee Structure and Operations

As mentioned in the Transparency and Accountability Plan, staff recommend the Community Oversight Committee include representation from key stakeholders within the community including representation from the residential, small business, and large business sectors. All members of the Community Oversight Committee would be subject to conflict of interest and Brown Act provisions. Additionally, staff recommends staggered four-year term limits, requirements for background/experience in financial audits for applicants representing the business community, and that process for chair selection be determined with direction from Council. In addition to the provisions included in the bond measure regarding Community Oversight Committee requirements, the creation of the Committee and the details of its operation, would be implemented by ordinance approved by the City Council.

Actions Required to Place the Measure on the November 2024 ballot

Three actions are required by the Council to place the bond measure on the November 2024 ballot:

1. At this meeting, consider and approve the Resolution of Necessity and hold the first reading of the bond measure Ordinance. Approval of the Resolution requires a 2/3rds approval by the Council (that is, 5 yes votes).

2. At the July 16 Council meeting, consider and approve the Resolution Placing the Measure on the Ballot and hold a second reading and adoption of the Ordinance. Adoption of the Ordinance requires a 2/3rds approval by the Council (that is, 5 yes votes). These documents are further described below.
3. If this process is successfully completed by the Council, the final Ordinance and Resolution Placing the Measure on the Ballot would need to be submitted (along with other required documents) to the Santa Clara County Registrar of Voters by the August 9, 2024 deadline for the measure to appear on the November 2024 ballot. The Ordinance and Resolution Placing the Measure on the Ballot will appear in the ballot pamphlet sent to each voter before the election.

Each of these action items are described in more detail, below.

1. Resolution of Necessity

The Resolution of Necessity (Attachment 1), required by California Government Code §43607 to be passed by an affirmative vote of 2/3rd of the Council (this is, at least five Council members). This Resolution determines that the public interest or necessity demands the acquisition, construction, or completion of the municipal improvements, and that the costs of the improvements will require an expenditure by the City greater than allowed for it by the City's annual tax levy. The resolution also appoints Public Financial Management, as municipal advisor to the City, and Jones Hall, A Professional Law Corporation as bond counsel for the City for the proposed bond issue. Such services would be provided under the terms of agreements still in effect with such consultants that were originally entered into back in 2020 and 2019 respectively, with updated fee schedules as required, to be approved by the City Manager and the City Attorney.

2. Ordinance

The Ordinance (Attachment 2) includes information required by California Government Code §43610, including the object and purpose of bonds, a description of the improvements to be financed with the proceeds of the bonds, the estimated costs of the improvements of \$598 million, and the manner of holding the election.

The improvements described in the Ordinance consist of public infrastructure improvements that include streets and transportation improvements, improvements to public safety facilities, improvements to parks and community facilities, storm drain and flood protection improvements, and improvements to other City facilities.

The Ordinance establishes the maximum principal amount of the bonds, estimates the total costs of the improvements, establishes a maximum interest rate, and establishes the Transparency and Accountability Plan measures described above.

3. Resolution Placing the Measure on the Ballot

The Resolution Placing the Measure on the Ballot would be scheduled for the next regular meeting on July 16, and would be considered for adoption only if the Ordinance is adopted. This resolution sets forth the 75-word ballot question and other procedural details regarding the election, including actions related to authorship of direct and rebuttal arguments for the measure which would appear in the voter information guide.

Future Issuance of Bonds

If the bond measure is approved by voters, the bonds may be issued in one or more series as needed to pay authorized improvement costs. Timing and amount of each bond issuance will depend on market factors, funding needs to support the plan for construction the improvements, and other factors. The issuance of each series of bonds, and the specific projects to be financed, will subject to express approval by resolution of this Council.

The actual interest rate on each series of bonds will be determined at the time of issuance. As of June 20, 2024, interest rates on general obligation bonds issued by the City, if assigned credit ratings of “AA+” by Standard & Poor’s and “Aa2” by Moody’s Investors Service with level annual payments, would bear estimated interest rates of 4-5% for a 30-year term.

Potential Public Works Charter Amendment

In addition to the potential bond measure, staff is proposing a Charter amendment (Attachment 3) which updates the City’s public works procurement process in a number of ways. The amendment proposes to increase the amount requiring the formal bidding of public works contracts from \$1,000 to \$250,000. The \$1,000 limit was originally set in the 1951 City Charter and has not been increased in over 70 years. Another key change is to expressly authorize the use of the design-build procurement process to streamline construction and implementation of infrastructure improvement projects. Design-build is a project delivery method that combines design and construction services in one contract allowing for a more streamlined and cost-effective process for delivering projects. Additional proposed amendments differentiate between “major” (above \$500,000) and “minor” (at or below \$500,000) public works projects for City Council versus City Manager approval purposes and provides for implementation of terms for possible exceptions to formal bidding processes, and special rules for utility projects, if approved by the City Council by ordinance as part of an overall program determined to be in the best interests of the City. Other technical updates are also included. Voter polling shows a voter comfort with amending the City Charter to improve and streamline construction efforts. This will be particularly important if a bond were to pass as the City would be driving various infrastructure projects forward. Staff requests Council provide initial input on the draft Charter amendment. If Council is supportive, staff will finalize the proposed amendment language, develop a formal ballot question, and bring the package back for final Council consideration at the July 16th Council meeting.

Conclusion

Should the City Council decide to place the ballot question on the November 5, 2024 Special Municipal Election ballot, appropriate documentation supporting formal action by the City Council must be received by the Santa Clara County Registrar of Voters no later than August 9, 2024. In order to meet this timeline without having to schedule a meeting, action would need to be taken on the Resolution of Necessity and First Reading of the Ordinance at this meeting.

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 proposed bonds, if the bond measure is approved by voters, would be payable solely from a property tax levy on all taxable property within the City, which will be based on assessed property

value. The bonds will not be an obligation of the General Fund or any other City funds.

For the November 2024 election, the cost to place a measure on the ballot is estimated at \$118,000 each. Based on the FY 2024/25 elections budget of \$420,000 and the estimated cost for the regularly scheduled items to go forward, additional funding of \$82,000 would be needed for one measure and \$200,000 would be needed for two measures. If the City Council decides to place measure(s) on the ballot, a budget amendment will be brought forward to add funding from the General Fund Budget Stabilization Reserve.

COORDINATION

This report has been coordinated with the Finance Department, the City Attorney's Office, the City Clerk's Office, and the City Manager.

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. Adopt the Resolution of Necessity determining necessity to issue bonds.
2. Waive first reading and approve the introduction of an Ordinance ordering the submission of the measure incurring bonded indebtedness for the purpose of the acquisition, construction, and improvement of certain municipal improvement projects to City voters.
3. Provide Direction on a potential Charter Amendment to update the Public Work Section 1310.

Reviewed by: Michelle Templeton, Acting Assistant City Manager

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Proposed Resolution of Necessity
2. Proposed Ordinance
3. Proposed Amendment to Charter Section 1310 for Contracts on Public Works Projects
4. Proposed Transparency and Accountability Plan
5. Proposed Expenditure Plan for a \$598M Bond
6. Proposed Project List for a \$598M Bond
7. Proposed Expenditure Plan for a \$298M Bond
8. Proposed Project List for a \$298M Bond

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA, DETERMINING THAT THE PUBLIC INTEREST
AND NECESSITY DEMAND THE ACQUISITION,
CONSTRUCTION AND IMPROVEMENT OF MUNICIPAL
IMPROVEMENT PROJECTS CONSTITUTING PUBLIC
INFRASTRUCTURE OF THE CITY, AND THEIR FINANCING
THROUGH THE ISSUANCE OF GENERAL OBLIGATION
BONDS**

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 undertake certain public infrastructure improvements for the City consisting of streets and transportation improvements, improvements to public safety facilities, improvements to parks and community facilities, storm drain and flood collection improvements, and improvements to other City facilities (collectively, the “Improvements”) more particularly described in the Ordinance proposed to be approved by the City Council entitled “AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, ORDERING THE SUBMISSION OF A MEASURE INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF SANTA CLARA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF FINANCING THE COST OF THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY, SUBJECT TO ACCOUNTABILITY MEASURES AND COMPLIANCE WITH AN ADOPTED EXPENDITURE PLAN”; and

WHEREAS, in order to finance the Improvements, the City is authorized to call an election for the purpose of incurring a bonded indebtedness and to authorize the issuance of bonds to finance the Improvements, which constitute public infrastructure of the City pursuant to certain provisions of the California Constitution, including Article XIII A and any amendments thereto approved at the November

5, 2024 election, the California Government Code, including Article 1 of Chapter 4 of Division 4 of Title 4 (commencing with Section 43600) and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) (collectively, the “Bond Law”); and

WHEREAS, the City intends to issue its general obligation bonds (the “Bonds”) under and pursuant to the Bond Law to finance the cost of the acquisition and construction of the Improvements; and

WHEREAS, in order to initiate proceedings under the Bond Law to provide for the issuance of general obligation bonds, the City Council of the City (the “City Council”) must make certain findings and determinations; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. Recitals Correct. The foregoing recitals are true and correct.
2. Necessity. The public interest and necessity demand, and it is the intention of the City Council to require, the acquisition, construction and improvement of the Improvements, and to issue the Bonds to finance the cost thereof, subject to completion of the proceedings required by the Bond Law.
3. Findings. The City Council hereby finds and determines that the estimated costs of the Improvements will require an expenditure by the City greater than the amount allowed for it by the annual tax levy of the City. The principal amount of the Bonds will not exceed the estimated cost of the Improvements.
4. Authority. This Resolution is adopted, and the Bonds will be issued, if approved by the qualified voters voting on the issuance of the Bonds, pursuant to the Bond Law or any implementing legislation.
5. Reimbursement Declaration. The City Council hereby declares that the City may pay certain

costs of the projects authorized by the proposed bond measure prior to the date of issuance of the Bonds and, in such case, intends to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the projects that are paid before the date of issuance of the Bonds.

6. Engagement of Professional Services. The City hereby confirms the appointment of Jones Hall, A Professional Law Corporation, a nationally recognized bond counsel firm, to serve as bond counsel, and Public Financial Management to serve as municipal advisor, in connection with the bond election and, if successful, subsequent bond issuances.

7. Adoption; Effective Date. This Resolution must be adopted by two-thirds of all members of the City Council and, when adopted, shall take effect 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

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF SANTA CLARA,
CALIFORNIA, ORDERING THE SUBMISSION OF A MEASURE
INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED
VOTERS OF THE CITY OF SANTA CLARA AT THE GENERAL
MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024,
FOR THE PURPOSE OF FINANCING THE COST OF THE
ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF
CERTAIN MUNICIPAL IMPROVEMENT PROJECTS
CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY,
SUBJECT TO ACCOUNTABILITY MEASURES AND
COMPLIANCE WITH AN ADOPTED EXPENDITURE PLAN**

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 undertake certain public infrastructure improvements for the City consisting of streets and transportation improvements, improvements to public safety facilities, improvements to parks and community facilities, storm drain and flood collection improvements, and improvements to other City facilities, as more particularly described below (collectively, the “Improvements”); and

WHEREAS, the City is authorized to call an election for the purpose of incurring bonded indebtedness and to authorize the issuance of bonds to finance the Improvements, which constitute public infrastructure of the City, pursuant to certain provisions of the California Constitution, including Article XIII A, the California Government Code, including Article 1 of Chapter 4 of Division 4 of Title 4 (commencing with Section 43600) and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) (collectively, the “Bond Law”); and

WHEREAS, the City intends to issue its general obligation bonds (the “Bonds”) under and pursuant to the Bond Law to finance the cost of the acquisition and construction of the Improvements; and

WHEREAS, under existing law, approval of the Bonds requires 2/3rds of the voters in the City voting on the measure to vote in favor of the measure; and

WHEREAS, Assembly Constitutional Amendment No. 1 (“ACA1”) has qualified for the November 5, 2024 Statewide ballot and would, among other things, change existing law to authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure if the measure proposing that tax is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, and the measure includes specified accountability requirements; and

WHEREAS, the foregoing constitutional amendments effectuated by ACA1, if approved at the November 5, 2024 Statewide ballot, would apply to any measure authorizing general obligation bonds of a city that is submitted at the same election as the Voter Approval Ballot Measure; and

WHEREAS, the measure to approve the Bonds is intended to and will comply with all the provisions of ACA1, including all of its accountability requirements, so that, if ACA1 is approved on November 5, 2024, approval of the Bonds shall require that 55% (not 2/3rds) of the voters in the City voting on the measure vote in favor of the measure; and

WHEREAS, if the ballot measure authorizing issuance of the Bonds is approved by the requisite number of affirmative votes, the City will be authorized to issue the Bonds.

NOW, THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. Recitals Correct. The foregoing recitals are true and correct.
2. Purpose and Intent. Pursuant to the authority provided by the California Government Code and California Elections Code, the purpose and intent of this Ordinance is to authorize and direct the submittal to the qualified voters of the City at the general municipal election to be held on November 5, 2024, of a measure authorizing the City to issue general obligation bonds (the “Bonds”) for the purpose of financing the Improvements on the terms set forth below.
3. Findings. The City Council hereby makes the following findings with respect to the proposed Ordinance/Calling Bond Election

measure for the Bonds:

(i) On July 9, 2024, the City Council adopted, by a two-thirds vote of all its members, a resolution entitled “A Resolution of the City Council of the City of Santa Clara, California, Determining that the Public Interest and Necessity Demand the Acquisition, Construction and Improvement of Municipal Improvement Projects Constituting Public Infrastructure of the City, and Their Financing Through the Issuance of General Obligation Bonds,” pursuant to which the City Council has found and determined that the public interest and necessity demand the issuance of general obligation bonds to finance the Improvements, which are municipal improvement projects constituting public infrastructure of the City.

(ii) In order to provide for the issuance by the City of general obligation bonds to provide financing for the Improvements, it is necessary for the City Council to adopt an ordinance ordering the submission of the measure of incurring bonded indebtedness for such purpose to the qualified voters of the City at a municipal election.

(iii) The City Council desires to submit said ballot measure to the qualified voters of the City at the regular election to be held in the City on November 5, 2024, and to consolidate the bond election with other elections held within the City on that date, by a resolution adopted after the adoption of this Ordinance pursuant to California Elections Code Section 10403 (the “Resolution Calling Election”).

4. Call for Election. The City Council hereby orders that there be submitted to the qualified voters of the City, pursuant to the Resolution Calling Election, a measure on incurring bonded indebtedness for the purposes set forth in this Ordinance, at the regular election to be held on November 5, 2024.

5. Ballot Measure. The City Council hereby submits to the qualified voters of the City, at the regular election to be held on November 5, 2024, a measure on issuing the Bonds. The statement of the measure shall be in substantially the form set forth in the resolution of the City placing the measure on the ballot.

6. Object and Purpose of Bonds. The object and purpose of the Bonds is to finance some or all of Ordinance/Calling Bond Election

the costs of the Improvements. The Improvements are more particularly described in that certain Expenditure Plan (“Expenditure Plan”) to be attached as Exhibit A to this Ordinance, which shall be approved by the City Council by separate Resolution and presented to the voters as part of the measure for the Bonds.

The authorized Improvements will include all work, facilities and expenditures necessary and incidental to the Improvements described in the Expenditure Plan. Examples of such work, facilities, and expenditures include, but are not limited to: costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes and other applicable law, including the Americans with Disabilities Act; costs of the bond election; bond issuance costs; project administration during the duration of such projects, including reimbursement of City staff time; and financing and interest costs on the Bonds.

The final costs, locations, designs, layouts and other components of the Improvements will be determined as plans are finalized, construction bids are awarded, and projects are completed. Therefore, the City Council cannot guarantee that the Bonds will provide sufficient funds to allow completion of all needed Improvements.

7. Estimated Cost of Improvements. The estimated cost of the Improvements is \$[598,000,000]. The estimated cost includes legal or other fees, the costs of printing the Bonds, and other costs and expenses incidental to or connected with the authorization, issuance and sale of the Bonds. To the extent the Improvements financed are revenue-producing public works, the cost of the Improvements may also include bond interest estimated to accrue during the construction period and for a period of not to exceed Ordinance/Calling Bond Election

12 months after completion of construction.

8. Principal Amount of Bonds. The aggregate principal of the Bonds shall not exceed \$[598,000,000.00].

9. Maximum Interest Rate. The maximum rate of interest to be paid on the Bonds shall be the statutory maximum of 12% per annum. Said interest shall be payable semiannually, except that interest for the first year after the date of the Bonds may be made payable at the end of said year. The actual interest rates of each series of the Bonds will be determined at the time of each respective Bond sale.

10. Issuance and Sale of Bonds. The City proposes to issue and sell the Bonds pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, or Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, in one or more series, in the maximum amount and for the objects and purposes set forth above if the requisite number of qualified voters voting on the measure vote in favor thereof. The Bonds will be general obligations of the City payable solely from and secured by ad valorem taxes levied and collected in the manner prescribed by the laws of the State of California, and not from the general fund or other funds of the City. The revenue generated from the ad valorem tax levied and collected will be used for the payment of debt service on the Bonds. All of the Bonds shall be equally and ratably secured, without priority, by the taxing power of the City.

11. Manner of Conducting Election. The election on the Bonds held on November 5, 2024 shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted, and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the Resolution Calling Election and the provisions of California law regulating the election with which it is consolidated.

12. Procedure for Voting on Measure. Ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the measure

Ordinance/Calling Bond Election

on the ballot, in accordance with procedures to be adopted by the authorized officers of the County of Santa Clara (the “County”) charged with conducting the election.

13. Transparency and Accountability Requirements.

(a) In order to comply with ACA1 and Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability requirements relating to the Bonds (the “State Accountability Requirements”):

(i) The proceeds from the sale of the Bonds shall be used only for the purposes specified in this Ordinance, and not for any other purpose, including City employee salaries (other than for reimbursement of staff costs incurred in providing normal and customary project management and delivery services for the Improvements (“Project Related Administrative Costs”)), and other operating expenses. The administrative cost of the City for the Improvements, including any and all Project Related Administrative Costs, shall not exceed 5% of the proceeds from the sale of the Bonds.

(ii) The proceeds from the sale of the Bonds shall only be spent on projects and programs that serve the jurisdiction of the City.

(iii) This Ordinance shall be the ordinance through which projects will be funded and the City hereby certifies that it has evaluated alternative funding sources.

(iv) The City shall conduct an annual, independent performance audit to ensure that the Bond funds are expended pursuant to this Ordinance.

(v) The City shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the public infrastructure authorized by this Ordinance.

(vi) The City shall post the audits required by clauses (iv) and (v) in a manner that is easily accessible to the public.

(vii) The City shall submit the audits required by clauses (iv) and (v) to the California State

Auditor for review.

(viii) The City shall appoint a citizens' oversight committee (the "Bond Compliance COC") to ensure that Bond proceeds are expended only for the purposes described in the measure approved by the voters. Members appointed to the Bond Compliance COC shall receive educational training about bonds and fiscal oversight.

(ix) Any entity owned or controlled by a member of the City Council shall be prohibited from bidding on any work funded by the measure.

(x) A separate account shall be created and held by the City, into which the proceeds of the Bonds shall be deposited and applied solely for the Improvements. Expenditures shall be tracked on a project by project basis to facilitate project oversight and compliance audits.

(xi) The City's Director of Finance shall file a report with the City Council at least annually showing the amount of Bond proceeds collected and expended, and the status of the Improvements.

The provisions of ACA1 are hereby incorporated by reference in this Ordinance. The City Council hereby declares its intent that this Ordinance and the accountability measures contained herein shall comply with ACA1 and any and all other statutory or other requirements determined to be required for compliance with ACA1.

(b) In addition to the State Accountability Requirements, the City Council hereby adopts the following local accountability and transparency requirements relating to the Bonds and the use of Bond proceeds ("Local Accountability Requirements"):

(i) Expenditure Plan Requirements. Bond proceeds shall only be used on Improvements in strict accordance with the terms of the adopted Expenditure Plan, as it may be amended from time to time subject to the requirements of Section 13(b)(ii), below.

(ii) Required Process for Amending Expenditure Plan. City staff shall review, analyze and make a recommendation on any proposed substantive amendment to the Expenditure Plan

(“Amendment”). Prior to City Council consideration, any such proposed Amendment shall first be submitted to the Bond Compliance COC for their review and recommendation. Any proposed Amendment shall require the unanimous approval of the City Council..

(iii) Prohibited Uses. In no event shall Bond proceeds may be used for (I) improvements to Levi’s Stadium; (II) any Improvements projects for the sole benefit of Levi’s Stadium; (III) Improvements projects within .05 miles of Levi’s Stadium, except Improvements in existing residential neighborhoods or business districts designed to be of substantial direct benefit to those areas and not Levi’s Stadium; or (IV) the direct or indirect benefit of any professional sports team.

(iv) Additional Terms for the Bond Compliance COC. The Bond Compliance COC shall consist of 9 members selected by a lottery process. The committee shall include seven residents, one large business representative, and one small business representative (neither of which must be residents, but both must be either an owner or employee of a business headquartered within the City). Additionally, no business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City. The role of the Bond Compliance Committee shall be to (I) ensure that project implementation is consistent with all Bond measure requirements, including the terms of the Expenditure Plan; (II) review and report on annual audits, and (III) review and provided recommendations to the City Council on any proposed amendment to the Expenditure Plan.

(v) Communications Program. There shall be a Bond measure communications program to enhance accountability and transparency including, at a minimum, the following elements: (I) requirement for an annual public presentation on the Expenditure Plan and the status of the implementation of Improvements projects to the Bond Compliance COC and the City Council presented by the City Manager; (II) requirements for an annual presentation of the independent annual audit(s) required in Section 13(b) above to the COC and the Council Audit Committee;

(III) status of all Bond funded projects to be communicated on the City's webpage; and (IV) notice of all proposed Improvements projects to residents within 1,000 feet of such project(s), with public signage providing further information at the project site(s).

14. Identification of Tax. The tax imposed by this measure is an ad valorem tax levied upon taxable property in the City, and will be used to pay the principal and interest on the Bonds.

15. Official Actions. The Mayor, the City Manager, the Director of Finance, the City Clerk, and any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the Bond measure on the ballot.

16. Interpretation. The provisions of this Ordinance, being necessary for the health, welfare, and safety of the City and its residents, is to be liberally interpreted to carry out its purposes. No error, irregularity or informality, and no neglect or omission of any officer, in any proceeding taken related to the submission of the measure incurring bonded indebtedness to the qualified voters of the City shall void or invalidate any such proceeding, any Bonds issued by the City or any levy of ad valorem taxes to pay principal of and interest on the Bonds.

17. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or applications, and to this end the provisions this Ordinance are declared to be severable.

18. Publication of Ordinance. The City Clerk shall cause the proposed ordinance to be posted at least three (3) days prior to its adoption in three (3) public places in the City and at least three (3) days prior to the ordinance adoption shall cause a single publication in an official newspaper. In accordance with Section 43611 of the California Government Code, this Ordinance shall also be published once a day for at least seven days in a newspaper published at least six days a week in the City, or once a week for two weeks in a newspaper published less than six days a week in the City. The first of said publications shall, in either event, be within 15 days after the adoption of this Ordinance. No other notice need be given.

19. Adoption; Effective Date. This Ordinance must be adopted by two-thirds of all members of the Ordinance/Calling Bond Election

City Council. When adopted, in accordance with Section 36937(a) of the California Government Code, this Ordinance shall become effective immediately, as an ordinance relating to an election.

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

Attachment: Exhibit A – Expenditure Plan

EXHIBIT A
EXPENDITURE PLAN

Exhibit A
Charter Amendment Measure
Proposed Additions Shown as Underline
Proposed Deletions Shown as ~~Strikethrough~~

DRAFT
July 5, 2024

Section 1. Section 1310 of the Charter of the City of Santa Clara, entitled “Contracts on public works”, is amended and restated to read in its entirety as follows:

Sec. 1310 Contracts on public works.

Every contract involving an expenditure of more than ~~one~~ two hundred fifty thousand dollars (\$~~1,000.00~~250,000) for the construction or improvement, (excluding maintenance and repair), of public buildings, works, streets, drains, sewers, utilities, parks and playgrounds (“Public Works Projects”) shall be let to the lowest responsive and responsible bidder after notice by publication in an official newspaper by one or more insertions, the first of which shall be at least ten days before the time for opening bids.

“Major Public Works Projects,” defined as projects estimated to cost greater than \$500,000, shall be subject to approval by the City Council. “Minor Public Works Projects” defined as projects estimated to cost \$500,000 or less shall be subject to approval by the City Manager.

The City Council or the City Manager, whichever is the approving authority, may reject any and all bids presented and may re-advertise in its discretion.

~~The City Council~~ Such approving authority, without advertising for bids, or after rejecting bids, or if no bids are received, 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, upon such determination, the City ~~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. Such contracts likewise may be let without advertising for bids, if such work shall be deemed by the ~~City Council~~ approving authority to be of urgent necessity for the preservation of life, health or property, ~~and shall be authorized by motion passed by at least four affirmative votes and containing a declaration of the facts constituting such urgency.~~

The City Council may adopt an ordinance to implement the terms of this Section. Such ordinance may include limited exceptions to the bid solicitation and award provisions set forth above, including special procurement rules for utility projects; provided, however, that any such exception(s) or special rule(s) shall be implemented as part of a City-wide policy or program determined to be in the best overall interests of the City.

Notwithstanding any provisions of this Charter to the contrary, the City may also employ a design-build process for the procurement of Public Works projects. A “design-build process” shall mean a process in which the design and construction of a Public Works Project are procured from a single entity. Prior to employing the design-build process, the City Council shall, by ordinance, establish solicitation and procurement procedures and standards to solicit, qualify, evaluate and select design-build proposals.

The provisions of this section of the Charter, and any and all provisions of City ordinances that are consistent and adopted in connection herewith, shall supersede any and all inconsistent state laws or regulations that may otherwise be applicable to the City's public works procurement processes.

City Transparency and Accountability Plan

Potential November 2024 City General Obligation Bond Measure

Based on community priorities from voter polling and community outreach, and to meet the City's \$624 M infrastructure needs, staff recommend that the City Council place a General Obligation (GO) bond measure on the November 2024 ballot. Voter polling indicates that the community is equally supportive of either a \$598 M bond measure or a \$298 M bond measure. Because of this voter willingness, and the significant infrastructure needs in Santa Clara, staff is recommending the proposed \$598 M bond measure option. The proposed bond would be up to \$598 M. In a \$598 M scenario, the bond would be funded by leveraging up to an estimated \$29 per \$100,000 of assessed (not market) property value.

As part of the Council presentation, staff will also present the financial breakdown of a potential bond option for \$298 M and is seeking council direction.

Transparency and Accountability

Both community and City Council feedback included guidance on developing a Transparency and Accountability Plan as part of the proposed bond measure. The City's proposed GO bond measure would incorporate stringent transparency and accountability provisions as outlined in the following Transparency and Accountability Plan. Additionally, all components of the City's Accountability and Transparency Plan will meet all requirements for ACA 10.

Transparency and Accountability Plan

1. Council approval of an Expenditure Plan, including project category areas and related spending amounts, concurrent with placing a bond on the ballot. [Ordinance Section 13(b)(i)]
2. Process for making changes to the Expenditure Plan would require:
 - Staff recommendation;
 - Community Oversight Committee review and input; and
 - Unanimous approval from the City Council. [Ordinance Section 13(b)(ii)]
3. A Community Oversight Committee will be formed to ensure compliance with bond measure requirements. The Committee will consist of nine members selected by a lottery process made up of:
 - Seven residents;
 - One small business representative; and
 - One large business representative.

Business representatives shall have experience in budgeting, accounting, finance, and/or audit. Additionally, no business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City of Santa Clara. Business representatives need not be residents but must be an owner or employee of a business headquartered within the City. Members appointed to the Committee shall receive educational training about bonds and fiscal oversight.

The role of the Committee shall be to (a) ensure that project implementation is consistent with the bond requirements and the Expenditure Plan, (b) review and report on annual audits, and (c) review and provide recommendations to the City Council on any proposed amendment to the Expenditure Plan. [Ordinance Sections 13(a)(viii) and 13(b)(iv)]

Transparency and Accountability Plan

4. Bond expenditures would be subject to independent annual audit with public auditor presentations to the Community Oversight Committee and Council Audit Committee, along with submittal to the State Auditor for review. [Ordinance Sections 13(a)(iv)-(vii) and 13(b)(v)]
5. Strict prohibition on the use of any bond proceeds for:
 - Levi's Stadium improvements;
 - Any projects for the sole benefit of Levi's Stadium; and
 - Any projects within the 0.5 miles of Levi's Stadium, except improvements in existing residential neighborhoods or business districts designed to be of substantial direct benefit to those areas and not Levi's Stadium; and
 - For the direct or indirect benefit of any professional sports team [Ordinance Section 13(b)(iii)]
6. Funds could only be used for public infrastructure projects that serve the City of Santa Clara. [Ordinance Section 13(a)(ii)]
7. All bond proceeds are to be deposited into a separate account(s) and tracked on a project-by-project basis to facilitate project oversight and legal compliance audits. [Ordinance Section 13(a)(x)]
8. No money could be used for employee salaries or benefits, with the exception of normal and customary personnel charges for project management and delivery services. Project administrative costs shall not exceed 5% of the proceeds from sale of the bonds. [Ordinance Section 13(a)(i)]
9. Annual public presentation on the Expenditure Plan and Project Status Report to the Community Oversight Committee and the City Council presented by the City Manager, or their designee. [Ordinance Section 13(b)(v)]
10. For projects requiring mail notice, increase the requirement for mail notifications to all properties surrounding bond funded projects from 500 feet to 1,000 feet. [Ordinance Section 13(b)(v)]
11. Communications on bond funded projects:
 - City webpage conveying status of all bond funded projects; and
 - Public signage surrounding projects funded by bond proceeds. [Ordinance Section 13(b)(v)]

Proposed General Obligation Bond Expenditure Plan
\$598 Million Bond Measure

Category	Proposed Dollar Amount	Proposed Project Areas
Street Repairs and Transportation	125,000,000	<ul style="list-style-type: none"> - Pavement Maintenance and Rehabilitation - Safe Routes to School - Pedestrian, Bicycle, and Driver Safety Improvements - ADA Improvements - Sidewalk, Curb and Gutter Improvements - Median Island Improvements
Fire Stations and Public Safety	175,000,000	<ul style="list-style-type: none"> - Fire Station Replacements and Renovations - Police Training and Emergency Operations Center/ Disaster Response - Fire Training Tower Renovation - Stationary Emergency Generators
Parks and Community Facilities	150,000,000	<ul style="list-style-type: none"> - Playground Rehabilitations - Park Renovations - Senior Center/Community Center Renovations - Aquatic Facilities Renovations - Library Improvements
Stormdrain and Flood Protection	100,000,000	<ul style="list-style-type: none"> - Stormdrain System Improvements - Storm Water Retention Basin Remediation - Green Stormwater Infrastructure Design/Construction - Pump Stations Rehabilitations
Other Critical City Infrastructure	45,000,000	<ul style="list-style-type: none"> - ADA Transition Plan Implementation (Public Buildings) - Historic Building Renovations - City Hall Improvements - Public Parking Lot Improvements - Energy Efficiency Renovations
Bond Issuance Cost	3,000,000	
Total	\$598,000,000	

Potential General Obligation Bond – Proposed Projects
(\$598 Million Measure)

Proposed Projects	Proposed Amount
Street Repairs and Transportation	
1235 - Street Resurfacing and Rehabilitation Program	50,000,000
ADA Transition Plan Implementation (Public Right of Way)	25,000,000
Safe Routes to School/Bike/Ped/Driver Safety	15,000,000
1382 - Sidewalk, Curb and Gutter Improvements	3,000,000
1248 - Pruneridge Avenue Complete Streets Plan	2,950,000
1203 - Creek Trail Rehabilitation Program	2,500,000
1325 - Bridge Improvements Program	2,170,000
1270 - Public Alley Pavement Rehabilitation	2,060,000
Median Island Improvements	1,700,000
1269 - Bicycle Route Wayfinding - Phase I	300,000
Contingency/Escalation	20,320,000
Street Repairs and Transportation Total	\$125,000,000
Fire Stations and Public Safety	
Fire Station 1 and Fire Headquarters Building Renovation	50,000,000
Police Training and Emergency Operations Center/Disaster Response	50,000,000
6186 - Fire Station 5 Replacement	28,175,000
Fire Station Renovations (e.g., Fire Stations 7 and 9 over 50 years old)	10,000,000
6158 - Stationary Emergency Generators	5,000,000
Fire Station 1 and 8 Security Upgrades	1,910,000
4070 - Training Tower Renovation	783,000
Contingency/Escalation	29,132,000
Fire Stations and Public Safety Total	\$175,000,000
Parks and Community Facilities	
Aged Parks and Buildings Infrastructure in Critical/Poor Condition (2018 Facility Condition Assessment Report)	63,843,000
Aquatic Facilities Renovations	43,850,000
3195 - Henry Schmidt Park Playground Rehabilitation	4,325,000
3187 - Bowers Park Roof/Building Replacement	4,250,000
3137 - Warburton Park Playground Rehabilitation	3,000,000
3131 - Earl Carmichael Park Playground Rehabilitation	2,892,000
3190 - Mary Gomez Park Rehabilitation	2,530,000
Central Park Library Improvements	501,000
Mission Branch Library - HVAC Replacement	20,000
Contingency/Escalation	24,789,000
Parks and Community Facilities Total	\$150,000,000

Potential General Obligation Bond – Proposed Projects
(\$598 Million Measure)

Proposed Projects	Proposed Amount
Stormdrain and Flood Protection	
1834 - Stormdrain System Improvements	61,465,000
1837 - Storm Water Retention Basin Remediation	9,209,000
Green Stormwater Infrastructure Design & Construction	6,645,000
1843 - Lafayette St. Underpass at Subway Pump Station	4,946,000
Bowers Ave Underpass SDPS Rehabilitation	2,030,000
1838 - SDPS Motor and Control Replacement	347,000
1835 - Stormdrain Pump Station Outfall Reconstruction Program	250,000
1831 - Stormdrain Renovations	150,000
Contingency/Escalation	14,958,000
Stormdrain and Flood Protection Total	\$100,000,000
Other Critical City Infrastructure	
6138 - Modifications to City Buildings	12,000,000
6184 - ADA Transition Plan Implementation (Public Buildings)	8,250,000
6148 - City Hall HVAC Rehabilitation Project	6,282,000
6139 - Renovations to Historic Buildings	6,000,000
Energy Efficiency Improvements	3,200,000
6140 - Triton Museum Improvements and Roof Replacement	987,000
City Buildings Improvements	500,000
6123 - Public Building Parking Lot Improvements	400,000
Contingency/Escalation	7,381,000
Other Critical City Infrastructure Total	\$45,000,000
Bond Issuance Cost	\$3,000,000
Total	\$598,000,000

Proposed General Obligation Bond Expenditure Plan
\$298 Million Bond Measure

Category	Proposed Dollar Amount	Proposed Project Areas
Street Repairs and Transportation	75,000,000	<ul style="list-style-type: none"> - Pavement Maintenance and Rehabilitation - Safe Routes to School - Pedestrian, Bicycle, and Driver Safety Improvements - ADA Improvements - Sidewalk, Curb and Gutter Improvements - Median Island Improvements
Fire Stations and Public Safety	75,000,000	<ul style="list-style-type: none"> - Fire Station Replacements and Renovations - Police Training and Emergency Operations Center/ Disaster Response - Fire Training Tower Renovation - Stationary Emergency Generators
Parks and Community Facilities	75,000,000	<ul style="list-style-type: none"> - Playground Rehabilitations - Park Renovations - Senior Center/Community Center Renovations - Aquatic Facilities Renovations - Library Improvements
Stormdrain and Flood Protection	50,000,000	<ul style="list-style-type: none"> - Stormdrain System Improvements - Storm Water Retention Basin Remediation - Green Stormwater Infrastructure Design/Construction - Pump Stations Rehabilitations
Other Critical City Infrastructure	21,500,000	<ul style="list-style-type: none"> - ADA Transition Plan Implementation (Public Buildings) - Historic Building Renovations - Improvements to City Buildings / City Hall
Bond Issuance Cost	1,500,000	
Total	\$298,000,000	

Potential General Obligation Bond – Proposed Projects
(\$298 Million Measure)

Proposed Projects	Proposed Amount
Street Repairs and Transportation	
1235 - Street Resurfacing and Rehabilitation Program	32,000,000
ADA Transition Plan Implementation (Public Right of Way)	8,494,000
Safe Routes to School/Bike/Ped/Driver Safety	8,000,000
1248 - Pruneridge Avenue Complete Streets Plan	2,950,000
1382 - Sidewalk, Curb and Gutter Improvements	2,730,000
1325 - Bridge Improvements Program	2,170,000
1270 - Public Alley Pavement Rehabilitation	2,060,000
1203 - Creek Trail Rehabilitation Program	1,900,000
Median Island Improvements	1,700,000
1269 - Bicycle Route Wayfinding - Phase I	300,000
Contingency/Escalation	12,696,000
Street Repairs and Transportation Total	\$75,000,000
Fire Stations and Public Safety	
6186 - Fire Station 5 Replacement	28,175,000
Fire Station Renovations (e.g., Fire Stations 1, 7, 9 over 50 years old)	17,000,000
Police Training and Emergency Operations Center/Disaster Response	9,000,000
6158 - Stationary Emergency Generators	7,705,000
4070 - Training Tower Renovation	783,000
Contingency/Escalation	12,337,000
Fire Stations and Public Safety Total	\$75,000,000
Parks and Community Facilities	
Aged Parks, Buildings, and Aquatics Infrastructure in Critical/Poor Condition (2018 Facility Condition Assessment Report)	45,182,000
3195 - Henry Schmidt Park Playground Rehabilitation	4,325,000
3187 - Bowers Park Roof/Building Replacement	4,250,000
3137 - Warburton Park Playground Rehabilitation	3,000,000
3131 - Earl Carmichael Park Playground Rehabilitation	2,892,000
3190 - Mary Gomez Park Rehabilitation	2,530,000
Central Park Library Improvements	501,000
Mission Branch Library - HVAC Replacement	20,000
Contingency/Escalation	12,300,000
Parks and Community Facilities Total	\$75,000,000

Potential General Obligation Bond – Proposed Projects
(\$298 Million Measure)

Proposed Projects	Proposed Amount
Stormdrain and Flood Protection	
1834 - Stormdrain System Improvements	17,765,000
1837 - Storm Water Retention Basin Remediation	9,209,000
Green Stormwater Infrastructure Design & Construction	6,645,000
1843 - Lafayette St. Underpass at Subway Pump Station	4,946,000
Bowers Ave Underpass SDPS Rehabilitation	2,030,000
1838 - SDPS Motor and Control Replacement	347,000
1835 - Stormdrain Pump Station Outfall Reconstruction Program	250,000
1831 - Stormdrain Renovations	150,000
Contingency/Escalation	8,658,000
Stormdrain and Flood Protection Total	\$50,000,000
Other Critical City Infrastructure	
6184 - ADA Transition Plan Implementation (Public Buildings)	8,250,000
6138 - Modifications to City Buildings	6,500,000
6139 - Renovations to Historic Buildings	2,000,000
6140 - Triton Museum Improvements and Roof Replacement	986,800
Contingency/Escalation	3,763,200
Other Critical City Infrastructure Total	\$21,500,000
Bond Issuance Cost	\$1,500,000
Total	\$298,000,000

ORDINANCE NO. 2069

AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, ORDERING THE SUBMISSION OF A MEASURE INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF SANTA CLARA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF FINANCING THE COST OF THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY, SUBJECT TO ACCOUNTABILITY MEASURES AND COMPLIANCE WITH AN ADOPTED EXPENDITURE PLAN

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;

WHEREAS, the City desires to undertake certain public infrastructure improvements for the City consisting of streets and transportation improvements, improvements to public safety facilities, improvements to parks and community facilities, storm drain and flood collection improvements, and improvements to other City facilities, as more particularly described below (collectively, the “Improvements”);

WHEREAS, the City is authorized to call an election for the purpose of incurring bonded indebtedness and to authorize the issuance of bonds to finance the Improvements, which constitute public infrastructure of the City, pursuant to certain provisions of the California Constitution, including Article XIII A, the California Government Code, including Article 1 of Chapter 4 of Division 4 of Title 4 (commencing with Section 43600) and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) (collectively, the “Bond Law”);

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WHEREAS, the City intends to issue its general obligation bonds (the “Bonds”) under and pursuant to the Bond Law to finance the cost of the acquisition and construction of the Improvements;

WHEREAS, under existing law, approval of the Bonds requires 2/3rds of the voters in the City voting on the measure to vote in favor of the measure;

WHEREAS, Assembly Constitutional Amendment No. 1 (“ACA1”) has qualified for the November 5, 2024 Statewide ballot and would, among other things, change existing law to authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure if the measure proposing that tax is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, and the measure includes specified accountability requirements;

WHEREAS, the foregoing constitutional amendments effectuated by ACA1, if approved at the November 5, 2024 Statewide ballot, would apply to any measure authorizing general obligation bonds of a city that is submitted at the same election as the Voter Approval Ballot Measure;

WHEREAS, the measure to approve the Bonds is intended to and will comply with all the provisions of ACA1, including all of its accountability requirements, so that, if ACA1 is approved on November 5, 2024, approval of the Bonds shall require that 55% (not 2/3rds) of the voters in the City voting on the measure vote in favor of the measure; and

WHEREAS, if the ballot measure authorizing issuance of the Bonds is approved by the requisite number of affirmative votes, the City will be authorized to issue the Bonds.

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**NOW, THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA
AS FOLLOWS:**

1. Recitals Correct. The foregoing recitals are true and correct.
2. Purpose and Intent. Pursuant to the authority provided by the California Government Code and California Elections Code, the purpose and intent of this Ordinance is to authorize and direct the submittal to the qualified voters of the City at the general municipal election to be held on November 5, 2024, of a measure authorizing the City to issue general obligation bonds (the “Bonds”) for the purpose of financing the Improvements on the terms set forth below.
3. Findings. The City Council hereby makes the following findings with respect to the proposed measure for the Bonds:

(i) On July 9, 2024, the City Council adopted, by a two-thirds vote of all its members, a resolution entitled “A Resolution of the City Council of the City of Santa Clara, California, Determining that the Public Interest and Necessity Demand the Acquisition, Construction and Improvement of Municipal Improvement Projects Constituting Public Infrastructure of the City, and Their Financing Through the Issuance of General Obligation Bonds,” pursuant to which the City Council has found and determined that the public interest and necessity demand the issuance of general obligation bonds to finance the Improvements, which are municipal improvement projects constituting public infrastructure of the City.

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(ii) In order to provide for the issuance by the City of general obligation bonds to provide financing for the Improvements, it is necessary for the City Council to adopt an ordinance ordering the submission of the measure of incurring bonded indebtedness for such purpose to the qualified voters of the City at a municipal election.

(iii) The City Council desires to submit said ballot measure to the qualified voters of the City at the regular election to be held in the City on November 5, 2024, and to consolidate the bond election with other elections held within the City on that date, by a resolution adopted after the adoption of this Ordinance pursuant to California Elections Code Section 10403 (the "Resolution Calling Election").

4. Call for Election. The City Council hereby orders that there be submitted to the qualified voters of the City, pursuant to the Resolution Calling Election, a measure on incurring bonded indebtedness for the purposes set forth in this Ordinance, at the regular election to be held on November 5, 2024.

5. Ballot Measure. The City Council hereby submits to the qualified voters of the City, at the regular election to be held on November 5, 2024, a measure on issuing the Bonds. The statement of the measure shall be in substantially the form set forth in the resolution of the City placing the measure on the ballot.

6. Object and Purpose of Bonds. The object and purpose of the Bonds is to finance some or all of the costs of the Improvements. The Improvements are more particularly described in that certain Expenditure Plan ("Expenditure Plan") to be attached as Exhibit A to this Ordinance, which shall be approved by the City Council by separate Resolution and presented to the voters as part of the measure for the Bonds.

The authorized Improvements will include all work, facilities and expenditures necessary and incidental to the Improvements described in the Expenditure Plan. Examples of such work, facilities, and expenditures include, but are not limited to: costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes and other applicable law, including the Americans with Disabilities Act; costs of the bond election; bond issuance costs; project administration during the duration of such projects, including reimbursement of City staff time; and financing and interest costs on the Bonds.

The final costs, locations, designs, layouts and other components of the Improvements will be determined as plans are finalized, construction bids are awarded, and projects are completed. Therefore, the City Council cannot guarantee that the Bonds will provide sufficient funds to allow completion of all needed Improvements.

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7. Estimated Cost of Improvements. The estimated cost of the Improvements is \$400,000,000. The estimated cost includes legal or other fees, the costs of printing the Bonds, and other costs and expenses incidental to or connected with the authorization, issuance and sale of the Bonds. To the extent the Improvements financed are revenue-producing public works, the cost of the Improvements may also include bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.

8. Principal Amount of Bonds. The aggregate principal of the Bonds shall not exceed \$400,000,000.00.

9. Maximum Interest Rate. The maximum rate of interest to be paid on the Bonds shall be the statutory maximum of 12% per annum. Said interest shall be payable semiannually, except that interest for the first year after the date of the Bonds may be made payable at the end of said year. The actual interest rates of each series of the Bonds will be determined at the time of each respective Bond sale.

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10. Issuance and Sale of Bonds. The City proposes to issue and sell the Bonds pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, or Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, in one or more series, in the maximum amount and for the objects and purposes set forth above if the requisite number of qualified voters voting on the measure vote in favor thereof. The Bonds will be general obligations of the City payable solely from and secured by ad valorem taxes levied and collected in the manner prescribed by the laws of the State of California, and not from the general fund or other funds of the City. The revenue generated from the ad valorem tax levied and collected will be used for the payment of debt service on the Bonds. All of the Bonds shall be equally and ratably secured, without priority, by the taxing power of the City.

11. Manner of Conducting Election. The election on the Bonds held on November 5, 2024 shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted, and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the Resolution Calling Election and the provisions of California law regulating the election with which it is consolidated.

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12. Procedure for Voting on Measure. Ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the measure on the ballot, in accordance with procedures to be adopted by the authorized officers of the County of Santa Clara (the “County”) charged with conducting the election.

13. Transparency and Accountability Requirements.

(a) In order to comply with ACA1 and Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability requirements relating to the Bonds (the “State Accountability Requirements”):

(i) The proceeds from the sale of the Bonds shall be used only for the purposes specified in this Ordinance, and not for any other purpose, including City employee salaries (other than for reimbursement of staff costs incurred in providing normal and customary project management and delivery services for the Improvements (“Project Related Administrative Costs”)), and other operating expenses. The administrative cost of the City for the Improvements, including any and all Project Related Administrative Costs, shall not exceed 5% of the proceeds from the sale of the Bonds.

(ii) The proceeds from the sale of the Bonds shall only be spent on projects and programs that serve the jurisdiction of the City.

(iii) This Ordinance shall be the ordinance through which projects will be funded and the City hereby certifies that it has evaluated alternative funding sources.

(iv) The City shall conduct an annual, independent performance audit to ensure that the Bond funds are expended pursuant to this Ordinance.

(v) The City shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the public infrastructure authorized by this Ordinance.

(vi) The City shall post the audits required by clauses (iv) and (v) in a manner that is easily accessible to the public.

(vii) The City shall submit the audits required by clauses (iv) and (v) to the California State Auditor for review.

(viii) The City shall appoint a citizens' oversight committee (the "Bond Compliance COC") to ensure that Bond proceeds are expended only for the purposes described in the measure approved by the voters. Members appointed to the Bond Compliance COC shall receive educational training about bonds and fiscal oversight.

(ix) Any entity owned or controlled by a member of the City Council shall be prohibited from bidding on any work funded by the measure.

(x) A separate account shall be created and held by the City, into which the proceeds of the Bonds shall be deposited and applied solely for the Improvements. Expenditures shall be tracked on a project by project basis to facilitate project oversight and compliance audits.

(xi) The City's Director of Finance shall file a report with the City Council at least annually showing the amount of Bond proceeds collected and expended, and the status of the Improvements.

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If approved by California voters, any transparency or accountability provisions of ACA1 not already expressly provided herein are hereby incorporated by reference in this Ordinance. The City Council hereby declares its intent that this Ordinance and the accountability measures contained herein shall comply with ACA1 and any and all other statutory or other requirements determined to be required for compliance with ACA1. To the extent any provision of this Ordinance is determined to be inconsistent with the terms of ACA1, or any other applicable state law, the City is authorized and directed to make any necessary conforming changes.

(b) In addition to the State Accountability Requirements, the City Council hereby adopts the following local accountability and transparency requirements relating to the Bonds and the use of Bond proceeds (“Local Accountability Requirements”):

(i) Expenditure Plan Requirements. Bond proceeds shall only be used on Improvements in strict accordance with the terms of the adopted Expenditure Plan, as it may be amended from time to time subject to the requirements of Section 13(b)(ii), below.

(ii) Required Process for Amending Expenditure Plan. City staff shall review, analyze and make a recommendation on any proposed substantive amendment to the Expenditure Plan (“Amendment”). Prior to City Council consideration, any such proposed Amendment shall first be submitted to the Bond Compliance COC for their review and recommendation. Any proposed Amendment shall require the unanimous approval of the City Council.

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(iii) Prohibited Uses. In no event shall Bond proceeds may be used for (I) improvements to Levi's Stadium; (II) any Improvements projects for the sole benefit of Levi's Stadium; (III) Improvements projects within .5 miles of Levi's Stadium, except Improvements in existing residential neighborhoods designed to be of substantial direct benefit to those areas and not Levi's Stadium; or (IV) the direct or indirect benefit of any professional sports team.

(iv) Additional Terms for the Bond Compliance COC. The Bond Compliance COC shall consist of 9 members selected by a lottery process and appointed by Council. The committee shall include seven residents, one large business representative, and one small business representative (neither of which must be residents, but both must be either an owner or employee of a business headquartered within the City). Additionally, no business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City. The role of the Bond Compliance Committee shall be to (I) ensure that project implementation is consistent with all Bond measure requirements, including the terms of the Expenditure Plan; (II) review and report on annual audits, and (III) review and provided recommendations to the City Council on any proposed amendment to the Expenditure Plan, and (IV) to inform the public concerning the expenditure of Bond proceeds.

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(v) Communications Program. There shall be a Bond measure communications program to enhance accountability and transparency including, at a minimum, the following elements: (I) requirement for an annual public presentation on the Expenditure Plan and the status of the implementation of Improvements projects to the Bond Compliance COC and the City Council presented by the City Manager; (II) requirements for an annual presentation of the independent annual audit(s) required in Section 13(b) above to the COC and the Council Audit Committee; (III) status of all Bond funded projects to be communicated on the City's webpage; and (IV) notice of all proposed Improvements projects to residents within 1,000 feet of such project(s), with public signage providing further information at the project site(s).

These Local Accountability Requirements are intended to supplement and not replace ACA1 or any other applicable state law. To the extent of any duplication or inconsistency, the requirement(s) requiring the greater degree of transparency or accountability shall apply.

14. Identification of Tax. The tax imposed by this measure is an ad valorem tax levied upon taxable property in the City, and will be used to pay the principal and interest on the Bonds.

15. Official Actions. The Mayor, the City Manager, the Director of Finance, the City Clerk, and any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the Bond measure on the ballot.

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16. Interpretation. The provisions of this Ordinance, being necessary for the health, welfare, and safety of the City and its residents, is to be liberally interpreted to carry out its purposes. No error, irregularity or informality, and no neglect or omission of any officer, in any proceeding taken related to the submission of the measure incurring bonded indebtedness to the qualified voters of the City shall void or invalidate any such proceeding, any Bonds issued by the City or any levy of ad valorem taxes to pay principal of and interest on the Bonds.

17. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or applications, and to this end the provisions this Ordinance are declared to be severable.

18. Publication of Ordinance. The City Clerk shall cause the proposed ordinance to be posted at least three (3) days prior to its adoption in three (3) public places in the City and at least three (3) days prior to the ordinance adoption shall cause a single publication in an official newspaper. In accordance with Section 43611 of the California Government Code, this Ordinance shall also be published once a day for at least seven days in a newspaper published at least six days a week in the City, or once a week for two weeks in a newspaper published less than six days a week in the City. The first of said publications shall, in either event, be within 15 days after the adoption of this Ordinance. No other notice need be given.

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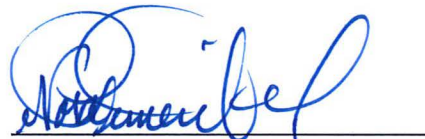
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19. Adoption; Effective Date. This Ordinance must be adopted by two-thirds of all members of the City Council. When adopted, in accordance with Section 36937(a) of the California Government Code, this Ordinance shall become effective immediately, as an ordinance relating to an election.

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 9TH DAY OF JULY, 2024, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Becker, Chahal, Hardy, Jain, and Watanabe, and Mayor Gillmor
NOES:	COUNCILORS:	Park
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:




NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Exhibit A – Expenditure Plan

EXHIBIT A
EXPENDITURE PLAN




City Council Meeting

Item # 5

- Discussion and Potential Actions Related to Proposed November 2024 Ballot Measure Authorizing the Issuance of General Obligation Bond Debt to Fund Public Infrastructure
- Discussion and Council Direction on a Proposed Charter Amendment Regarding Public Works Procurement [Charter Section 1310] to Update the City's Public Works Bidding and Contracting Authority, Allow for Design-Build Projects and Implement Other Technical Changes

July 9, 2024



City of Santa Clara
The Center of What's Possible

Presenters

Staff:

- Jovan Grogan, City Manager
- Glen Googins, City Attorney
- Jeremy Ray, Deputy Fire Chief
- Craig Mobeck, Director of Public Works
- Cynthia Bojorquez, Assistant City Manager/Director of Parks and Recreation
- Manuel Pineda, Chief Electric Utility Officer

Consultants:

- Ben Tulchin, Tulchin Research
- Jared Boigon, Team Civx



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The Center of What's Possible

AGENDA

- Potential Bond Measure and Charter Amendment
- City Unfunded Infrastructure Needs
- Voter Polling Results – Tulchin Research
- Community Feedback and Education – Team Civx
- Potential Bond Funding
- Transparency and Accountability Plan
- Proposed Expenditure Plan
- Charter Amendment
- Next Steps
- Council Questions/Discussion

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Potential Bond Measure - November 2024 Ballot

- Tonight, the City Council will:
 - Consider placement of a general obligation (GO) bond on the November 2024 ballot
 - Provide direction on a Charter amendment to modernize contracting practices for Public Works projects



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City General Obligation Bond History

- Last general facilities bond of record was from 1959– passed overwhelmingly
- Revenue Financing – Police Administration Building and Fire Training Center built 20 years ago
- Infrastructure bond effort initiated in 2018
- City initiated infrastructure bond again for the 2020 ballot

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UNFUNDED INFRASTRUCTURE NEEDS

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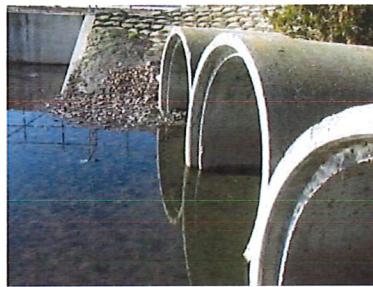
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City Infrastructure Needs

- Over \$600 million in City infrastructure needs identified where the General Fund is the primary funding source



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Why \$600 Million?

City has completed several studies over time, with no funding sources to implement the needed changes

- Parks and Recreation Facility Condition Assessment (Kitchell Report) - \$66.5M (2018 dollars)
- Storm Drain Master Plan - \$290M (2018 dollars)
- Pedestrian Master Plan - \$194M (2020 dollars)
- Creek Trail Master Plan (in progress) - \$37M estimate
- Bike Master Plan - \$40M (2019 dollars)

Without dedicated funding, City cannot act on study findings and escalation increases project costs

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General Fund Capital Reserve

Fiscal Year	Ending Balance
2020/21	\$5,335,000
2021/22	\$6,720,000
2022/23	\$6,526,000
2023/24	\$23,860,000
2024/25 est.	\$7,769,000

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Infrastructure Needs Growing

- This year alone, there were \$275 million in infrastructure requests across City departments with only \$24 million in the Capital Reserve for infrastructure purposes.



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Unfunded Infrastructure Needs

- Dedicated infrastructure funding sources are needed to:
 - Repair aging streets and fix potholes
 - Fix underground stormdrains and pipes to prevent flooding and sinkholes
 - Make roadways safer for drivers and pedestrians, and create safe routes and intersections for kids to get to school
 - Upgrade 911 communications, police, fire and emergency response facilities
 - Repair and upgrade aging parks, playgrounds, community and recreation facilities and libraries

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VOTER POLLING

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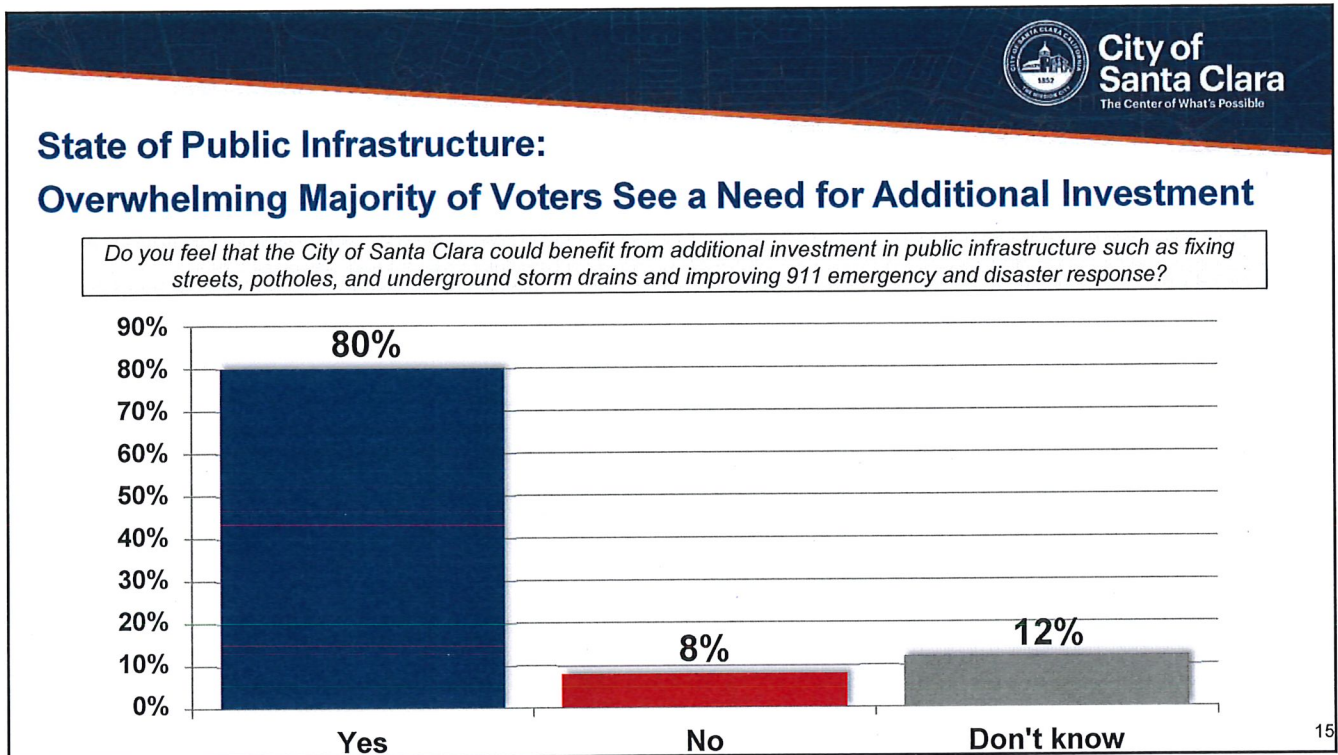


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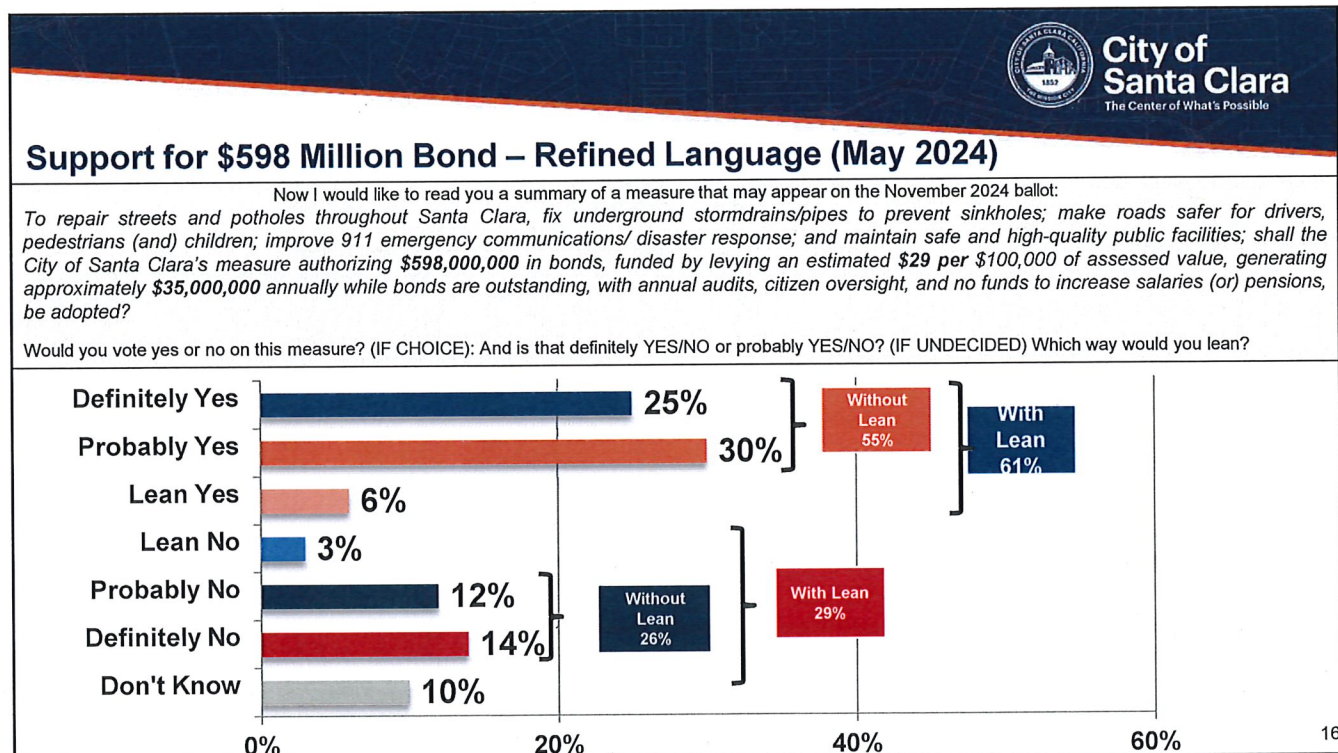
Methodology

- Multi-modal citywide survey in Santa Clara, California
- Survey(s) conducted among 400 likely November 2024 voters
 - Benchmark Survey (April 1-4, 2024)
 - Refinement Survey (May 18-22, 2024)
- Survey offered in English, Chinese, Spanish and Vietnamese
- Margin of error is $\pm 4.88\%$ for full 400 sample for both surveys

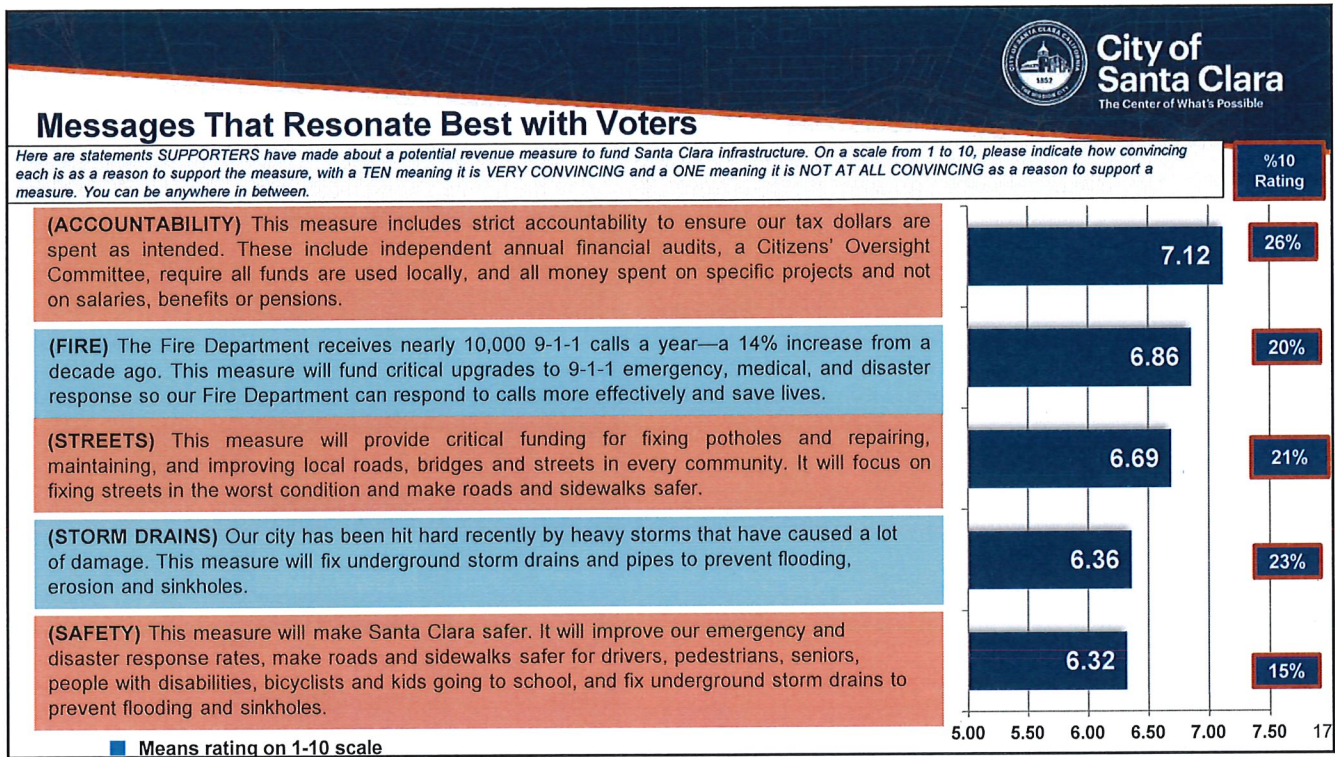
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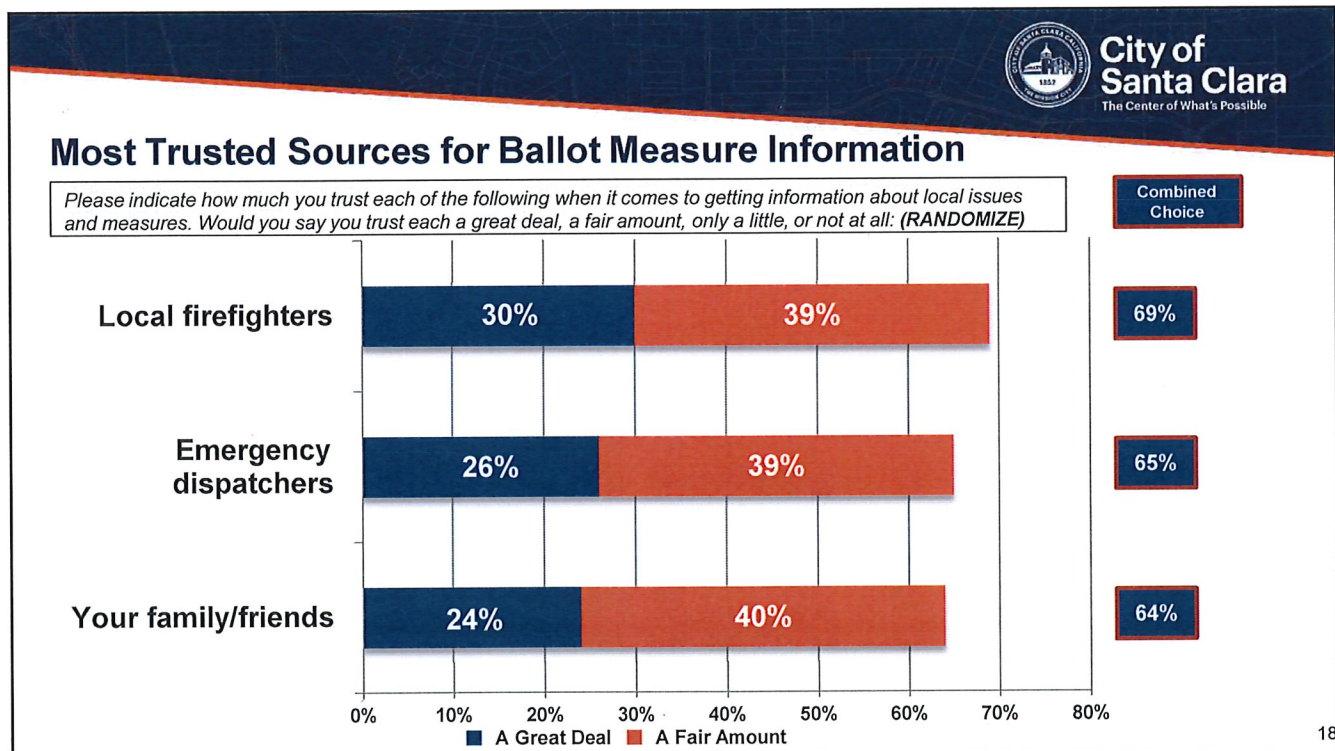
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COMMUNITY FEEDBACK AND EDUCATION

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Infrastructure Funding Needs Understood

- 80% of voters see the need for infrastructure funding - Two scientific voter polling surveys
- Council sees the need for infrastructure funding – aging infrastructure and deferred maintenance a regular topic of discussion at City Council meetings
- Santa Clara has not invested in the City's infrastructure to this extent
- As infrastructure continues to age, the need for investment will grow

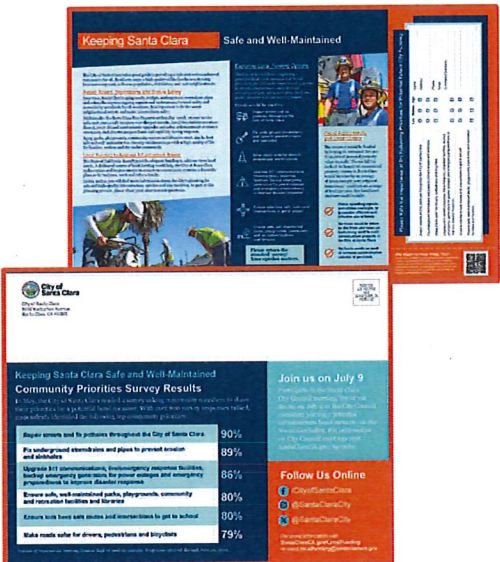
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Voter and Community Feedback

- Two scientific voter polling surveys
- Community Mailer Survey
 - Tear off survey to mail back or a QR code for online survey
 - Gathered additional thoughts from over 800 community respondents using a broad approach (approx. 500 online, over 300 mailed back)
- Sent a second voter mailer reporting back on Community Mailer Survey and inviting participation in tonight's meeting



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We Asked, You Answered –

Community Mailer Feedback Results

Keeping Santa Clara Safe and Well-Maintained Community Priorities Survey Results

In May, the City of Santa Clara mailed a survey asking community members to share their priorities for a potential bond measure. With over 800 survey responses tallied, respondents identified the following top community priorities:

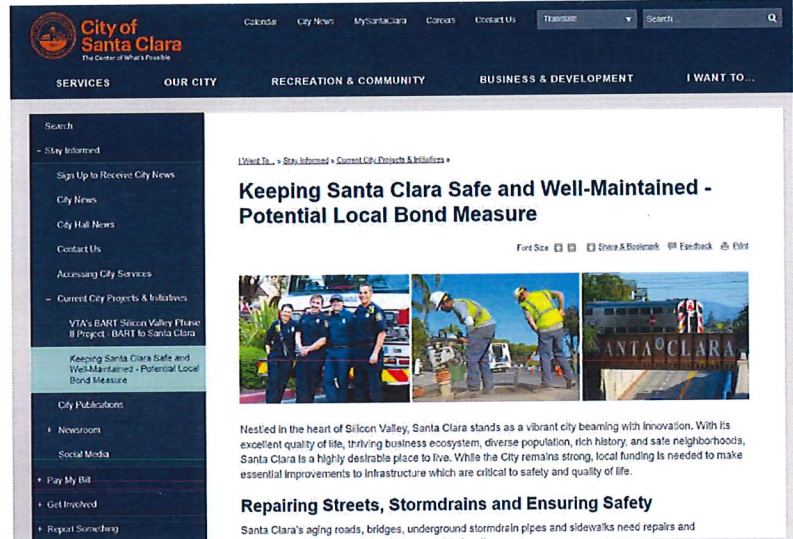
Repair streets and fix potholes throughout the City of Santa Clara	90%
Fix underground stormdrains and pipes to prevent erosion and sinkholes	89%
Upgrade 911 communications, fire/emergency response facilities, backup emergency generators for power outages and emergency preparedness to improve disaster response	86%
Ensure safe, well-maintained parks, playgrounds, community and recreation facilities and libraries	80%
Ensure kids have safe routes and intersections to get to school	80%
Make roads safer for drivers, pedestrians and bicyclists	79%

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Voter Education

- Potential general obligation bond webpage with FAQ's
- Localfunding@santacleara.gov e-mail set up to receive questions and feedback
- Educational Fact Sheets for distribution at community recreation and senior centers, libraries, and City Hall
- Social media engagement



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Best Time for a General Obligation Infrastructure Bond

Why Consider 2024?

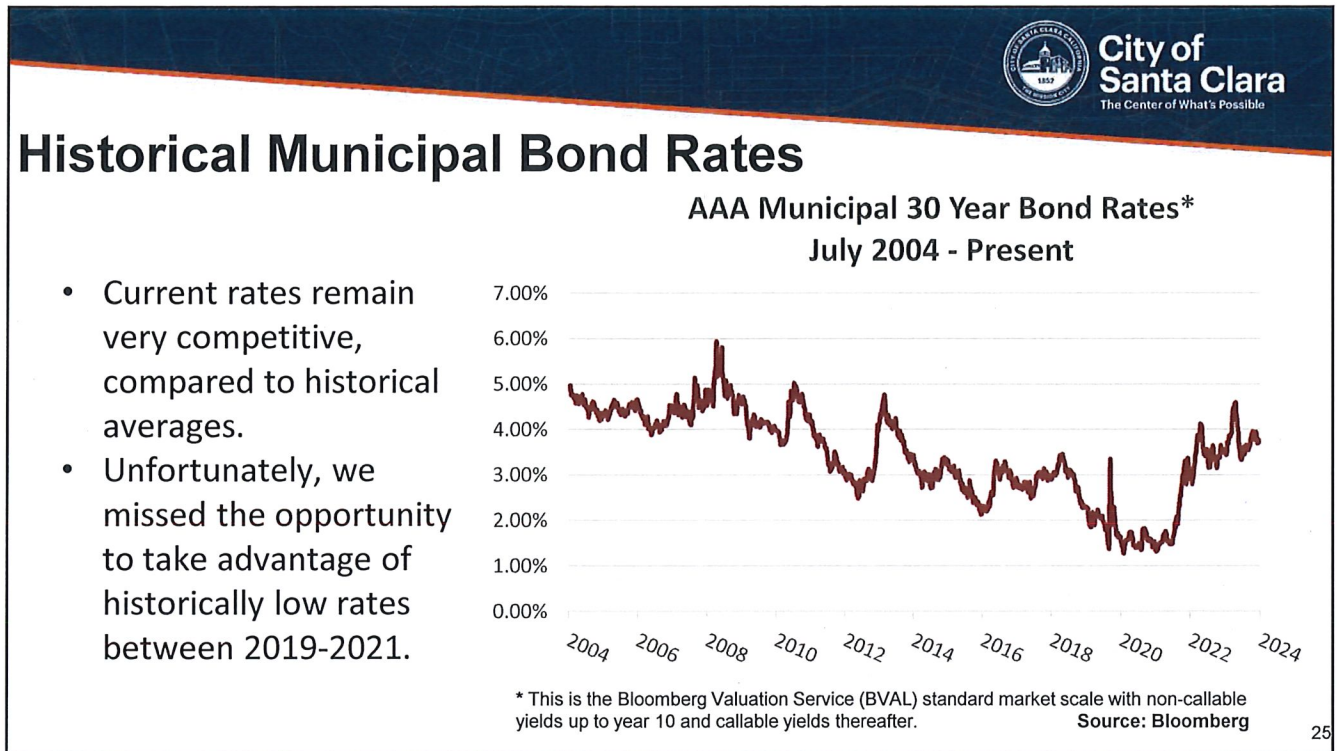
- Potential state initiative lowering threshold to 55%
- Urgency of Need
- Limited bonds on the ballot in Santa Clara
- Still relatively low historic debt interest rates

If not 2024?


- Additional School bonds could go to ballot
- Other potential changes in State law
- Problems worse and more expensive to fix

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POTENTIAL BOND MEASURE

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How Would the Proposed Bond be Funded?

A \$598 million bond scenario would:

- Levy an estimated \$29 per \$100,000 of assessed property value (not market value) annually
- Tax bill for the largest 20 commercial property owners in Santa Clara would increase by an average of \$290,000 per year
- Tax bill for a typical homeowner would increase by an average of \$195 per year

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How Would the Proposed Bond be Funded?

A \$298 million bond scenario would:

- Levy an estimated \$16 per \$100,000 of assessed property value (not market value) annually
- Tax bill for the largest 20 commercial property owners in Santa Clara would increase by an average of \$160,000 per year
- Tax bill for a typical homeowner would increase by an average of \$110 per year

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A presentation slide with a dark blue header. The header contains the City of Santa Clara logo on the left and the text "City of Santa Clara" and "The Center of What's Possible" on the right. The main body of the slide is white. It features the title "Transparency and Accountability Plan" in bold dark blue text. Below the title is a paragraph: "The proposed bond measure would include a stringent Transparency and Accountability Plan including the following eleven measures:". This is followed by a numbered list with two items. Item 1 is "Council approval of an Expenditure Plan including project category areas and related spending amounts, concurrent with placing a bond on the ballot." Item 2 is "Process for making substantive changes to Expenditure Plan would require:", followed by a bulleted list: "Staff recommendation;", "Community Oversight Committee review and input; and", and "A unanimous approval from the City Council." The number "30" is in the bottom right corner.

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Transparency and Accountability Plan Cont.

3. A Community Oversight Committee will be formed to ensure compliance with bond measure requirements. The Committee will consist of nine members selected by a lottery process made up of:

- Seven residents;
- One small business representative; and
- One large business representative.

Role of the Committee:


- (a) Ensure project implementation is consistent with bond requirements and Expenditure Plan;
- (b) Review and report on annual audits; and
- (c) Review and provide recommendations to Council on proposed amendment to the Expenditure Plan.

**Business Representative
Criteria:**

- Accounting, budget, finance, and/or auditing experience
- Limitations to serving if on other governing bodies
- Will be provided training

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Transparency and Accountability Plan Cont.

4. Bond expenditures subject to independent annual audit with public auditor presentations to Community Oversight Committee and Council Audit Committee.

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Transparency and Accountability Plan Cont.


5. Strict prohibition on the use of any bond proceeds for:

- Levi's Stadium improvements;
- Any projects for the sole benefit of Levi's Stadium;
- Any improvements within a 0.5 miles of Levi's Stadium, except improvements in existing residential neighborhoods or business districts designed to be of substantial direct benefit to those areas and not Levi's Stadium; and
- The direct or indirect benefit of any professional sports team.

*Additional legally prohibited activities include any labor costs unrelated to infrastructure improvements, for example, public safety expenses for Levi's Stadium.

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Transparency and Accountability Plan Cont.

6. Funds could only be used for public infrastructure projects in the City of Santa Clara.

7. All bond proceeds are to be deposited into a separate account(s) and tracked on a project-by-project basis to facilitate project oversight and legal compliance audits.

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Transparency and Accountability Plan Cont.

- 8.** No money could be used for employee salaries or benefits, with the exception of normal and customary personnel charges for project management and delivery services. Project administrative costs shall not exceed 5% of the proceeds from sale of the bonds.
- 9.** Annual public presentation on the Expenditure Plan and Project Status Report to the Community Oversight Committee and City Council presented by the City Manager, or their designee.

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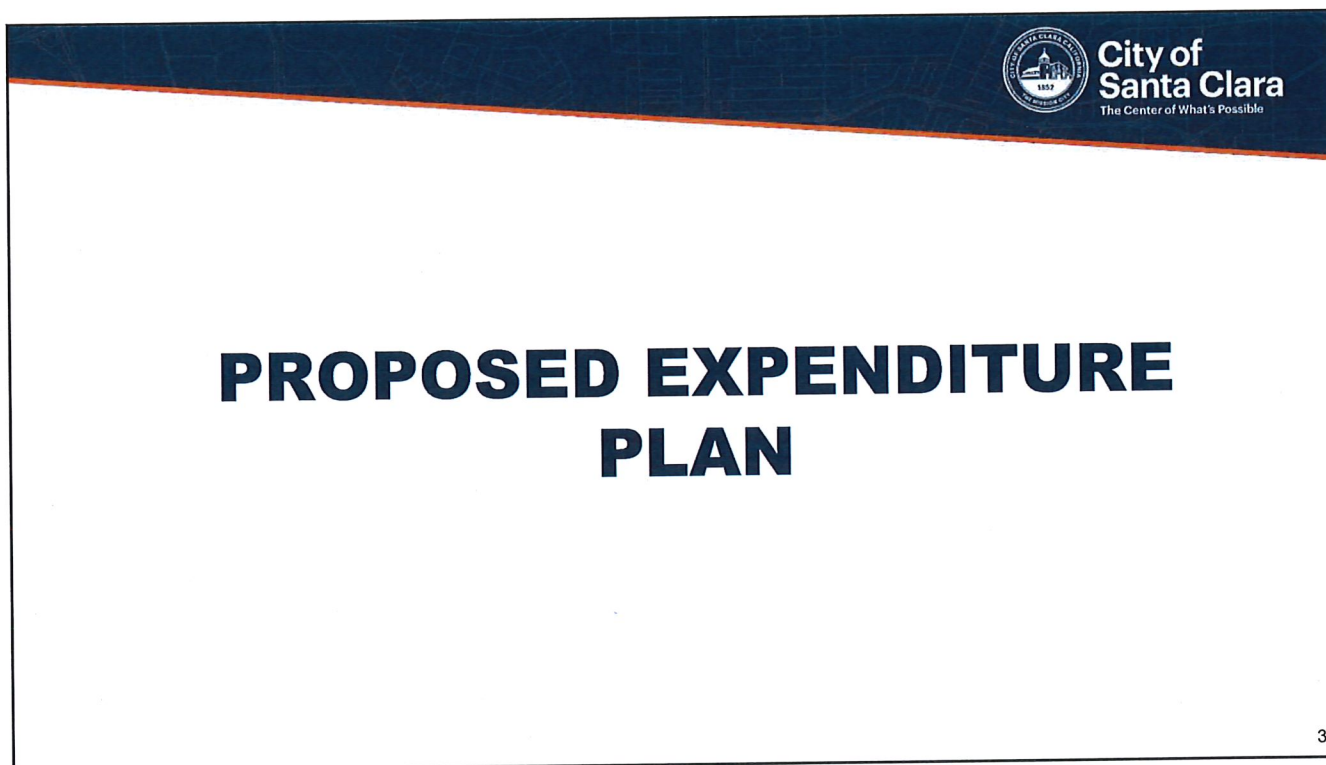
**City of
Santa Clara**
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Transparency and Accountability Plan Cont.

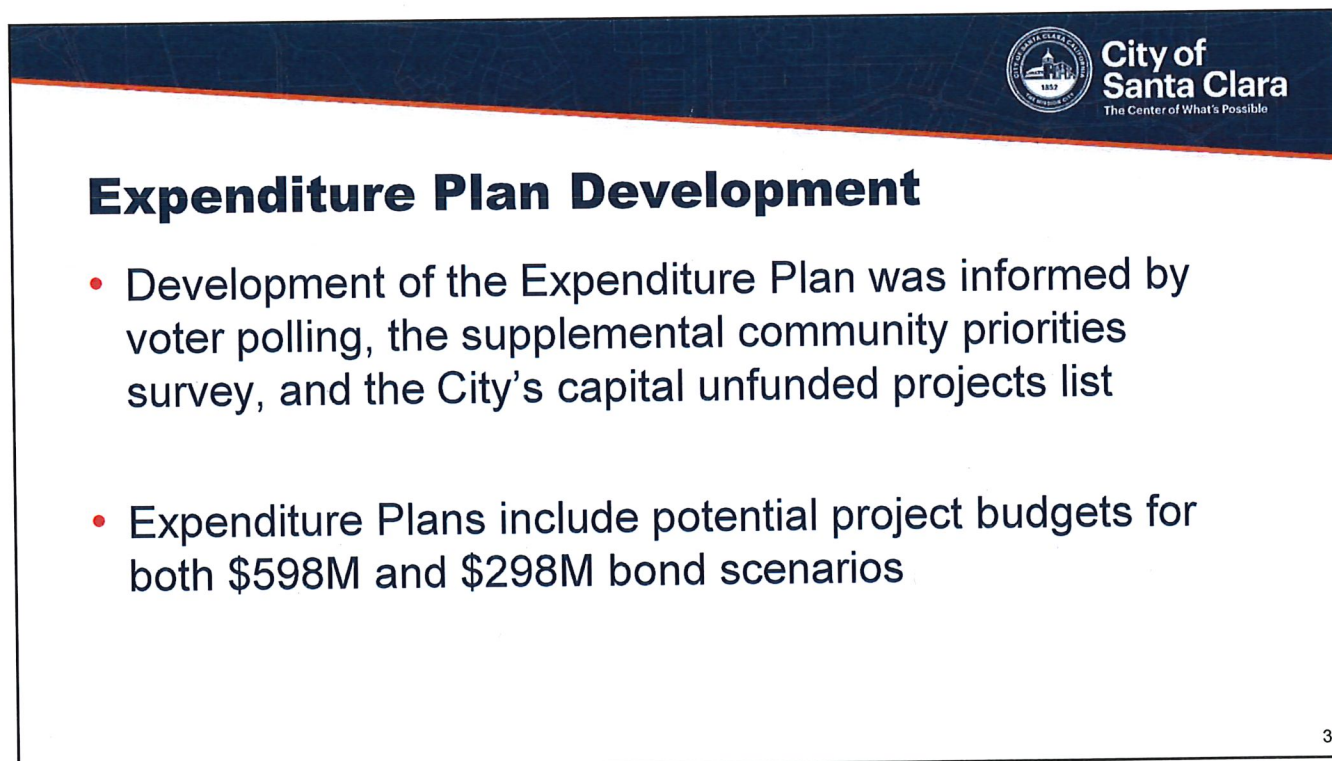
- 10.** For projects requiring mail notice, increase the requirement for mail notifications to all properties surrounding bond funded projects from 500 feet to 1,000 feet.
- 11.** Communications on bond funded projects:
 - City webpage conveying status of all bond funded projects; and
 - Public signage surrounding projects funded by bond proceeds.

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 City of Santa Clara The Center of What's Possible		
Proposed Expenditure Plan - \$598 Bond Measure		
Category	Proposed Dollar Amount	Proposed Project Areas
Street Repairs and Transportation	125,000,000	<ul style="list-style-type: none"> - Pavement Maintenance and Rehabilitation - Safe Routes to School - Pedestrian, Bicycle, and Driver Safety Improvements - ADA Improvements - Sidewalk, Curb and Gutter Improvements - Median Island Improvements
Fire Stations and Public Safety	175,000,000	<ul style="list-style-type: none"> - Fire Station Replacements and Renovations - Police Training and Emergency Operations Center/ Disaster Response - Fire Training Tower Renovation - Stationary Emergency Generators
Parks and Community Facilities	150,000,000	<ul style="list-style-type: none"> - Playground Rehabilitations - Park Renovations - Senior Center/Community Center Renovations - Aquatic Facilities Renovations - Library Improvements

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 City of Santa Clara The Center of What's Possible		
Proposed Expenditure Plan - \$598 Bond Measure Cont.		
Category	Proposed Dollar Amount	Proposed Project Areas
Stormdrain and Flood Protection	100,000,000	<ul style="list-style-type: none"> - Stormdrain System Improvements - Storm Water Retention Basin Remediation - Green Stormwater Infrastructure Design/Construction - Pump Stations Rehabilitations
Other Critical City Infrastructure	45,000,000	<ul style="list-style-type: none"> - ADA Transition Plan Implementation (Public Buildings) - Historic Building Renovations - City Hall Improvements - Public Parking Lot Improvements - Energy Efficiency Renovations
Bond Issuance Cost	3,000,000	
Total	\$598,000,000	

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Expenditure Plan Category Area

Street Repairs and Transportation

Under the category of Street Repairs and Transportation, assuming a potential \$598M bond scenario, the Expenditure Plan would allocate \$125M to the following proposed project areas:

- Pavement Maintenance and Rehabilitation
- Safe Routes to School
- Pedestrian, Bicycle, and Driver Safety Improvements
- ADA Improvements
- Sidewalk, Curb and Gutter Improvements
- Median Island Improvements

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Safe Street Improvements

- Pavement maintenance/rehabilitation work on existing paved streets
- Maintain Pavement Condition Index (PCI) of 75
- Slurry seal, overlay, grind and replace
- \$8.7M Annual Budget (Measure B, SB1, Gas Tax)
- \$2.2 M Annually Unfunded plus growing backlog



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Safe Street Improvements

- Sidewalk/curb ramp repairs
 - Current Budget \$700k
 - Grind or temp. repair
 - Minimum four-year backlog for permanent repairs
 - Estimate \$3.9 M unfunded
- Uncontrolled Crosswalks
 - Approx. 200 locations
 - Estimate \$20-\$30 M unfunded



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Expenditure Plan Category Area **Stormdrain and Flood Protection**

Under the category of Stormdrain and Flood Protection, assuming a potential \$598M bond scenario, the Expenditure Plan would allocate \$100M to the following proposed project areas:

- Stormdrain System Improvements
- Stormwater Retention Basin Remediation
- Green Stormwater Infrastructure Design/Construction
- Pump Stations Rehabilitations



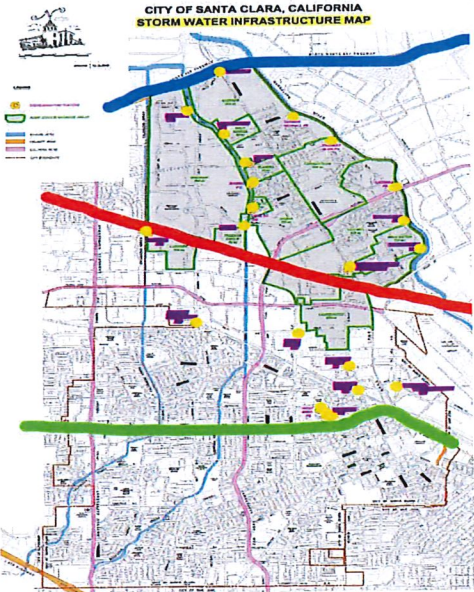
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Stormdrain System

- Conveys storm water from streets, to curb inlets, to creeks, and out to the bay.
- Approximately 200 miles of pipe
- 22 Pump Stations
- 8,400 manholes, catch basins, and outfalls







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Flood Protection

- Rebuild Deteriorated Stormwater Infrastructure
- Storm Drain Master Plan Recommendations:
 - Replace stormwater pumps & generators
 - Improve wet well structures & buildings
 - Increase pipe sizes to eliminate ponding & flooding
- Unfunded needs \$290M (2018 dollars)
- High Priority Projects \$60M
- Stormwater Retention Basin Remediation
- Lafayette St. underpass at Subway Pump Station
- Bowers Ave Underpass SDPS Rehabilitation

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

Expenditure Plan Category Area

Fire Stations and Public Safety

Under the category of Fire Stations and Public Safety, assuming a \$598M bond scenario, the Expenditure Plan would allocate \$175M to the following proposed project areas:

- Fire Station Replacements and Renovations
- Police Training and Emergency Operations Center/Disaster Response
- Fire Training Tower Renovation
- Stationary Emergency Generators

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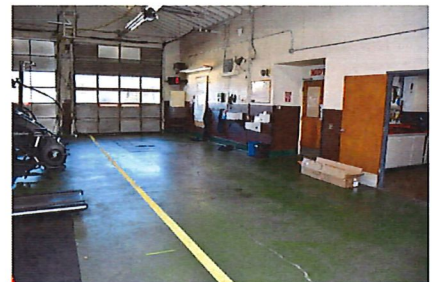
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Fire Stations and Public Safety

- Several stations are more than 50 years old and in need of replacement or renovation
- Many stations need seismic upgrades and other enhancements to ensure emergency response.
- Some of Santa Clara's older fire stations:
 - Fire Station 5 – Built in 1962
 - Fire Station 1 – Built in 1965
 - Fire Station 7 – Built in 1972
 - Fire Station 9 – Built in 1970



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Fire Stations and Public Safety Examples

- Upgrade 911 communications, fire/emergency response facilities, backup emergency generators for power outages and emergency preparedness to improve disaster response
- Police Training and Emergency Operations Center Facility



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Expenditure Plan Category Area **Parks and Community Facilities**

- Assuming a \$598M bond scenario, the Expenditure Plan would allocate \$150M to the following proposed project areas:
 - Playground Rehabilitations
 - Park Renovations
 - Senior Center/Community Center Renovations
 - Aquatic Facilities Renovations
 - Library Improvements



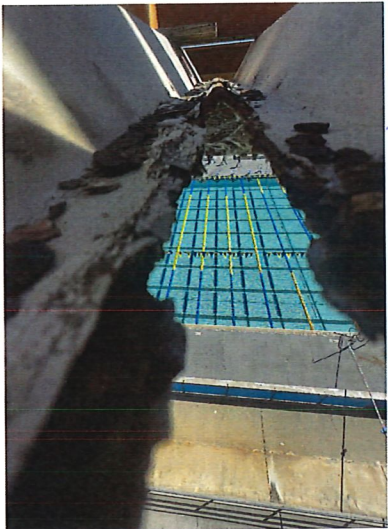
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Parks and Community Facilities Examples

- Parks Buildings and Infrastructure in critical/poor condition
 - Imminent failure, needed to correct cited safety hazard, prevent intermittent operation; alleviate conditions that are not currently hazardous but could become hazardous if not remedied.
- Senior Center/Community Center renovations
- Aquatics Facility Renovations
- Central Park Library Renovations



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Parks and Community Facilities Examples

- Henry Schmidt Park Playground Rehabilitation
- Warburton Park Playground Rehabilitation
- Bowers Park Roof/Building Replacement
- Tennis & Pickleball Courts





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Expenditure Plan Category Area - Other Critical Infrastructure

Under the category of Other Critical Infrastructure, assuming a \$598M bond scenario, the Expenditure Plan would allocate \$45M to the following proposed project areas:

- ADA Transition Plan Implementation (Public Buildings)
- Historic Building Renovations
- City Hall Improvements
- Public Parking Lot Improvements
- Energy Efficiency Renovations

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**City of
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ADA Transition Plan (PROW)

Category	High*	Medium*	Low*	Total*
1 – Curb Ramps	\$17,090,000	\$55,280,000	\$34,120,000	\$106,490,000
2 – Pedestrian Routes	\$99,710,000	\$264,880,000	\$216,690,000	\$581,280,000
3 – Crosswalks	\$1,810,000	\$720,000	0	\$2,530,000
4 – Rail Crossings	\$150,000	0	0	\$150,000
5 – Pedestrian Signals	\$46,860,000	\$7,820,000	0	\$54,680,000
Total	<u>\$165,620,000</u>	\$328,700,000	\$250,810,000	\$745,130,000

* In 2024 dollars

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ADA Transition Plan (Facilities)

Category	Estimated cost*
Buildings	\$6,420,000
Parks	\$6,950,000
Total	\$13,370,000
* In 2024 dollars	

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Implementing Ordinance

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Implementing Ordinance

- Ordinance includes the object and purpose of bonds, establishes the maximum amount of the bonds, and total costs of improvements
- Section 13 (a) and (b) provide the State and Local Transparency and Accountability Requirements
- Technical changes to the ordinance are proposed to assure alignment of the City's local requirements with the State Accountability Requirements

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Changes to Proposed Ordinance to Assure Consistency with ACA1

- Section 13(a). Update the last paragraph to read as follows:

If approved by the California voters, the any transparency or accountability provisions of ACA1 not already expressly provided herein are hereby incorporated by reference in this Ordinance. The City Council hereby declares its intent that this Ordinance and the accountability measures contained herein shall comply with ACA1 and any and all other statutory or other requirements determined to be required for compliance with ACA1. To the extent any provision of this Ordinance is determined to be inconsistent with the terms of ACA1, or any other applicable state law, the City is authorized and directed to make any necessary conforming changes.

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Changes to Proposed Ordinance to Assure Consistency with ACA1 (cont'd)

- Section 13(b)(iv). Update the first and last sentences to read as follows:
 1. The Bond Compliance COC shall consist of 9 members selected by a lottery process and appointed by the City Council.
 2. (III) review and provided recommendations to the City Council on any proposed amendment to the Expenditure Plan, and (IV) to inform the public concerning the expenditure of Bond proceeds.

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Changes to Proposed Ordinance to Assure Consistency with ACA1 (cont'd)

- Section 13(b). Update the provision to add the following concluding sentence:

These Local Accountability Requirements are intended to supplement and not replace ACA1 or any other applicable state law. To the extent of any duplication or inconsistency, the requirement(s) requiring the greater degree of transparency or accountability shall apply.

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CHARTER AMENDMENT MODERNIZING CONTRACTING PROCESS FOR PUBLIC WORKS PROJECTS

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**City of
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Modernizing Contracting Process for Public Works Projects

- Proposed Charter amendment to modernize the contracting process for Public Works projects, addressing design-build procurement and required formal bidding contract thresholds



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Proposed Charter Amendment – Design-Build

- This amendment would allow the City to integrate both the design and construction (design-build) services into one contract for Public Works projects
 - Streamlines the procurement and construction process saving time and costs
 - Supports delivering projects on faster schedules and can reduce costs
 - Would facilitate projects such as substations, power plants, BESS

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Proposed Charter Amendment – Public Works Contract Formal Bidding Thresholds

- Currently, all public works projects go to the City Council for approval
- This Charter amendment would align us with general best practices in many other Cities, increasing the amount requiring formal bidding of Public Works contracts from \$1,000 to \$250,000
- The \$1,000 limit was originally set in 1951 and has not been increased in over 70 years
- Facilitate smaller projects and reduce significant work and accelerate schedules when using City forces to complete work

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Council and City Manager Authority

- Amendment differentiates between major projects (above \$500K) and minor projects (at or below \$500k)
- City Manager Approval for minor projects will accelerate implementation
- Voter polling showed a willingness to amending City Charter to improve and streamline construction

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Proposed Charter Amendment – Public Works Contract Formal Bidding Thresholds

- Example council approved projects below \$500k:
 - Annual ADA Curb Ramp FY2019-20 \$214,630
 - Mission Branch Library Gazebo \$195,000
 - Street Corporation Yard Electric Gate \$217,350
 - Street improvements such as enhanced crosswalks
 - Small facilities projects to City buildings



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City of Santa Clara
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Bidding and Contracting Thresholds Benchmarking


City	Authority	Formal Bidding	Informal Bidding	City Manager Contract Authority	Alternate Contracting Authority
General Law Cities	CA Public Contract Code	Contracts above \$200,000	Contracts less than \$200,000	NA	NA
Milpitas	General Law City, Ordinance Code Chapter 3.20	Contracts above \$200,000	Contracts less than \$200,000	Contracts less than \$100,000	NA
Mountain View	Charter Section 1107, Ordinance Code Chapter 2.200, and Council Policy A-10	Contracts above \$150,028	Contracts less than \$150,028	\$60,000 - \$250,000	Director of Contracting Authority - Contracts up to \$60,000
Palo Alto	Ordinance Code Chapter 2.30	Contracts over \$85,000	Contracts less than \$85,000	Contracts less than \$250,000	Procurement Officer - Contracts up to \$85,000
San Jose	Charter Section 1217 and Ordinance Code Chapter 27.04	Contracts above \$740,000	Contracts less than \$740,000	NA	Director of Public Works - Contracts up to \$1,210,000
Sunnyvale	Charter Section 1309, Ordinance Code Chapter 2.09	Contracts above \$250,000	Contracts less than \$250,000	Contracts less than \$250,000	NA

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NEXT STEPS AND STAFF RECOMMENDATION

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City of Santa Clara
The Center of What's Possible

Next Steps

- Council Questions
- Council Deliberations

General Obligation Bond

 - ☐ What Amount?
 - ☐ Amendments to Proposed Transparency & Accountability Plan?


Charter Amendments

 - ☐ Design-Build?
 - ☐ Public Works Contract Formal Bidding Thresholds?
- Council Action

If a ballot measure(s) is supported tonight, staff to return to Council on July 16 for consideration and potential approval of the Resolution Placing the Measure on the Ballot

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City of Santa Clara
The Center of What's Possible

Staff Recommendation

Should the City Council decide to proceed with ballot measures...

1. Adopt the Resolution of Necessity determining necessity to issue bonds.
2. Waive first reading and approve the introduction of an Ordinance ordering the submission of the measure incurring bonded indebtedness for the purpose of the acquisition, construction, and improvement of certain municipal improvement projects to City voters.
3. Provide direction on a potential Charter Amendment to update the Public Works Section to allow for Design-Build Projects.

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Questions and Answers



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City Council Meeting

Item # 5

- A. Discussion and Potential Actions Related to Proposed November 2024 Ballot Measure Authorizing the Issuance of General Obligation Bond Debt to Fund Public Infrastructure
- B. Discussion and Council Direction on a Proposed Charter Amendment Regarding Public Works Procurement [Charter Section 1310] to Update the City's Public Works Bidding and Contracting Authority, Allow for Design-Build Projects and Implement Other Technical Changes

July 9, 2024

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Arguments For the CITY of SANTA CLARA Bond Measures To be Submitted to the Voters at the Municipal Bond Election October 27, 1959

PROPOSITION A Parks and Recreation Facilities \$1,940,000 Total Cost

This program has been endorsed by the Parks and Recreation Commission as the first overall development of recreational areas in Santa Clara. Proper recreational facilities constitute a vital part of a modern City and must be maintained if we are to continue to attract industry and new residents.

The Council plans to develop first those parks which have already been acquired such as Maywood, Killarney, Bowers, Homeridge, Westwood Oaks, Mary Gomez and Warburton; and later to purchase land for the development of additional parks as the future may require.

The Council plans to include in the proposed program, to the extent of funds available, the following: an additional swimming pool for the area north of the El Camino and tennis courts throughout the City, as well as recreation buildings to provide indoor facilities which do not exist at present.

PROPOSITION B Street and Highway Improvements \$5,700,000 Total Cost

Because of the City's phenomenal growth within the last ten years, the City's present street system is outmoded. Traffic signals, street and highway widening, bridges, new arteries leading into the City are vitally needed to care for its present and future needs, and the bonds will provide these vital necessities. All of these projects are included in the bond issue.

PROPOSITION C Street Lighting Facilities \$1,000,000 Total Cost

Present street lighting facilities are inadequate. An inadequate street lighting system is hazardous to life and limb. Proper and adequate street lighting attracts commerce, business and residents. Poorly lighted streets foster delinquency, crime and oft times fatal traffic accidents.

The proposed program includes, among other projects, street lights on The Alameda from the San Jose City Limits to Franklin; Grant from Franklin to Scott Lane; De La Cruz

from the Overpass to Bayshore Freeway; El Camino from Scott Lane to Lawrence Road; Stevens Creek Blvd. from Lawrence Road to Winchester Road; and some replacement work.

PROPOSITION D Storm Drain Improvements \$1,350,000 Total Cost

New and additional storm drains will be installed wherever needed in the City so that all portions of the City will be protected from flood waters. The rapid residential growth of the City has, in effect, created artificial water sheds which impound waters which previously percolated into the ground but which now must be carried off by storm drains.

PROPOSITION E Fire Department Improvements \$1,300,000 Total Cost

New fire stations will be built in areas of the City not now properly protected, and the present headquarters station will be remodeled. In addition, it is the present intention of the Council to purchase as needed, 10 new fire engines, along with accessory equipment to keep our fire department up to the necessary standards for a Class 3 fire insurance rating. Additional improvements will also be made on the fire alarm circuits, fire alarm control equipment, pull boxes and the fire radio circuits.

In approving this bond issue, we can probably obtain lower fire insurance rates, thereby enjoying an additional saving for the property owners of the City.

PROPOSITION F Library Department Improvements \$800,000 Total Cost

Our present Library was designed to serve a population of only about 20,000 persons. It now attempts to serve over 50,000 people and cannot adequately do so. No city can grow educationally or culturally without adequate library facilities which should be readily and easily available to all of our residents. The passage of this proposition is needed to accomplish these purposes.

PROPOSITION G Police Administration Building \$105,000 Total Cost

The City's Police Administration Building is nearing completion from a structural standpoint. However, additional funds for necessary facilities can be acquired and completed for maintaining the police vehicles, inclusion of storage facilities, a garage, paving of parking areas, landscaping and furniture and equipment for the building which are lacking. The proposed bond issue is necessary to supply these facilities.

PROPOSITION H Corporation Yard Improvements \$305,000 Total Cost

The City's present Corporation Yard and facilities were acquired when the City had a population and equipment for a city of less than 10,000 population. We have grown five-fold and our present facilities are inadequate and inefficient to take care of our present and future needs. The proposed bond issue will supply the necessary machinery and site to eliminate present costly duplications and inefficiency in maintaining our trucks, autos and other City equipment.

All of the foregoing propositions will be financed by general obligation bonds which the City proposes to issue. While the taxing power of the City will be pledged to pay these bonds and the interest thereon, the City has had surveys made of its future income and as a result thereof, it is anticipated that no increase in City taxes will be required to pay said general obligation bonds, but it is anticipated that the City's income from sales taxes, gas tax funds, recreational lot fees, subdivision fees, subvention fees and the like, will be sufficient to pay the same without any raise in property taxes.

PROPOSITION I Sewer Enterprise \$5,120,000 Total Cost

The City owns a 20% interest in the San Jose-Santa Clara Sewage Treatment Plant. San Jose and Santa Clara are obligated by law to provide adequate treatment of their sewage in order to discharge the same into San Francisco Bay. The Water Pollution Board has ordered this secondary treatment plant to be completed within three years. Santa Clara's share thereof will cost 4 million dollars. This sum must be paid. Revenue bonds payable out of sewer revenues will finance said costs without any raise in property taxes.

PROPOSITION J Water Enterprise \$1,580,000 Total Cost

Water is vital to the very existence of our City and its residents. At the present time, Santa Clara lacks adequate storage facilities, pumping plants, transmission lines, wells and other facilities. The \$1,580,000 bond issue will provide funds for the installation of these necessary improvements, without increasing our taxes or water rates.

The water revenue bonds will be entirely self-supporting.

PROPOSITION K Electric Enterprise \$1,500,000 Total Cost

Electric power is a necessity in our modern civilization. The \$1,500,000 electric revenue bonds will provide funds for the installation of new power stations, transmission lines and other facilities to put our electric department on a par with our City's requirements. The bonds must be entirely self-supporting and there will not be any increase in our electric rates. Since this is a revenue bond issue, no taxes can ever be levied to pay for it.

The aforesaid revenue bond proposals will not increase taxes, for under state law the taxing power of the City cannot be pledged or used to pay the bonds or the interest thereon, but the revenues to be derived from each enterprise are pledged to pay off the respective bonds and interest thereon issued therefor.

All of the foregoing arguments were submitted by the Citizen's Committee for City Bonds.

JOSEPH P. KELLY, Chairman
966 Hilmar St., Santa Clara
WILLIAM A. WILSON, Vice-Chairman
610 Jackson St., Santa Clara

No arguments against any of the foregoing measures were submitted to the Office of the City Clerk.

A. S. BELICK
City Clerk

DELINEATION OF NEED FOR CAPITAL IMPROVEMENT BOND ISSUE IN SANTA CLARA

The City of Santa Clara, which came into existence as a quiet residential community of the "typical college town" variety, had a destiny to fulfill which was beyond the highest dreams of its founding fathers.

Nothing could long stay the hand of progress here which was accelerated by a year round salubrious climate -- the accessibility to railroads and major highways, a preferential tax rate, and the availability of a large and intelligent labor pool in the immediate vicinity.

These factors resulted in such an explosive population growth that the City Fathers were confronted with some startling figures -- over the last ten years:

	<u>% of Increase</u>
Population.	400%
Number of occupied dwelling units	211%
School Enrollment (elementary)	290%
School Enrollment (high school)	270%
Number of Electric Meters (residential)	188%
Number of Electric Meters (commercial & industrial)	400%
Number of Gas Meters (residential)	250%
Number of Gas Meters (commercial & industrial)	128%

Faced with an earnest desire to maintain the property tax rates at current levels, the City Council made every effort to supply the expanding needs of this rapidly growing community out of current revenue.

Obviously, it was a losing battle. The expanding population requires, and is demanding, additional crossing signals, approved street lighting and a widening program, adequate parks and recreation and other amenities of life to which they rightfully feel they are entitled. Obviously, if Santa Clara fails to meet the need we will lose our position as a desirable place in which to live and work. Industry -- which is very conscientious of the social and economic facilities afforded by a community -- will center itself elsewhere. Enlightened industrial leaders are now looking carefully into the social as well as economic values afforded by a community. They are alerted to the needs of their employees. Since it is generally agreed that a well balanced community requires a sufficient industrial base to provide an equitable distribution of taxes is clearly apparent that the need must be met. Now is our time and October 27th is the day.

SANTA CLARA

Today and Tomorrow

*The City of Santa Clara
California*

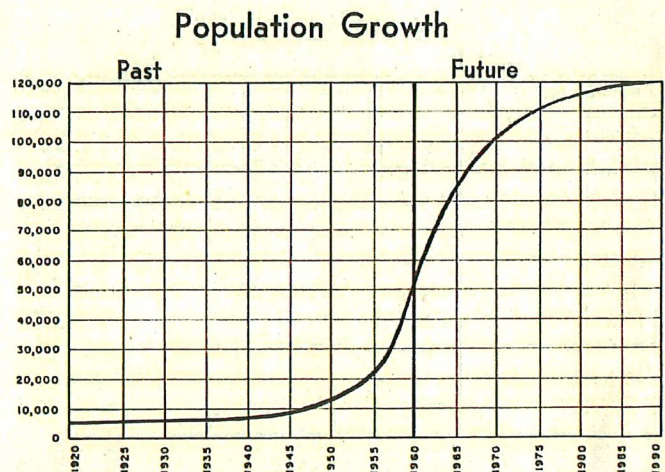


THE MISSION CITY

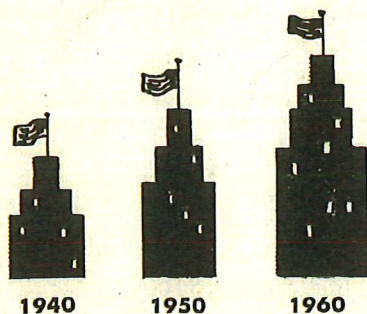
A capital improvement program
designed to meet growth demands
without increasing city taxes

Santa Clara Has Grown

Today, Santa Clara has a population of just under 50,000 residents. Ten years ago, Santa Clara had a population of just over 10,000 residents. This represents a population growth of 40,000 residents, or 400 per cent in just ten years.



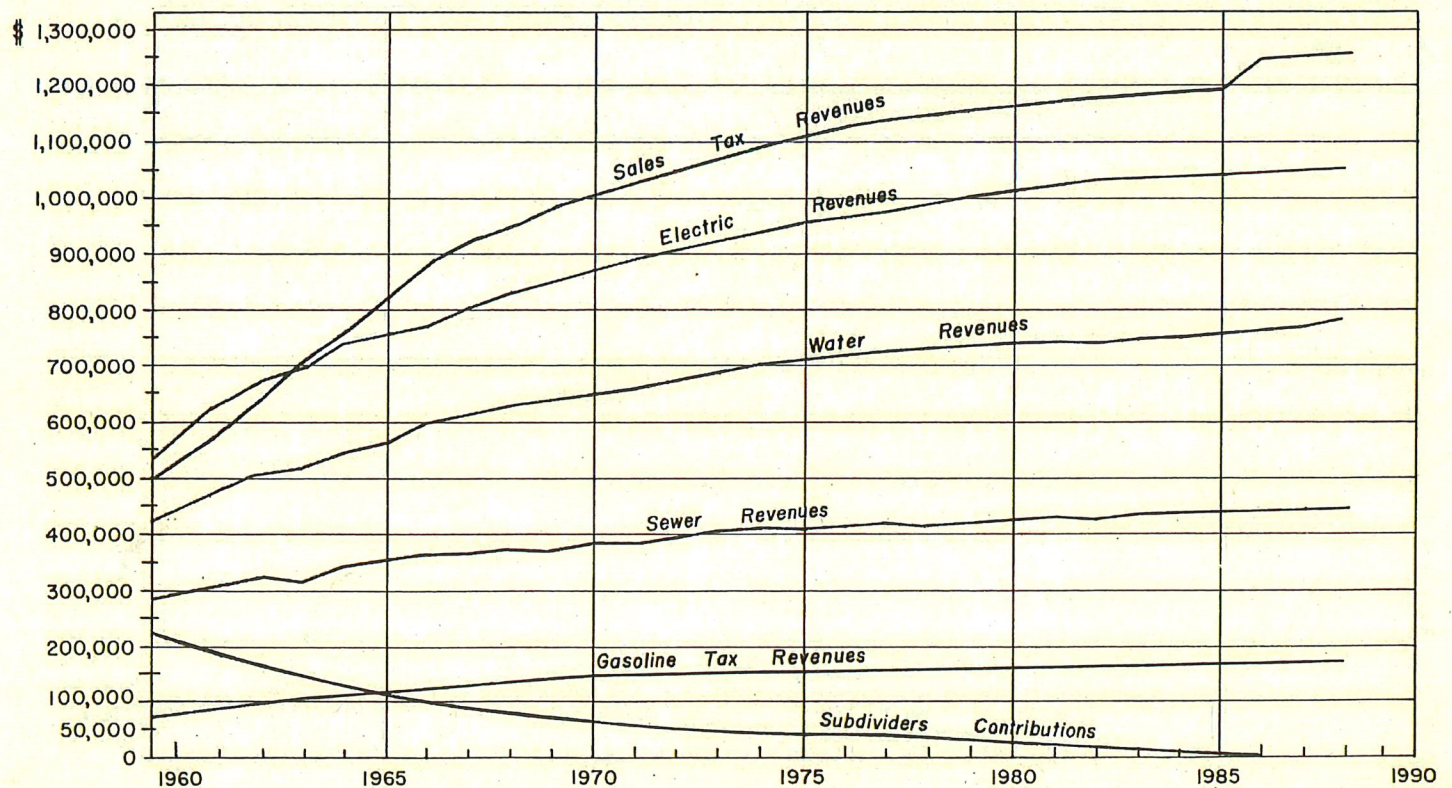
And Is Still Growing!



Santa Clara is still growing. As can be seen on the chart above, all indications point to a population of at least 100,000 in the next ten years, and 125,000 by 1985. This represents a lot of people in a City that is not even properly equipped to handle its present population.

Because of this rapid growth our City has not been able to provide presently needed facilities and services. As a matter of fact, the City needs \$21,000,000 worth of improvements to catch up with present day needs and meet those of the immediate future.

The Capital Improvement Program Will Be Paid from These Sources



THE REVENUE BONDS

The use of revenue bonds for these three projects is the key to the success of the entire financing program. The surplus revenues available from these three projects may be used to pay a portion of the cost of the improvement projects financed with general obligation bonds, listed below.

We *must* vote the revenue bond issues if we are to have these improvements without taxes. Revenue bonds must be self supporting. It is illegal to levy a tax to pay any of their costs.

\$1,580,000 Water Revenue Bonds

Water is vital to the very existence of the City and its residents. At the present time, Santa Clara lacks adequate storage facilities, pumping plants, transmission lines, wells and other facilities . . . The \$1,580,000 revenue bond issue will provide funds for the installation of these necessary improvements. The water revenue bonds will be entirely self supporting, without raising our water rates. In fact, the surplus revenues may be used to help pay for the other improvement programs.

\$1,500,000 Electric Revenue Bonds

Electric power is a necessity in our modern civilization. The \$1,500,000 electric revenue bonds will provide funds for the installation of new power transmission lines and other facilities. The bonds will be entirely self supporting and there *will not be* any increase in our electric rates. In fact, revenues from the operation of the electric department of the City may be used to help pay the costs of the other improvement projects, both immediate and in the future.

\$5,120,000 Sewer Revenue Bonds

The money from this bond issue will pay Santa Clara's share (\$4,000,000) of the cost of the new Santa Clara-San Jose sewage treatment plant and in addition will be used for additional trunk sewers and a pumping station.

Money for the new sewage treatment plant must be available from some source by 1963. Raising the money by this means is the "painless way." Instead of increased property taxes, this method will only cost an additional monthly charge of 90 cents per family, payable on the monthly water bill.

GENERAL OBLIGATION

See Map on Back for Location

\$1,000,000 Street Lighting Bond Issue

Modern street lighting for many of our main streets will be provided with the funds derived from this bond issue. The proposed program includes street lights on The Alameda from the San Jose City Limits to Franklin; Washington from the San Jose City Limits to Franklin; Grant from Franklin to Scott Lane; De La Cruz from the Overpass to Bayshore; El Camino from Scott Lane to Lawrence Station; Stevens Creek Road from Lawrence to Winchester; and some replacement work. Money to pay the costs of this bond issue will come from sales taxes and surplus revenues from the electric revenue bond issue.

\$305,000 Corporation Yard Bond Issue

A corporation yard will permit the City to reduce costs of repair and maintenance of City owned equipment by consolidating the maintenance facilities. The corporation yard will be equipped with all of the tools and equipment necessary for the repair of the City streets, sewers, storm drains and other City facilities. The costs of this bond issue will be paid from sales taxes.

Committee Chairmen
Speakers—CHARLES J. DIRKSEN
Telephone—MRS. MATT TALIA
Publicity—PRESTON ROYER

\$1,350,000 Storm Drainage Bond Issue

New storm drains will be installed in areas of the City not now having them, so that all of the major areas of the City will be free from flood waters at all times. Storm drains proposed in the project include those to serve the Northside area, the Bel-lomy-De La Cruz area, the Agnew area, and additional trunk lines where necessary. For a picture of where the storm drains will go, see the map on the reverse side of this page. Money to pay the costs of this bond issue will come from the subdivision fees and sales tax revenues.

\$1,940,000 Parks and Recreation Bond Issue

Parks and playgrounds throughout the City are included in this program. The City intends to develop the park sites it already owns first, and to acquire land for future facilities. The City is working with the schools in planning the new facilities, and land is being provided by the schools for some of the facilities. A total of 100 acres of playgrounds and playfields will be developed, along with neighborhood parks, and a new swimming pool. For locations of these projects see the map on the reverse side of this page. Money to pay the costs of this bond issue will come from recreation fees and sales taxes.

Committee Chairmen
Newspapers—PAUL SPINDLER
Radio & TV—HERB MICHELSON
Signs & Posters—JAY C. WILLIAMS

Santa Clara Bond Program

Joseph P. Keller
William A. Wilson

ION BOND ISSUES

n of Planned Improvements

\$5,700,000 Streets, Bridges, Highways and Traffic Signals Bond Issue

Street improvements throughout the City, traffic signals, highways and the construction of bridges are included in this bond issue. Immediate improvements to be accomplished with the money from this bond issue are detailed on the reverse side of this page. These improvements will complete all of the major street work necessary at this time. Surplus revenues from other sources will pay for street work required in future years. The bridges are included in this program because it is the least expensive method of financing them. Money to pay the costs of this bond issue will come from gasoline taxes, Sales taxes and subdivision fees.

\$105,000 Police Department Bond Issue

Facilities for the proper maintenance of the City's police cars will be constructed with the proceeds of this bond issue. Included are a garage, parking and storage facilities for the patrol cars. Money to pay the costs of this bond issue will come from sales taxes and from surplus revenues.

\$1,300,000 Fire Department Bond Issue

New fire stations will be built in areas of the City not now properly protected, and the present headquarters station will be remodeled. In addition, 10 new fire engines will be purchased, along with other necessary equipment to bring the fire department up to the necessary standard. Additional work will be done on the fire alarm circuits, fire alarm control equipment, pull boxes, and the radio fire circuit. Money to pay the costs of this bond issue will come from Sales Taxes and Surplus Revenues. The locations of the new fire stations are shown on the map on the reverse side of this page.

\$800,000 Library Bond Issue

Construction of a new main library, furnishings, and books for the facility are included in this bond issue. The new main library is proposed at this time because of the need of adequate space to properly administer an effective and economic library system to serve as a headquarters for the proposed branch libraries, once they are constructed. The present library is inadequate to meet these needs. It is proposed that a bookmobile be operated throughout the various areas of the City until the branches are constructed. Money to pay the costs of this bond issue will come from sales taxes and surplus revenues.

m Citizens' Committee

Chairman
Vice-Chairman

Further Information
May be Obtained by
Telephoning CH 3-7010

Committee Chairmen
Finance—W. J. NICHOLSON
Transportation—FRANK SAPENA
Improvement Association—LLOYD EBY



RECOMMENDED BOND PROGRAM

GENERAL OBLIGATION BONDS

Parks & Recreation

Construction Cost	\$1,899,000	
Contingencies	<u>40,920</u>	
Bond Issue		\$1,940,000

Streets, Highways, Bridges and Traffic Signals

Construction Cost	\$5,616,500	
Contingencies	<u>83,500</u>	
Bond Issue		\$5,700,000

Street Lighting

Construction Cost	\$ 987,300	
Contingencies	<u>12,700</u>	
Bond Issue		\$1,000,000

Storm Drains

Construction Cost	\$1,312,700	
Contingencies	<u>37,300</u>	
Bond Issue		\$1,350,000

Fire Department

Construction Cost	\$1,286,000	
Contingencies	<u>14,000</u>	
Bond Issue		\$1,300,000

Library

Construction Cost	\$ 790,000	
Contingencies	<u>10,000</u>	
Bond Issue		\$ 800,000

Corporation Yard

Construction Cost	\$ 302,000	
Contingencies	<u>3,000</u>	
Bond Issue		\$ 305,000

Police Department

Construction Cost	104,000	
Contingencies	<u>1,000</u>	
Bond Issue	\$ 105,000	<u>105,000</u>

Total General Obligation Bond Requirements		<u>\$12,500,000</u>
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RECOMMENDED BOND PROGRAM

REVENUE BONDSSanitary Sewers

Construction Cost	\$5,676,400	
Less: Cash from sale of land	<u>1,000,000</u>	
Balance of Construction Costs Required		\$4,676,400
Bond Reserve Fund		400,000
Contingencies		<u>43,600</u>
Bond Issue		\$5,120,000

Waterworks Facilities

Construction Cost	\$1,757,600	
Less: Cash on Hand	<u>325,000</u>	
Balance of Construction Costs Required		\$1,432,600
Bond Reserve Fund		125,000
Contingencies		<u>22,400</u>
Bond Issue		\$1,580,000

Electric Plant Expansion

Construction Cost	\$1,705,000	
Less: Cash on Hand	<u>325,000</u>	
Balance of Construction Costs Required		\$1,380,000
Bond Reserve Fund		100,000
Contingencies		<u>20,000</u>
Bond Issue		\$1,500,000

Total Revenue Bond Requirements		\$8,200,000
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Bonds. 1959

PROPOSITION F
(Library Department
Improvements)

Shall the City of Santa Clara incur a bonded indebtedness in the principal sum of

Yes

\$800,000 for the acquisition, construction and completion of the following municipal improvement, to-wit: Library buildings, including furniture, fixtures, equipment, off-street parking facilities and paving, landscaping, and all other works, properties or structures necessary or convenient for the libraries for the City of Santa Clara?

No

S.C. Becomes 'United City' As 11 Bond Issues Sweep

The old and the new joined hands Tuesday in voting a landslide mandate to make Santa Clara the big city she's yearning to be.

A shocking turnout and a stunning margin gave the city's \$20.7 million capital improvements bond program unconditional victory. Each of the 11 issues on the ballot swept into the win column on totally unexpected margins ranging from 4½-1 on the police issue to 8½-1 on waterworks facilities.

★ ★ ★

IN THE FACE of recent down-the-line defeats of bond programs in Peninsula cities, the Mission City returns bordered on fantasy. Never in Santa Clara history had such a great number of voters turned out for a bond vote. Never had they approved such a sweeping program.

The 46 per cent turnout of 7,647 was nearly 2,500 greater than the turnout for last April's councilmanic election here. In checking the

Voting Breakdown

		YES	NO
A—Parks & Recreation	\$1,940,000	6,255	1,139
B—Streets, Highways	5,700,000	6,578	780
C—Street Lighting	1,000,000	6,459	967
D—Storm Drains	1,350,000	6,647	782
E—Fire Department	1,300,000	6,612	817
F—Library	800,000	6,117	1,326
G—Corporation Yard	305,000	6,264	1,162
H—Police Department	105,000	5,979	1,341
I—Sanitary Sewers	5,120,000	6,675	777
J—Waterworks	1,580,000	6,683	779
K—Electric Plant	1,500,000	6,501	923

Yes column with consistent determination, the electorate ensured the city of sufficient funds to meet all improvement needs here for the next 20 years.

The \$20.7 million in bonds will carry Santa Clara's capital improvement program through the next five years, and revenue from these beefed-up services will yield finances for an additional 15 years.

VICTORY IN SUCH totality was unexpected. A small turnout was forecast by most City Hal observers. The bond campaign had been silent, and Mission City leaders really didn't know what to expect on election day.

Success of the sanitary sewer, water and electric programs, all needing only a majority vote, was expected. But the library and several

other of the eight issue requiring a two-thirds margin for triumph were running scared.

In only one precinct—the 8th at 1250 Market St.—were any of the issues turned down. And even there, only Parks and Library were beaten.

★ ★ ★

AS THE DAY wore on, voters turned out in greater numbers. An unofficial count showed only 10 per cent had trooped to the polls by 1 p.m. In the next two hours, another 10 per cent cast their ballots. The late afternoon and early evening ballot blitz produced another 4,000 voters.

City officials had speculated a turnout over 7,000 would bring success. But they never fully believed this size outpouring would come.

From "Old Town" and from the new subdivisions came Tuesday's electorate to whip a traditional hex here on city improvement measures.

★ ★ ★

THE TYPE OF turnout was summed up this way by Councilman James Viso:

"We became a united city Tuesday—no longer the old and the new. The city voted together for the first time."

Briefly, this is what they voted for:

Expansion of the municipal park system and recreational program . . . Widening of present roads, re-naving of existing streets, creation of new direct traffic routes . . . Street lighting xpansion on many streets . . . Storm drain construction in th north and east sections of the city . . . New fire stations and fire-fighting equipment . . . A new main library . . . A yard for city vehicles and equipment . . . Furnishings and landscaping for city vehicles and equipment . . . City participation in a multi-million dollar sanitary sewer treatment plant . . . Increased storage space for wafer . . . Construction of new electric substations and enlarging of the electric department's central supply station.

Council Promises Tax Cut

A tax cut . . . a tight-fisted City Council.

These are the rewards Santa Clara voters will receive in the coming year for propelling the city bond issue to a landslide victory Tuesday.

★ ★ ★

AS THE YES VOTES STORMED in last night, Santa Clara's leaders were taking a quick look ahead to what the returns have triggered.

"There will definitely be a tax reduction next year," chorused Councilmen Austen Warburton and James Viso. The present tax rate of \$1.54 is based on a 14-month year and was due for trimming next summer anyway. Thus, the bond passage could mean an even lower tax rate than the \$1.48 used for the last 12-month fiscal year in 1958-59.

LAWMAKERS ALSO ARE QUICK to note they will be tight-fisted with the \$20.7 million the voters poured into city coffers. Tuesday.

"There'll be no reckless spending of this money," agreed Councilmen Maurice Dullea and Robert Simons.

★ ★ ★

MOST OF THE LAWMAKERS at the election rally indicated they would move quickly on one issue — the \$105,000 voted for completion of the new police administration building. Action on getting final work under way is expected to be taken at council session Thursday.

The police bond funds are earmarked for furnishings, paving, parking construction and landscaping. The building, constructed at an initial \$330,000 cost, is due to open the first of the year at the latest.

By DICK COX

Mercury Staff Writer

SANTA CLARA—Jubilant city officials here are starting plans for a series of city improvements authorized by voters Tuesday when they passed twenty million dollars in city bonds by a 7-1 margin.

Councilmen and others were highly pleased with the obvious public vote of confidence from both new and old sections of the city alike.

Most major city offices yesterday were acknowledging congratulatory telephone calls from numerous public officials throughout the County.

The first two projects likely to go before the City Council for approval of specifications will be

two new 60,000 volt electric substations, according to Public Works Director Donald Von Raesfeld. One station will be placed at Kifer road and Lafayette street and the other at Bellomy street and Campbell avenue.

Priorities on other jobs will be recommended to the City Council shortly by the department heads involved.

Von Raesfeld predicted that the \$5,700,000 bond issue for streets, highways, bridges and traffic signals will be high on the list.

The same bond issue probably sounded the death knell on further use of

Santa Clara's citywide special assessment district for bridges and overpasses. The new bond issue by being voter-approved and general

obligation bonds of the city carry a lower interest than the Council approved bridge bonds.

An issue of \$400,000 of the special bonds were sold by the Council last week to provide money needed by the city in a hurry to meet its commitments to the State of California on the De La Cruz Overpass.

During the election campaign City Mgr. Loyd Brady and other city officials promised that the high interest special assessment bonds would not be used again if the voters approved the low interest bonds.

Most noticeable feature of the Tuesday night vote was the united attitude of the voters.

Since the days shortly

after World War II when subdividers began bulldozing the first orchards for tracts there has been a noticeable division between "Old Town" and "New Town."

Santa Clara's older neighborhoods always cast the heavier vote. The newcomers or the "West-siders" usually voted only about one-third to one-fourth as heavy. The political sagas used to wise-crack that the tract people "are still busy planting their lawns but wait 'till they wake up."

Tuesday night when the vote was in the newcomers had voted just as heavy and just as solidly for the bonds as the older residents.

Santa Clara's Display Municipal Maturity

Santa Clara city voters did themselves proud Wednesday.

By overwhelming majorities, they passed \$20 million worth of public improvement bonds, funds which are sorely needed to provide Santa Clara with the tools to build her future.

The people of Santa Clara have every right to be proud of themselves today. They were confronted with municipal growth problems that now plague every community in the county, and they, the people of Santa Clara, had the foresight and the fiscal courage to bond themselves to overcome these problems.

That the 11 bond issues passed by majorities of seven-to-one in some cases is indicative of the cohesiveness of purpose among Santa Clara's. The fact that an estimated 45 per cent of those eligible to vote cast ballots is an indication of considerable maturity on the part of Santa Clara's citizens. All too often bond election turnouts are distressingly light, and a tiny fraction of a community's total voters actually makes the decisions for the majority.

Santa Clara has every right to be proud that her record of majority rule comes close to achieving the democratic ideal.

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Brady Back, Still Amazed At Election

SANTA CLARA — City Mgr. Loyd Brady was back at work Monday after a two-week vacation "still amazed" at the 7-1 victory of the \$20 million bond issue Oct. 28.

Brady said the almost unheard of margin of approval caused a minor sensation at the International City Managers Assn. convention he attended in St. Louis, Mo.

On election night, Mayor Joseph Rebeiro telephoned election results to Brady.

One of Brady's first acts back on the job was to order studies toward the sale of the first bonds and the start of needed projects. The City Council already has directed that a priority list be set up for the projects.

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ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, ORDERING THE SUBMISSION OF A MEASURE INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF SANTA CLARA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF FINANCING THE COST OF THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY, SUBJECT TO ACCOUNTABILITY MEASURES AND COMPLIANCE WITH AN ADOPTED EXPENDITURE PLAN

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 undertake certain public infrastructure improvements for the City consisting of streets and transportation improvements, improvements to public safety facilities, improvements to parks and community facilities, storm drain and flood collection improvements, and improvements to other City facilities, as more particularly described below (collectively, the “Improvements”); and

WHEREAS, the City is authorized to call an election for the purpose of incurring bonded indebtedness and to authorize the issuance of bonds to finance the Improvements, which constitute public infrastructure of the City, pursuant to certain provisions of the California Constitution, including Article XIII A, the California Government Code, including Article 1 of Chapter 4 of Division 4 of Title 4 (commencing with Section 43600) and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) (collectively, the “Bond Law”); and

WHEREAS, the City intends to issue its general obligation bonds (the “Bonds”) under and pursuant to the Bond Law to finance the cost of the acquisition and construction of the Improvements; and

WHEREAS, under existing law, approval of the Bonds requires 2/3rds of the voters in the City voting on the measure to vote in favor of the measure; and

WHEREAS, Assembly Constitutional Amendment No. 1 (“ACA1”) has qualified for the November 5, 2024 Statewide ballot and would, among other things, change existing law to authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure if the measure proposing that tax is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, and the measure includes specified accountability requirements; and

WHEREAS, the foregoing constitutional amendments effectuated by ACA1, if approved at the November 5, 2024 Statewide ballot, would apply to any measure authorizing general obligation bonds of a city that is submitted at the same election as the Voter Approval Ballot Measure; and

WHEREAS, the measure to approve the Bonds is intended to and will comply with all the provisions of ACA1, including all of its accountability requirements, so that, if ACA1 is approved on November 5, 2024, approval of the Bonds shall require that 55% (not 2/3rds) of the voters in the City voting on the measure vote in favor of the measure; and

WHEREAS, if the ballot measure authorizing issuance of the Bonds is approved by the requisite number of affirmative votes, the City will be authorized to issue the Bonds.

NOW, THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. Recitals Correct. The foregoing recitals are true and correct.
2. Purpose and Intent. Pursuant to the authority provided by the California Government Code and California Elections Code, the purpose and intent of this Ordinance is to authorize and direct the submittal to the qualified voters of the City at the general municipal election to be held on November 5, 2024, of a measure authorizing the City to issue general obligation bonds (the “Bonds”) for the purpose of financing the Improvements on the terms set forth below.
3. Findings. The City Council hereby makes the following findings with respect to the proposed Ordinance/Calling Bond Election

measure for the Bonds:

(i) On July 9, 2024, the City Council adopted, by a two-thirds vote of all its members, a resolution entitled “A Resolution of the City Council of the City of Santa Clara, California, Determining that the Public Interest and Necessity Demand the Acquisition, Construction and Improvement of Municipal Improvement Projects Constituting Public Infrastructure of the City, and Their Financing Through the Issuance of General Obligation Bonds,” pursuant to which the City Council has found and determined that the public interest and necessity demand the issuance of general obligation bonds to finance the Improvements, which are municipal improvement projects constituting public infrastructure of the City.

(ii) In order to provide for the issuance by the City of general obligation bonds to provide financing for the Improvements, it is necessary for the City Council to adopt an ordinance ordering the submission of the measure of incurring bonded indebtedness for such purpose to the qualified voters of the City at a municipal election.

(iii) The City Council desires to submit said ballot measure to the qualified voters of the City at the regular election to be held in the City on November 5, 2024, and to consolidate the bond election with other elections held within the City on that date, by a resolution adopted after the adoption of this Ordinance pursuant to California Elections Code Section 10403 (the “Resolution Calling Election”).

4. Call for Election. The City Council hereby orders that there be submitted to the qualified voters of the City, pursuant to the Resolution Calling Election, a measure on incurring bonded indebtedness for the purposes set forth in this Ordinance, at the regular election to be held on November 5, 2024.

5. Ballot Measure. The City Council hereby submits to the qualified voters of the City, at the regular election to be held on November 5, 2024, a measure on issuing the Bonds. The statement of the measure shall be in substantially the form set forth in the resolution of the City placing the measure on the ballot.

6. Object and Purpose of Bonds. The object and purpose of the Bonds is to finance some or all of

Ordinance/Calling Bond Election

the costs of the Improvements. The Improvements are more particularly described in that certain Expenditure Plan ("Expenditure Plan") to be attached as Exhibit A to this Ordinance, which shall be approved by the City Council by separate Resolution and presented to the voters as part of the measure for the Bonds.

The authorized Improvements will include all work, facilities and expenditures necessary and incidental to the Improvements described in the Expenditure Plan. Examples of such work, facilities, and expenditures include, but are not limited to: costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes and other applicable law, including the Americans with Disabilities Act; costs of the bond election; bond issuance costs; project administration during the duration of such projects, including reimbursement of City staff time; and financing and interest costs on the Bonds.

The final costs, locations, designs, layouts and other components of the Improvements will be determined as plans are finalized, construction bids are awarded, and projects are completed. Therefore, the City Council cannot guarantee that the Bonds will provide sufficient funds to allow completion of all needed Improvements.

7. Estimated Cost of Improvements. The estimated cost of the Improvements is \$[598,000,000]. The estimated cost includes legal or other fees, the costs of printing the Bonds, and other costs and expenses incidental to or connected with the authorization, issuance and sale of the Bonds. To the extent the Improvements financed are revenue-producing public works, the cost of the Improvements may also include bond interest estimated to accrue during the construction period and for a period of not to exceed Ordinance/Calling Bond Election

12 months after completion of construction.

8. Principal Amount of Bonds. The aggregate principal of the Bonds shall not exceed \$[598,000,000.00].

9. Maximum Interest Rate. The maximum rate of interest to be paid on the Bonds shall be the statutory maximum of 12% per annum. Said interest shall be payable semiannually, except that interest for the first year after the date of the Bonds may be made payable at the end of said year. The actual interest rates of each series of the Bonds will be determined at the time of each respective Bond sale.

10. Issuance and Sale of Bonds. The City proposes to issue and sell the Bonds pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, or Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, in one or more series, in the maximum amount and for the objects and purposes set forth above if the requisite number of qualified voters voting on the measure vote in favor thereof. The Bonds will be general obligations of the City payable solely from and secured by ad valorem taxes levied and collected in the manner prescribed by the laws of the State of California, and not from the general fund or other funds of the City. The revenue generated from the ad valorem tax levied and collected will be used for the payment of debt service on the Bonds. All of the Bonds shall be equally and ratably secured, without priority, by the taxing power of the City.

11. Manner of Conducting Election. The election on the Bonds held on November 5, 2024 shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted, and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the Resolution Calling Election and the provisions of California law regulating the election with which it is consolidated.

12. Procedure for Voting on Measure. Ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the measure

Ordinance/Calling Bond Election

on the ballot, in accordance with procedures to be adopted by the authorized officers of the County of Santa Clara (the “County”) charged with conducting the election.

13. Transparency and Accountability Requirements.

(a) In order to comply with ACA1 and Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability requirements relating to the Bonds (the “State Accountability Requirements”):

(i) The proceeds from the sale of the Bonds shall be used only for the purposes specified in this Ordinance, and not for any other purpose, including City employee salaries (other than for reimbursement of staff costs incurred in providing normal and customary project management and delivery services for the Improvements (“Project Related Administrative Costs”)), and other operating expenses. The administrative cost of the City for the Improvements, including any and all Project Related Administrative Costs, shall not exceed 5% of the proceeds from the sale of the Bonds.

(ii) The proceeds from the sale of the Bonds shall only be spent on projects and programs that serve the jurisdiction of the City.

(iii) This Ordinance shall be the ordinance through which projects will be funded and the City hereby certifies that it has evaluated alternative funding sources.

(iv) The City shall conduct an annual, independent performance audit to ensure that the Bond funds are expended pursuant to this Ordinance.

(v) The City shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the public infrastructure authorized by this Ordinance.

(vi) The City shall post the audits required by clauses (iv) and (v) in a manner that is easily accessible to the public.

(vii) The City shall submit the audits required by clauses (iv) and (v) to the California State Ordinance/Calling Bond Election

Auditor for review.

(viii) The City shall appoint a citizens' oversight committee (the "Bond Compliance COC") to ensure that Bond proceeds are expended only for the purposes described in the measure approved by the voters. Members appointed to the Bond Compliance COC shall receive educational training about bonds and fiscal oversight.

(ix) Any entity owned or controlled by a member of the City Council shall be prohibited from bidding on any work funded by the measure.

(x) A separate account shall be created and held by the City, into which the proceeds of the Bonds shall be deposited and applied solely for the Improvements. Expenditures shall be tracked on a project by project basis to facilitate project oversight and compliance audits.

(xi) The City's Director of Finance shall file a report with the City Council at least annually showing the amount of Bond proceeds collected and expended, and the status of the Improvements.

If approved by California voters, ~~the~~ any transparency or accountability provisions of ACA1 not already expressly provided herein are hereby incorporated by reference in this Ordinance. The City Council hereby declares its intent that this Ordinance and the accountability measures contained herein shall comply with ACA1 and any and all other statutory or other requirements determined to be required for compliance with ACA1. To the extent any provision of this Ordinance is determined to be inconsistent with the terms of ACA1, or any other applicable state law, the City is authorized and directed to make any necessary conforming changes.

(b) In addition to the State Accountability Requirements, the City Council hereby adopts the following local accountability and transparency requirements relating to the Bonds and the use of Bond proceeds ("Local Accountability Requirements"):

(i) Expenditure Plan Requirements. Bond proceeds shall only be used on Improvements in strict accordance with the terms of the adopted Expenditure Plan, as it may be amended from

time to time subject to the requirements of Section 13(b)(ii), below.

(ii) Required Process for Amending Expenditure Plan. City staff shall review, analyze and make a recommendation on any proposed substantive amendment to the Expenditure Plan (“Amendment”). Prior to City Council consideration, any such proposed Amendment shall first be submitted to the Bond Compliance COC for their review and recommendation. Any proposed Amendment shall require the unanimous approval of the City Council..

(iii) Prohibited Uses. In no event shall Bond proceeds may be used for (I) improvements to Levi’s Stadium; (II) any Improvements projects for the sole benefit of Levi’s Stadium; (III) Improvements projects within .05 miles of Levi’s Stadium, except Improvements in existing residential neighborhoods or business districts designed to be of substantial direct benefit to those areas and not Levi’s Stadium; or (IV) the direct or indirect benefit of any professional sports team.

(iv) Additional Terms for the Bond Compliance COC. The Bond Compliance COC shall consist of 9 members selected by a lottery process and appointed by Council. The committee shall include seven residents, one large business representative, and one small business representative (neither of which must be residents, but both must be either an owner or employee of a business headquartered within the City). Additionally, no business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City. The role of the Bond Compliance Committee shall be to (I) ensure that project implementation is consistent with all Bond measure requirements, including the terms of the Expenditure Plan; (II) review and report on annual audits, and (III) review and provided recommendations to the City Council on any proposed amendment to the Expenditure Plan, and (IV) to inform the public concerning the expenditure of Bond proceeds.

(v) Communications Program. There shall be a Bond measure communications program to enhance accountability and transparency including, at a minimum, the following elements: (I)

requirement for an annual public presentation on the Expenditure Plan and the status of the implementation of Improvements projects to the Bond Compliance COC and the City Council presented by the City Manager; (II) requirements for an annual presentation of the independent annual audit(s) required in Section 13(b) above to the COC and the Council Audit Committee; (III) status of all Bond funded projects to be communicated on the City's webpage; and (IV) notice of all proposed Improvements projects to residents within 1,000 feet of such project(s), with public signage providing further information at the project site(s).

These Local Accountability Requirements are intended to supplement and not replace ACA1 or any other applicable state law. To the extent of any duplication or inconsistency, the requirement(s) requiring the greater degree of transparency or accountability shall apply.

14. Identification of Tax. The tax imposed by this measure is an ad valorem tax levied upon taxable property in the City, and will be used to pay the principal and interest on the Bonds.

15. Official Actions. The Mayor, the City Manager, the Director of Finance, the City Clerk, and any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the Bond measure on the ballot.

16. Interpretation. The provisions of this Ordinance, being necessary for the health, welfare, and safety of the City and its residents, is to be liberally interpreted to carry out its purposes. No error, irregularity or informality, and no neglect or omission of any officer, in any proceeding taken related to the submission of the measure incurring bonded indebtedness to the qualified voters of the City shall void or invalidate any such proceeding, any Bonds issued by the City or any levy of ad valorem taxes to pay principal of and interest on the Bonds.

17. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or applications, and to this end the provisions this Ordinance are declared to be severable.

18. Publication of Ordinance. The City Clerk shall cause the proposed ordinance to be posted at least
Ordinance/Calling Bond Election

three (3) days prior to its adoption in three (3) public places in the City and at least three (3) days prior to the ordinance adoption shall cause a single publication in an official newspaper. In accordance with Section 43611 of the California Government Code, this Ordinance shall also be published once a day for at least seven days in a newspaper published at least six days a week in the City, or once a week for two weeks in a newspaper published less than six days a week in the City. The first of said publications shall, in either event, be within 15 days after the adoption of this Ordinance. No other notice need be given.

19. Adoption; Effective Date. This Ordinance must be adopted by two-thirds of all members of the City Council. When adopted, in accordance with Section 36937(a) of the California Government Code, this Ordinance shall become effective immediately, as an ordinance relating to an election.

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

Attachment: Exhibit A – Expenditure Plan

EXHIBIT A
EXPENDITURE PLAN

