

## CITY OF SANTA CLARA MEASURE I

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?

**Bonds—Yes**  
**Bonds—No**

## CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE I

Measure I was placed on the ballot by the City Council of the City of Santa Clara ("City") to propose issuance of up to \$400,000,000 in general obligation bonds. Bond proceeds would be used to fund improvements to City infrastructure and facilities per an attached "Expenditure Plan" that includes procedures for amendments. Bonds would be repaid by new property taxes. The measure includes audit requirements, citizen committee oversight, and other transparency and accountability provisions.

### Financial Terms

If approved, bonds will be issued in phases beginning in 2025. The principal amount of each phase will correspond to the projected costs of improvements proposed for construction at that time. City expects to issue the full \$400,000,000 of bonds by 2030.

Interest rates for each bond issue will be determined by the market, but cannot exceed 12%. Assuming the full \$400,000,000 is issued, using a projected interest rate between 4 and 5%, City estimates required bond debt service payments would total approximately \$736,890,700.

Bonds would be repaid using revenues from an annual property tax levied against all non-exempt taxable property within the City. The total tax levied each year would equal the amount necessary to make bond payments that year. Taxes would be levied on each parcel of taxable property based on its assessed value established by the County assessor. City estimates the average annual tax rate necessary to repay all bonds over the term of the bonds would be approximately \$19 per \$100,000 of assessed value. For the median assessed single family home value in Santa Clara (\$674,000), this equates to a tax of approximately \$128 per year.

### Use of Bond Proceeds

By law, bond proceeds must be used for the construction, reconstruction, rehabilitation, or replacement of public infrastructure. Bond funds **cannot** be used for City salaries, benefits, or operational expenses, except project administration costs (capped at 5% of bond proceeds).

Measure I includes an "Expenditure Plan" identifying project categories and specific projects to be constructed. Project categories include:

- Streets and Transportation
- Fire Stations and Emergency Response
- Police Facilities
- Parks, Libraries, Senior Center, and Aquatics Facilities
- Stormdrain System Improvements

## CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE I-Continued

- Historic Buildings and Beautification

The Expenditure Plan can be amended, but only with input from the Citizen's Oversight Committee, and with unanimous City Council approval.

Bond proceeds **cannot** be used for improvements to Levi's Stadium, improvements within 0.5 miles of Levi's Stadium (with limited exceptions), or to benefit any professional sports team.

### Transparency and Accountability Measures

Additional provisions intended to improve transparency and accountability for bond expenditures include: annual audits; a citizen's committee that oversees bond measure compliance; and project implementation reporting and notice requirements.

### Voter Requirements

By law, Measure I passes if approved by at least 66.7% of voters participating. **If Proposition 5 is approved statewide, this approval threshold lowers to 55%.**

A "yes" vote on Measure I supports issuance of the bonds.

A "no" vote on Measure I opposes issuance of the bonds.

This summary provides City Attorney's impartial analysis of Measure I. Please refer to the full text of the measure for details.

Glen R. Googins,  
City Attorney

## COMPLETE TEXT OF MEASURE I

**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.

### **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.
  - (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.

## COMPLETE TEXT OF MEASURE I-Continued

(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.

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

## COMPLETE TEXT OF MEASURE I-Continued

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 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.

## COMPLETE TEXT OF MEASURE I-Continued

(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.

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.

(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



## COMPLETE TEXT OF MEASURE I-Continued

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 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 shall take effect immediately after its final adoption in accordance with Section 36937(a) of the California Government Code; however, prior to its final adoption it

## COMPLETE TEXT OF MEASURE I-Continued

shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION this 9<sup>TH</sup> 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

**FINALLY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA** this 16<sup>TH</sup> day of July, 2024, by the following vote:

AYES: COUNCILORS: Becker, Chahal, Hardy, Jain, Watanabe, Park and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: None

ABSTAINED: COUNCILORS: None

ATTEST:

NORA PIMENTEL, MMC  
ASSISTANT CITY CLERK  
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Exhibit A-Expenditure Plan

## COMPLETE TEXT OF MEASURE I-Continued

### EXHIBIT A

#### General Obligation Bond Expenditure Plan

\$400 Million Bond Measure

Project Areas	Total
<b>Streets and Transportation</b>	<b>41,170,000</b>
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
<b>Fire Stations and Emergency Response</b>	<b>142,235,450</b>
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
<b>Police Facilities</b>	<b>43,987,500</b>
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
<b>Parks, Library, Senior Center, and Aquatics Facilities</b>	<b>115,258,750</b>
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
<b>Stormdrain System Improvements</b>	<b>46,000,000</b>
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

## COMPLETE TEXT OF MEASURE I-Continued

Stormdrain Pump Station Outfall Reconstruction Program	250,000
Stormdrain Renovations	150,000
Contingency/Escalation/Administration	6,000,000
<b>Historic Buildings and Beautification</b>	<b>9,200,000</b>
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
<b>Bond Issuance Costs</b>	<b>2,000,000</b>
<b>GRAND TOTAL</b>	<b>\$ 399,851,700</b>

1. **In General.** This City of Santa Clara plan for the expenditure of bond proceeds ("Expenditure Plan") was adopted by the City Council on July 16, 2024, by Resolution No. 24-9346, to implement Section 6 of that certain Ordinance No. 2069 adopted concurrently herewith ("Ordinance"). The Ordinance calls for an election by City voters on a ballot measure to approve the issuance of up to \$400,000,000 in bonds ("Infrastructure Bonds") for purposes of financing the acquisition and construction of public infrastructure on the terms set forth therein. To the extent of any conflict between this Expenditure Plan and the Ordinance, the terms of the Ordinance shall govern. The above chart summarizes the Expenditure Plan's "Project Categories" (as defined in Section 2, below), and "Infrastructure Projects" (as defined in Section

2. **Project Categories.** The Expenditure Plan includes the following infrastructure expenditure categories ("Project Categories"), each with a designated amount of allocated Infrastructure Bonds proceeds ("Designated Allocations"): Streets and Transportation (\$41,170,000); Fire Stations and Emergency Response (\$142,235,450); Police Facilities (\$43,987,500); Parks, Library, Senior Center and Aquatic Facilities (\$115,258,750); Storm Drain System Improvements (46,000,000); Historic Buildings and Beautification (\$9,200,000); and Bond Issuance Costs (\$2,000,000). Project Categories and/or their respective Designated Allocations may be amended, but only in accordance with the Expenditure Plan Amendment Process set forth in Section 6 of this Expenditure Plan, below. Notwithstanding the foregoing, the Designated Allocation for Bond Issuance Costs shall be treated as a "Budgeted Amount" under this plan, to be updated by staff without a formal Expenditure Plan amendment in accordance with the process set forth in Section 3, below.

3. **Designated Infrastructure Subcategories/Specific Projects.** Within each Project Category, there is a list of designated project subcategories and/or specific projects ("Infrastructure Projects"), including estimated amounts budgeted for each such project subcategory/specific project, and an overall estimate of the projected contingencies, cost escalations and administrative costs necessary for project implementation ("Budgeted Amounts"). Infrastructure Projects may be deleted or added, but only in accordance with the Expenditure Plan Amendment Process set forth in Section 6 of this Expenditure Plan, below. Budgeted Amounts represent City staff's best estimate of the projected costs for such Infrastructure Projects as of the date of the City's adoption of this Expenditure Plan. Throughout the duration of the Expenditure Plan staff will monitor the Budgeted Amounts for outstanding

## COMPLETE TEXT OF MEASURE I-Continued

projects and, at least [annually], as necessary, staff will revise the Expenditure Plan to update the Budgeted Amounts to be consistent with then projected project implementation costs. Staff updates to Budgeted Amounts will not be considered amendments to the Expenditure Plan requiring the amendment process set forth in Section 6, below.

4. **Phased Implementation.** Infrastructure Projects identified within the Expenditure Plan will be implemented in phases (each a "Project Phase"). Consistent with priorities set by the City Council, staff will develop lists of proposed Infrastructure Projects to be included within each Project Phase. Each Project Phase will be presented for City Council and approval as part of the City's annual Capital Improvement Program budget process. Additional factors to be considered in the development and timing of each Project Phase, and the sequencing of projects within each Project Phase time period include: (a) the need to balance available staff and contractor resources; (b) the length of the planning, design, and construction phases of each project; (c) disruption to the public as City services and facilities are removed from service to undergo renovations; (d) legal requirements for the expenditure of Infrastructure Bond proceeds (in general, under current federal tax law, the City must expect to spend 85% of each series of Infrastructure Bond funds within three years of their date(s) of issuance ); (e) the timing and availability of alternate and supplemental funding sources; (f) local, regional, state or federal permitting requirements; (g) the need to coordinate with outside agencies.

5. **Council Approval Required.** Council approval shall be required for (a) each and every proposed Project Phase for the implementation of the Expenditure Plan; (b) each and every issuance of Infrastructure Bonds to finance a Project Phase; and (c) any proposed amendment to the Expenditure Plan as provided in Section 6. Below.

6. **Amendment of the Plan.** Any proposed substantive amendment to this Expenditure Plan shall be subject to the requirements of Section 13(b)(ii) of the Ordinance. Such requirements shall include prior consideration and input from the "Bond Compliance COC" as provided therein.

7. **Legal Requirements for Capital Projects.** All Infrastructure Project costs paid from Infrastructure Bond proceeds shall consist of capital costs of the acquisition and improvement of real property within the meaning of California law. Any Infrastructure Project costs consisting of furnishings, furniture, equipment, software, ordinary maintenance (such as repairs, painting, resurfacing, striping or slurry seals), or other non-capital costs shall be paid by the City from other funds.

## TAX RATE STATEMENT

An election will be held in the City of Santa Clara (the "City") on November 5, 2024, to authorize the sale of up to \$400,000,000.00 in bonds of the City to finance the municipal improvements listed in the bond measure. If such bonds are authorized, the City expects to sell the bonds in one or more series. Principal and interest on the bonds will be payable solely from the proceeds of ad valorem tax levies made upon the taxable property in the City. The following information is provided in compliance with applicable provisions of the California Elections Code. Such information is based upon the best estimates and projections presently available from official sources, and other demonstrable factors.

Based upon the foregoing and projections of the City's assessed valuation:

1. The best estimate of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of filing of this statement is \$19 per \$100,000 of assessed valuation of all property to be taxed. The best estimate of the final fiscal year in which the tax is anticipated to be collected is 2060.

2. The best estimate of the highest tax rate that would be required to be levied to fund the bond issue, based on assessed valuations available at the time of filing this statement is \$28.70 per \$100,000 of assessed valuation of all property to be taxed. The best estimate of the first fiscal year in which the highest tax rate will apply is 2026.

3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$736,890,700.

Voters should note that such estimated tax rates are specific to the repayment of bonds issued under this authorization and are and will be in addition to tax rates levied in connection with other bond authorizations approved or to be approved by the voters of the City or any other overlapping public agency.

Voters should note that estimated tax rate is based on the ASSESSED VALUE of taxable property within the City as shown on Santa Clara County's official tax rolls, not on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts or durations and are not binding upon the City. The actual debt service amounts, tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the rating for the bonds, the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The dates of sale and the amount of bonds sold at any given time will be determined by the City based on need for funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the City

## TAX RATE STATEMENT-Continued

as determined by the Santa Clara County assessor in the annual assessment and the equalization process.

Nadine Nader  
for Jovan D. Grogan  
City Manager  
City of Santa Clara

## ARGUMENT IN FAVOR OF MEASURE I

We listen to Santa Clarans every day—at City Hall, in our neighborhoods, grocery stores, and restaurants. Santa Clarans love our city.

But we also hear from residents about our infrastructure needs.

Santa Clarans want to live in a safe city: 9-1-1 emergency, medical, fire, and disaster response is critical.

Santa Clarans want streets repaired and safe: continuing to fix potholes and make roads safer for drivers, pedestrians, and bicyclists is a must.

Santa Clarans want to prepare for the future: storm drain improvements, plus repairs to underground stormwater pipes to prevent erosion and sinkholes are necessary.

Santa Clarans want improvements to existing neighborhood facilities: upgrades to our parks, swimming pools, libraries, and senior centers are needed.

The Santa Clara Infrastructure Bond invests in the major needs that our residents want—and more.

Every dollar is allocated to projects that enhance the quality of life for all Santa Clara residents.

We also hear from Santa Clarans that public trust is important.

No bond funds shall be used for the Stadium or any professional sports team—guaranteeing that all resources are directed to public infrastructure.

The bond includes strict accountability and transparency provisions:

- Independent Audits: Annual audits will guarantee funds are used as promised.
- Community Oversight: An independent citizens commission will ensure projects and spending align with what voters approve.
- Prohibited Uses: No money will be used for employee salaries or benefits except for standard city administrative charges.

We listened to Santa Clarans by creating a measure that makes Santa Clara safer and more livable today while preparing our city for the future.

Most importantly, we respected our city by doing this in an accountable and transparent way. Now, we ask for your vote.

## ARGUMENT IN FAVOR OF MEASURE I-Continued

For more information: [www.SantaClaraBond.com](http://www.SantaClaraBond.com)

Lisa M. Gillmor  
Mayor, City of Santa Clara

Pat Nikolai  
Police Chief, City of Santa Clara

Anthony Pascoal  
President, Santa Clara Firefighters Union Local #1171

Judy Hubbard  
Senior Advisory Commissioner, City of Santa Clara

Karen Hardy  
Santa Clara City Councilmember

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE I

The arguments of the supporters of this **\$400,000,000.00 bond** measure **overlook** the following pertinent facts:

(1) The vast majority of this proposed bond debt would be spent on the "rehabilitation", "renovation", "improvement", "replacement", and "remediation" of **existing** city facilities, **not the construction of new facilities**.

(2) It would be irresponsible for our city to now start indebting itself with bonds to fix its current infrastructure. Until recent times, our city *promptly* paid for its repair expenses out of **current revenues**. Bonds should only be used to construct new facilities, **not** for deferred maintenance and repairs.

(3) This measure would also impose **\$21,674,000.00 in new taxes** on our city **each year**. Moreover, each year, **interest payments** on the bond would gobble up \$12,000,000.00 of these proposed tax increases (assuming 3% interest). Without this bond interest, *all* of the new tax money *could* have gone to: (a) repairs; and (b) the Capital Expenditures Fund. Sadly, however, this measure consists of the worst of two worlds: taxes and debt.

(4) This measure also fails to direct our city government to responsibly resume promptly paying for *all* of its repairs out of current revenues. Will this failure lead to more big bond measures in the future?

(5) Finally, massive governmental borrowing, such as this measure proposes, significantly pushes up interest rates for everyone, tragically making it even harder for young families to buy their first home.

Please vote **NO** on this irresponsible, unsustainable, unjust, tax-borrow-and-spend measure.

John K. Haggerty  
Attorney at Law



## ARGUMENT AGAINST MEASURE I

Please vote **NO** on this proposed \$400,000,000.00 **tax-borrow-and-spend** bond measure. Our city has not undertaken any such bonds since 1959 when it borrowed \$21 million to build several brand **new** city facilities after its population had exploded 400 percent during the previous ten years. Our population has grown only 30 percent since 2000. Moreover, most of the money from the proposed bond would go to fixing **existing** facilities, not building new ones.

For decades after 1959 our city was able to promptly pay for needed **repairs** to its facilities out of **current revenues**, not bonds. Indeed: (1) twenty years ago, our city was also able to pay for two new libraries and a new, enlarged police headquarters out of its current revenues; and (2) both our power company and city water department *still* pay for their facility repairs and upgrades out of their current revenues.

However, in recent years our city government has put off making repairs to its existing facilities to spend more of its current revenues on an ever-increasing city payroll. Rather than retaking control of its spending (as most responsible families and businesses would do), our city government wants to **borrow** \$400,000,000.00 (over \$3,000 for each man, woman, and child in our city) and increase our taxes to pay for it. This is irresponsible. Capital bonds are for capital projects (new facilities), not current operating expenses (repairs).

Moreover, if this bond passed, our city would have to raise \$12,000,000.00 **every year** just to pay the interest on it (assuming a 3% rate). It would be far better to put this money into our city's Capital Expenditures Fund rather than pay it out to lenders.

Please vote **NO** on this expensive, irresponsible, tax-borrow-and-spend measure.

John K. Haggerty  
Attorney at Law

## REBUTTAL TO ARGUMENT AGAINST MEASURE I

The opposition hasn't listened to Santa Clarans and overlooks critical realities facing our city today.

Santa Clara's growth requires infrastructure investment and a forward-looking approach. The bond will fund critical projects, including:

- **PUBLIC SAFETY ENHANCEMENTS:** Upgrading 9-1-1 emergency systems, improving fire and medical response infrastructure, and enhancing disaster preparedness facilities.
- **STREET AND ROAD REPAIRS:** Fixing potholes, resurfacing streets, and making roads safer for drivers, pedestrians, and bicyclists.
- **STORM DRAIN IMPROVEMENTS:** Repairing and upgrading underground stormwater pipes to prevent erosion, sinkholes, and flooding.
- **COMMUNITY FACILITY UPGRADES:** Renovating parks, swimming pools, libraries, and senior centers to ensure they meet modern standards and serve our community effectively.

These are essential upgrades to ensure our city remains safe and functional.

The bond's structure ensures fiscal responsibility. Funds are allocated solely to capital projects, not operational expenses. The bond measure includes:

- **INDEPENDENT AUDITS:** Annual audits will guarantee funds are used as promised.
- **COMMUNITY OVERSIGHT:** An independent citizen's commission will ensure projects and spending align with voters' approval.
- **PROHIBITED USES:** No money will be used for employee salaries or benefits except for standard city administrative charges.

Delaying infrastructure improvements risks escalating costs and compromising public safety. Addressing Santa Clara's needs now allows us to leverage favorable interest rates and spread costs over time. This approach is financially prudent and smart city planning.

Improved infrastructure attracts businesses, bolsters property values, and improves Santa Clarans' quality of life.

This bond measure was created with accountability and transparency. Please vote yes for a better Santa Clara today and for our future.

Lisa M. Gillmor  
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