

CITY OF MOUNTAIN VIEW
MEMORANDUM

DATE: February 3, 2011

TO: Shoreline Regional Park Community Board

FROM: Patty J. Kong, Finance and Administrative Services Director/Shoreline
Regional Park Community Treasurer

SUBJECT: SHORELINE REGIONAL PARK COMMUNITY FIVE-YEAR FORECAST

INTRODUCTION

While a Five-Year Forecast for the General Operating Fund is developed and included in the Adopted Budget on an annual basis, this is staff's first attempt to developing a longer-term financial forecast for the Shoreline Regional Park Community (Shoreline Community) Fund. The Shoreline Community has a long history of property tax revenue fluctuations (see Exhibit A), but has leveraged the revenues for the creation and maintenance of the Shoreline Regional Park and the development of a vibrant, world-class business community. In addition to serving as the funding mechanism, the Shoreline Community is home to major corporations that includes: Google, Intuit, LinkedIn, Microsoft and Siemens Medical. Over the years, the Shoreline Community has had sufficient revenues to fund all of its ongoing annual expenditures, support debt service, as well as significant capital projects. However, the resources of the Shoreline Community are currently in a period of decline and, with many demands being placed on its revenue stream, it became a major goal to develop a longer-term financial forecast for the Shoreline Community Fund. The purpose of this Five-Year Forecast is to assist in developing a broader understanding of the revenues and obligations of the Shoreline Community, as well as planning for the longer-term commitments of the Shoreline Community Fund.

BACKGROUND

The Shoreline Regional Park Community (Shoreline Community) was created by the State Legislature in 1969, by the Shoreline Regional Park Community Act (The Act) for the development and support of the Shoreline Regional Park and surrounding North Bayshore Area.

Although the Shoreline Community is not a redevelopment agency and it is not subject to redevelopment law, it does receive its revenue from property tax increment to accomplish the Shoreline Community purposes. The assessed value of property taxes

within the Shoreline Community were frozen in Fiscal Year 1977-78 when the plan was adopted. The overlapping taxing agencies receive their proportional share of property taxes from the frozen base. All tax increment generated by subsequent increases to the assessed values of property within the Shoreline Community are directed back to the Shoreline Community to be used for the purposes described in The Act. The property tax increment is to be utilized in accordance with the provisions of The Act.

The primary source of revenues for the Shoreline Community is property taxes. Property taxes include the revenue generated from the Shoreline Community's 1.0 percent levy assessed on the incremental taxable value of real and personal property located within the Shoreline Community. The assessed value (AV) of secured real property that does not experience a change in ownership or is not subject to new construction is increased/decreased annually at a rate not to exceed the California Consumer Price Index (CCPI) or 2.0 percent, whichever is lower. However, if a property changes ownership, it is reassessed at the current market value and new construction is initially valued at the cost of the construction. Unsecured tax on personal property, such as computers and other equipment, is assessed on the value of the property as reported annually to Santa Clara County (County) by the owning business.

The property taxes have grown due to the fact the values of the property in the Shoreline Community have increased from the frozen base of \$33.9 million to the current assessed value of \$2.4 billion. This growth in assessed value is attributable to the significant investments in the regional park and infrastructure made in the Shoreline Community over the years. Initially, the Shoreline Community revenues were insufficient to provide funding for major infrastructure improvements necessary to initially develop the Shoreline Community or accessibility and transportation improvements to facilitate access in and out of the area, such as the construction of major roadways and overpasses. The Shoreline Community borrowed funds from the City or issued debt to fund these improvements.

Debt

The City of Mountain View (City) made a series of loans to the Shoreline Community in the 1980s, totaling \$17.8 million, which provided funding for the Shoreline Amphitheatre and the initial landfill gas collection systems installed beneath the golf course and the Amphitheatre. These loans were consolidated in Fiscal Year 1988-89 at a then-market interest rate of 10.0 percent and amortized to mature in Fiscal Year 2015-16.

As provided for in The Act, the Shoreline Community has issued debt, tax allocation bonds (TABs) or Certificates of Participation (COPs) over the years to finance various important improvements as follows:

- 1970 Series A \$1.95 million for acquisition and construction of the landfill and the park
- 1983 TABs \$8.5 million public improvements
- 1986 COPs \$1.5 million issued for slurry wall beneath the Amphitheatre
- 1986 TABs \$26.3 million refund the 1983 TABs and primarily for construction of Amphitheatre Parkway and Rengstorff Avenue overpass/interchange.
- 1987 TABs \$6.2 million construction of infrastructure public improvements
- 1992 TABs \$28.2 million refund the 1986 and 1987 TABs
- 1993 TABs \$25.5 million for landfill closure projects and other improvements
- 1996 TABs \$21.8 million for the purchase of land and other improvements
- 2001 TABs \$17.5 million to refund a portion of the 1992 TABs
- 2004 TABs \$19.5 million refund of the 1993 issue

As of June 30, 2010, the Shoreline Community has \$35.4 million of tax allocation bonds outstanding with final maturity dates of 2021. The issues outstanding include the 1996, 2001 and 2004 TABs. All other Shoreline Community bonded debt has been retired.

The Shoreline Community has been judicious in issuing bonded debt for significant improvements in accordance with The Act that have benefited the North Bayshore Area and contributed to the vitality of the area. Over the years, investment and the development of the infrastructure was a major contributing factor for increases in the property values and resulting higher tax revenues. Debt was issued by the Shoreline Community in the 1980s for the construction of Amphitheatre Parkway and the two overpasses over Highway 101 at Rengstorff Avenue and Shoreline Boulevard. Debt was also issued in 1993 for the closure of the landfills. Debt was again issued in 1996 to purchase the adjacent land to the Shoreline Regional Park, Vista Slope, to expand the open space and recreational area. Many other roadway and infrastructure

improvements to the area and the park have been possible by proceeds of the debt issued or annual property tax increment.

Capital Projects

As mentioned above, major capital projects have been financed by the issuance of bonded debt over the years. In addition, many capital projects necessary for the maintenance and operations of the regional park and surrounding North Bayshore Area have been funded from annual property tax increment.

Some of the major projects over the past 10 years include:

- Shoreline Golf Course Renovations
- Golf Cart/Pro Shop Facility
- Shoreline Maintenance Facility
- Shoreline Lake Maintenance
- Stevens Creek Trail
- Permanente Creek Improvements
- New Bridge Over Permanente Creek
- Annual Shoreline Pathway and Roadway Improvements

For the past 10 years, the annual average funding for capital projects was \$7.8 million. All of these improvements, including the regional park itself, have led to the area to be a very desirable location for businesses. It is this desirability of the business environment that has attributed to the increase in assessed values experienced in the Shoreline Community.

FIVE-YEAR FINANCIAL FORECAST

While predicting the future can be difficult and becomes even more uncertain the further in the future the forecast extends, a longer-range financial forecast can be helpful in identifying long-term financial trends, future challenges and opportunities and recognize the obligations of the Shoreline Community. Actual revenues and expenditures in future years may vary significantly from the forecast, but trends may be apparent and can serve as a foundation for the Board's decision-making process.

A graph of the 10-year history and the 5-year forecast of revenues and expenditures is included as Exhibit A. The detail of revenues and expenditures for the Shoreline Community Five-Year Forecast is included as Exhibit B.

This forecast is based on reasonable assumptions utilizing available information from a variety of sources. These sources include reviewing the historic trends, information from the County, economists that specialize in the regional economics of Silicon Valley and factoring in local trends. As discussed below, no assumptions are being made regarding future development that could have a significant impact to future property tax revenues.

Revenues

Property taxes are the primary source of revenues for the Shoreline Community. The other major source of revenues is investment earnings and Other Revenues.

Property Taxes—As a result of the dot.com recession and the resulting high vacancy rate, total AV declined 22.0 percent over the three-year period from Fiscal Year 2002-03 to Fiscal Year 2004-05. Since then, AV and property tax revenues have recouped the previous losses and grown steadily. However, with the current economic recession, the Shoreline Community is once again experiencing a decline in assessed values as the County proactively reduces the assessed values and businesses have successfully filed assessment appeals to challenge the assessed value of their property.

Revenues for Fiscal Year 2010-11 were adopted at \$28.9 million and are in total estimated to be \$26.9 million. The revenues under budget are entirely attributed to property taxes which are lower than budget by \$2.1 million.

Final information regarding next fiscal year's tax roll will not be available from the County Assessor's Office until after July 1. The County has a backlog of assessment appeals and it is unknown how many commercial properties the County will be able to review, but it is projected the County Assessor will process some reductions for commercial properties for the upcoming fiscal year and staff anticipates further reductions will occur in Fiscal Year 2012-13.

For Fiscal Year 2011-12, property taxes are projected with the CCPI, an increase of 0.753 percent as announced by the County. Also included is a 6.0 percent additional decline in assessed value for nonresidential property as a result of the County processing Proposition 8 reductions and assessment appeals. The change in AV resulting from changes in ownership experienced during 2010 will also be added to

the July 1, 2011 tax roll. The forecast indicates an additional overall decline in property tax revenues for Fiscal Year 2011-12.

For Fiscal Year 2012-13, an annual 2.0 percent CCPI was added for all properties excluding the nonresidential properties with a change in ownership subsequent to 2004, which have an additional 4.0 percent reduction factored in. For the three remaining forecast years (Fiscal Years 2013-14 to 2015-16), there is the annual 2.0 percent growth from CCPI. The remaining forecast years are believed to be conservative forecasts as they do not assume the restoration of Proposition 8 reductions that have already occurred as a result of the economic recession; any new development or redevelopment; or increases in assessed values due to a change in ownership.

Unsecured property taxes, including personal property, have varied significantly from year to year and can be highly dependent on business vacancies associated with the economic climate. This tax is self-reported by the taxpayer and audited by the taxing authority every five years, which can lead to fluctuations and uncertainty, making it difficult to forecast. Also included in unsecured property taxes is the possessory interest tax related to City-owned property leased to private companies (e.g., Google, Michaels at Shoreline, etc.). For the current Fiscal Year 2010-11, unsecured property values declined 25.0 percent, accounting for the \$2.1 million of revenues under budget. For the forecast years, unsecured property taxes are projected as follows:

FY 2011-12	10.0 percent decline
FY 2012-13	5.0 percent increase
FY 2013-14	7.0 percent increase
FY 2014-15	10.0 percent increase
FY 2015-16	2.0 percent increase

Investment Earnings—Beginning in September 2007, the Federal Reserve aggressively lowered short-term interest rates by reducing the Federal funds rate to 0.25 percent by December 2008, where it remains today. Investment earnings are declining as the longer, higher-yielding securities in the City's investment portfolio mature and are reinvested at today's lower rates. Rates have remained fairly low over the past couple of years and the investment portfolio's yield has steadily declined with the annual yield at 4.18 percent, 3.83 percent and 3.46 percent as of June 30, 2008, 2009 and 2010, respectively.

For the Forecast period, the yield on investments is projected as follows:

FY 2011-12	2.42 percent
FY 2012-13	2.08 percent
FY 2013-14	1.98 percent
FY 2014-15	2.10 percent
FY 2015-16	2.28 percent

It is projected interest rates will begin to rise and the portfolio yield will increase beginning in Fiscal Year 2014-15.

Other Revenues consist of the repayment from the purchase of the bonds issued from the Revitalization Authority and other miscellaneous revenues such as revenues for the rents and leases in the Shoreline Regional Park. Other Revenues remain fairly constant throughout the forecast period.

State Impacts—Over the years, due to the inability of the State of California (State) to address its own financial difficulties, the State Legislature has redirected property taxes from local governments (including the Shoreline Community), to meet the State's requirements of funding schools by way of the Educational Revenue Augmentation Fund (ERAF). In 1992 and 1993, the State shifted an ongoing share of property taxes from local governments to schools and community colleges. In 2004, the State enacted a similar two-year shift of property taxes (\$1.3 billion annually) from local governments to schools and community colleges. These shifts had the effect of reducing local government resources and reducing State costs.

In November 2004, the voters approved Proposition 1A, Protection of Local Government Revenues, which prohibited the State from transferring local property and sales taxes from cities, counties and special districts for State-wide purposes except under certain circumstances. In Fiscal Year 2009-10, the State declared a fiscal necessity and invoked the provisions of Proposition 1A, borrowing \$2.0 billion of property taxes from local agencies (\$1.7 million from the Shoreline Community). However, the Shoreline Community, along with the City and many other public agencies throughout California, participated in the Securitization Program. Under the Securitization Program, the Shoreline Community sold the receivable of property taxes to the California Statewide Community Development Authority to be used as security for debt issued and, in return, received its full share of property taxes otherwise due.

Expenditures

The Shoreline Community was created for the operations and maintenance of the Shoreline Regional Park and to fund public improvements in the Shoreline Community

that provide access to, and benefit and protect the Shoreline Regional Park and the region. The Act also provides for the costs associated for the administration of the Shoreline Community to be paid for by the Shoreline Community. The expenditure forecast does not assume any additional programs, positions or service-level enhancements.

Operating Expenditures—The operating expenditures for the Community as adopted for Fiscal Year 2010-11 are as follows (amounts in thousands):

Fire Protection	\$3,068	35.0%
Operations of the Park and Other Park Maintenance	2,687	30.6%
Landfill and Street Maintenance	1,122	12.8%
Police Protection	678	7.7%
Planning	631	7.2%
Administration	486	5.5%
Library Services	100	1.1%
	<u>\$8,772</u>	<u>100.0%</u>

Expenditures include the actual and projected PERS rates for Fiscal Years 2011-12 through 2013-14. There are also other inflationary increases projected for salary and benefits and services and supplies.

Debt Service—The other major category of expenditure is Debt Service. As mentioned above, the Shoreline Community has issued debt to fund infrastructure improvements over the years. The annual debt service is approximately \$4.9 million.

As has been previously discussed, new debt is proposed to be issued for major capital projects previously approved by the Board for: (1) Fire Station No. 5; (2) Permanente Creek Overpass; and (3) Athletic Playing Fields. The total for these projects is approximately \$25.0 million.

General Fund Loan—In the 1980s, the City made a series of loans to the Shoreline Community in the amount of \$17.8 million. These loans were used for the construction of Shoreline Amphitheatre and the original landfill gas systems underneath the golf course and Amphitheatre. In 1989, the loans were consolidated and reamortized at a then market interest rate of 10.0 percent. The loan will be fully repaid in Fiscal Year 2015-16.

Intergovernmental Agreements—The interagency agreements include the payments to the County and contributions to the Joint Powers Agreement (JPA) with the Mountain View Whisman School District (MVWSD) and the Mountain View-Los Altos Union

High School District (MVLAHSD), jointly the "School Districts," as approved by the Board in February 2006.

The agreement with the County, dated for identification purposes on June 22, 2005 and authorized in December 2004, provides for the sale of a piece of property owned by the County and purchased by the City, the payments to the County from the Shoreline Community based on the County retirement override levy and an ongoing annual payment of a share of tax increment revenues. The City purchased a piece of property from the County it desired, then known as the County Vector Control site and now known as the Moffett Gateway property. The County's retirement override levy was assessed prior to the creation of the Shoreline Community and, once the Shoreline Community was created, the County no longer received its share of the assessed value for its retirement levy. The agreement provides for the Shoreline Community to pass the amount of the County's retirement levy back to the County to ensure it receives the retirement levy. The second component of the agreement allows for tax sharing of the tax increment revenues. The formula phases in the tax revenues at 2.0 percent, beginning in Fiscal Year 2004-05, and increased to 20.0 percent in Fiscal Year 2010-11 and beyond.

In 2006, a JPA was established between the Shoreline Community and the School Districts for the purpose of the Shoreline Community to assist the School Districts with their technology education and other educational programs which support the vitality of the Shoreline Community. The formula for the payments to the School Districts began at \$400,000 for each school district in Fiscal Year 2005-06 and continues annually to be adjusted based on the growth in assessed value in the Shoreline Community, not to exceed 3.0 percent. In Fiscal Year 2010-11, the school districts received \$464,000 each for a cumulative combined total of \$5.2 million since inception.

Reserves—It has been traditionally viewed necessary to maintain a balance in this fund for a variety of purposes to meet the Shoreline Community's obligations, but primarily for exposures related to the landfill. For the current fiscal year, a \$10.0 million reserve for strategic investment/property acquisition was created as the Shoreline Community began to identify strategic properties that were underdeveloped and could be assembled to create larger, more efficient sites for future development. Staff is currently evaluating this use of reserve funds for strategic property acquisitions and other reserves as may be necessary for environmental needs as discussed in the Shoreline Community Educational Enhancement Funding Report.

CONCLUSION

Overall, revenues for the 2010-11 fiscal year are estimated to be \$26.9 million, \$2.0 million less than the Adopted Budget. Property taxes are estimated at

\$24.8 million, \$2.1 million less than budget and \$4.3 million, or 14.9 percent, less than the prior fiscal year actuals. Property taxes are being impacted by the recession and the decline in the value of unsecured property in the Shoreline Community. Property taxes are projected to continue to decline for Fiscal Year 2011-12 and Fiscal Year 2012-13 includes an additional decline for nonresidential properties and a 2.0 percent CCPI increase. The remaining years are forecasted to increase by the 2.0 percent CCPI for the remaining forecast period.

Expenditures for Fiscal Year 2010-11 are estimated to be \$18.7 million (prior to capital projects of \$671,000), essentially as budgeted. Included in expenditures is the \$8.6 million for operations, \$4.9 million of debt service, \$1.9 million General Fund loan repayment and \$3.2 million of intergovernmental payments to the County and the School Districts. For Fiscal Year 2011-12, \$2.5 million debt service is projected for the new debt that is proposed to be issued this year for the previously approved projects mentioned above. Other expenditures include the projected increase costs associated with pension and health benefit costs increases and minor inflationary increases for other expenditures throughout the forecast period.

The net operating balance is projected in the \$3.6 million to \$5.5 million range prior to the funding of annual capital projects. Although annual capital projects have averaged \$7.8 million, capital projects are forecasted in the range of \$3.0 million to \$5.0 million annually. It is recommended the balances available in the fund be reviewed for future needs related to sea-rise and flood protection, transportation, landfill obligations and other potential environmental obligations or public improvements.

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Approved by:



Kevin C. Duggan
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PJK/7/CAM
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Attachments

Shoreline Regional Park Community Fund

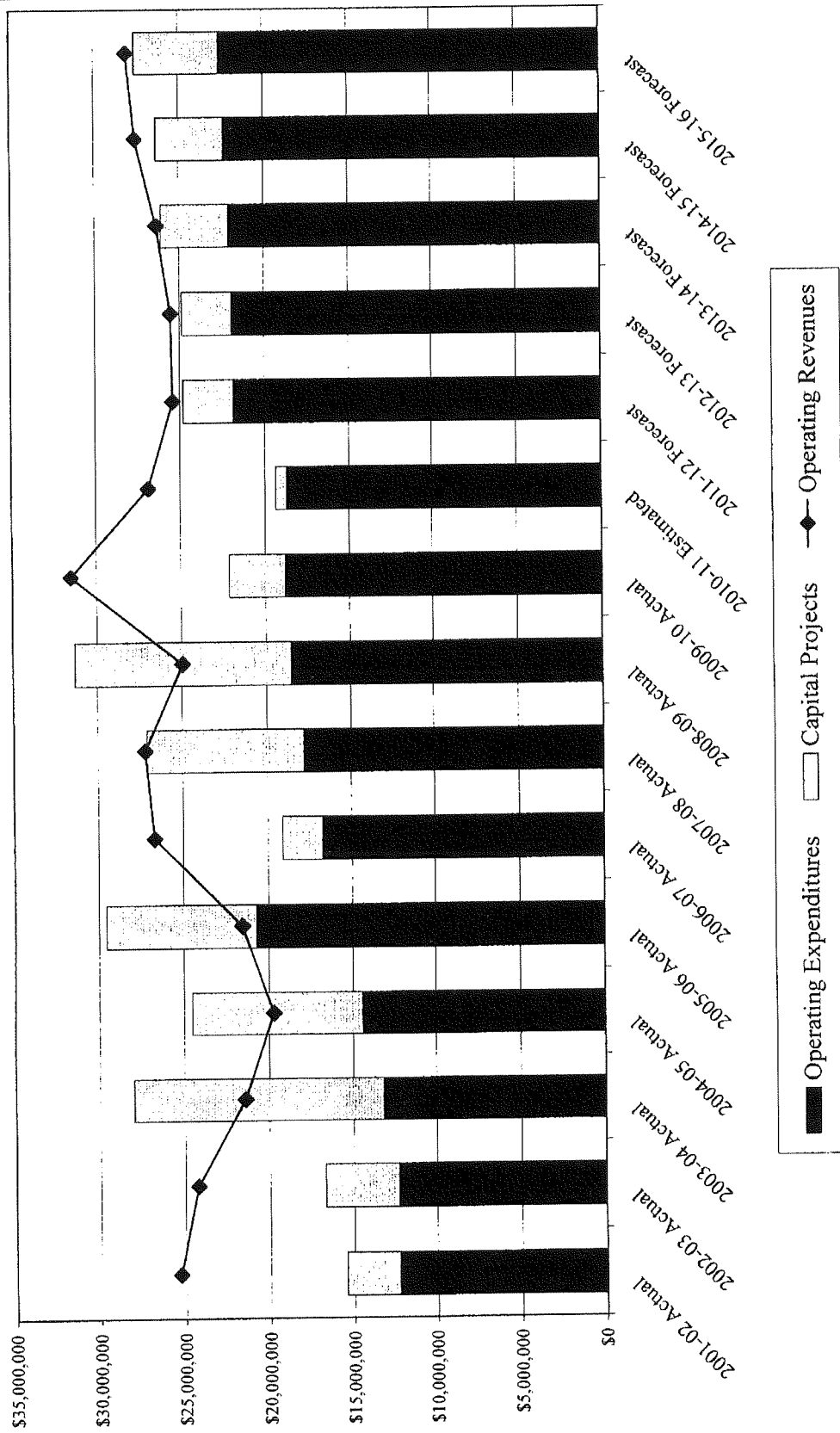


Exhibit B

A comparison of the prior fiscal year audited, current fiscal year adopted and estimated and the five-year forecast follows (amounts in thousands):

	2009-10 Audited	2010-11 Adopted	2010-11 Estimated	2011-12 Forecast	2012-13 Forecast	2013-14 Forecast	2014-15 Forecast	2015-16 Forecast
Revenues:								
Property Taxes	\$29,102	26,845	24,771	23,496	23,787	24,683	25,897	26,414
Investment Earnings	1,430	1,162	1,205	1,004	817	731	748	754
Other	<u>1,479</u>	<u>898</u>	<u>907</u>	<u>913</u>	<u>917</u>	<u>922</u>	<u>924</u>	<u>908</u>
Total Revenues	<u>32,011</u>	<u>28,905</u>	<u>26,883</u>	<u>25,413</u>	<u>25,521</u>	<u>26,336</u>	<u>27,569</u>	<u>28,076</u>
Expenditures:								
Operating	9,303	8,773	8,607	9,264	9,353	9,496	9,706	9,886
Interagency Agreements:								
Santa Clara County	2,302	2,134	2,307	2,260	2,231	2,276	2,320	2,367
MV-Whisman School Dist	450	464	464	464	468	482	497	512
MVLA High School Dist	450	464	464	464	468	482	497	512
Debt Service	4,949	4,949	4,949	4,946	4,948	4,936	4,925	4,913
New Debt Service	-0-	-0-	-0-	2,500	2,500	2,500	2,500	2,500
Loan Payment	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>
Total Expenditures	<u>19,348</u>	<u>18,678</u>	<u>18,685</u>	<u>21,792</u>	<u>21,862</u>	<u>22,066</u>	<u>22,339</u>	<u>22,584</u>
Operating Balance	12,663	10,227	8,198	3,621	3,659	4,270	5,230	5,492
Capital Projects	<u>(3,365)</u>	<u>(796)</u>	<u>(671)</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>(5,000)</u>
Excess (Deficiency) of Revenues Beginning Balance	9,298 13,870	9,431 23,168	7,527 23,168	621 30,695	659 31,316	270 31,975	1,230 32,245	492 33,475
Designated:								
Strat Invest/Prop Acquis Res	-0-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Sea-Level Rise/Transp.	-0-	-0-	?	?	?	?	?	?
Landfill Mgmt/Containment	-0-	-0-	?	?	?	?	?	?
Undesignated Ending Balance	<u>\$23,168</u>	<u>22,599</u>	<u>20,695</u>	<u>21,316</u>	<u>21,975</u>	<u>22,245</u>	<u>23,475</u>	<u>23,967</u>

**Shoreline Regional Park Community
Capital Projects - 10 Year History**

- 1) Annual projects have multiple years of funding
- 2) Projects may have multi funding sources

<u>No.</u>	<u>Project</u>	<u>10 Year Historical CIP</u>
01-28	Shoreline Lake Supply Main Replacement	\$ 521,000
01-22	Storm Drain Master Plan	97,000
99-53	Temporary Fire Station No. 5	60,000
01-27	Shoreline Lake Supply Dual Pump Structure	(350,000)
96-34	Lake Supply Access Port	(171,000)
95-46	San Antonio Rd./Highway 101 Off Ramp Traffic Signal	354,000
01-18	Shoreline Park Roadway Landscaping. (PG&E ROW Stevens Creek/Gatehouse)	(72,000)
00-20	Shoreline Pk. Roadway Landscaping. (Permanente Creek/Terminal Bl.)	(135,000)
01-35	Construct New Bridge Over Permanente Creek	150,000
02-08	Annual Shoreline Pathway, Roadway, Parking Improvements	1,610,000
02-10	Annual Shoreline Landfill Cap Maintenance and Repairs	850,000
02-13	Annual Landfill Gas/Leachate System Repairs & Improvements	850,000
02-20	Annual Information Services Computer Projects	104,000
02-32	Cell 6A Northeast Landfill Gas System Replacement, Construction	1,050,000
02-33	Michael's Parking Lot-Upgrade Landfill Gas Collection System	525,000
02-41	Shoreline Roadway Landscaping	360,000
02-42	Charleston East Site-Post Marketing Activities	300,000
02-43	Backup Emergency Generator	32,000
97-34	97-98 Information Services Computer Project	(32,000)
99-30	98-99 Information Services Computer Project	(12,000)
03-17	Info. Svcs. Computer Projects (Replace Police/Fire Dispatch System)	375,000
03-23	Fire Station No. 5 Design	500,000
03-25	Shoreline Maintenance Facility-Design	500,000
03-29	Stevens Creek Trail Pedestrian Overcrossing Moffett @ Hwy.85, Design	300,000
03-30	Golf Car/Pro Shop Facility, Design and Construction	3,400,000
99-58	Stevens Creek Trail, Reach 4, Segment 2 Environmental Clearance	150,000
04-01	Annual Street Resurfacing Program	945,000
04-14	Annual Facilities Maintenance Plan	835,000
04-17	Annual Shoreline Infrastructure Maintenance	1,525,000
04-18	Shoreline Sailing Lake Water Supply Alternatives, Design, Environment, Perm	500,000

04-19	Shoreline Community, Reclaimed Water Feasibility Study	\$	200,000
04-21	Permanente Creek Pedestrian/Bike Overcrossing Hwy. 101, Feasibility Study		150,000
04-27	Shoreline Maintenance Facility, Construction		4,500,000
04-30	Shoreline Golf Course Renovations		220,000
04-33	Stevens Creek Trail Pedestrian/Bike Overcrossing at Moffett Blvd., Construction		4,600,000
04-34	Traffic Signal Battery Back-up System		60,000
04-38	Shoreline Blvd. Reconstruction, Gatehouse to Golf Course Parking Entrance		2,000,000
04-40	Stevens Creek Trail, Yuba Drive Through El Camino Real		1,350,000
99-25	Stevens Creek Trail Reach 4, Segment 1, Construction		(56,000)
05-36	Citywide Irrigation System Replacement, Phase 1 (Shoreline Reg. Park Comm.)		72,000
05-38	Stevens Creek Trail Reach 4, Segment 1, Mitigation Planting		56,000
05-39	Recycled Water Distribution System Construction		8,100,000
05-42	Permanente Creek Pedestrian/Bike Overcrossing Hwy. 101, Design		300,000
03-26	Annual Street Tree Reinventory		30,000
04-41	Graham Reservoir/Play Field Construction		667,000
06-21	City Bridges and Culverts Structural Inspections		30,000
06-30	Shoreline Lake Water Supply, Construction		3,000,000
06-33	Permanente Creek Pedestrian/Bike Overcrossing Hwy. 101, Construction		5,000,000
07-23	Geographic Information System Update/Data Archiving		30,000
07-35	Stevens Creek Trail El Camino Real to Dale/Heatherstone, Design		485,000
07-44	Bicycle Park		60,000
08-18	Annual Information Technology Computer Projects		189,000
08-21	Athletic Field Design		500,000
08-25	Biannual Real Estate Technical and Legal Services		17,000
08-27	Permanente Creek Improvements Design (SCVWD)		10,000
08-30	Rebuild Shoreline Golf Links 13th Green		105,000
08-35	Restroom Facility at Dog Park		90,000
08-37	Stevens Creek Trail El Camino Real to Sleeper, Construction		375,000
08-43	City Telephone System Replacement		85,000
08-46	Replace 4th Fairway Pedestrian/Golf Cart Bridge		185,000
09-26	Permanente Trail Charleston Road Undercrossing, Feasibility Study		200,000
09-32	Fire Station No. 5, Construction		10,500,000
09-41	Citywide Benchmark and Monument Program		10,000
09-43	Shoreline Park Wildlife Management		300,000
10-33	AB 2466 Renewable Energy Facility Evaluation		75,000
10-40	North Shoreline Boulevard (in the Park) Storm Drainage Rehabilitation		887,000
10-42	Stevens Creek Trail, Sleeper Dale/Heatherstone, Construction		1,250,000
10-43	Golf Course Tee Box Renovation		80,000
10-44	Shoreline Sailing Lake Dock Repair		40,000

11-34	Stevens Creek Trail Landscaping Improvements South of El Camino Real	\$	24,000
11-35	Stevens Creek Trail Access Point Improvements North of El Camino Real		13,000
11-37	Highway 101 Auxiliary Lanes Coordination		75,000

Adopted Subtotal **60,985,000**

Mid Year Council Action:

01-52	Bridge Barrier Replacement (HBRR Grant)		15,000
New	Additional Traffic and Pedestrian Improvements		300,000
00-41	North Shoreline Water Main Replacement		71,000
New	Stormwater Regulations - Consultant Services		35,000
New	Graham Reservoir and Field Construction		1,670,000
06-30	Shoreline Sailing Lake Water Supply Construction		390,450
04-40	Stevens Creek Trail, Yuba Drive Through El Camino Real		700,000
04-38	Shoreline Boulevard Reconstruction		278,780
04-27	Shoreline Maintenance Facility		1,600,000
02-47	Charleston East Post-Marketing Activities for Hotel Consulting Services		235,000
05-42	Permanente Creek Trail Pedestrian/Bike Overcrossing of Highway 101 Design		30,000
02-42	Charleston East Post-Marketing Activities		685,000
06-41	Athletic Field Feasibility Study		125,000
New	Stevens Creek Levee Recertification		275,000
New	Fire Fleet Replacement		555,000
08-14	Annual Facilities Maintenance Plan		70,000
03-23	Fire Station No. 5		1,370,000
09-01	Annual Street Resurfacing Program		585,000
08-21	Athletic Field Design		400,000
06-33	Permanente Creek Trail Pedestrian/Bike Overcrossing of Highway 101 Design		(125,000)
05-39	Recycled Water Distribution System Construction		8,100,000

Mid Year Council Action Subtotal **17,365,230**

Total **\$ 78,350,230**

Ten Year Annual Average **\$ 7,835,023**

THREE-YEAR AUGMENTATION TO JPA OPTION 1A

Attachment 3
Option 1A

A comparison of the prior fiscal year audited, current fiscal year adopted and estimated and the five-year forecast follows (amounts in thousands):

	2009-10 Audited	2010-11 Adopted	2010-11 Estimated	2011-12 Forecast	2012-13 Forecast	2013-14 Forecast	2014-15 Forecast	2015-16 Forecast
Revenues:								
Property Taxes	\$29,102	26,845	24,771	23,496	23,787	24,683	25,897	26,414
Investment Earnings	1,430	1,162	1,205	1,004	817	731	748	754
Other	<u>1,479</u>	<u>898</u>	<u>907</u>	<u>913</u>	<u>917</u>	<u>922</u>	<u>924</u>	<u>908</u>
Total Revenues	<u>32,011</u>	<u>28,905</u>	<u>26,883</u>	<u>25,413</u>	<u>25,521</u>	<u>26,336</u>	<u>27,569</u>	<u>28,076</u>
Expenditures:								
Operating	9,303	8,773	8,607	9,264	9,353	9,496	9,706	9,886
Santa Clara County	2,302	2,134	2,307	2,260	2,231	2,276	2,320	2,367
MV-Whisman School Dist	450	464	464	-0-	-0-	482	497	512
MVLA High School Dist	450	464	464	-0-	-0-	482	497	512
Debt Service	4,949	4,949	4,949	4,946	4,948	4,936	4,925	4,913
New Debt Service	-0-	-0-	-0-	2,500	2,500	2,500	2,500	2,500
Loan Payment	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>
Total Expenditures	<u>19,348</u>	<u>18,678</u>	<u>18,685</u>	<u>20,864</u>	<u>20,926</u>	<u>22,066</u>	<u>22,339</u>	<u>22,584</u>
Operating Balance	12,663	10,227	8,198	4,549	4,595	4,270	5,230	5,492
Capital Projects	(3,365)	(796)	(671)	(3,000)	(3,000)	(4,000)	(4,000)	(5,000)
New School Dist JPA Formula								
MVWSD (23.75%)	-0-	-0-	-0-	(1,116)	(1,130)	-0-	-0-	-0-
MVLAHSD (15.21%)	-0-	-0-	-0-	(715)	(724)	-0-	-0-	-0-
One-Time Pymts to School Dist								
MVWSD	-0-	-0-	(914)	(914)	(914)	-0-	-0-	-0-
MVLAHSD	<u>-0-</u>	<u>-0-</u>	<u>(586)</u>	<u>(586)</u>	<u>(586)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (Deficiency) of Revenues	9,298	9,431	6,027	(1,782)	(1,759)	270	1,230	492
Beginning Balance	13,870	23,168	23,168	29,195	27,413	25,654	25,924	27,154
Designated:								
Strat Invest/Prop Acquis Res	-0-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Sea-Level Rise/Transp.	-0-	-0-	?	?	?	?	?	?
Landfill Mgmt/Containment	-0-	-0-	?	?	?	?	?	?
Undesignated Ending Balance	<u>\$23,168</u>	<u>22,599</u>	<u>19,195</u>	<u>17,413</u>	<u>15,654</u>	<u>15,924</u>	<u>17,154</u>	<u>17,646</u>

THREE-YEAR AUGMENTATION TO JPA OPTION 1B

Attachment 3
Option 1B

A comparison of the prior fiscal year audited, current fiscal year adopted and estimated and the five-year forecast follows (amounts in thousands):

	2009-10 Audited	2010-11 Adopted	2010-11 Estimated	2011-12 Forecast	2012-13 Forecast	2013-14 Forecast	2014-15 Forecast	2015-16 Forecast
Revenues:								
Property Taxes	\$29,102	26,845	24,771	23,496	23,787	24,683	25,897	26,414
Investment Earnings	1,430	1,162	1,205	1,004	817	731	748	754
Other	<u>1,479</u>	<u>898</u>	<u>907</u>	<u>913</u>	<u>917</u>	<u>922</u>	<u>924</u>	<u>908</u>
Total Revenues	<u>32,011</u>	<u>28,905</u>	<u>26,883</u>	<u>25,413</u>	<u>25,521</u>	<u>26,336</u>	<u>27,569</u>	<u>28,076</u>
Expenditures:								
Operating	9,303	8,773	8,607	9,264	9,353	9,496	9,706	9,886
Santa Clara County	2,302	2,134	2,307	2,260	2,231	2,276	2,320	2,367
MV-Whisman School Dist	450	464	464	-0-	-0-	482	497	512
MVLA High School Dist	450	464	464	-0-	-0-	482	497	512
Debt Service	4,949	4,949	4,949	4,946	4,948	4,936	4,925	4,913
New Debt Service	-0-	-0-	-0-	2,500	2,500	2,500	2,500	2,500
Loan Payment	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>	<u>1,894</u>
Total Expenditures	<u>19,348</u>	<u>18,678</u>	<u>18,685</u>	<u>20,864</u>	<u>20,926</u>	<u>22,066</u>	<u>22,339</u>	<u>22,584</u>
Operating Balance	12,663	10,227	8,198	4,549	4,595	4,270	5,230	5,492
Capital Projects	(3,365)	(796)	(671)	(3,000)	(3,000)	(4,000)	(4,000)	(5,000)
New School Dist JPA Formula								
MVWSD (23.75%)	-0-	-0-	-0-	(1,116)	(1,130)	-0-	-0-	-0-
MVLAHSD (15.21%)	-0-	-0-	-0-	(715)	(724)	-0-	-0-	-0-
One-Time Pymts to School Dist								
MVWSD	-0-	-0-	(1,829)	(1,829)	(1,829)	-0-	-0-	-0-
MVLAHSD	-0-	-0-	(1,171)	(1,171)	(1,171)	-0-	-0-	-0-
Excess (Deficiency) of Revenues	9,298	9,431	4,527	(3,282)	(3,259)	270	1,230	492
Beginning Balance	13,870	23,168	23,168	27,695	24,413	21,154	21,424	22,654
Designated:								
Strat Invest/Prop Acquis Res	-0-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Sea-Level Rise /Transp.	-0-	-0-	?	?	?	?	?	?
Landfill Mgmt/Containment	-0-	-0-	?	?	?	?	?	?
Undesignated Ending Balance	<u>\$23,168</u>	<u>22,599</u>	<u>17,695</u>	<u>14,413</u>	<u>11,154</u>	<u>11,424</u>	<u>12,654</u>	<u>13,146</u>