

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE LOAN IN THE AMOUNT OF \$1,828,000 FROM THE SUBDIVISION PARK TRUST FUND (FUND 375) TO THE COUNCIL DISTRICT NO. 7 CONSTRUCTION AND CONVEYANCE TAX FUND (FUND 385) FOR THE CONSTRUCTION OF THE ROBERTO ANTONIO BALERMINO PARK

WHEREAS, the Roberto Antonio Balermino Park ("Balermino Park") is a proposed 1.8 acre neighborhood park, consisting of a basketball court, horseshoe courts, a children's playground, two irrigated turf areas for informal play, a plaza area, site furnishings, security lights, fencing, and associated landscaping, located on the west side of Almaden Road between Alma Avenue and Highway 87 in Council District No. 7; and

WHEREAS, the City of San José ("City") was awarded grant funding from the State of California under the Statewide Park Development and Community Revitalization Program (Proposition 84, Phase 2), for Balermino Park in the amount of \$2,500,000, which funds will be received on a reimbursement basis during the term of the grant, July 1, 2012 to June 30, 2019, with the City providing the initial funding for the project and will receive reimbursement from the State of California; and

WHEREAS, the Subdivision Park Trust Fund (Fund 375) includes a reserve of funding totaling \$639,000 for the Balermino Park project, together with interest earned from this funding in the amount of \$33,000; and

WHEREAS, it is recommended that an interfund loan be approved, in accordance with City Council Policy 1-18 ("Interfund Loan Policy"), in the amount of \$1,828,000 to provide temporary funding for the construction of Balermino Park; and

WHEREAS, the interfund loan will be transferred from the Subdivision Park Trust Fund (Fund 375) to Council District No. 7 Construction and Conveyance Tax Fund (Fund 385), which loan will be repaid upon receipt of grant reimbursements, on or before June 30, 2019, and will include the principal plus interest calculated at the City's pooled investment portfolio rate;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT a loan is approved, consistent with the Interfund Loan Policy, in the amount of \$1,828,000 from the Subdivision Park Trust Fund (Fund 375) to the Council District No. 7 Construction and Conveyance Tax Fund (Fund 385) for the construction of the Roberto Antonio Balermino Park with the following terms:

- A. The Council District No. 7 Construction and Conveyance Tax Fund (Fund 385) shall pay interest at a rate equal to the investment earnings of the Subdivision Park Trust Fund (Fund 375);
- B. The loan shall be fully due and payable on June 30, 2019;
- C. The loan shall be repaid with grant reimbursements from the Statewide Park Development and Community Revitalization Program (Proposition 84 Phase 2);
- D. All grant reimbursements received by the City from Statewide Park Development and Community Revitalization Program (Proposition 84 Phase 2) for the construction of the Roberto Antonio Balermino Park shall be allocated to the repayment of the loan until it is fully repaid;
- E. In the event that a shortfall arises in the Council District No. 7 Construction and Conveyance Tax Fund (Fund 385), another eligible source of revenue shall fully repay the loan.

F. The loan shall be immediately due and payable if needed by the Subdivision Park Trust Fund (Fund 375) to fund any eligible project.

G. A final balloon payment shall be required if the loan has not been fully repaid from the grant reimbursements by June 30, 2019.

ADOPTED this 19th day of June 2012, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

CHUCK REED
Mayor

ATTEST:

DENNIS D. HAWKINS, CMC
City Clerk

