

City Council
Item #3


A. Resolution Adopting an Expenditure Plan for the Proposed Bond Measure

B. Waive Second Reading and Adopt an Ordinance Ordering the Submission of a Measure Incurring Bond Indebtedness to the Qualified Voters of the City of Santa Clara

C. Resolution Calling for a Municipal Election and Ordering Consolidation with the Santa Clara County Presidential General Election on November 5, 2024 for the Purpose of Submitting to the Voters a Measure to Approve the Issuance of General Obligation Bonds to Finance Municipal Improvements Constituting Public Infrastructure in an Amount of \$400,000,000; Requesting Consolidation with the Presidential General Election and Election Services from Santa Clara County; Providing the City Attorney to Prepare an Impartial Analysis; Setting Priorities for Ballot Arguments

July 16, 2024

1



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Agenda

- Introduction and Background
- City Infrastructure Needs
- Proposed Expenditure Plan
- Transparency and Accountability Plan
- Ballot Measure Language, Logistics, and Key Dates
- Staff Recommendation

2

2



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Introduction

- Tonight, the City Council will consider actions to:
 - Adopt an Expenditure Plan for the proposed bond measure
 - Adopt an Ordinance providing for the Issuance of Bonds in accordance with state and local transparency and accountability requirements
 - Place the \$400M general obligation (GO) bond measure on the November 2024 ballot to address City infrastructure needs

3

3



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Background

- On July 9, the City Council:
 - Adopted a legally required Resolution of Necessity for the proposed bond measure
 - Took action to introduce an ordinance to place a \$400M bond on the November ballot
 - Provided direction on Expenditure Plan category areas and projects to be brought back for final approval

4

4



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How Would the Proposed Bond be Funded

- The proposed \$400M bond Expenditure Plan would levy an estimated \$19 per \$100,000 of assessed property value (not market value) annually
- The tax bill for each of the largest 20 commercial property owners in Santa Clara would increase by an average of \$154,000 per year
- The tax bill for a typical homeowner would increase by an average of \$128 per year

5

5



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CITY INFRASTRUCTURE NEEDS

6

6



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City Infrastructure Needs

- 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
 - 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)
- Without dedicated funding, the City cannot act on study findings and escalation will increase project costs

7

7



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City Infrastructure Needs Continued

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



8

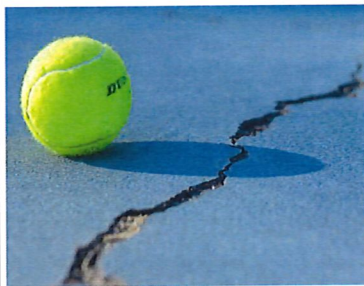
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City Infrastructure Needs Continued

- This year alone the City had over \$275M in infrastructure requests come in from various departments and we only had \$24M to spend.



9

9



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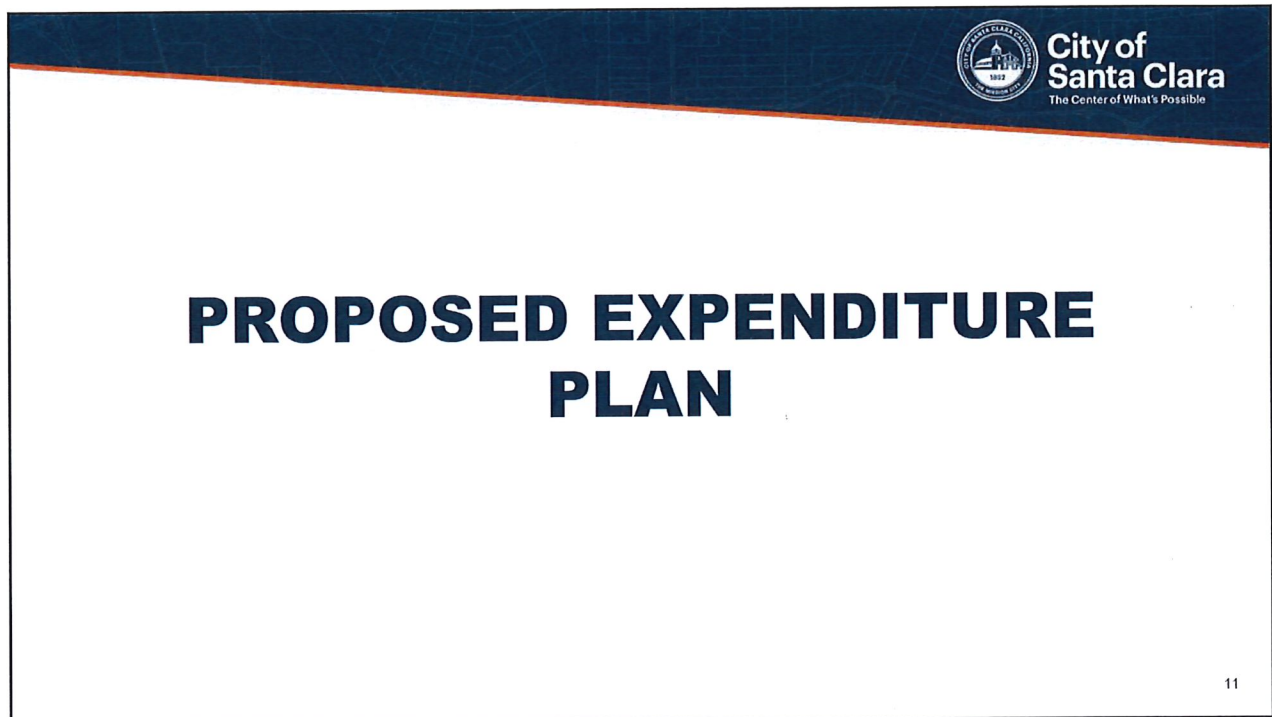
City Council and Community Recognize Need to Invest in Infrastructure

- Council regularly discuss the need for investment in aging infrastructure and deferred maintenance
- Polling shows 80% of voters see need for infrastructure funding



10

10




11

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 and features the title "Proposed Expenditure Plan" in bold dark blue text. Below the title is a bulleted list of categories and project details. The number "12" is in the bottom right corner.

Proposed Expenditure Plan

- The updated \$400M bond Expenditure Plan includes the following category areas:
 - Streets and Transportation
 - Fire Stations and Emergency Response
 - Police Facilities
 - Parks, Libraries, Senior Center, and Aquatics Facilities
 - Stormdrain System Improvements
 - Historic Buildings and Beautification
- Specific projects and associated cost estimates were identified within these category areas

12



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Proposed Expenditure Plan Cont.

Project Areas	Total
Streets and Transportation	41,170,000
Street Resurfacing and Rehabilitation	23,000,000
ADA Improvements	10,000,000
Creek Trail Rehabilitation	2,500,000
Bicycle Wayfinding	300,000
Contingency/Escalation/Administration	5,370,000
Fire Stations and Emergency Response	142,235,450
Fire Stations 5 Replacement	27,000,000
Fire Stations 7 Replacement	27,000,000
Fire Stations 9 Replacement/Renovations	9,000,000
Fire Station 1 Replacement/Renovations	58,000,000
Fire Training Tower Renovation	783,000
Various Fire Station Infrastructure Upgrades	1,900,000
Contingency/Escalation/Administration	18,552,450
Police Facilities	43,987,500
Police Department Drone First Responder Infrastructure	3,000,000
Emergency Operations Center Infrastructure	250,000
Police Training Facility	30,000,000
Police Department Facility and Real-Time Crime Center Infrastructure	5,000,000
Contingency/Escalation/Administration	5,737,500

13

13



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Proposed Expenditure Plan Cont.

Project Areas	Total
Parks, Library, Senior Center, and Aquatics Facilities	115,258,750
Renovation/Expansion of 3 Public Libraries	9,000,000
Senior Center Expansion/Renovation	9,500,000
Community Aquatic Facility/ISC Renovation/Replacement	45,000,000
Bowers Park Renovations	4,400,000
Earl Carmichael Park Playground Renovations	2,900,000
Warburton Park Playground Renovations	3,000,000
Henry Schmidt Park Playground Renovations	4,325,000
Pickleball Court	1,600,000
Mary Gomez Park Renovations	2,500,000
Aged Parks & Buildings Infrastructure in Critical/Poor Condition	18,000,000
Contingency/Escalation/Administration	15,033,750

14

14

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Proposed Expenditure Plan Cont.	
Project Areas	Total
Stormdrain System Improvements	46,000,000
Stormdrain System Improvements	16,423,000
Storm Water Retention Basin Remediation	9,209,000
Green Stormwater Infrastructure Design & Construction	6,645,000
Lafayette St. Underpass at Subway Pump Station	4,946,000
Bowers Ave Underpass SDPS Rehabilitation	2,030,000
SDPS Motor and Control Replacement	347,000
Stormdrain Pump Station Outfall Reconstruction Program	250,000
Stormdrain Renovations	150,000
Contingency/Escalation/Administration	6,000,000
Historic Buildings and Beautification	9,200,000
Street/Median Beautification Improvements	4,000,000
Renovations to Historic Buildings	3,000,000
Triton Museum Improvements	1,000,000
Contingency/Escalation/Administration	1,200,000
Bond Issuance Costs	2,000,000
GRAND TOTAL	\$ 399,851,700

15

15

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Proposed Expenditure Plan Project Examples-	
Streets and Transportation - \$41.1M	
<p>Example projects in this category area include:</p> <ul style="list-style-type: none"> • Street resurfacing and rehabilitation • ADA improvements • Creek trail rehabilitation 	
	
	

16

16


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Proposed Expenditure Plan Project Examples- Fire Stations and Emergency Response - \$142.2M

Example projects in the category area include:

- Fire station replacements and renovations
- Fire Training Tower





17


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Proposed Expenditure Plan Project Examples- Police Facilities - \$43.9M

Example projects in this category area include:

- Police Department Drone First Responder Infrastructure
- Emergency Operations Center Infrastructure
- Real time Crime Center



18

18


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Proposed Expenditure Plan Project Examples- Parks, Libraries, Senior Center, Aquatics - \$115.2M

Example projects in this category area include:

- Renovation/expansion of Libraries
- Senior Center expansion/renovation
- Community aquatics facilities
- Parks facilities and buildings infrastructure








19


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Proposed Expenditure Plan Project Examples- Stormdrain System Improvements - \$46M

Example projects in this category area include:

- Stormdrain system improvements
- Storm water retention basin remediation
- Lafayette St. underpass at Subway pump station
- Bowers Ave Underpass SDPS rehabilitation

20


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Proposed Expenditure Plan Project Examples- Historic Buildings and Beautification - \$9.2M


Example projects in this category area include:

- Streets and median beautification
- Renovations to historic buildings
- Triton Museum upgrades




21

21


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TRANSPARENCY AND ACCOUNTABILITY PLAN

22

22



Transparency and Accountability Plan

1. Council approval of an Expenditure Plan including project category areas and related spending amounts concurrent with adoption of the bond Ordinance to be attached to the Ordinance and presented as part of the ballot materials [Ordinance Section 6, Section 13(b)(i) and Exhibit A]
2. Process for substantive amendments to the Expenditure Plan to require a staff recommendation, input from the Community Oversight Committee and unanimous approval of the City Council [Ordinance Section 13(b)(ii)]
3. Formation of a Community Oversight Committee to ensure compliance with bond requirements and provided input on any proposed Expenditure Plan amendment [Ordinance Section 13(a)(viii) and 13(b)(iv)]

23

23



Transparency and Accountability Plan

4. Bond expenditures subject to independent annual audits with public presentations of the audits to the Community Oversight Committee and Council Audit Committee [Ordinance Sections 13(a)(v)-(vii) and 13(b)(v)]
5. Strict prohibitions on the use of bond proceeds for (a) Levi's Stadium Improvements; (b) any projects for the sole benefit of Levi's Stadium; (c) any improvements within .5 miles of the Stadium, except for improvements in residential neighborhoods of direct benefit to those areas and not Levi's Stadium; and (d) the direct or indirect benefit of any professional sports team [Ordinance Section 13(b)(iii)]

24

24



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Transparency and Accountability Plan

6. Funds only to be used for public infrastructure projects serving 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 [Ordinance Section 13(a)(x)]
8. No bond proceeds are to be used for employee salaries or benefits with the exception of normal and customary personnel charges for project management and delivery services not to exceed 5% of bond proceeds [Ordinance Section 13(a)(i)]

25

25



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Transparency and Accountability Plan

9. Annual public presentations on the Expenditure Plan and project status to the Community Oversight Committee and the City Council [Ordinance Section 13(b)(v)]
10. For projects requiring mail notice, noticing to all properties within 1,000 feet of the project [Ordinance Section 13(b)(v)]
11. Enhanced communications program on bond-funded projects including on the City's webpage with public signage providing further information at project sites [Ordinance Section 13(b)(v)]

26

26




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Ballot Measure Language, Logistics, and Key Dates

27

27




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July 9 Proposed Ballot Question

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 \$400,000,000 in bonds, funded by levying an estimated \$19/\$100,000 of assessed value while bonds are outstanding, generating approximately \$21,674,000 annually, with annual audits and citizen oversight of spending, be adopted?	Yes
	No

28

28


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Modified Proposed Ballot Question

Based on July 9 City Council direction on the Expenditure Plan and further legal review, staff proposes the following modified ballot language:

To improve 911 emergency response; fix streets to reduce potholes and provide safer roads and routes for drivers, pedestrians, and cyclists; upgrade stormdrains/pipes to prevent flooding/sinkholes; and renovate/replace recreation, library and other community facilities; shall the City of Santa Clara's measure authorizing \$400,000,000 in bonds, funded by levying an estimated \$19 per \$100,000 of assessed value while bonds are outstanding, generating approximately \$21,674,000 annually, with annual audits and citizen oversight of spending, be adopted?	Yes
	No

29

29


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Ballot Arguments

- City Charter and California Elections Code authorize, but do not require, the City Council write the argument in support of the ballot measure.
 - Council (max of 3)
 - Delegation to Mayor
 - No Designation; City Clerk shall select one of the arguments in adherence to Elections Code Section 9287

Option to Consider:

- Mayor
- Councilmember
- Up to 3 residents/stakeholders

*In each case there is a limit of 5 signators

30

30



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Impartial Analysis

- Election Code Section 9280
- City Council may direct the City Attorney to prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure.
- Due to the Registrar of Voters: August 20, 2024

31

31

Key Dates

November 2024 Election

Action Required	November Election Cycle
Council Adopts Resolution to Place Measure on Ballot and Call for Election	July 16, 2024
Arguments due to City Clerk's Office	July 30, 2024
Rebuttals due to City Clerk's Office	August 9, 2024
City Attorney draft an Impartial Analysis	August 9, 2024
Deadline to submit resolution to County Registrar of Voters by 5 p.m.	August 9, 2024
Deadline to submit Arguments to County Registrar of Voters by 5 p.m.	August 13, 2024
Deadline to submit Rebuttals & Impartial Analysis to ROV by 5 p.m.	August 20, 2024



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32

32




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Staff Recommendation

33

33




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Staff Recommendation

1. Approve a Resolution adopting the expenditure plan for the bond measure.
2. Waive second reading and adopt Ordinance No. 2069 to order the submission of a measure incurring bond 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 costs of the acquisition, construction and improvement of certain municipal improvement projects constituting public infrastructure of the City, subject to the accountability measures and compliance with an adopted expenditure plan. (2/3rds Vote)
3. Adopt a resolution ordering submission of a ballot measure to the qualified electors of the City; calling for a Special Municipal Election to be held in the City of Santa Clara on Tuesday, November 5, 2024 for the purpose of submitting a measure to approve the issuance of general obligation bonds to finance municipal improvements constituting public infrastructure in an amount of \$400,000,000; requesting consolidation with the Presidential General Election and election services from Santa Clara County; authorizing the City Attorney to prepare an impartial analysis; setting priorities for ballot arguments. (Majority Vote)

34

34



The seal of the City of Santa Clara, California, is circular. It features a central illustration of a mission-style building with a red roof and a bell tower, set against a blue sky with clouds. Below the building is a green field. The year "1852" is prominently displayed in the center. The outer ring of the seal contains the text "CITY OF SANTA CLARA CALIFORNIA" at the top and "THE MISSION CITY" at the bottom, separated by a dotted line.

City Council

Item #3

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B. Waive Second Reading and Adopt an Ordinance Ordering the Submission of a Measure Incurring Bond Indebtedness to the Qualified Voters of the City of Santa Clara

C. Resolution Calling for a Municipal Election and Ordering Consolidation with the Santa Clara County Presidential General Election on November 5, 2024 for the Purpose of Submitting to the Voters a Measure to Approve the Issuance of General Obligation Bonds to Finance Municipal Improvements Constituting Public Infrastructure in an Amount of \$400,000,000; Requesting Consolidation with the Presidential General Election and Election Services from Santa Clara County; Providing the City Attorney to Prepare an Impartial Analysis; Setting Priorities for Ballot Arguments

July 16, 2024