

PFC 11-17-2025

Oral
Communications

Written Comments

From: [Santosh Rao](#)
To: [City Clerk](#); [City Council](#); [Tina Kapoor](#); [Chad Mosley](#); [Luke Connolly](#); [Gian Martire](#); [City Attorney's Office](#)
Subject: Compliance and policy concerns with Mary Ave city handling of parcel.
Date: Monday, November 17, 2025 1:07:09 PM

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear City Clerk,

Please include the below for 11/17/25 council meeting for items not on agenda.

[Writing on behalf of myself only as a Cupertino taxpayer, voter, resident.]

Dear Mayor Chao, Vice-Mayor Moore, Council Members, and ICM Kapoor,

Please see my comments below. Residents will keep raising these issues until the City explains them clearly.

I appreciate your review of the ground lease risks. If that review changed the direction, the public must be told. Closed-session outcomes that shift policy need a public summary.

Lack of disclosure raises Brown Act concerns. Residents already see problems with the failure to vacate the public right-of-way and the lack of required findings and hearings on surplus or exempt surplus land.

These issues cannot be moved forward on the consent calendar. Major decisions require open explanation. Public trust depends on this.

We need clarity on who recommended the ground lease. We need to know when the decision was made. We need to know whether it came from prior or current leadership. We need to know which departments were involved. The public needs facts and corrective steps if errors occurred.

We also need to know who authorized turning a roadway into a parcel without noticing, hearings, right-of-way vacation, or surplus land findings. Please confirm how HCD was notified. Please confirm whether a NOA was issued. Please state when the public can see responses. These steps must follow the legal order.

Each lapse compounds the next. Accountability is required.

This is now a compliance issue, in addition to a policy issue.

Please address these lapses openly. Please correct past omissions. Please agendaize each remaining step so the process is legal, transparent, and impartial.

Please also hold study sessions with commercial real estate operators in the skilled nursing asset class. This asset class has significant challenges. The City needs to understand the operating risks. The City needs to understand the financing risks. The City needs to know the

track record of similar facilities and their long-term viability. Skilled nursing and specialized care are among the hardest asset classes to finance and operate successfully.

<https://www.sokolovelaw.com/blog/nursing-home-graveyard/>

This parcel is currently a roadway. Before moving forward, the City has an obligation to study comparable assets. The City must understand what happens if an operator fails, if the asset enters bankruptcy, or if no operator is willing to take over. The City must consider what happens if a failed operator seeks to convert the facility to general housing. The City must consider what precedent this sets for nearby land on the same roadway. Residents are concerned about the risk of using a bike-lane project as a path to bypass surplus land rules and transfer public land under the label of 100% affordable housing, only to see it converted later.

These questions are serious. The City must study the asset class before taking further steps. Please pause and fully review the long-term viability of this use.

Thank you.

Sincerely,

San Rao (writing on behalf of myself only as a Cupertino taxpayer, voter, resident).

Begin forwarded message:

On Sunday, November 16, 2025, 11:02 PM, Santosh Rao <santo_a_rao@yahoo.com> wrote:

Dear City Clerk,

Please include the below in written communications for the 11/18/25 city council meeting.

[Writing on behalf of myself as a Cupertino taxpayer, resident and voter]

Dear Mayor Chao, Vice-Mayor Moore, Council Members, ICM Kapoor, CAO,

I am following up on agenda item 16.

I wish to bring to your attention the below CA Govt Code.

CA Govt Code § 54221 (2024)

b) (1) "Surplus land" means land owned in fee simple by any local agency for which the **local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency's use. Land shall be declared either "surplus land" or "exempt surplus land," as supported by written findings.** before a local agency may take any action to dispose of it

consistent with an agency's policies or procedures. A local agency, on an annual basis, may declare multiple parcels as "surplus land" or "exempt surplus land."

Please provide the written findings and the public meeting date, agenda, minutes where the above occurred. If the land was declared surplus or exempt surplus absent the above process please assess if this is a violation of the above state law and potentially also a violation of the Brown Act.

I urge council to enforce CA govt code is followed and and further take action to ensure CM, department directors and staff are being held accountable to follow state laws and Brown Act and also publish clearly artifacts from the same as attachments should you choose to pursue agenda item 16 but still pull from consent calendar.

Further please do not spend city money on CAO billing hours on this matter if state laws have not been followed to vacate public right of way land and deem surplus or exempt surplus.

The public is a key stakeholder in decisions like these. Land cannot be vacated or deemed surplus or exempt surplus without public noticed meetings and sufficient community input at council hearings.

Thanks,
San Rao (Writing on behalf of myself only as a Cupertino taxpayer, voter, resident)

On Wednesday, November 12, 2025, 11:11 PM, Santosh Rao
<santo_a_rao@yahoo.com> wrote:

Dear City Clerk,

Please include the below in written communications for the upcoming city council meeting for agenda item 16.

[Writing on behalf of myself only as a Cupertino resident]

Subject: Request to Pull Agenda Item 16 from Consent Calendar for 11/18/25 City Council Meeting

Hello Mayor Chao, Council Members, ICM Kapoor, Attorney Andrews,

I respectfully request that Agenda Item 16 be pulled from the consent calendar for the November 18, 2025 City Council meeting so that it can be discussed in open session.

There are significant unanswered questions about the parcel's legal status. It appears that the public right of way associated with this property has not been formally vacated through the required public hearings or a resolution of intent. Without that process, it is unclear whether this parcel was legally created in accordance with state law and city procedures.

If the right of way has not been vacated, it raises serious implications for the validity of the parcel and any potential sale. The City should clarify whether clear title can be conveyed or if the property would remain encumbered as a result.

This issue warrants full Council discussion, not approval on consent. The agenda materials should include all documents and actions related to the parcel's formation, including any right of way vacations, planning or council actions, and staff determinations of General Plan conformance.

Given the potential procedural and legal implications, open discussion would demonstrate transparency, ensure compliance with state and city requirements, and maintain public trust.

Thank you for your attention to state and local law conformance and ensuring the city is completely transparent with Cupertino residents and voters. Please ensure there are no short cuts to giving public land away to anyone. This is taxpayer land and taxpayers must be fully involved in the process including consideration of CA Article 34.

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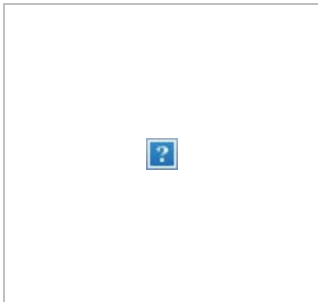
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From: [Kirsten Squarcia](#)
To: [City Clerk](#)
Subject: FW: Written Communications for CPFC Meeting
Date: Monday, November 17, 2025 7:12:35 PM
Attachments: [image.png](#)
[PFC 11-17-25 Searchable Packet \(1\).pdf](#)
[Cupertino Public Facilities Corp Bylaws.pdf](#)
[PFC Articles of Incorporation.pdf](#)
[Follow Up Memo CPFC\[18\].pdf](#)
[PFC 87-4.pdf](#)
[Public Facilities Corp Information Memo Final\[27\].pdf](#)



Kirsten Squarcia

Interim Deputy City Manager/City Clerk
City Manager's Office
KirstenS@cupertino.gov
[\(408\) 777-3225](tel:(408)777-3225)



From: Kitty Moore <KMoore@cupertino.gov>
Sent: Monday, November 17, 2025 6:40 PM
To: Kirsten Squarcia <KirstenS@cupertino.gov>
Subject: Written Communications for CPFC Meeting

Dear Secretary of the CPFC,

Is this the annual meeting of the CPFC? If yes, then we are supposed to next elect the officers per the Bylaws?

The SOI documents at the SOS have officers listed and for positions which were not elected by the CPFC BOD.

In 2012 there was an election for the officers of the CPFC:

<https://records.cupertino.org/WebLink/PDF10/5c573dbc-5345-49b5-9f3b-bf24ed42da91/337324>

Excerpt from this Resolution: **BE IT FURTHER RESOLVED, that the Mayor, Vice Mayor, and City Clerk are the President, Vice President, and Secretary, respectively, of the Corporation.**

The December 6, 2023 Informational Memo has many attachments which would helpful to the Directors, may we have a copy of them for our records?

Thank you



Kitty Moore

Vice Mayor

City Council

KMoore@cupertino.gov

[\(408\) 777-1389](tel:(408)777-1389)





CITY OF CUPERTINO

AGENDA

CITY COUNCIL

**10300 Torre Avenue, City Hall Conference Room C; and via Teleconference
Monday, November 17, 2025
6:45 PM**

Cupertino Public Facilities Corporation Meeting

IN-PERSON AND TELECONFERENCE / PUBLIC PARTICIPATION INFORMATION

OPTIONS TO OBSERVE:

Members of the public wishing to observe the meeting may do so in one of the following ways:

- 1) Attend in person at City Hall, 10300 Torre Avenue, Conference Room C.**
- 2) Watch a live stream online at <https://youtube.com/@cupertinocitycommission> and www.Cupertino.org/webcast.**

OPTIONS TO PARTICIPATE AND COMMENT:

Members of the public wishing to address the Public Facilities Corporation may do so in the following ways:

- 1) Appear in person at City Hall, 10300 Torre Avenue, Conference Room C.**

A. During “Oral Communications”, the public may comment on matters not on the agenda, and for agenda items, the public may comment during the public comment period for each agenda item.

B. Speakers are requested to complete a Speaker Card. While completion of Speaker Cards is voluntary and not required to attend the meeting or provide comments, it is helpful for the purposes of ensuring that all speakers are called upon.

C. Speakers must wait to be called and may begin speaking when recognized by the President.

D. Speakers are limited to three (3) minutes each. However, the President may reduce the speaking time depending on the number of people who wish to speak on an item. A speaker representing a group of 2 to 5 or more people who are present may have up to 2 minutes per group member, up to 10 minutes maximum.

E. Please note that due to cyber security concerns, speakers are not allowed to connect any personal devices to any City equipment. However, speakers that wish to share a document (e.g. presentations, photographs or other documents) during oral comments may do so by:

- a. E-mailing the document to citycouncil@cupertino.gov by 3:00 p.m. and staff will advance the slides/share the documents during your oral comment.

2) Written communications as follows:

A. E-mail comments to citycouncil@cupertino.gov

B. Regular mail or hand delivered addressed to the: Public Facilities Corporation, City Hall, 10300 Torre Avenue, Cupertino, CA 95014

C. Comments addressed to the Public Facilities Corporation received by 5:00 p.m. on the day of the meeting will be included in written communications published and distributed before the beginning of the meeting.

D. Comments addressed to the Public Facilities Corporation received after the 5:00 p.m. deadline, but through the end of the Commission meeting, will be posted to the City's website by the end of the following business day.

3) Teleconference in one of the following ways:

A. Online via Zoom on an electronic device (Audio and Video): Speakers must register in advance by clicking on the link below to access the meeting:

https://cityofcupertino.zoom.us/webinar/register/WN_T3Sy7d7sRJihCDmlWIJ56Q

a. Registrants will receive a confirmation email containing information about joining the webinar.

b. Speakers will be recognized by the name they use for registration. Once recognized, speakers must click 'unmute' when prompted to speak.

c. Please read the following instructions about technical compatibility carefully: One can directly download the teleconference (Zoom) software or connect to the meeting in their internet browser. If a browser is used, make sure the most current and up-to-date browser, such as the following, is used: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers, including Internet Explorer.

B. By Phone (Audio only): No registration is required in advance and speakers may join the meeting as follows:

a. Dial 669-900-6833 and enter WEBINAR ID: 890 6315 5100

b. To "raise hand" to speak: Dial *9; When asked to unmute: Dial *6

c. Speakers will be recognized to speak by the last four digits of their phone number.

C. Join from an H.323/SIP room system:

H.323:

144.195.19.161 (US West)

206.247.11.121 (US East)

159.124.15.191 (Amsterdam Netherlands)

159.124.47.249 (Germany)

159.124.104.213 (Australia Sydney)

159.124.74.212 (Australia Melbourne)

159.124.168.213 (Canada Toronto)

159.124.196.25 (Canada Vancouver)

Meeting ID: 890 6315 5100

SIP: 89063155100@zoomcrc.com

CALL TO ORDER

ROLL CALL

POSTPONEMENTS AND ORDERS OF THE DAY

ORAL COMMUNICATIONS

This portion of the meeting is reserved for persons wishing to address the Public Facilities Corporation on any matter within the jurisdiction of the Corporation and not on the agenda for discussion. The total time for Oral Communications will ordinarily be limited to one hour. Individual speakers are limited to three (3) minutes. As necessary, the President may further limit the time allowed to individual speakers, or reschedule remaining comments to the end of the meeting on a first come first heard basis, with priority given to students. In most cases, State law will prohibit the Corporation from discussing or making any decisions with respect to a matter not listed on the agenda. A corporation member may, however, briefly respond to statements made or questions posed by speakers. A corporation member may also ask a question for clarification, provide a reference for factual information, request staff to report back concerning a matter, or request that an item be added to a future Public Facilities Corporation agenda in response to public comment.

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine City business and may be approved by one motion. Typical items may include meeting minutes, awards of contracts, the ratification of accounts payable, and second readings of ordinances. Any member of the Public Facilities Corporation may request to have an item removed from the Consent Calendar. Members of the public may provide input on one or more consent calendar items when the President asks for public comments on the Consent Calendar.

1. Subject: Approval of the November 18, 2024 Cupertino Public Facilities Corporation meeting minutes

Recommended Action: Approve the November 18, 2024 Cupertino Public Facilities Corporation meeting minutes

[A - Draft Minutes](#)

PUBLIC HEARINGS - None

ACTION CALENDAR

2. Subject: Cupertino Public Facilities Corporation Management Report

Recommended Action: Receive the Cupertino Public Facilities Corporation Management Report

[A - Management Report](#)

CORPORATION MEMBER REPORTS

FUTURE AGENDA ITEMS

ADJOURNMENT

Lobbyist Registration and Reporting Requirements: Individuals who influence or attempt to influence legislative or administrative action may be required by the City of Cupertino's lobbying ordinance (Cupertino Municipal Code Chapter 2.100) to register and report lobbying activity. Persons whose communications regarding any legislative or administrative are solely limited to appearing at or submitting testimony for any public meeting held by the City are not required to register as lobbyists. For more information about the lobbying ordinance, please contact the City Clerk's Office at 10300 Torre Avenue, Cupertino, CA 95014; telephone (408) 777-3223; email cityclerk@cupertino.org; and website: www.cupertino.org/lobbyist.

In compliance with the Americans with Disabilities Act (ADA), anyone who is planning to attend this meeting who is visually or hearing impaired or has any disability that needs special assistance should call the City Clerk's Office at 408-777-3223, at least 48 hours in advance of the meeting to arrange for assistance. In addition, upon request in advance by a person with a disability, meeting agendas and writings distributed for the meeting that are public records will be made available in the appropriate alternative format.

Any writings or documents provided to a majority of the Public Facilities Corporation after publication of the packet will be made available for public inspection in the City Clerk's Office located at City Hall, 10300 Torre Avenue, Cupertino, California 95014, during normal business hours; and in Council packet archives linked from the agenda/minutes page on the City web site.

IMPORTANT NOTICE: Please be advised that pursuant to Cupertino Municipal Code section 2.08.100 written communications sent to the Public Facilities Corporation or staff concerning a matter on the agenda are included as supplemental material to the agenda item. These written

communications are accessible to the public through the City website and kept in packet archives. Do not include any personal or private information in written communications to the City that you do not wish to make public, as written communications are considered public records and will be made publicly available on the City website.



CITY OF CUPERTINO

Agenda Item

25-14530

Agenda Date:
11/17/2025 Agenda #: 1.

Subject: Approval of the November 18, 2024 Cupertino Public Facilities Corporation meeting minutes

Approve the November 18, 2024 Cupertino Public Facilities Corporation meeting minutes



UNOFFICIAL MINUTES
CUPERTINO PUBLIC FACILITIES CORPORATION
Monday, November 18, 2024

REGULAR MEETING OF THE CUPERTINO
PUBLIC FACILITIES CORPORATION

At 7:55 p.m. President Sheila Mohan called the Regular Cupertino Public Facilities Corporation meeting to order in City Hall Conference Room C, 10300 Torre Avenue. This meeting was recorded for public access.

ROLL CALL

Present: President Sheila Mohan, Vice President J.R. Fruen, and Corporation members Liang Chao, Kitty Moore, and Hung Wei (8:10 p.m., participated remotely). Absent: None

ORAL COMMUNICATIONS - None

CONSENT CALENDAR

MOTION: Fruen moved and Mohan seconded to approve the items on the Consent Calendar as presented. The motion carried with the following vote: Ayes: Mohan, Fruen, Chao, and Moore. Noes: None. Abstain: None. Absent: Wei.

1. Subject: Approval of the October 6, 2020 Cupertino Public Facilities Corporation minutes
Recommended Action: Approve the October 6, 2020 Cupertino Public Facilities Corporation minutes

ACTION CALENDAR

2. Subject: Cupertino Public Facilities Corporation Management Report
Recommended Action: Receive the Cupertino Public Facilities Corporation Management Report

Written communications for this item included emails to the Corporation.

Treasurer Kristina Alfaro reviewed the management report.

Corporation members asked questions and made comments.

At 8:12 p.m., Corporation member Wei joined the meeting.

Chao and Moore requested an informational memo on the 2020 Certificates of Participation (COP) refinancing, focusing on the differences between the coupon rate and True Interest Cost (TIC) before and after refinancing, along with the resulting savings. Where possible, include visualizations such as charts or graphs to aid understanding.

President Mohan opened the public comment period and, seeing no one, closed the public comment period.

MOTION: Fruen moved and Moore seconded to receive the Cupertino Public Facilities Corporation Management Report. The motion was approved by unanimous consent.

ADJOURNMENT

At 8:25 p.m., President Mohan adjourned the Regular Public Facilities Corporation Meeting.

Minutes prepared by:



Kirsten Squarcia, Secretary



CITY OF CUPERTINO

Agenda Item

25-14531

Agenda Date:
11/17/2025 Agenda #: 2.

Subject: Cupertino Public Facilities Corporation Management Report

Receive the Cupertino Public Facilities Corporation Management Report



ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3220
CUPERTINO.GOV

MANAGEMENT REPORT

November 17, 2025

To: Cupertino Public Facilities Corporation

From: Kristina Alfaro, Director of Administrative Services

Re: Annual Update

Background

The Cupertino Public Facilities Corporation (CPFC) was incorporated in 1986 as a vehicle to provide financing for public improvements. The CPFC's bylaws and other key documents are available through the [City's online records archives](#).

New Corporation Activity

The Corporation has had no new financial activity during calendar year 2025. No new issuances or refinancing actions were initiated. The Corporation continues to exist solely to support the 2020 Certificates of Participation (COPs) for the City's Civic Center improvements. Staff continues to perform administrative functions, including preparation of IRS filings, board reports, and coordination with bond counsel.

IRS Tax-Exempt Status and Reporting

In 2023, the City identified that the Corporation had not filed IRS Form 990 for several years, which resulted in the revocation of its federal tax-exempt status. In 2024, the City engaged bond and tax counsel, Stradling Yocca Carlson & Rauth LLP, to assist with the reinstatement process. As a result:

- The Corporation's tax-exempt status was successfully reinstated in early 2024.
- The 2023–24 IRS Form 990 was filed in November 2024.
- The 2024–25 IRS Form 990 filed by the due date of November 17, 2025.

Total costs paid to Stradling for reinstatement efforts were \$10,518.50. While the Corporation's tax-exempt status has been restored, the IRS did not grant a filing exemption. The City has contacted Stradling to explore whether the CPFC may qualify for a future exemption from filing requirements, consistent with other cities that have successfully pursued similar treatment for inactive conduit financing entities.

2020 CERTIFICATES OF PARTICIPATION – FINANCING SUMMARY

In July 2020, the City issued Certificates of Participation (COPs) via the Corporation to refinance outstanding debt and achieve cost savings. Key details are as follows:

	2012 COP	2020 COP
Principal	27,010,000.00	22,040,000.00
Reserve	1,631,096.72	-
Coupon Rate	3.00%	4.00%
True Interest Cost	2.80%	0.72%

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/22/2020 @ 0.6378542%
7/1/2021	3,169,137.50	2,676,306.67	492,830.83	490,239.46
7/1/2022	3,168,487.50	2,676,000.00	492,487.50	485,721.50
7/1/2023	3,170,737.50	2,675,800.00	494,937.50	485,050.43
7/1/2024	3,170,737.50	2,677,600.00	493,137.50	480,217.19
7/1/2025	3,173,487.50	2,676,200.00	497,287.50	481,203.75
7/1/2026	3,168,837.50	2,676,600.00	492,237.50	473,286.24
7/1/2027	3,171,937.50	2,673,600.00	498,337.50	476,138.17
7/1/2028	3,172,487.50	2,677,200.00	495,287.50	470,220.18
7/1/2029	3,170,487.50	2,677,000.00	493,487.50	465,544.62
7/1/2030	3,165,937.50	2,678,000.00	487,937.50	457,385.21
	31,702,275.00	26,764,306.67	4,937,968.33	4,765,006.75
Savings Summary				
	PV of savings from cash flow		4,765,006.75	
	Prior funds on hand (Reserve)		(1,631,187.40)	
	Net PV Savings		3,133,819.35	

Despite a higher nominal coupon rate, the refinancing achieved a substantially lower true interest cost of 0.848% due to the lender-paid premium and application of the prior debt reserve. This refinancing decision was both strategic and financially advantageous, resulting in significant savings to the City and long-term flexibility

Board Appointments

Article III, Section 2 of the Corporation's bylaws designates that the City's Director of Finance (Director of Administrative Services) shall serve as the Treasurer of the Corporation. No appointments are required at this time.

Next Steps

Staff will continue to work with the City's legal and tax-exempt bond counsel, Stradling Yocca Carlson & Rauth LLP, to explore options related to filing exemptions and the Corporation's ongoing compliance requirements. Any material updates or developments will be presented to the Board at a future meeting or through a written update, as appropriate.

Sustainability Impact

No sustainability impact.

Fiscal Impact

Any additional expenditures needed to come into compliance will be assumed within existing budget appropriations.

California Environmental Quality Act

Not applicable.

Prepared by: Jonathan Orozco, Finance Manager

Reviewed by: Kristina Alfaro, Director of Administrative Services

Approved for Submission by: Tina Kapoor, Interim City Manager

BYLAWS
OF
CUPERTINO PUBLIC FACILITIES CORPORATION

ARTICLE I

Offices and Seal

Section 1. Offices. The principal office of the Corporation for the transaction of business shall be City Hall, 10300 Torre Avenue, Cupertino, California 95014. The Board of Directors may, however, fix and change from time to time the principal office from one location to another by noting the change of address in the minutes of the meeting of the Board of Directors at which the address was fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

Section 2. Seal. The Corporation shall have a seal, consisting of two (2) concentric circles with the words "Cupertino Public Facilities Corporation," with the date of incorporation of this Corporation.

ARTICLE II

Directors

Section 1. Powers. Subject to the limitations of the Articles of Incorporation of this Corporation, the terms of these Bylaws, and the laws of the State of California, the powers of this Corporation shall be vested in and exercised by and its property controlled and its affairs conducted by the Board of Directors.

Section 2. Number. The Corporation shall have five (5) Directors. Directors are collectively to be known as the Board of Directors. The number of Directors may be changed by a By-law or amendment thereof duly adopted by the Board of Directors.

Section 3. Selection, Tenure of Office and Vacancies. The members of the City Council of the City of Cupertino, California (the "City") shall constitute the Board of Directors of the Corporation, and each member of the City Council of the City shall be and remain a member of the Board of Directors of the Corporation for so long as such member remains a member of the City Council of the City. The Mayor of the City shall sit as Chairman of the Board of Directors.

Section 4. Compensation. Directors shall serve without compensation but each Director may be reimbursed his or her necessary and actual expenses, including travel incident to his services as Director, pursuant to

resolution of the Board of Directors. Any Director may elect, however, to decline said reimbursement.

Section 5. Organization Meetings. Immediately following the annual meeting of the Board of Directors or any special meeting of the Board of Directors at which Directors shall have been elected, the Directors shall meet for the purpose of organizing the Board, the election of officers and the transaction of such business as may come before the meeting. Pending such organization meeting, all officers of the Corporation shall hold over, except any officer required by law or these Bylaws to be a Director and who does not qualify as a Director. A Director elected at such meeting of the Board of Directors shall forthwith become a member of the Board of Directors for purposes of such organization.

In the event such an organizational meeting shall not be held immediately following such meeting of the Board of Directors, it shall thereafter be held at the next regular meeting or at a special meeting and notice thereof shall be given in the manner provided in Section 9 of this Article for notice of special meetings.

Section 6. Regular and Organizational Meetings. Regular meetings of the Board of Directors shall be held at such time as the Board may fix by resolution from time to time; provided, however, that at least one regular meeting shall be held each year and such meetings shall, in all respects, conform to provisions of the Ralph M. Brown Act, being Sections 54950 through 54961 of the Government Code of the State of California (the "Brown Act").

No notice of any organizational meeting of the Board of Directors, held immediately following the annual meeting of the Board of Directors or on or after any special meeting of the Board of Directors shall have been elected, need be given; provided, that if such an organizational meeting is not held immediately following such meeting of the Board of Directors, then notice thereof shall be given in a manner provided in Section 9 of this Article, in the same manner as notice of special meetings.

Section 7. Special Meetings. Special meetings of the Board of Directors shall be called, noticed and held in accordance with the provisions of Section 54956 of the Brown Act.

Section 8. Quorum. A quorum shall consist of a majority of the members of the Board of Directors unless a greater number is expressly required by statute, by the Articles of Incorporation of this Corporation, or by these Bylaws. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present, shall be the act of the Board of Directors.

Section 9. Order of Business. The order of business at the regular meeting of the Board of Directors and, so far as possible, at all other meetings of the Board of Directors, shall be essentially as follows, except as otherwise determined by the Directors at such meeting:

- (a) Report on the number of Directors present in person in order to determine the existence of a quorum.

- (b) Reading of the notice of the meeting and proof of the delivery or mailing thereof, or the waiver or waivers of notice of the meeting then filed, as the case may be.
- (c) Reading of unapproved minutes of previous meetings of the Board of Directors and the taking of action with respect to approval thereof.
- (d) Presentation and consideration of reports of officers and committees.
- (e) Election of Directors.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

Section 10. Resignation and Removal of Directors. Any Director of this Corporation may resign at any time by giving written notice to the President or to the Board of Directors; provided, however, in the event of such resignation, such Director's position shall remain vacant until a new City Council member is elected to fill such Director's position as City Council member. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed by the Board of Directors at any regular meeting or at any special meeting of the Board of Directors, the notice of which, among other things, indicates that the removal of one or more Directors identified therein shall be considered at such meeting by reason of such Directors' (1) unexcused absence for four consecutive meetings of the Board of Directors, or (2) commission of any act which tends to discredit the Corporation.

Section 11. Nonliability for Debts. The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Corporation and no Director shall be liable or responsible for any debts, liabilities or obligations of the Corporation.

Section 12. Indemnity by Corporation for Litigation Expenses of Officer, Director or Employee. Should any Director, officer or employee of the Corporation be sued, either alone or with others, because he is or was a director, officer or employee of the Corporation, in any proceeding arising out of his alleged misfeasance or nonfeasance in the performance of his duties or out of any alleged wrongful act against the Corporation or by the Corporation, indemnity for his reasonable expenses, including attorneys' fees incurred in the defense of the proceedings, may be assessed against the Corporation, its receiver, or its director by the court in the same or a separate proceeding if the person sued acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The amount of such indemnity shall be so much of the expenses, including attorneys' fees,

incurred in the defense of the proceeding, as the court determines and finds to be reasonable.

ARTICLE III

Officers

Section 1. Officers. The officers of the Corporation shall be a President, a Vice President, a Secretary, a Treasurer and such other officers as the Board of Directors may appoint. When the duties do not conflict, one person, other than the President, may hold more than one of these offices. The Corporation may also have, at the discretion of the Board of Directors, one or more additional Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers.

Section 2. Election of Officers. The officers of the Corporation shall be chosen by and shall serve at the pleasure of the Board of Directors and each shall hold office until he shall resign or shall be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve; except that the Treasurer of the Corporation shall be the Director of Finance of the City.

Section 3. Subordinate Officers. The Board of Directors may elect or authorize the appointment of such other officers than those hereinabove mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws, or as the Board of Directors from time to time may authorize or determine.

Section 4. Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the Directors then in office at any regular or special meeting of the Board, or, except in the case of an officer chosen by the Board of Directors, by any officers upon whom such power of removal may be conferred by the Board of Directors. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board of Directors may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for said office has been elected and appointed.

Section 5. President. The President shall preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or be prescribed by the Bylaws.

The President shall also be the chief corporate officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Corporation. He shall preside at all meetings of the Board of Directors. He shall be ex officio member of all standing committees, and shall have the general powers and duties of management usually vested in the office of President of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws.

Section 6. Vice President. In the absence or disability of the President, the Vice President, or the Vice Presidents in order of their ranks as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties of the President and when so acting shall have all the powers of and be subject to all of the restrictions upon the President. The Vice Presidents shall have such other powers and perform such other duties as may from time to time be prescribed for them, respectively, by the Board of Directors or by these Bylaws.

Section 7. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board of Directors may order, of all meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors of the Corporation, shall keep the corporate records in safe custody and shall have such other powers and perform such other duties as may be prescribed by the board of Directors or these bylaws.

Section 8. Treasurer. The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct amounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Director. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Directors. He shall disburse the funds of the Corporation as shall be ordered by the Board of Directors, shall render to the President and the Directors whenever they shall request it, an account of all of his transactions as Treasurer and of the financial condition of the Corporation, shall take proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and the Assistant Treasurers in the order of their seniority as specified by the Directors shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of the Secretary or Treasurer and shall perform such duties as the Board of Directors shall prescribe.

ARTICLE IV

Objects and Purposes

Section 1. Nature of Objects and Purposes. The business of this Corporation is to be operated and conducted in the promotion of its objects and purposes as set forth in Article II of its Articles of Incorporation.

Section 2. Dissolution. The Corporation may be dissolved by vote of the Directors, or by the action of the Board of Directors in accordance with the provisions of California law. Upon the dissolution or winding up of

this Corporation, and after payment or provision for payment, all debts and liabilities, the assets of this Corporation shall be distributed to the City. If for any reason the City is unable or unwilling to accept the assets of the Corporation, said assets will be distributed to the Federal Government; to a state or local government for public purposes; or to a nonprofit fund, foundation, or corporation which is organized and operated for charitable purposes and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended.

Section 3. Merger. The Corporation may merge with other corporations organized solely for nonprofit purposes, qualified and exempt from Federal taxation pursuant to Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended, and from State taxation, upon compliance with the provisions of California law relating to merger and consolidation.

ARTICLE V

General Provisions

Section 1. Payment of Money, Signatures. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and any and all securities owned by or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors.

Section 2. Execution of Contracts. The Board of Directors, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 3. Fiscal Year. The fiscal year of the Corporation shall commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year.

Section 4. Annual Audit. The affairs and financial condition of the Corporation shall be audited annually at the end of each fiscal year commencing with fiscal year 1985-1986 by an independent certified public accountant selected by the Board of Directors and a written report of such audit and appropriate financial statements shall be submitted to the Board of Directors prior to the next regular meeting of the Board of Directors of the Corporation following the completion of such audit. Additional audits may be authorized as considered necessary or desirable by the Board of Directors.

ARTICLE VI

Exempt Activities

Notwithstanding any other provisions of these Bylaws, no Director, officer, employee or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended, and the Regulations promulgated thereunder as they now exist or as they may hereafter be amended.

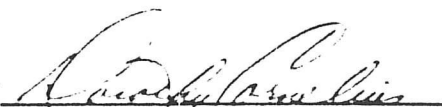
ARTICLE VII

Amendment to Bylaws

These Bylaws may be amended by majority vote of the Board of Directors.

ADOPTED by the Board of Directors of the Cupertino Public Facilities Corporation on June 2, 1986.

By


Secretary

SECRETARY'S CERTIFICATE

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of the Cupertino Public Facilities Corporation, a California nonprofit public benefit corporation; and

2. That the foregoing Bylaws constitute a full, true and correct copy of the Bylaws of said Corporation in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 1986.

By

Anthony Powell
Secretary

1532485

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

JUN 02 1963

ARTICLES OF INCORPORATION
CUPERTINO PUBLIC FACILITIES CORPORATION

MARCH FONG EU, Secretary of State

I.

The name of this corporation is the Cupertino Public Facilities Corporation.

II.

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The purposes for which this corporation is formed are:

(1) The specific and primary purposes for which this corporation is formed are:

- a. To render financial assistance to the City of Cupertino, State of California (the "City"), by financing, refinancing, acquiring, constructing, improving, leasing and selling buildings, building improvements, equipment, electrical, water, sewer, road and other public improvements, lands, and any other real or personal property for the benefit of residents of the City and surrounding areas.
- b. To acquire by lease, purchase or otherwise, real or personal property or any interest therein; to construct, reconstruct, modify, add to, improve or otherwise acquire or equip buildings, structures or improvements and (by sale, lease, sublease, leaseback, gift or otherwise) make any part or all of any such real or personal property available to or for the benefit of the residents of the City.
- c. To promote the common good and general welfare of the residents of the City, and the governmental enterprises in the City and surrounding areas by the acquisition of the real and personal property as hereinabove described.
- d. To borrow the necessary funds to pay the cost of financing, refinancing, acquiring, constructing, replacing, establishing, improving, maintaining, equipping and operating such properties and facilities for the herein described purposes, the indebtedness for which borrowed money may, but

need not, be evidenced by securities of this corporation of any kind or character issued at any one or more times, which may be either unsecured or secured by any mortgage, trust deed, pledge, encumbrance or other lien upon any part or all of the properties and assets at any time then or thereafter owned or acquired by this corporation.

- e. To receive limited or conditional gifts or grants in trust, inter vivos, or by way of testamentary devises, bequests or grants in trust, or otherwise, funds of all kinds including property, both real, personal and mixed, whether principal or income, tangible or intangible, present or future, vested or contingent, in order to carry on the purposes of this corporation.

(2) The general purposes and powers are to have and exercise all rights and powers now or hereafter conferred on nonprofit corporations under the laws of the State of California; provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific and primary purposes of this corporation; provided, further, that this corporation shall not have the power to, and shall not, do any act or conduct any activity, plan, scheme, design or course of conduct which in any way conflicts with Sections 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended, and regulations promulgated pursuant to such Sections as they now exist or as they may hereafter be amended.

III.

The name and address in the State of California of this corporation's initial agent for service of process is:

Mr. Blaine Snyder
Director of Finance
City of Cupertino
10300 Torre Avenue
Cupertino, CA 95014

IV.

The County in the State of California where the principle offices for the transaction of the business of this corporation is Santa Clara County.

The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

V.

A. This corporation is organized and operated by a group of public spirited citizens exclusively for charitable purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1954, as amended.

B. Notwithstanding any other provision of these Articles, this corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1954, as amended.

C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for political office.

VI.

A. During the continuance of this corporation, it may distribute any of its assets to the United States of America, the State of California, or any political subdivision thereof, to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable or social welfare purpose and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended.

B. Upon the dissolution or winding up of this corporation, its assets remaining after payment of, or provision made for the payment of, all debts and liabilities of this corporation, shall be distributed to the United States of America, the State of California, or any political subdivision thereof, or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable or social welfare purposes and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended.

IN WITNESS WHEREOF, the undersigned, being the incorporator of this corporation, has executed these Articles of Incorporation, this 30th day of May, 1986.

By Brian D. Quint
Brian D. Quint, Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

By Brian D. Quint
Brian D. Quint, Incorporator

ACTION BY WRITTEN CONSENT OF INCORPORATOR
CUPERTINO PUBLIC FACILITIES CORPORATION

The undersigned, as sole incorporator of this public benefit corporation, took the below stated action on June 2, 1986, at 7:00 p.m., at the offices of the City of Cupertino, California pursuant to Section 5134 of the California Corporations Code for the purpose of electing initial directors and setting the time and place for the organizational meeting.

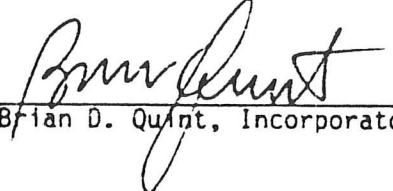
It was noted that the Articles of Incorporation were duly filed with the Secretary of State of California earlier on June 2, 1986 and that corporation number _____ was assigned to this corporation.

RESOLVED, that the following persons be selected as the initial directors of the corporation:

John M. Gatto
Philip N. Johnson
John J. Plungy, Jr.
Barbara A. Rogers
W. Reed Sparks

BE IT FURTHER RESOLVED, that the organizational meeting of the corporation be held on June 2, 1986, at 7:00 p.m., at the offices of the City of Cupertino, California, and that the notice of such meeting sent to the initial directors and other interested persons by Mr. Blaine Snyder, is hereby approved and ratified.

All further organizational matters being left for the new directors to take action upon, the meeting was adjourned.



Brian D. Quint, Incorporator

1532485

ENDORSED
FILED
In the office of the Secretary of State
of the State of California

JUN 02 1965

ARTICLES OF INCORPORATION
CUPERTINO PUBLIC FACILITIES CORPORATION

MARCH LONG ELL, Secretary of State

I.

The name of this corporation is the Cupertino Public Facilities Corporation.

II.

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The purposes for which this corporation is formed are:

(1) The specific and primary purposes for which this corporation is formed are:

- a. To render financial assistance to the City of Cupertino, State of California (the "City"), by financing, refinancing, acquiring, constructing, improving, leasing and selling buildings, building improvements, equipment, electrical, water, sewer, road and other public improvements, lands, and any other real or personal property for the benefit of residents of the City and surrounding areas.
- b. To acquire by lease, purchase or otherwise, real or personal property or any interest therein; to construct, reconstruct, modify, add to, improve or otherwise acquire or equip buildings, structures or improvements and (by sale, lease, sublease, leaseback, gift or otherwise) make any part or all of any such real or personal property available to or for the benefit of the residents of the City.
- c. To promote the common good and general welfare of the residents of the City, and the governmental enterprises in the City and surrounding areas by the acquisition of the real and personal property as hereinabove described.
- d. To borrow the necessary funds to pay the cost of financing, refinancing, acquiring, constructing, replacing, establishing, improving, maintaining, equipping and operating such properties and facilities for the herein described purposes, the indebtedness for which borrowed money may, but

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- e. To receive limited or conditional gifts or grants in trust, inter vivos, or by way of testamentary devises, bequests or grants in trust, or otherwise, funds of all kinds including property, both real, personal and mixed, whether principal or income, tangible or intangible, present or future, vested or contingent, in order to carry on the purposes of this corporation.

(2) The general purposes and powers are to have and exercise all rights and powers now or hereafter conferred on nonprofit corporations under the laws of the State of California; provided, however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific and primary purposes of this corporation; provided, further, that this corporation shall not have the power to, and shall not, do any act or conduct any activity, plan, scheme, design or course of conduct which in any way conflicts with Sections 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended, and regulations promulgated pursuant to such Sections as they now exist or as they may hereafter be amended.

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The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person.

V.

A. This corporation is organized and operated by a group of public spirited citizens exclusively for charitable purposes within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1954, as amended.

B. Notwithstanding any other provision of these Articles, this corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1954, as amended.

C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for political office.

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B. Upon the dissolution or winding up of this corporation, its assets remaining after payment of, or provision made for the payment of, all debts and liabilities of this corporation, shall be distributed to the United States of America, the State of California, or any political subdivision thereof, or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable or social welfare purposes and which has established its tax-exempt status under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, as amended.

IN WITNESS WHEREOF, the undersigned, being the incorporator of this corporation, has executed these Articles of Incorporation, this 30th day of May, 1986.

By Brian D. Quint
Brian D. Quint, Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

By Brian D. Quint
Brian D. Quint, Incorporator

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CUPERTINO PUBLIC FACILITIES CORPORATION

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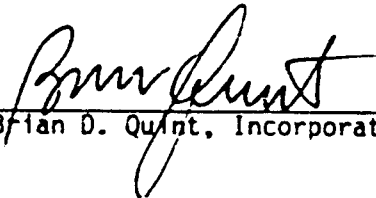
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All further organizational matters being left for the new directors to take action upon, the meeting was adjourned.



Brian D. Quint, Incorporator



ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3220 • FAX: (408) 777-3109
CUPERTINO.ORG

Date: April 8, 2024

To: Cupertino City Council

From: Kristina Alfaro, Director of Administrative Services

Cc: Pamela Wu, City Manager,
Chris Jensen, City Attorney,
Matt Morely, Assistant City Manager and
Jonathan Orozco, Finance Manager

Re: Update on Cupertino Public Facilities Corporation (CPFC)

Background

As part of the March 5th and April 3, 2024, meetings the following questions were asked by Council regarding the Cupertino Public Facilities Corporation.

1. Can we get an update for when our annual Board of Directors meeting is planned? And an update on the resumption of tax-exempt status and timeline?

Staff response: Under the Cupertino Public Facilities Corporation Bylaws sections 6 Regular and Organizational Meetings "Regular meetings of the Board of Directors shall be held at such time as the Board may fix by resolution from time to time;" Resolution 87-4 set the meeting date as the third Monday in November of each year. City staff has scheduled the meeting for November 18, 2024.

The City's external legal counsel submitted an application requesting the reinstatement of Cupertino Public Facilities Corporation's (CPFC) 501(c)(4) status in December. Subsequently, staff has received confirmation from the IRS acknowledging the receipt of the application. A determination letter has not been issued.

2. Since we are apparently the Board, what is our ability to call a meeting?

Staff response: Bylaws section 7 Special Meetings "Special meetings of the Board of Directors shall be called, noticed and held in accordance with the provisions of Section 54956 of the Brown Act." Section 54956 of the Brown Act reads as follows, "(a) A special meeting may be called at

any time by the presiding officer of the legislative body of a local agency, or by a majority of the members of the legislative body....”

RESOLUTION NO. 87-4

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CUPERTINO PUBLIC FACILITIES CORPORATION
APPOINTING TIME AND PLACE OF REGULAR MEETINGS,
SUPERSEDING RESOLUTION NO. 87-2

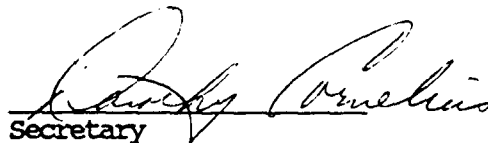
RESOLVED, by the Board of Directors of the Cupertino Public Facilities Corporation that the third Monday in November of each year at the hour of seven o'clock p.m., at the offices of the City of Cupertino, is hereby appointed as the time and place for the regular meeting of this Board pursuant to Article II, Section 6 of the Bylaws of this Corporation.

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Board of Directors of the Cupertino Public Facilities Corporation, at a meeting thereof duly held on the 16th day of November, 1987, by the following vote of the Directors thereof:

AYES, and in favor thereof, Directors: Johnson, Koppel, Plungy, Rogers, Gatto

NOES, Directors: None

ABSENT, Directors: None


Secretary



CITY ATTORNEY'S OFFICE

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3403 • FAX: (408) 777-3366
CUPERTINO.ORG

CITY COUNCIL INFORMATIONAL MEMORANDUM

December 6, 2023

To: Cupertino City Council

From: Kristina Alfaro, Director of Administrative Services

Re: Cupertino Public Facilities Corporation Questions

Background

The Cupertino Public Facilities Corporation (CPFC) was established on June 2, 1986 as tax-exempt corporation under Internal Revenue Code section 501(c)(4) to issue debt on behalf of the City.

The City of Cupertino, City Council acts as the CPFC's board of directors. Following Resolution 12-01, the Mayor, Vice Mayor, and City Clerk are automatically seated as the President, Vice President, and Secretary of the Board, respectively. CPFC's bylaws assigns the City's Director of Administrative Services as the Treasurer.

The board has met on 11 occasions since its establishment, with one meeting cancellation for lack of business, on the following dates:

1. June 2, 1986 – Passed Articles of Incorporation (Attachment A), Bylaws (Attachment B), Elected Officers, set date and meeting time of regular meetings and authorized filing of exemptions to the State Franchise Tax Board and various Federal Forms and issued Certificates of Participation (COP). COP is a municipal financing tool used to generate funds to acquire real property or to construct or improve public facilities. COP use a tax-exempt lease-financing agreement, where the investors are paid via lease revenues generated from the property. Per California State law, properly structured COP are not debt and therefore do not require voter approval.
2. July 20, 1987 – Elected officers, set date and meeting time of regular meetings to the second Tuesday in November at seven o'clock p.m.
3. November 16, 1987 – Elected Officers and set new date and meeting time of regular meetings to the third Monday in November at seven o'clock p.m. (Attachment C)

4. February 16, 1988 – Authorized execution of grant of easement to Pacific Gas and Electric Company
5. March 1, 1993 – Refinancing of Certificates of Participation
6. September 16, 2002 – Issuing Certificates of Participation
7. April 17, 2012 – Adopted resolution 12-01 appointing Cupertino City Council members as Board of Directors of the Public Facilities Corporation and approved refinancing of certificates of participation.
8. October 6, 2015 – Cancelled due to lack of business.
9. January 19, 2016 -- Approved the City entering into Antenna Ground Lease Agreement with GTE Mobilnet of California
10. July 5, 2017 – Approved the City to entering into Antenna Ground Lease Agreement with New Cingular Wireless
11. September 15, 2020 – Refinancing of Certificates of Participation
12. October 6, 2020 – Approved the minutes of the September 15, 2020 meeting.

Public Facilities Corporation bylaws and Articles of Incorporation

At the corporation's first meeting in 1986, its Bylaws were adopted, these Bylaws set forth the provisions which the corporation operates under, including but not limited to the election of directors, regular meetings, objects and purpose of the corporation, and general provisions.

In addition, the corporation adopted its Articles of Incorporation, which state the purpose for which the corporation was formed.

Lastly, the corporation authorized filings with both the State and Federal governments for recognition as a 501(c)(4) tax-exempt corporation.

Debt Issued and Reporting Requirements

The corporation has authorized debt issuance on the following occasions, with the most recent issuance in 2020, a refinancing of the 2012 Certificates of Participation. The refinancing resulted in annual savings of approximately half a million dollars for the remaining 10 years of the debt. Additional details can be found in the Fiscal Year 2020-21 Mid-Year Report (Attachment J) and Debt Schedules (Attachment K).

<i>Debt Issuance Date</i>	<i>Certificates of Participation for:</i>	<i>Debt Principal Amount</i>
<i>July 16, 1986</i>	<i>1986 Series A for City Hall and Library</i>	<i>\$9,800,000</i>
<i>July 11, 1989</i>	<i>Wilson Park Project</i>	<i>\$5,000</i>
<i>April 2, 1990</i>	<i>Memorial Park Expansion Project (for the Sports Center Acquisition)</i>	<i>\$9,070,000</i>

<i>Debt Issuance Date</i>	<i>Certificates of Participation for:</i>	<i>Debt Principal Amount</i>
<i>March 14, 1991</i>	<i>Blackberry Farm and Fremont Older Elementary School Site (now Creekside Park)</i>	<i>\$32,970,000</i>
<i>November 24, 1992</i>	<i>Refunding of Series A City Hall and Library Projects</i>	<i>\$10,785,000</i>
<i>November 24, 1992</i>	<i>Refunds the 1989 Wilson Park and 1990 Memorial Park</i>	<i>\$14,585,000</i>
<i>March 22, 1993</i>	<i>Refunding Series A Blackberry Farm and Fremont Older projects</i>	<i>\$36,600,000</i>
<i>October 1, 2002</i>	<i>Refunds the Series A and Series B and issues and provides funding for the new library</i>	<i>\$56,640,000</i>
<i>April 19, 2012</i>	<i>Refinance the Oct 1 2002 debt at a lower interest rate</i>	<i>\$43,940,000</i>
<i>September 29, 2020</i>	<i>Refinance the 2012 at a lower interest rate</i>	<i>\$22,040,000</i>

There are regulatory reports and actions to maintain the 501(c)(4) status along with debt reporting and compliance requirements. Those requirements and the City's current status is shown in the table below:

Requirement	Activity	Status
Internal Revenue Service-Annual Federal Reporting (Form 990)	Regulatory Reporting	Outside counsel unsuccessfully attempted to exempt CPFC from filing in 2016 (Attachment I). The Corporation is currently working with subject matter experts to reestablish 501(c)(4) and will begin Form 990 filing shortly afterward.
Franchise Tax Board-Annual State Filing (Form 199)	Regulatory Reporting	The corporation stopped filing after 2001 when it was determined that the corporation was exempt from filing.
State Controller's Office – Annual Transaction Report (Attachment D)	Regulatory Reporting	Independent external auditors have continued to prepare and submit reports with City staff review.
Secretary of State – Statement of Information (Attachment G)	Regulatory Reporting	The City maintains its state tax-exempt status and will file the Statement biannually in June on even years.
Annual Meeting of the Board of Directors	Corporate Compliance	Staff is tentatively proposing future meetings occur in November.

Insurance Coverage (Attachment H)	Debt Issuance Compliance	The City has continued to maintain the minimum general liability and rental interruption coverage.
Bank New York Mellon (BNYM) -Statement of the City	Debt Issuance Reporting	The City has provided BNYM current Statement and supplement documents.

Conclusion

The City is in compliance with all State filings and debt issuance requirements.

The lapse of annual federal reporting (Form 990) has resulted in the revocation of CPFC's 501(c)(4) status. There is no material impact on the City's debt issuance due to a lapse in reporting as the City has not received a disbursement from the debt since 2002 when additional debt was issued for the Library and Community Hall. In addition, the Corporation has not met regularly as prescribed by the Bylaws. Based on the most recent Resolution on meeting dates, City staff will schedule an annual meeting on the third Monday in November, or November 18, 2024.

Next Steps

City staff is working with subject matter experts to regain CPFC's 501(c)(4) status and bring into federal reporting compliance. Expected completion for filing is early next calendar year. Staff will update City Council once CPFC has regained 501(c)(4) status. Following reacquiring 501(c)(4) status and Form 990 filings, staff will work with subject matter experts to reattempt exempting CPFC from filing Form 990 in future years.

Staff is drafting internal reporting procedures to ensure that reporting and annual meetings are not missed in the future. For debt issuance, the City will continue to work with UFI Inc. to ensure the required annual reporting is met.

Sustainability Impact

No sustainability impact.

Fiscal Impact

Any additional expenditures needed to come into compliance will be assumed within existing budget appropriations.

Prepared by: Jonathan Orozco, Finance Manager

Reviewed by: Kristina Alfaro, Director of Administrative Services

Matt Morely, Assistant City Manager

Approved for Submission by: Pamela Wu, City Manager

Attachments:

- A – Cupertino Public Facilities Corporation Articles of Incorporation
- B – Cupertino Public Facilities Corporation Bylaws
- C – Cupertino Public Facilities Corporation Resolution 87-4 Appointing Time and Meeting Place of Regular Meetings
- D – Financial Transactions Report FY2021-22
- E – Cupertino Public Facilities Corporation all other resolutions
- F – Cupertino Public Facilities Corporation Minutes
- G – Cupertino Public Facilities Corporation Entity Status Letter
- H – Cupertino Public Facilities Corporation Insurance and Appropriations Compliance
- I – Form 990 Exemption Request Submittal
- J – Fiscal Year 2020-21 Mid-Year Financial Report
- K – Debt Schedules

PFC 11-17-2025

Item No. 2

Cupertino Public
Facilities Corporation
Management Report

Written Communications

From: [Rhoda Fry](#)
To: [Public Comments](#)
Cc: [City Clerk](#); [City Council](#)
Subject: Another comment for today . . . comments November 17 cupertino public facilities - item #2
Date: Monday, November 17, 2025 11:30:45 AM
Attachments: [B3150-1678.pdf](#)

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear City Council (directors),
In looking through the prospectus documents and the ACFR, the list of the actual properties being leased has been inconsistent. Can you please create a concise list of the buildings and properties that are being leased and make sure that the official documents are correct and match each other for both internal and external consistency?
Thanks, Rhoda

From: Rhoda Fry <fryhouse@earthlink.net>
Sent: Sunday, November 16, 2025 6:41 PM
To: 'publiccomment@cupertino.gov' <publiccomment@cupertino.gov>
Cc: 'City Clerk' <CityClerk@cupertino.org>; 'City Council' <CityCouncil@cupertino.gov>
Subject: comments November 17 cupertino public facilities - item #2

Dear City Council (directors of the corp),

I have a couple of concerns regarding the corp and the report.

1. The State REQUIRES a Statement of Information (SOI) to be filed if there is a change in officers. This has not happened. Why not? Please see first attachment. (note, while an SOI can be filed every other year for nonprofits, any changes in the officers requires a new submittal)
2. I still don't understand how the City "saved" money when they refinanced in 2020. Part of the refi, was paying off about \$5M and that looks like the amount that we saved with the "refi" while the bond issuer made a substantial commission on the refi.

Thanks,
Rhoda Fry

From: [Rhoda Fry](#)
To: [Public Comments](#)
Cc: [City Clerk](#); [City Council](#)
Subject: comments November 17 cupertino public facilities - item #2
Date: Sunday, November 16, 2025 6:41:17 PM
Attachments: [B3150-1678.pdf](#)

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Thanks,
Rhoda Fry



BA20241903818



STATE OF CALIFORNIA
Office of the Secretary of State
STATEMENT OF INFORMATION
CA NONPROFIT CORPORATION

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 657-5448

For Office Use Only

-FILED-

File No.: BA20241903818

Date Filed: 10/28/2024

B3150-1678 10/28/2024 9:18 AM Received by California Secretary of State

Entity Details			
Corporation Name		CUPERTINO PUBLIC FACILITIES CORPORATION	
Entity No.		1532485	
Formed In		CALIFORNIA	
Street Address of California Principal Office of Corporation			
Street Address of California Office		10300 TORRE AVE CUPERTINO, CA 95014	
Mailing Address of Corporation			
Mailing Address		10300 TORRE AVE CUPERTINO, CA 95014	
Attention			
Officers			
Officer Name	Officer Address	Position(s)	
Kristina Alfaro	10300 Torre Ave Cupertino, CA 95014	Chief Financial Officer	
☒ Pamela Wu	10300 TORRE AVE CUPERTINO, CA 95014	Chief Executive Officer	
Kirsten Squarcia	10300 Torre Ave Cupertino, CA 95014	Secretary	
Additional Officers			
Officer Name	Officer Address	Position	Stated Position
None Entered			
Agent for Service of Process			
Agent Name		Kristina Alfaro	
Agent Address		10300 TORRE AVE CUPERTINO, CA 95014	
Email Notifications			
Opt-in Email Notifications		No, I do NOT want to receive entity notifications via email. I prefer notifications by USPS mail.	
Electronic Signature			
☒ By signing, I affirm that the information herein is true and correct and that I am authorized by California law to sign.			
Richard Wong		10/28/2024	
Signature		Date	