

## AMENDMENT TO EDUCATION ENHANCEMENT RESERVE JOINT POWERS AGREEMENT

This AMENDMENT NO. 1 to the Agreement is dated for identification this 13th day of June 2024, by and between the SHORELINE REGIONAL PARK COMMUNITY, whose address is 500 Castro Street, P.O. Box 7540, Mountain View, California, 94039-7540 (hereinafter referred to as "SHORELINE COMMUNITY"), and the MOUNTAIN VIEW LOS ALTOS UNION HIGH SCHOOL DISTRICT, a California public school district in Santa Clara County, California, and the MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT, a California public school district in Santa Clara County, California (hereinafter referred to collectively as "DISTRICTS"). SHORELINE COMMUNITY and DISTRICTS shall be hereinafter referred to collectively as "the Parties" or individually as "Party."

### RECITALS

A. WHEREAS, SHORELINE COMMUNITY and DISTRICTS entered into the Education Enhancement Reserve Joint Powers Agreement dated May 30, 2023, for identification (hereinafter "2023 EER JPA"); and

B. WHEREAS, the purpose of the 2023 EER JPA is to provide annual payments to the DISTRICTS from the SHORELINE COMMUNITY to be used to improve, rehabilitate, develop, or redevelop school district facilities to serve the residents of the SHORELEINE COMMUNITY and enhance the educational and technology capacity of students in DISTRICTS' schools that serve the residents and workforce needs of the SHORELINE COMMUNITY; and

C. WHEREAS, the 2023 EER JPA is a short-term agreement which expires on June 23, 2024, and only includes payments to the DISTRICTS for Fiscal Year 2023-24; and

D. WHEREAS, the DISTRICTS' Fiscal Year 2023-24 Budget forecasts include payments pursuant to the Education Enhancement Reserve Joint Powers Agreement as projected revenue for Fiscal Years 2024-25 and 2025-26; and

E. WHEREAS, the DISTRICTS must submit their annual budgets to the Santa Clara County Office of Education for approval, and the County Office of Education has notified Mountain View Whisman School District that it must provide reasonable assurance of the payments pursuant to the Education Enhancement Reserve Joint Powers Agreement continuing into Fiscal Years 2024-25 and 2025-26; and

F. WHEREAS, Mountain View Whisman School District has asked for an additional year of assurance through Fiscal Year 2026-27 for forecasting purposes; and

G. WHEREAS, it is the SHORELINE COMMUNITY's intent to continue payments pursuant to an Education Enhancement Reserve Joint Powers Agreement to the DISTRICTS after Fiscal Year 2023-24, and the Parties intend to engage in timely negotiations for a successor agreement; and

H. WHEREAS, on October 10, 2023, the Shoreline Regional Park Community Board of Directors authorized amendment of the “2023 EER JPA” for the purpose of extending the Minimum and Adjustment Payments to the DISTRICTS through June 30, 2027, to provide the assurance of continued payments required by the County Office of Education; and

I. WHEREAS, SHORELINE COMMUNITY and DISTRICTS now desire to amend the 2023 EER JPA as set forth below.

J. WHEREAS, the 2023 EER JPA and this AMENDMENT NO. 1 shall hereinafter be collectively referred to as the “Agreement.”

NOW, THEREFORE, it is mutually understood and agreed by and between the undersigned Parties that the 2023 EER JPA is amended as follows:

### **AGREEMENT**

1. Amended Article III—Payments. Article III, Payments, is hereby amended to add the following section:

3.2.1 In Fiscal Years 2024-25, 2025-26 and 2026-27, an annual payment will be made to the DISTRICTS by December 31 each year which will be calculated by adjusting the total of the prior year’s Minimum Payment plus Adjusted Payment by the same percentage change in property tax revenues compared to the preceding fiscal year.

2. Amended Section 4.1, Suspension of Payment. Section 4.1 is hereby amended to read:

All obligations made pursuant to this Agreement are expressly subordinate to SHORELINE COMMUNITY’s existing and future debt obligations that are secured by a pledge of tax increment, including future debt service obligations for debt that is yet to be issued. SHORELINE COMMUNITY’s existing future debt obligations have first call and priority on all SHORELINE COMMUNITY REVENUES.

SHORELINE COMMUNITY agrees to forgo issuance of any new bonds or Certificates of Participation during Fiscal Year 2023-24. SHORELINE COMMUNITY expressly reserves the right to issue new bonds or Certificates of Participation in any subsequent fiscal year.

Payments made pursuant to this Agreement may be suspended in whole or in part in the event of financial, environmental, natural, or other disaster that preempts SHORELINE COMMUNITY’s ability to make the payments. This determination shall be made solely and exclusively by SHORELINE COMMUNITY. Any suspension of payment pursuant to this provision shall be communicated by written notice from SHORELINE COMMUNITY to DISTRICTS no less than one (1) year prior to the intended date of suspension of payment.

3. Amended Section 5.1, Term and Termination. Section 5,1 is hereby amended to read:

This Agreement shall become effective upon execution by all Parties. This Agreement shall supersede any prior agreements. This Agreement shall continue in full force and effect until June 30, 2027, provided SHORELINE COMMUNITY remains in existence. This Agreement may be extended only by written agreement of all Parties on the same or different terms negotiated by the Parties so long as all Parties continue to negotiate in good faith on a successor agreement via a timely process with negotiations commencing in Fiscal Year 2023-24.

4. Attachments. The following Attachments to the 2023 EER JPA are hereby replaced as set forth below:

- a. Attachment 1. Attachment 1 to the 2023 EER JPA is hereby replaced by Attachment 1A attached hereto. All references to Attachment 1 in the 2023 EER JPA are replaced by reference to Attachment 1A for the duration of this Agreement.

5. Ratification of Agreement. The 2023 EER JPA, as modified by this AMENDMENT NO. 1, remains in full force and effect, and the Parties hereby ratify the same.

6. Effective Date. This AMENDMENT NO. 1 shall become effective on the date it is executed by all Parties. If AMENDMENT NO. 1 is not executed by all Parties on the same date, it shall be effective on the date it is last executed by a Party.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same Agreement. The parties shall be entitled to electronically sign and transmit this Agreement (whether by email, facsimile, or other electronic transmission), which signature shall be binding on the signing party or the party on whose behalf the document has been signed. Any party providing an electronic signature agrees to promptly execute and deliver to the other Parties an original signed Agreement upon request.

8. Authority to Execute. The persons signing below represent and warrant that they have authority to bind their respective Party, and all necessary approvals to sign on behalf of their respective Party have been obtained.

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IN WITNESS WHEREOF, this Amendment No. 1, dated June 13, 2024, for identification, to the Agreement between the Shoreline Regional Park Community and the Mountain View Los Altos Union High School District and the Mountain View Whisman School District is executed by SHORELINE COMMUNITY and DISTRICTS.

SHORELINE REGIONAL PARK COMMUNITY:

MOUNTAIN VIEW LOS ALTOS UNION HIGH SCHOOL DISTRICT,  
a California public school district in Santa Clara County, California

DocuSigned by:  
By: Kimbra McCarthey  
Manager  
6/15/2024 | 11:02 AM PDT

DocuSigned by:  
By: [Signature]  
Superintendent  
6/17/2024 | 10:55 AM PDT

APPROVED AS TO CONTENT:

MOUNTAIN VIEW WHISMAN SCHOOL DISTRICT,  
a California public school district in Santa Clara County, California

DocuSigned by:  
Kimbra McCarthey  
Community Manager  
6/15/2024 | 11:02 AM PDT

By: \_\_\_\_\_  
Superintendent

FINANCIAL APPROVAL:

DocuSigned by:  
[Signature]  
Treasurer  
6/15/2024 | 9:55 AM PDT

APPROVED AS TO FORM:

DocuSigned by:  
Jennifer Logue  
Counsel  
6/15/2024 | 7:21 AM PDT

**Attachment 1A**

## Examples for the New Residential Property Tax Payment

The NR-PTP will be calculated as follows (all numbers are for illustrative purposes only and are not to be considered a projection):

## Illustrative Example A Year 1—Calculation of New Residential Property Tax Revenues

Total Residential Tax Roll AV Year 1	\$138,600,000
Base Residential AV Year 0 (adjusted by CCPI)	(38,600,000)
Residential Development AV Year 1	\$100,000,000
Tax Increment Rate	1.0%
Residential Property Tax Revenues Year 1	\$1,000,000

## Illustrative Example B Year 1—Calculation of NR-PTP

	<u>MVWSD</u>	<u>MVLAUHSD</u>
Increment Allocation Factor	23.76%	15.21%
NR-PTP (by the following December 31)	\$237,600	\$152,100

## Illustrative Example A Year 2—Calculation of New Residential Property Tax Revenues

Total Residential Tax Roll AV Year 2	\$238,600,000
Base Residential AV Year 1 (adjusted by CCPI)	(39,372,000)
Residential Development AV Year 2	\$199,228,000
Tax Increment Rate	1.0%
Residential Property Tax Revenues Year 2	\$1,992,280

## Illustrative Example B Year 2—Calculation of NR-PTP

	<u>MVWSD</u>	<u>MVLAUHSD</u>
Increment Allocation Factor	23.76%	15.21%
NR-PTP (by the following December 31)	\$473,366	\$303,026

## Illustrative Example A Year 3—Calculation of New Residential Property Tax Revenues

Total Residential Tax Roll AV Year 3	\$300,000,000
Base Residential AV Year 2 (adjusted by CCPI)	(40,159,440)
Residential Development AV Year 3	\$259,840,560
Tax Increment Rate	1.0%
Residential Property Tax Revenues Year 3	\$2,598,406

## Illustrative Example B Year 3—Calculation of NR-PTP

	<u>MVWSD</u>	<u>MVLAUHSD</u>
Increment Allocation Factor	23.76%	15.21%
NR-PTP (by following the December 31)	\$617,381	\$395,217

## Illustrative Example A Year 4—Calculation of New Residential Property Tax Revenues

Total Residential Tax Roll AV Year 4	\$400,000,000
Base Residential AV Year 3 (adjusted by CCPI)	(39,757,846)
Residential Development AV Year 4	\$360,242,154
Tax Increment Rate	1.0%
Residential Property Tax Revenues Year 4	\$3,602,422

## Illustrative Example B Year 4—Calculation of NR-PTP

	<u>MVWSD</u>	<u>MVLAUHSD</u>
Increment Allocation Factor	23.76%	15.21%
NR-PTP (by the following December 31)	\$855,935	\$547,928

## Illustrative Example A Year 5—Calculation of New Residential Property Tax Revenues

Total Residential Tax Roll AV Year 5	\$500,000,000
Base Residential AV Year 4 (adjusted by CCPI)	(40,155,424)
Residential Development AV Year 5	\$459,844,576
Tax Increment Rate	1.0%
Residential Property Tax Revenues Year 5	\$4,598,446

## Illustrative Example B Year 5—Calculation of NR-PTP

	<u>MVWSD</u>	<u>MVLAUHSD</u>
Increment Allocation Factor	23.76%	15.21%
NR-PTP (by the following December 31)	\$1,092,591	\$699,424

## Illustrative Example C—Calculation of Base Residential AV (Following Year 1)

Base Residential Tax Roll AV Year 0	\$38,600,000
Base Residential AV Year 1 (assume 2.0% CCPI)	\$39,372,000
Base Residential AV Year 2 (assume 2.0% CCPI)	\$40,159,440
Base Residential AV Year 3 (assume negative 1.0% CCPI)	\$39,757,846
Base Residential AV Year 4 (assume 1.0% CCPI)	\$40,155,424

Adjustment to the Percentage Change in Property Tax Revenues for the Calculation of the PTP

Beginning in the first year a NR-PTP is made, and every year thereafter, the property tax revenues calculated in Section 3.2 of the Education Enhancement Reserve Joint Powers Agreement shall be reduced by the New Residential Property Tax Revenues calculated in Section 3.3 of the Education Enhancement Reserve Joint Powers Agreement in order to prevent a double-counting of the property tax revenues that is the result of New Residential Development. The PTP shall be calculated annually by multiplying the prior fiscal year PTP by the adjusted percentage growth in property tax revenues as shown below, and subject to the provisions in Section 3.2 of the Education Enhancement Reserve Joint Powers Agreement.

An example of the calculations to adjust the percentage change in property tax revenues and calculate the total payments under Section 3.3 of the Education Enhancement Reserve Joint Powers Agreement is as follows (numbers are used for illustrative purposes only and are not to be considered a projection):

Illustrative Example D Year 1—Calculation of Adjusted % Change in Property Tax Revenues

Property Tax Revenues Received Year 0	\$45,000,000
Property Tax Revenues Received Year 1	\$50,000,000
Less New Residential Property Tax Revenues Year 1	(\$1,000,000)
Net Property Tax Revenues Year 1	\$49,000,000
Adjusted Percentage Change from Year 0 to Year 1	8.9%

Illustrative Example E Year 1—Calculation of Total Payments under Section 3.3

	<u>MVWSD</u>	<u>MVLAUHSD</u>
PTP Year 0	\$4,000,000	\$2,600,000
Adjusted Percentage Change (see Ex D Year 1)	8.9%	8.9%
PTP Year 1	\$4,356,000	\$2,831,400
NR-PTP Year 1 (see Example B)	237,600	152,100
Total Payments under Section 3.3 Year 1	\$4,593,600	\$2,983,500

Illustrative Example D Year 2—Calculation of Adjusted % Change in Property Tax Revenues

Net Property Tax Revenues Received Year 1	\$49,000,000
Property Tax Revenue Received Year 2	\$55,000,000
Less New Residential Property Tax Revenues Year 2	(\$1,992,280)
Net Property Tax Revenues Year 2	\$53,007,720
Adjusted Percentage Change from Year 1 to Year 2	8.2%

## Illustrative Example E Year 2—Calculation of Total Payments under Section 3.3

	<u>MVWSD</u>	<u>MVLAUHSD</u>
PTP Year 1	\$4,356,000	\$2,831,400
Adjusted Percentage Change (see Ex D Year 2)	8.2%	8.2%
PTP Year 2	\$4,713,192	\$3,063,575
NR-PTP Year 2 (see Example B)	473,366	303,026
Total Payments under Section 3.3 Year 2	\$5,186,558	\$3,366,601

## Illustrative Example D Year 3—Calculation of Adjusted % Change in Property Tax Revenues

Net Property Tax Revenues Received Year 2	\$53,007,720
Property Tax Revenue Received Year 3	\$54,000,000
Less New Residential Property Tax Revenues Year 3	(\$2,598,406)
Net Property Tax Revenues Year 3	\$51,401,594
Adjusted Percentage Change from Year 2 to Year 3	(3.0%)

## Illustrative Example E Year 3—Calculation of Total Payments under Section 3.3

	<u>MVWSD</u>	<u>MVLAUHSD</u>
PTP Year 2	\$4,713,192	\$3,063,575
Adjusted Percentage Change (see Ex. D Year 3)	(3.0%)	(3.0%)
PTP Year 3	\$4,571,796	\$2,971,668
NR-PTP Year 4 (see Example B)	617,381	395,217
Total Payments under Section 3.3 Year 3	\$5,189,177	\$3,366,885

## Illustrative Example D Year 4—Calculation of Adjusted % Change in Property Tax Revenues

Net Property Tax Revenues Received Year 3	\$51,401,594
Property Tax Revenue Received Year 4	\$58,000,000
Less New Residential Property Tax Revenues Year 4	(\$3,602,422)
Net Property Tax Revenues Year 4	\$54,397,578
Adjusted Percentage Change from Year 3 to Year 4	5.8%

## Illustrative Example E Year 4—Calculation of Total Payments under Section 3.3

	<u>MVWSD</u>	<u>MVLAUHSD</u>
PTP Year 3	\$4,571,796	\$2,971,668
Adjusted Percentage Change (see Ex. D Year 4)	5.8%	5.8%
PTP Year 4	\$4,836,960	\$3,144,025
NR-PTP Year 4 (see Example B)	855,935	547,928
Total Payments under Section 3.3 Year 4	\$5,692,895	\$3,691,953

## Illustrative Example D Year 5—Calculation of Adjusted % Change in Property Tax Revenues

Net Property Tax Revenues Received Year 4	\$54,397,578
Property Tax Revenue Received Year 5	\$64,000,000
Less New Residential Property Tax Revenues Year 5	(\$4,598,446)
Net Property Tax Revenues Year 5	\$59,401,554
Adjusted Percentage Change from Year 4 to Year 5	9.2%

## Illustrative Example E Year 5—Calculation of Total Payments under Section 3.3

	<u>MVWSD</u>	<u>MVLAUHSD</u>
PTP Year 4	\$4,836,960	\$3,144,025
Adjusted Percentage Change (see Ex. D Year 5)	9.2%	9.2%
PTP Year 5	\$5,281,960	\$3,433,275
NR-PTP Year 5 (see Example B)	1,092,591	699,424
Total Payments under Section 3.3 Year 5	\$6,374,551	\$4,132,699