



BOARD REPORT

DATE: June 24, 2025

CATEGORY: Consent

DEPT.: City Manager's Office

TITLE: **Approve a New Education Enhancement Reserve Joint Powers Agreement**

RECOMMENDATION

Acting as the Shoreline Regional Park Community Board of Directors, approve a new Education Enhancement Reserve Joint Powers Agreement and direct the Shoreline Regional Park Community's Community Manager or designee to execute the Agreement, and authorize Counsel to make nonsubstantive clarifying and formatting changes as needed.

BACKGROUND

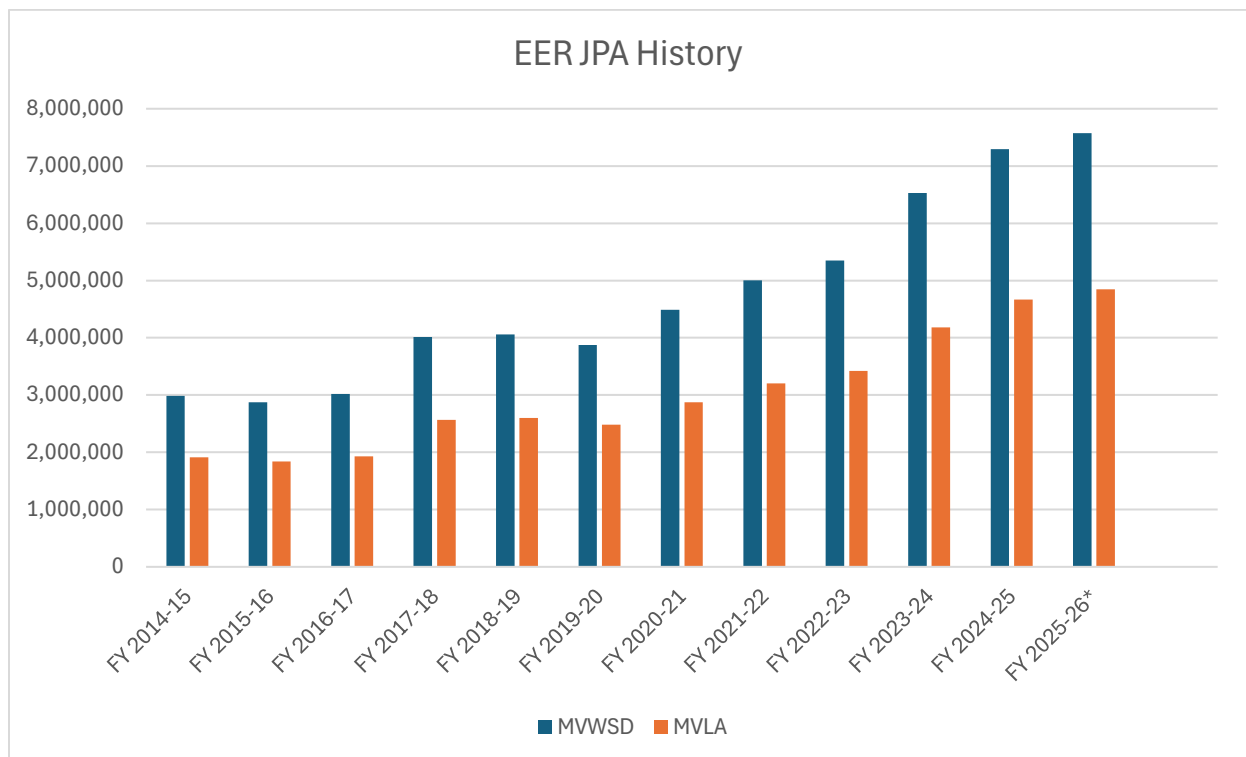
In January 2006, the Shoreline Regional Park Community (Shoreline Community), a separate legal entity from the City, Mountain View Whisman School District (MVWSD), and Mountain View Los Altos Union High School District (MVLVA) entered into the Education Enhancement Reserve Joint Powers Agreement (EER JPA). The purpose of the EER JPA is to provide annual payments to both school districts (Districts) from the Shoreline Community to benefit local education with the goal of attracting and retaining a quality employment base which supports the City's and Shoreline Community's economic vitality. The initial funding in 2005 was approximately \$400,000 per year per district, adjusted annually by up to 3%.

An amendment to the EER JPA was adopted in 2011 to increase the payment amount in order to help address school district budget shortfalls due to the economic recession at that time. In June 2013, the three parties entered into a new agreement that continued the EER JPA and further increased funding to the Districts during a 10-year term from Fiscal Year 2013-14 through Fiscal Year 2022-23. In 2019, the EER JPA was amended to provide the Districts with their full tax rate allocation on property tax revenue derived from new residential development in the Shoreline Community. This amendment recognized that new housing in the Shoreline Community will result in increased school enrollment and was enacted to implement "Funding for Schools, Policy 3.4.5.5" in the North Bayshore Precise Plan, which was adopted by the City Council in 2014.

In 2023, a one-year agreement was approved by the parties to allow sufficient time for discussions regarding an eventual longer-term agreement. The 2023 agreement was amended

through June 30, 2027, to provide assurances to the County Office of Education that the annual EER JPA payments to the Districts were assured throughout the Districts' three-year budget cycles as reported to the County.

Since the initial 2013 long-term agreement, the Districts have received a significant increase in annual payments from the base rates established in Fiscal Year 2014-15. The initial base rates for MVWSD and MVLA were \$2,874,000 and \$1,840,000 respectively. The following chart illustrates the growth in annual payments over that period (Figure 1).



**Figure 1: Growth in Annual Payments
(since Fiscal Year 2014-15)**

The estimated EER JPA payments for Fiscal Year 2025-26 are \$7,570,931 for MVWSD and \$4,847,095 for MVLA. In addition, this year the Districts will receive the first addition of a full tax rate allocation of property tax revenue from new residential development per the 2019 agreement. This payment is reflective of the Santa Clara County Assessor starting to assess improvements for Sobrato's new 1265 Pear Avenue development.

Since the initial 2013 10-year agreement through the estimated Fiscal Year 2025-26 payments, the Districts will have received \$93,575,502 in total payments.

The Shoreline Community and Districts now seek to continue this collaboration and enter into a new long-term 10-year agreement, which will remain in effect until June 30, 2035. The MVWSD Board approved the Agreement on May 29, 2025 and MVLA approved the Agreement on June 16, 2025.

ANALYSIS

Elements of the 2025 EER JPA

The basis of the proposed 2025 EER JPA is the existing 2023 agreement and updated attachment from the 2024 amendment. In addition, the proposed agreement simplifies the recitals. The following reflect some of the more substantive changes and/or additions in the 2025 EER JPA.

ARTICLE II—AGREEMENT ADMINISTRATION

The concept of the JPA Board has been replaced with “Agreement Administration.” This change acknowledges that over the years, the construct has proven to be an impediment to timely and efficient interactions between the Districts and the City. As a Brown Act body, the City and Districts were required to coordinate a meeting only to turn around and agendaize the same items for the respective governing boards. In its place, the agreement documents actual practice between the parties, which is to resolve most administrative issues at the staff level with other areas being elevated to the Superintendents and City Manager, or the respective governing boards.

ARTICLE III—PAYMENTS

The new agreement incorporates the original payment language from the prior 2013 10-year agreement. In addition, the minimum payment language has been removed since time and property value increases have made it no longer relevant.

Similar to the 2023 agreement, the 2025 agreement incorporates an additional one-time payment equal to 100% of the calculated prior-year percentage change dollar amount (excluding new residential property values) compared to the proceeding year.

ALTERNATIVES

1. Do not approve the staff recommendation.
2. Provide other direction to staff.

FISCAL IMPACT

The estimated EER JPA payments for Fiscal Year 2025-26 are \$7,570,931 for MVWSD and \$4,847,095 for MVLA. The EER JPA annual payments are a factor of the percentage change in property values. Therefore, the payments in future years will increase/decrease each year by the rate of property tax revenue growth/decline. There is sufficient funding available in the Shoreline Community Fund to support these payments.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

☒ Contract between two or more state or local government agencies

PUBLIC NOTICING—Agenda posting.

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AA/MS/1/CAM
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Attachment: 1. Proposed 2025 EER JPA