

AMENDMENT TO EDUCATION ENHANCEMENT RESERVE JOINT POWERS AGREEMENT

This AMENDMENT NO. 1 to the Agreement is dated for identification this ____ day of _____ 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, 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

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

F. 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 Year 2024-25, a payment will be made to the DISTRICTS by December 31, 2025 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:

The SHORELINE COMMUNITY’s payments under this Agreement are expressly subordinate to SHORELINE COMMUNITY’s existing obligations that are secured by a pledge of tax increment.

SHORELINE COMMUNITY agrees to forgo issuance of any new bonds or Certificates of Participation during Fiscal Year 2024-25.

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.

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, 2025, 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 2024-25.

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 June 24, 2024.
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 _____, 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:

By: _____
Manager

APPROVED AS TO CONTENT:

Community Manager

FINANCIAL APPROVAL:

Treasurer

APPROVED AS TO FORM:

Counsel

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

By: _____
Superintendent

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

By: _____
Superintendent

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.9

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 |