

April 29, 2024

Honorable Mayor and City Council:

I am pleased to present the 2024-2025 Proposed Capital Budget and the 2025-2029 Capital Improvement Program (CIP) for the City of San José. The Proposed Capital Budget and CIP presented in this document guide the City in the planning, scheduling, and budgeting of capital improvement projects over the next five years. This overview highlights the major capital investments within each of the six City Service Areas (CSAs) and 14 Capital Programs as well as the major issues associated with this CIP.

This CIP provides resources to renovate, renew, and expand the City infrastructure that is essential to the day-to-day needs of our community and improves our quality of life, such as roadways, sewer collection and treatment systems, parks and sports fields, fire and police facilities, and airport facilities. Development of the Capital Budget is a broad and extensive process, that seeks to address the objectives of the City's future infrastructure needs and is informed by a wide range of stakeholders, including input from the community. To determine the best investments to make now, the size, age, and diverse infrastructure of the City requires significant consideration to realize the most cost-effective and beneficial returns in the future. This CIP furthers the work to ensure that we continue to build equity considerations into the identification and prioritization of infrastructure rehabilitation and expansion.

The CIP also serves as a financial tool, which identifies funding for a variety of capital projects and the maintenance that comes with them, as well as a planning tool to ensure capital projects are consistent with the Envision San José 2040 (City's General Plan), strategic initiatives, master plans, policies, federal and local mandates, and other factors. While the Envision San José 2040 remains the core planning tool of the CIP, the technical analysis necessary to identify new or deferred infrastructure rehabilitation needs is increasingly being supplemented by the explicit consideration of equity, including the incorporation of race and income data as a factor to help prioritize the rehabilitation of underground infrastructure, to the extent legally permissible, and as a prioritization criterion for the Local and Neighborhood Pavement Maintenance Program.

The 2024-2025 Proposed Capital Budget of \$1.1 billion reflects a 27.6% decrease from the 2023-2024 Adopted Capital Budget of \$1.6 billion. Over a five-year period, the 2025-2029 Proposed CIP totals \$3.7 billion, a 1.8% increase from the 2024-2028 Adopted CIP of \$3.6 billion, driven primarily by increased investments within the Environmental and Utility Services CSA and the Transportation and Aviation CSA. Once funds to complete existing projects are rebudgeted from 2023-2024 to 2024-2025 as part of the Adopted Capital Budget process, funding in the 2025-2029 CIP is expected to increase further, relative to the prior CIP.

While the Administration remains focused on leveraging external State and federal resources to supplement project funding, several of the City's key local revenues dedicated to the CIP have declined or remained stagnant, at least over the next several years, in the face of increasing operational and rehabilitation needs. In particular, Construction and Conveyance (C&C) Tax revenues – primarily generated by property sales – are estimated at \$35.0 million in 2023-2024 and \$40.0 million in 2024-2025 before increasing throughout the outyears of the CIP to \$55.0 million in 2028-2029. These collections are significantly lower than the record-setting collections experienced in 2021-2022 of \$64.5 million. The decline in revenue from previous years has reduced available funding for capital infrastructure needs in the Parks and Community Facilities Development (P&CFD), Library, Service Yards, Fire, Communications, and Park Yards Capital Programs.

**2024-2025 PROPOSED CAPITAL BUDGET  
2025-2029 CAPITAL IMPROVEMENT PROGRAM**

---

For the Library Capital Program in particular, the lower level of C&C Tax revenue, combined with the elimination of capital support from the Library Parcel Tax Fund in 2023-2024, due to that fund's limited resources for library operations, has constrained the CIP's capacity to address for future capital infrastructure needs and has resulted in lower levels of support for library materials acquisitions. An infusion of funding in the future will be required to fully address the long-term support for capital rehabilitation and acquisition of materials.

The resources available to the Storm Sewer Capital Program also continue to decline as the Storm Sewer Service and Use Charge fee rate has remained flat for over a decade, while costs have continued to increase, including regulatory compliance as required by the Municipal Stormwater Regional Permit. Therefore, identifying a more sustainable funding source is an urgent priority for the CIP. Accordingly, the 2024-2025 Proposed Operating Budget includes additional resources to conduct an Engineered Fee Assessment to study the establishment a new Stormwater Fee and provide technical work related to a potential ballot measure.

Aside from the examples cited above, the City has long lacked sufficient resources to fully maintain and fund its entire infrastructure portfolio. The Status Report on Deferred Infrastructure Maintenance Backlog, presented to the Transportation and Environment Committee on April 8, 2024 (now updated on a two-year cycle), identified an infrastructure backlog of approximately \$1.7 billion, with an additional \$129.1 million needed annually to maintain the City's infrastructure in a sustained functional condition. Compared to the prior report, while the backlog reflected a decrease of nearly \$29.2 million in one-time needs, largely due to the implementation of Measure T projects, the ongoing additional need has increased by approximately \$29.7 million, and the backlog is still significant. The City must continue to search for additional resources for capital investment, such as assessing community support for potential ballot measures and leveraging grant opportunities, to ensure San José's public assets are appropriately maintained.

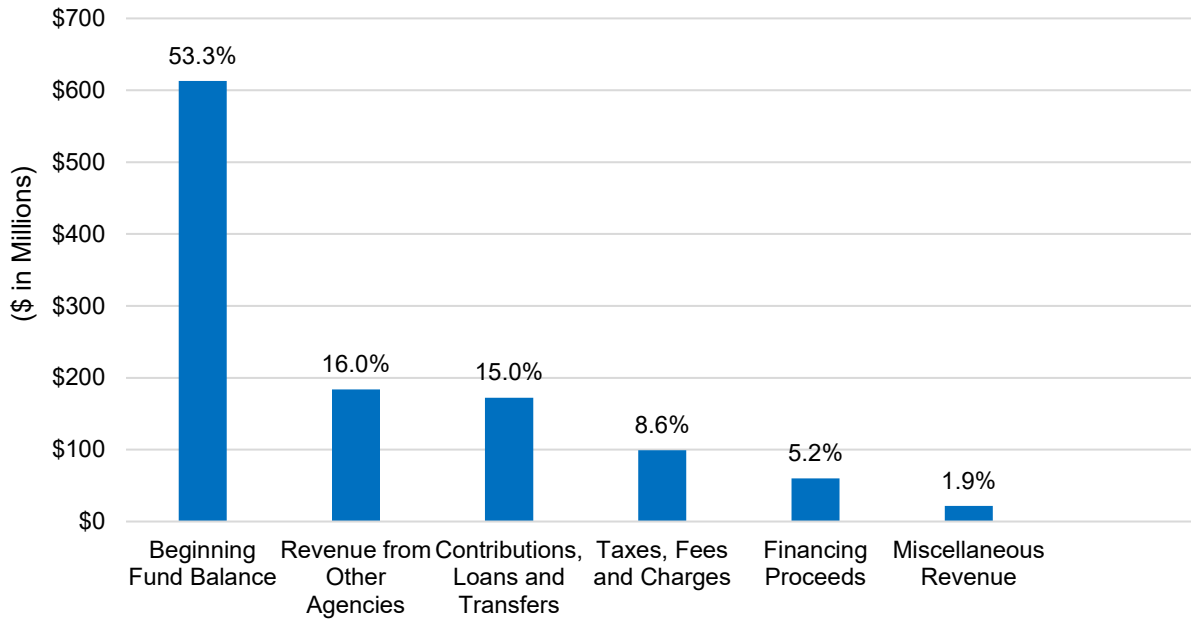
**CAPITAL PROGRAM FUNDING SOURCES**

The City's Capital Programs are supported by a variety of funding sources as shown in the graphs below that depict both the 2024-2025 and five-year CIP funding. A discussion of the five-year CIP funding sources follows.

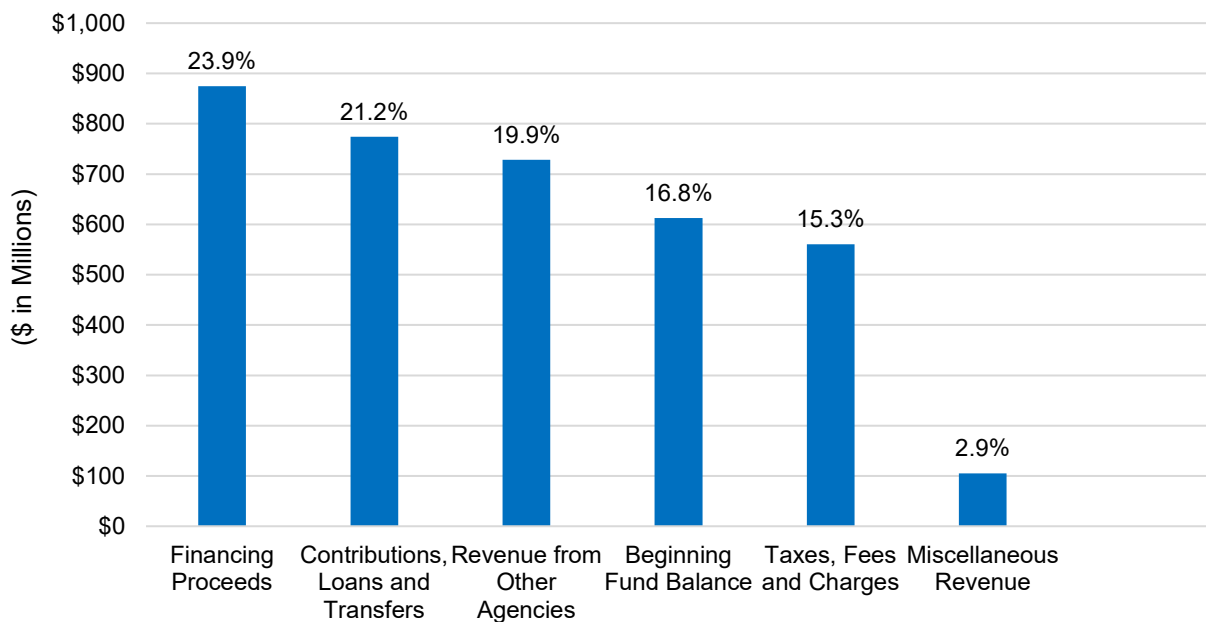
**2024-2025 PROPOSED CAPITAL BUDGET  
2025-2029 CAPITAL IMPROVEMENT PROGRAM**

**CAPITAL PROGRAM FUNDING SOURCES**

**2024-2025 Proposed Capital Budget  
Source of Funds (\$1.1 billion)**



**2025-2029 Proposed Capital Budget  
Source of Funds (\$3.7 billion)**



**CAPITAL PROGRAM FUNDING SOURCES**

A total of \$874.6 million is anticipated to be received from Financing Proceeds, representing 23.9% of the 2025-2029 Proposed CIP. The Water Pollution Control Capital Program accounts for \$359.0 million of Wastewater Revenue Notes and Bond Proceeds that will be used for the implementation of capital improvement projects included in the City Council-approved Plant Master Plan that responds to aging infrastructure, future regulations, population growth, and treatment technology improvements. Measure T bond proceeds totaling \$209.6 million will be issued in 2025-2026 for projects in the Traffic (\$159.0 million), Public Safety (\$28.9 million), Storm Sewer (\$15.7 million), and P&CFD (\$6.0 million) Capital Programs. Financing proceeds will be necessary to fund a portion of the construction costs for the Belly Freight Facilities and Short-Term Parking Garage (\$230.0 million) at the Airport; for the Water Resources Administration and Operations Facility and Advanced Metering Infrastructure Improvements projects within the Water Utility Capital Program (\$32.0 million in short term commercial paper notes eventually refunded with \$33.0 million in bond proceeds); and for remediation projects related to the 2017 flood in the Parks and Community Facilities Development Capital Program (\$11.0 million).

Contributions, Loans, and Transfers total \$774.0 million in this CIP and account for 21.2% of the 2025-2029 Proposed CIP. The largest transfers are from the Sewer Service and Use Charge Fund to the Water Pollution Control Capital Program (\$296.0 million) and the Sanitary Sewer System Capital Program (\$175.0 million). Examples of other transfers from operating funds to support capital projects in various capital funds include \$131.9 million from the Airport Surplus Revenue Fund to the Airport Renewal and Replacement Fund and \$44.0 million from the Water Utility Fund to the Water Utility Capital Fund. Contributions, Loans, and Transfers from the General Fund in this CIP for capital projects total \$53.9 million, with \$10.1 million budgeted in 2024-2025.

Revenue from Other Agencies category totals \$728.2 million, 19.9% of the 2025-2029 Proposed CIP, and is comprised of contributions from federal (\$206.1 million) and State (\$196.5 million) grants and allocations; other agencies that use the Water Pollution Control Plant (\$189.2 million); and revenue from local agencies (\$136.4 million) which derives most of its funding from the Valley Transportation Authority to supplement pavement maintenance (\$129.3 million).

The Beginning Fund Balance totals \$612.8 million, representing 16.8% of the 2025-2029 Proposed CIP. The Building and Structure Construction Tax Fund in the Traffic Capital Program has the largest Beginning Fund Balance of \$102.4 million, followed by the Sewer Service and Use Charge Capital Improvement Fund in the Sanitary Sewer Capital Program (\$85.9 million), Subdivision Park Trust Fund in the P&CFD Capital Program (\$73.6 million), the Construction Excise Tax Fund in the Traffic Capital Program (\$72.9 million), and the Public Safety and Infrastructure Bond Fund – Public Safety (\$71.7 million). The large balances represent a significant amount of carryover project funding that will be spent over the next five years, with a significant portion of the funding reserved pending the determination of a final scope for projects, final project locations, and/or availability of additional resources in the future.

**CAPITAL PROGRAM FUNDING SOURCES**

The Taxes, Fees, and Charges category includes an estimate of \$560.6 million, representing 15.3% of the 2025-2029 Proposed CIP. This estimate is relatively similar to the \$543.3 million included in the 2024-2028 Adopted CIP as the increase of \$25.0 million of C&C Tax revenues is partially offset by the decrease of \$9.0 million in Airport Passenger Facility Charge Proceeds. Most of this revenue category is comprised of the C&C Tax (\$240.0 million), Airport Passenger Facility Charge (PFC) proceeds (\$136.4 million), Building and Structure Construction Tax (\$94.0 million) and Construction Excise Tax (\$85.0 million).

Finally, \$104.9 million is anticipated from Miscellaneous Revenue. This primarily includes \$95.0 million from Interest Income and Developer Contributions (\$7.4 million).



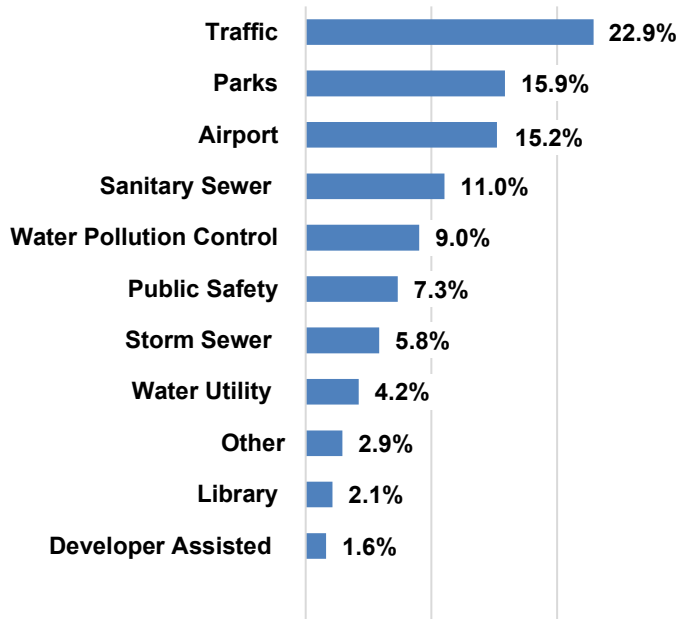
***Thompson Creek Trail  
(Quimby Road & Aborn Court)***

**2024-2025 PROPOSED CAPITAL BUDGET  
2025-2029 CAPITAL IMPROVEMENT PROGRAM**

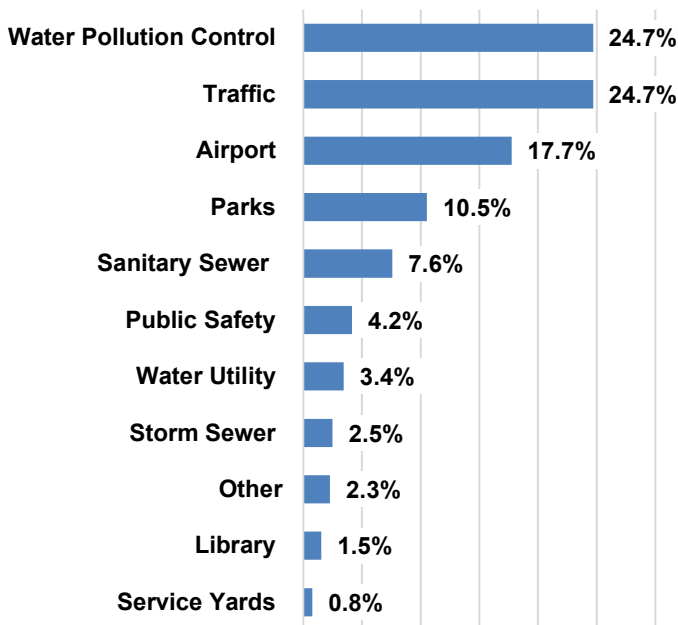
**CAPITAL PROGRAM INVESTMENTS**

The CIP consists of 14 capital programs. The following chart depicts the uses of funds by capital program and percentage of funding for the 2024-2025 Proposed Capital Budget and the 2025-2029 Proposed CIP. Major projects to be completed over the next five years are highlighted in the sidebar.

**2024-2025 Proposed Capital Budget  
Use of Funds (\$1.1 billion)**



**2025-2029 Proposed CIP  
Use of Funds (\$3.7 billion)**



**Major Projects to be Completed Over the Next Five Years**

**2024-2025 Projects**

- Airport Perimeter Fence Line Upgrades
- Belly Freight Facility
- Central Service Yard – Fueling Island
- Highway 680 and Jackson Avenue
- Large Trash Capture Devices
- Measure T – 911 Call Center Upgrades
- Measure T – Police Air Support Hangar
- Small Trash Capture Devices
- TRAIL: Coyote Creek (Story Road to Tully Road)

**2025-2026 Projects**

- Balbach Street Transportation Improvements
- Better Bikeways San Fernando (ATP)
- Blossom Hill Road and Leigh Avenue Sanitary Sewer Improvement
- Building Forward Library Infrastructure projects
- Cahill Park Improvements
- Measure T – Fire Station 32
- Measure T – Police Training Center
- Measure T – Storm Drain Improvements at Charcot Avenue
- McKee Road Corridor Safety Improvements
- North 1st St. Sanitary Sewer Improvement
- Roosevelt Park Transportation Improvements
- Tully Rd. Corridor Safety Improvements
- Water Resources Administration and Operations Facility
- Willow-Keyes Complete Street Improvements

**2026-2027 Projects**

- Airport Short-Term Parking Garage
- Advanced Metering Infrastructure Implementation
- Evergreen Reliability Weller
- Measure T – Clean Water Projects
- Plantwide Security Systems Upgrade
- Spartan Keyes Park Development
- Vision Zero: East San José Safety Improvements for Senter Road
- VTA 2016 Measure B Complete Street Project Improvements (SRTS)

**2027-2028 Projects**

- Julian Street and St. James Couplet Conversion
- Measure T – Fire Station 23 and 36
- Signalized Intersections Pedestrian Safety Improvements

**2028-2029 Projects**

- Airfield Configuration Updates
- Airport Biometric Access Control
- Terminal A Ramp Rehabilitation
- Terminal B Ramp Rehabilitation

**2024-2025 PROPOSED CAPITAL BUDGET  
2025-2029 CAPITAL IMPROVEMENT PROGRAM**

**MEASURE T GENERAL OBLIGATION BOND**

In November 2018, San José voters approved the Measure T Bond Measure, which will provide up to \$650 million in General Obligation bonds for a wide variety of infrastructure needs, with at least \$300 million to be contributed to road rehabilitation over the course of the bond measure. Those priorities are reflected in this CIP, with the remaining \$282.6 million allocated over the next five years, including expenditures totaling \$129.2 million (excluding the Ending Fund Balance) budgeted in 2024-2025.

**Public Safety and Infrastructure Bond Fund  
(Projected Expenditures in 2025-2029 Proposed CIP)**

Program	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	5-Year Total
<b>Traffic</b>						
Bridges	3,300,000	2,600,000	1,900,000	1,900,000	3,901,000	13,601,000
Pavement Maintenance	39,898,200	37,500,000	37,500,000			114,898,200
LED Streetlight Conversion	1,500,000	1,500,000	2,297,000			5,297,000
Admin – Traffic	22,000					22,000
Admin Reserve – Traffic	42,000					42,000
<b>Total Traffic</b>	<b>\$44,762,200</b>	<b>\$41,600,000</b>	<b>\$41,697,000</b>	<b>\$1,900,000</b>	<b>\$3,901,000</b>	<b>\$133,860,200</b>

<b>Public Safety</b>						
Fire Station 8 Relocation	2,928,000					2,928,000
Fire Station 23 Relocation	330,000	3,539,000				3,869,000
New Fire Station 32	7,430,000	2,483,000				9,913,000
New Fire Station 36	1,200,000	8,040,000	8,000,000	303,000		17,543,000
Police Training Center Relocation	23,363,000	10,557,000				33,920,000
Police Air Support Unit Hangar	2,490,000	100,000				2,590,000
911 Call Center Upgrades	4,927,000	108,000				5,035,000
Police Administration Building Upgrades	473,000	5,084,000				5,557,000
Public Safety Reserves	18,092,884	0				18,092,884
Public Art – Pub Safety	22,000	0				22,000
Admin WC – Public Safety	372,000	0				372,000
Admin Reserve – Public Safety	710,000	0				710,000
<b>Total Public Safety</b>	<b>\$62,337,884</b>	<b>\$29,911,000</b>	<b>\$8,000,000</b>	<b>\$303,000</b>		<b>\$100,551,884</b>

<b>Storm Sewer</b>						
Storm Drain Improvements at Charcot Ave	11,723,000	12,748,000				24,471,000
Clean Water Projects	2,600,000	4,450,000	6,171,000			13,221,000
Public Art – Storm Sewer	40,000	5,000	5,000			50,000
Admin – Storm Sewer	132,000					132,000
Admin Reserve – Storm Sewer	250,000					250,000
<b>Total Storm Sewer</b>	<b>\$14,745,000</b>	<b>\$17,203,000</b>	<b>\$6,176,000</b>			<b>\$38,124,000</b>

**2024-2025 PROPOSED CAPITAL BUDGET  
2025-2029 CAPITAL IMPROVEMENT PROGRAM**

**MEASURE T GENERAL OBLIGATION BOND**

**Public Safety and Infrastructure Bond Fund (cont'd)  
(Projected Expenditures in 2025-2029 Proposed CIP)**

Program	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	5-Year Total
<b><u>Municipal Improvements</u></b>						
City Facilities LED Lighting	1,200,000	1,200,000				2,400,000
<b>Total Municipal Improvements</b>	<b>\$1,200,000</b>	<b>\$1,200,000</b>				<b>\$2,400,000</b>
<b><u>Parks &amp; Community Facilities</u></b>						
Community Centers/ Emergency Shelters	6,000,000	1,582,000				7,582,000
Public Art – Parks	15,000					15,000
Admin – Parks	29,000					29,000
Admin Reserve Parks	73,000					73,000
<b>Total Parks &amp; Community Facilities</b>	<b>\$6,117,000</b>	<b>\$1,582,000</b>				<b>\$7,699,000</b>
<b>Total Expenditures</b>	<b>\$129,162,084</b>	<b>\$91,496,000</b>	<b>\$55,873,000</b>	<b>\$2,203,000</b>	<b>\$3,901,000</b>	<b>\$282,635,084</b>

Over the next two fiscal years, most of the significant Measure T projects will have completed construction or be under construction, representing the accomplishment of a significant upgrade for the rehabilitation of the City’s critical infrastructure. However, as projects move through the construction phase and the City gains a clearer picture of remaining funding, it is important to note that the Measure T Program may still experience funding gaps and the Administration may need to identify alternative project scopes or funding strategies should existing resources prove insufficient. The Administration will continue to provide updates on the Measure T program as funding and priority needs are reevaluated.



***Fire Station 32 Rendering***



**2024-2025 PROPOSED CAPITAL BUDGET  
2025-2029 CAPITAL IMPROVEMENT PROGRAM**

---

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

Each of the 14 capital programs is aligned to one of six CSAs. The chart below compares the 2024-2028 Adopted CIP with the 2025-2029 Proposed CIP for each CSA. As discussed earlier, the 2025-2029 Proposed CIP is 1.8% higher than the 2024-2028 Adopted CIP. Once funds to complete existing projects are rebudgeted from 2023-2024 to 2024-2025 as part of the Adopted Capital Budget process, the 2025-2029 CIP is expected to increase further relative to the 2024-2028 Adopted CIP.

**2025-2029 Proposed CIP compared to 2024-2028 Adopted CIP  
(By City Service Area)**

<b>City Service Area</b>	<b>2024-2028 Adopted CIP</b>	<b>2025-2029 Proposed CIP</b>	<b>% Change</b>
Community and Economic Development	\$22,892,571	\$25,606,301	11.9%
Environmental and Utility Services	1,283,177,714	1,398,251,177	9.0%
Neighborhood Services	441,212,316	441,440,356	0.1%
Public Safety	193,374,651	152,118,951	(21.3%)
Transportation and Aviation Services	1,540,620,506	1,568,076,660	1.8%
Strategic Support	108,670,219	69,557,094	(36.0%)
<b>Total</b>	<b>\$3,589,947,977</b>	<b>\$3,655,050,539</b>	<b>1.8%</b>

The following provides a description of each capital program organized by CSA, identifying any significant issues and highlighting significant projects. A more detailed description and justification for the capital projects can be found in the Capital Programs by City Service Area (Section V) of the document.

## **CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

### **Community and Economic Development CSA**

---

The Community and Economic Development CSA includes the Developer Assisted Projects Capital Program.

#### ***Developer Assisted Projects Capital Program***

The Developer Assisted Projects Capital Program ensures that residential developments within San José include the construction of public improvements necessary to maintain or improve the infrastructure of the City. This capital program is used to facilitate the undergrounding of existing overhead utilities and to reimburse residential developers for the construction of certain street improvements throughout the City. The underground utility projects were prioritized based on several criteria, the most significant of which is the level of fee revenue that has been collected within the Underground District. The 2025-2029 Proposed CIP provides funding of \$25.6 million, of which \$18.6 million is allocated in 2024-2025.



***Undergrounding - Dr. Robert Cruz Alum Rock Branch  
Library  
West side of White Road, south of Alum Rock Avenue***

The major undergrounding projects in this Capital Program include:

- Kirk Park (Foxworthy Avenue from Yucca Avenue to Briarwood Avenue)
- Lincoln Avenue (Lincoln Avenue to West San Carlos Street)
- McKee Road/José Figueres Avenue (José Figueres Avenue to North Jackson Avenue)
- Meridian Avenue (Park Avenue to Auzerais Avenue)
- Monterey Road (Willow Street to Curtner Avenue)
- Pearl/Hillsdale (Capitol Expressway to Hillsdale Avenue and Pearl Avenue to Summer Creek Drive)

## **CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

### **Environmental and Utility Services CSA**

---

The Environmental and Utility Services CSA includes the Sanitary Sewer System, Storm Sewer System, Water Pollution Control, and Water Utility Capital Programs.

#### ***Sanitary Sewer System Capital Program***

The Sanitary Sewer System consists of approximately 2,039 miles of sewer mains ranging in diameter from under six to 90 inches. The system serves the City, as well as three other jurisdictions, and conveys sewage to the San José-Santa Clara Regional Wastewater Facility.

The 2025-2029 Proposed CIP includes a rate increase of 9% for the Sewer Service and Use Charge (SSUC) in 2024-2025. In the remaining years of the CIP, increases are currently projected to range from 7.0% and 9.0% each year. These increases may be revised based on future assessments of capital and operating needs, changes in project costs, or other unforeseen circumstances.



***Sanitary Sewer Maintenance Crew***

Program priorities and objectives include improving sewer capacity in substantially built-out areas and less-developed areas to accommodate economic development, as well as the rehabilitation of existing sewers with a higher priority given to those with extensive, severe deterioration, and evaluated alongside race and income data of neighborhoods to ensure that rehabilitation efforts are equitably provided to the fullest extent legally permissible. The 2025-2029 Proposed CIP provides funding of \$277.4 million, of which \$126.9 million is allocated in 2024-2025.

The major projects in this CIP include:

- Chesbro Avenue Sanitary Sewer Improvement
- Condition Assessment Sewer Repairs
- Fourth Major Interceptor, Phase VIIA
- Immediate Replacement and Diversion Projects
- Infrastructure – Sanitary Sewer Condition Assessment
- Master Planning Updates
- Sanitary Sewer Interceptor Management Program
- Urgent Rehabilitation and Repair Projects

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Environmental and Utility Services CSA (Cont'd.)**

---

***Storm Sewer System Capital Program***



***Top of Precast PCC Vault***

The Storm Sewer System of the City of San José consists of approximately 1,130 miles of sewer mains and 31 stormwater pump stations. The Storm Sewer System, which is separate from the Sanitary Sewer System, collects storm water that is eventually conveyed into the Guadalupe River or Coyote Creek. The City is responsible for planning, designing, constructing, and maintaining facilities for conveyance of stormwater runoff within the City's Urban Service Area to adjacent stream channels in accordance with the available budget and City Council priorities. Most of the design and construction of flood control facilities and the modification and maintenance of stream channels are the responsibility of Valley Water and the U.S. Army Corps of Engineers. The 2025-2029 Proposed CIP provides funding of \$91.1 million, of which \$67.2 million is allocated in 2024-2025.

The overall size of the Storm Water System CIP has decreased very slightly due to the reduction in revenues transferred from the Storm Sewer Operating Fund, which is funded through Storm Sewer Service and Use Charge fees. With no rate increases occurring in more than a decade and, as a result, assessment revenues remaining flat, the need to sustain basic operations and maintenance activities for the storm sewer system is expected to result in reduced capacity to perform important capital rehabilitation projects in the Storm Sewer System. To prevent underinvestment, identifying additional funding for this capital program, including potentially from the General Fund if no other source is available, must be a priority within the coming years. In light of this challenge, the 2024-2025 Proposed Operating Budget includes additional resources to conduct an Engineered Fee Assessment to study the establishment of a new Stormwater Fee and provide technical work related to a potential ballot measure.



***Large Trash Capture device installation near Coyote Creek***

A key focus for the CIP is the delivery of Measure T projects, with Measure T funding providing the largest revenue source for this program. The projects include alleviating flooding and drainage issues in the Charcot Area and implementing regional green stormwater infrastructure projects to capture, filter, and treat stormwater before its discharge into local waterways.

The major projects in this CIP include:

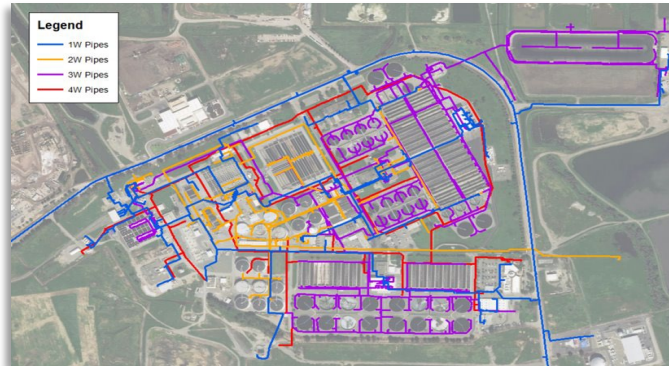
- Green Infrastructure Improvements
- Large/Small Trash Capture Devices
- Measure T – Clean Water Projects
- Urgent Storm Drain Repair Projects
- Measure T – Storm Drain Improvements at Charcot Avenue
- Storm Pump Station Rehabilitation and Replacement

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Environmental and Utility Services CSA (Cont'd.)**

***Water Pollution Control Capital Program***

The San José-Santa Clara Regional Wastewater Facility (RWF) is a wastewater treatment facility serving eight South Bay cities and four special districts. The 2025-2029 Proposed Capital Improvement Program provides funding of \$903.7 million, of which \$103.8 million is allocated in 2024-2025. This work is guided by the Plant Master Plan (PMP), which recommends an estimated investment of approximately \$2.0 billion over a 30-year planning period to implement more than 114 capital improvement projects to perform long-term rehabilitation and modernization and address future regulatory requirements and capacity needs.



***Facility-Wide Water System Improvements***

To ensure the program continues to address Plant critical rehabilitation needs and pending regulations, a priority for the upcoming fiscal year is to update the PMP. Other ongoing priorities include managing long-term financing (for San José only); continuing to focus on program and project delivery; and actively managing project risks and variables to inform timing and amount of major encumbrances.



***New sludge storage tanks***

customer demands, and meet future environmental regulatory standards. The new mechanical dewatering facility and support systems to replace the existing sludge storage lagoons and open air solar drying beds – reduce odor impacts to the surrounding community – is scheduled to come online in 2025-2026.

As discussed earlier in the Sanitary Sewer System Capital Program section, the 2025-2029 Proposed CIP includes a rate increase of 9% for the Sewer Service and Use Charge (SSUC) in 2024-2025. In the remaining years of the CIP, increases are currently projected to range from 7.0% and 9.0% each year. These rates will be reassessed each year based on a detailed implementation plan.

The next five to ten years will see significant investment at the RWF based on the PMP, resulting in revitalized infrastructure to meet current and future

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Environmental and Utility Services CSA (Cont'd.)**

---

***Water Pollution Control Capital Program (Cont'd.)***

The major projects in this CIP include:

- Additional Digester Upgrades
- Aeration Tanks and Blower Rehabilitation
- Digested Sludge Dewatering Facility
- Facility-wide Water Systems Improvements
- Final Effluent Pump Station and Stormwater Channel Improvements
- Nitrification Clarifier Rehabilitation
- Primary Rehabilitation
- Storm Drain System Improvements
- Support Building Improvements

***Water Utility System Capital Program***

The San José Municipal Water System provides water service to approximately 118,000 residents via 26,000 service connections in five areas within the City of San José: Alviso, Coyote Valley, Edenvale, Evergreen, and North San José. Projects in this CIP include the construction of new facilities, maintenance of existing infrastructure, and improvements to the Water Utility System facilities. The 2024-2025 Proposed Budget assumes a revenue increase for retail water of approximately 5%, largely attributable to

increased wholesale water costs charged by Valley Water and the San Francisco Public Utilities Commission, along with ensuring sufficient resources are available for necessary capital investment. Rates will be reassessed each year based on wholesale water costs, detailed maintenance and operations costs, and capital improvement requirements. The 2025-2029 Proposed Capital Improvement Program (CIP) provides funding of \$126.0 million, of which \$48.5 million is allocated in 2024-2025.



***Installation of a water valve***



***Municipal Water Main Construction Work***

The major projects in this CIP include:

- Advanced Metering Infrastructure Implementation
- Annual Water Main Replacement
- Infrastructure Improvements
- Water Resources Administration and Operations Facility

## **CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

### **Neighborhood Services CSA**

---

The Neighborhood Services CSA includes the Library and Parks and Community Facilities Development Capital Programs.

#### ***Library Capital Program***

The Library Capital Program provides funding to acquire physical and electronic materials, install automation equipment, support public information access needs, and invest in facility rehabilitation. The objective of the Library Capital Program is to provide readily accessible, quality library services to San José residents. The 2025-2029 Proposed CIP provides funding of \$56.1 million, of which \$24.5 million is allocated in 2024-2025.



***Seven Trees Branch Library***

The 2025-2029 Proposed CIP includes capital rehabilitation of branches that received grant and local match funding for the Building Forward Library Infrastructure grant from the State of California. This grant program, which is provided by the California State Library, is designed to address life-safety and critical maintenance needs of public library facilities throughout California. The Building Forward Library Infrastructure grant allows the San José Public Library to advance critical infrastructure projects that ensure branch libraries continue to provide safe, well-maintained environments for the public's exploration, learning, and discovery. Although the 50% local match obligation (\$6.6 million) limits the ability to engage in other capital investments, the grant award effectively doubles the City's resources to maintain these essential assets and systems, such as roof and building repairs and repairs to boilers, chillers, and heating, venting, and cooling (HVAC) systems. Branches scheduled for repairs and improvement projects include Alviso, Bascom, Biblioteca Latinoamericana, East San José Carnegie, Educational Park, Seven Trees, Hillview, Joyce Ellington, and Tully.

As the rate of Library Parcel Tax revenue growth has not kept pace with increasing operational expenses and has historically been used to support operating and programming expenses during prolonged periods of General Fund shortfalls, the 2025-2029 Proposed CIP does not include a transfer of Library Parcel Tax resources into the Library CIP. While the previous strength of C&C Tax revenues initially offset the reduction from the Library Parcel Tax Fund so that the projects and programs included in the CIP were unaffected, the current lower level of C&C Tax revenue has resulted in limited remaining funds for other future capital infrastructure needs. Though a multi-year realignment of funding sources between the Library Parcel Tax Fund, the Library C&C Tax Fund, and the General Fund is underway to help achieve a more balanced funding portfolio over the long-term for both Library operations and capital support, an additional infusion of resources to fully address the long-term support for acquisition of materials and capital rehabilitation needs will be required in the future.

The major projects in this CIP include:

- Acquisition of Materials
- Automation Projects and System Maintenance
- Building Forward Library Infrastructure Grant projects
- Facilities Improvements and Equipme

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Neighborhood Services CSA (Cont'd.)**

---

***Parks and Community Facilities Development Capital Program***

The Parks and Community Facilities Development (P&CFD) Capital Program plans for and implements the acquisition, development, and protection of parks, recreation facilities, and open space to maintain a high quality of life in San José. This program provides oversight of the planning and development for approximately 3,621 acres of parks (regional/city-wide and neighborhood/community) and open space in the City's sphere of influence, as well as 12 City-operated community centers. Over 65 miles of trails are open to the public and several miles are in development. The ActivateSJ Plan, Trail Program Strategic Plan, General Plan, and Bike Plan 2020 all support further development of the trails with a goal for an interconnected 100-mile urban trail network and 30 miles of hiking trails. .

The 2025-2029 Proposed CIP focuses efforts on maintaining and improving existing parks, recreational facilities and trails; honoring nature and wildlife through intentional design to create a sense of place; and designing parks and facilities that enhance everyday life. This CIP also initiates a multiyear effort to undertake significant repairs to Penitencia Creek Road and adjacent hillsides and creeksides within Alum Rock Park that sustained extensive damage during the 2023 winter storms.

Overall, the 2025-2029 Proposd CIP allocates \$385.3 million to the P&CFD program, including \$182.3 million in 2024-2025. The CIP plans for over 200 major projects and over 100 small projects, with a focus on developing systems and processes to effectively anticipate capital needs over a multi-year period and plan for those needs accordingly. This has included developing the Parks and Recreation Facility Project Inventory to prioritize projects that reach the park-poor areas of each Council District. The CIP also includes sustained focus on data collection and GIS mapping to identify areas of need based on various factors such as health indicators, race, and income. The objective is to build an operating and capital rehabilitation model that can more effectively support the demands of the park system for the 12<sup>th</sup> largest City in the United States.



***Cimarron Park Basketball Courts***



## **CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

### **Neighborhood Services CSA (Cont'd.)**

---

#### ***Parks and Community Facilities Development Capital Program (Cont'd.)***

The major projects in this CIP include:

- |   |   |
|---|---|
| <input type="checkbox"/> 2017 Flood – Kelley Park Outfall                     | <input type="checkbox"/> Chynoweth Park Renovation                      |
| <input type="checkbox"/> 2023 Winter Storm – Alum Rock Park Road Improvements | <input type="checkbox"/> Doerr Park Tot Lot Replacement                 |
| <input type="checkbox"/> Agnews Property Development                          | <input type="checkbox"/> Emma Prusch Park Electrical                    |
| <input type="checkbox"/> Cahill Park Improvements                             | <input type="checkbox"/> Guadalupe River Park Yard Relocation           |
| <input type="checkbox"/> Children of the Rainbow Park Lighting Improvements   | <input type="checkbox"/> Spartan Keyes Area Park Development            |
|   | <input type="checkbox"/> TRAIL: Coyote Creek (Story Road to Tully Road) |

### **Public Safety CSA**

---

The Public Safety CSA includes the Public Safety Capital Program.

#### ***Public Safety Capital Program***

The objective of the Public Safety Capital Program is to provide, maintain, and improve facilities and equipment that support the delivery of effective emergency services to residents and visitors. The 2025-2029 Proposed CIP provides funding of \$152.1 million, of which \$84.2 million is allocated in 2024-2025.

The major focus of the Public Safety Capital Program is delivering projects funded by the Measure T Bond Measure — with a total of \$100.6 million allocated in this CIP to various bond projects, including new facilities, relocations of existing facilities, and rehabilitation of aging facilities.

Projects anticipated to come online during this CIP include new Fire Stations 32 (Santee) and 36 (Windmill Springs) to improve response times; relocations of Fire Stations 8 (Downtown East); construction of a new Police Training Center, thereby allowing for the full activation of the South San José Police Substation; expansion and relocation of the Police Air Support Hangar to accommodate future expansion at the San José Mineta International Airport; and upgrades to the 911 Call Center to accommodate the increasing demand for emergency services. All of these projects are anticipated to be completed within the next several years.



***San José Fire Department Training Center -  
Ribbon Cutting***

## **CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

### **Public Safety CSA (Cont'd.)**

---

#### ***Public Safety Capital Program (Cont'd.)***

The major projects in this CIP include:

- Measure T – 911 Call Center Upgrades
- Measure T – New Fire Stations 32, 36
- Measure T – Police Administration Building Upgrades
- Measure T – Police Air Support Hangar
- Measure T – Police Training Center
- Measure T – Relocated Fire Stations 8, 23

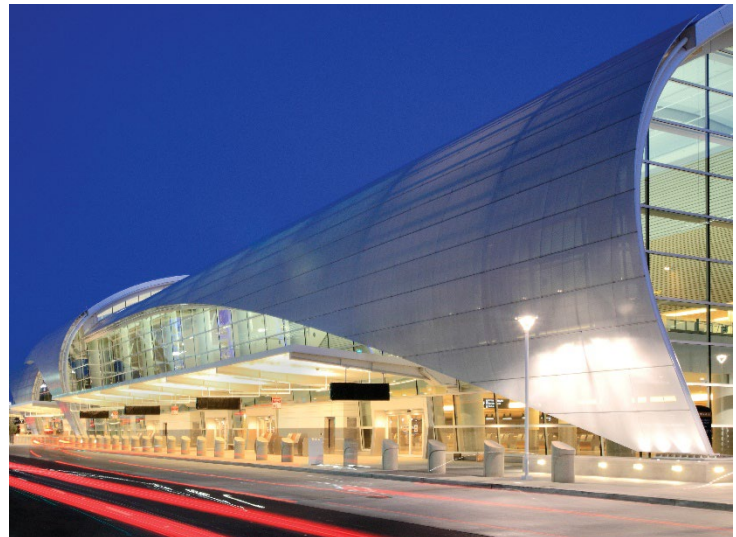
### **Transportation and Aviation Services CSA**

---

The Transportation and Aviation Services CSA includes the Airport, Parking, and Traffic Capital Programs.

#### ***Airport Capital Program***

The San José Mineta International Airport (SJC) is located four miles north of downtown San José. The primary air service area includes the Silicon Valley, neighboring counties of Monterey, Santa Cruz, and San Benito, as well as portions of adjacent Alameda and San Mateo counties. SJC is currently classified by the Federal Aviation Administration as a medium-hub domestic airport with some international service. SJC was named Best Midsized Airport in the United States by the Wall Street Journal, for excelling in reliability, value, and convenience, outperforming all of the top 50 airports nationwide.



***San José Mineta International Airport Bag Claim Curbside***

The Airport Master Plan provides the framework for a phased program to adequately serve aviation demand at SJC projected out to the year 2037. Looking forward, the Airport will continue to implement the projects in the Master Plan as feasible and as financial affordability permits and focus on refurbishment of the current facilities to maximize safety, improve efficiency, and increase passenger services. Priority Master Plan projects include the Belly Freight Facility, Terminal B Ramp Rehabilitation, and Airfield Configuration Updates, along with other precursor projects leading to the future New Terminal Project. The 2025-2029 Proposed CIP provides funding of \$648.6 million, of which \$174.9 million is allocated in 2024-2025.

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Transportation and Aviation Services CSA (Cont'd.)**

---

***Airport Capital Program (Cont'd.)***

The major projects in this CIP include:

- |  |   |
|--|---|
| <input type="checkbox"/> Airport Perimeter Fence Line Upgrades | <input type="checkbox"/> Terminal A Baggage Claim Carousels |
| <input type="checkbox"/> Airfield Configuration Updates        | <input type="checkbox"/> Terminal A Ramp Rehabilitation     |
| <input type="checkbox"/> Belly Freight Facility                | <input type="checkbox"/> Terminal B CTX Replacement         |
| <input type="checkbox"/> Garage Sprinkler Replacement          | <input type="checkbox"/> Terminal B Ramp Rehabilitation     |
| <input type="checkbox"/> Short-Term Parking Garage             |   |

***Parking Capital Program***

The Parking Capital Program maintains and improves existing parking facilities, upgrades and replaces both off-street and on-street parking equipment, develops new parking facilities, and supports investments in multi-modal transportation facilities in the Greater Downtown area and meter districts. The off-street component of the program consists of eight garages and six surface lots with 7,293 parking spaces, located primarily within the Downtown core. The on-street component consists of 2,504 metered parking spaces in the areas of Downtown, Japantown, Civic Center, and SAP Center/Diridon Station.



***On-Street Parking Meter***

The 2025-2029 Proposed CIP provides total funding of \$15.9 million over the five years, of which \$13.2 million is allocated in 2024-2025. The 2025-2029 Adopted CIP focuses on basic repair and maintenance of existing infrastructure. The CIP also includes the U.S. Department of Transportation Strengthening Mobility and Revolutionizing Transportation (SMART) grant award to fund the implementation of a Curb Digitization Pilot Program with the goal of modernizing on-street parking, data collection, and analysis.

The major projects in this CIP include:

- |   |  |
|---|--|
| <input type="checkbox"/> Curb Digitization and Management | <input type="checkbox"/> Minor Parking Facility Improvements |
| <input type="checkbox"/> Garage Elevator Upgrades         | <input type="checkbox"/> Revenue Control and Meter Upgrades  |

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Transportation and Aviation Services CSA (Cont'd.)**

---

***Traffic Capital Program***

The mission of the Traffic CIP is to implement and manage a multimodal transportation system that is safe, efficient, environmentally sensitive, and maintained in the best condition possible consistent with the goals and policies of the General Plan. The General Plan defines a network of major streets, bikeways, pedestrian corridors, and regional transportation facilities needed to support planned land uses within the City. Implementation of the City’s planned transportation system, therefore, is an important element of economic development and supports a livable community. The 2025-2029 Proposed CIP provides funding of \$ 903.5 million, of which \$285.0 million is allocated in 2024-2025.



***High Visibility Crosswalk – Story Rd  
(Knox Ave to White Rd)***

***Transportation Safety and Multimodal Improvements***

The 2025-2029 Proposed CIP seeks to improve street safety for all modes of travel by investing approximately \$273.0 million in traffic safety and efficiency and local multimodal improvements. The CIP includes approximately \$62.0 million in One Bay Area Grant (OBAG3) and Active Transportation Program (ATP) grants for priority areas complete streets and Vision Zero projects. Additionally, the CIP includes \$10.0 million in State funding provided by Senate Bill 129 for Vision Zero: East San José Corridor Safety Improvements

at Senter Road which provides key pedestrian and bicycle safety and transit improvements along 4.7 miles of Senter Road, between Story Road and Monterey Road. Implementation of the City’s Better Bike Plan 2025 and other on-street bikeways projects will continue with a total of 64.5 miles of bikeways under construction: 39.1 miles of new bikeways and 25.4 miles of existing bikeway improvements will be constructed over the next two years. Many of these projects support ongoing planning initiatives such as Better Bike Plan 2025, Vision Zero, Envision San José 2040, and several specific plans such as En Movimiento. The Transportation Department will focus its efforts on creating equitable “all-ages-and-abilities bikeways” along major north-south and east-west corridors such as Story-Keyes, Jackson Avenue, San Fernando Street, Taylor-Mabury, and Bascom Avenue.



***Hillsdale Ave (Almaden Ex to Ross Ave) – lane reduction, bike lanes, quick-build median island and high visibility crosswalks***

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Transportation and Aviation Services CSA (Cont'd.)**

---

***Traffic Capital Program (Cont'd.)***

The Vision Zero Action Plan is a safety investment strategy of approximately \$25 million to significantly reduce traffic fatalities and severe injuries on the City's roadways. Reflective of the City's equity-based approach, the Vision Zero Action Plan targets safety improvement, programs, and messaging to the communities and at locations experiencing high levels of crashes in which people are killed or severely injured, not just those areas with the most requests. A total of \$13.4 million has been programmed through 2025-2029 for quick-build safety improvements, data analytics, and outreach and engagement.

***Pavement and Transportation Infrastructure Maintenance***



***ADA Ramp Install***

Overall, the 2025-2029 Proposed Traffic CIP allocates \$411.4 million for maintenance activities, of which \$393.2 million is earmarked for pavement maintenance. This pavement maintenance funding amounts to an annual average over the next five years of \$78.6 million. San José's street system consists of 2,519 miles of pavement and the current average Pavement Condition Index (PCI) for all San José streets is 73, which is a rating of "Good". To sustain the City's current condition of PCI 73, and significantly reduce the backlog of deferred maintenance, the City would need to invest \$61.8 million annually for 10 years. Based on the average funding levels for the next ten years, there is no projected shortfall at

this time. Although DOT has tracked equity in paving operations for several years, the department began considering equity as a prioritization criterion for the Local and Neighborhood Pavement Maintenance program in 2022 and has now implemented a comparative equity measurement for roadway conditions in its core service measurements. DOT cross-referenced the selected zones with census tracts designated by the Metropolitan Transportation Commission as "Equity Priority Communities" (EPC), formerly known as "Communities of Concern". Results confirmed that 238 out of 262 miles (roughly 90%) of local and neighborhood streets designated in EPC areas will be maintained by the end of 2026.



## **CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

### **Transportation and Aviation Services CSA (Cont'd.)**

---

#### ***Traffic Capital Program (Cont'd.)***

The major projects in this CIP include:

- ❑ Balbach Street Transportation Improvements
- ❑ Better Bikeways San Fernando
- ❑ Highway 680 and Jackson Avenue Traffic Signal
- ❑ Julian Street and St. James Couplet Conversion
- ❑ McKee Road Corridor Safety Improvements
- ❑ North San José Improvement – 101/Zanker
- ❑ Pavement Maintenance
- ❑ Roosevelt Park Transportation Improvements
- ❑ Route 101/Mabury Road Project Development
- ❑ San José Safety Improvements at Key Intersections
- ❑ Signalized Intersections Pedestrian Safety Improvements
- ❑ Story-Keyes Completes Streets Improvements
- ❑ Tully Rd. Corridor Safety Improvements
- ❑ Vision Zero: East San José Corridor Safety Improvements at Senter Road
- ❑ VTA 2016 Measure B Complete Street Project Improvements (SRTS)
- ❑ Willow-Keyes Complete Streets Improvements

### **Strategic Support CSA**

---

The Strategic Support CSA includes the Communications, Municipal Improvements, and the Service Yards Capital Programs.

#### ***Communications Capital Program***

The guiding objective of the Communications Capital Program is the provision of reliable and necessary public safety and non-public safety-related communications equipment for all City employees who need this equipment to perform their job duties. In addition, this program funds capital improvements related to communications facilities including land and interests in land, buildings, structures, and radio and other equipment. The 2025-2029 Proposed Communication Capital Program CIP provides funding of \$25.4 million of which \$5.0 million is allocated in 2024-2025.

The Silicon Valley Regional Interoperability Authority (SVRIA) is a joint powers authority consisting of 19 member agencies, including the City of San José, whose mission is to identify, coordinate, and implement communication interoperability solutions to its member agencies by integrating voice and data communications between law enforcement, fire and rescue services, emergency medical services, and emergency management for routine operations, critical incidents, and disaster response and recovery.



***Transmitter Antennae  
at Coyote Peak***

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Strategic Support CSA (Cont'd.)**

---

***Communications Capital Program (Cont'd.)***

San José currently has 3,619 radios on the Silicon Valley Regional Communications System (SVRCS), of which 3,291 belong to Police and Fire. Since 2021-2022, a total of 1,372 SVRCS radios have been replaced, and \$1.7 million is allocated annually for to help replace SVRCS radios as they reach end-of-service. For the development of future CIPs, the City will need to identify a funding strategy for the replacement of the Legacy Radio System that serves the communications of a range of City operations and as a backup to SVRCS, estimated at over \$7 million and another \$2 million for new radio portable handbacks and mobile units.

The major projects in this CIP include:

- Silicon Valley Regional Communications System – Radios
- Silicon Valley Regional Interoperability Authority – Maintenance

***Municipal Improvements Capital Program***

The Municipal Improvements Capital Program provides capital improvements and maintenance for City facilities and their operating systems that are not funded in other capital programs. The overall goal of this program is to develop and maintain functional City facilities that meet the service needs of both internal and external customers. The scope of City facilities under this program comprises almost three million square feet of space and includes cultural facilities such as The Tech Interactive, Hammer Theatre Center, and San José Museum of Art, to name a few.

The 2025-2029 Proposed Municipal Improvements CIP provides funding of \$16.4 million of which \$6.2 million in allocated in 2024-2025. Investments include annual funding of \$2.1 million from the General Fund primarily for unanticipated or emergency repairs (\$1.25 million), Closed Landfill Compliance (\$400,000), and Police Communications Uninterrupted Power Supply Capital Maintenance (\$200,000), as well as one-time funding of \$250,000 for improvements at the Animal Care and Services facility.

Funding of \$3.0 million from the Convention Center Facilities District Revenue Capital Fund and the Convention and Cultural Affairs Capital Fund captures investments to rehabilitate and repair buildings owned by the City but operated by Team San José. As part of the Adopted Budget process, the Administration will bring forward recommendations to allocate \$1.25 million in the General Fund from the Cultural Facilities Capital Maintenance Reserve for specific rehabilitation projects at the City’s various cultural facilities. Additional resources of \$2.4 million for the Measure T – City Facilities LED Lighting project will fund replacement of exterior lighting.



**San José Animal Care Center**

The major projects in this CIP include:

- Measure T – City Facilities LED Lighting
- Animal Care and Services – Various Improvements

**CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA**

**Strategic Support CSA (Cont.)**

---

***Service Yards Capital Program***

The objective of the Service Yards Capital Program is to maintain and improve the existing conditions at the City's Service Yards by implementing projects to reduce safety hazards, increase efficiencies, and provide necessary equipment and materials for operations. The 2025-2029 Proposed CIP provides funding of \$27.7 million of which \$9.1 million in allocated in 2024-2025.



***Vehicles waiting for Maintenance at the Central Service Yard***

While ongoing funding is allocated to address general capital improvement needs, the repayment of debt associated with various projects at the Central Service Yard and the Fire Department Training Center, represents the largest use of funds in the 2025-2029 Proposed CIP. The majority of the projects financed with debt have been or will be completed in 2023-2024.

The largest individual project will construction new fueling island to provide sufficient capacity for the City vehicles maintained at the Central Service Yard, which is anticipated to come online in 2025-2026.

The major projects in this CIP include:

- Central Service Yard – Fueling Island
- Central Service Yard – Water Main Replacement
- Roofing, Replacement, Painting and Supplemental Needs

**OTHER CAPITAL PROGRAM HIGHLIGHTS**

***Operating Budget Impacts***

This CIP continues to balance the delivery of capital programs with the limited resources available to operate and maintain existing and newly constructed facilities. The Administration also pursues strategies to ensure the most cost-effective operation of City facilities, including installing capital improvements that reduce costs, such as energy efficient lighting and traffic signals.

In March 2008, the City Council approved Budget Principle #8 that states capital improvement projects “shall not proceed for projects with annual operating and maintenance costs exceeding \$100,000 in the General Fund without City Council certification that funding will be made available in the applicable year of the cost impact. Certification shall demonstrate that funding for the entire project, including operating and maintenance costs, will not require a decrease in existing basic neighborhood services.”



**OTHER CAPITAL PROGRAM HIGHLIGHTS**

***Operating Budget Impacts (Cont'd.)***

In addition, all CIP projects with new General Fund operating and maintenance costs are detailed in the Five-Year General Fund Forecast and included as part of the annual CIP. Several of the Measure T projects will incur significant operating and maintenance costs in the future, including the new fire stations and the Police Training Center. The annual operating and maintenance costs over \$100,000 such as Columbus Park Soccer Fields, North San Pedro Area Parks, 911 Call Center, Fire Stations 32 and 3, and the Police Training Center – with the subsequent activation of the South San José Police Substation – will be brought forward for City Council certification at the time of construction contract award.

The table below summarizes the additional annual resources required to operate and maintain new facilities coming online during the five-year CIP or planned by other agencies (such as developers).

**Projected Total New Operating and Maintenance Costs  
(Cumulative)**

<b>Project Type</b>	<b>2025-2026</b>	<b>2026-2027</b>	<b>2027-2028</b>	<b>2028-2029</b>	<b>Total</b>
Parks Facilities	\$ 4,000	\$ 1,369,000	\$ 615,000	\$ 2,080,000	\$ 4,068,000
Public Safety Facilities	7,301,000	15,105,000	18,030,000	26,012,000	66,448,000
Traffic Projects	68,000	139,000	165,000	178,000	550,000
<b>General Fund Total</b>	<b>\$ 7,373,000</b>	<b>\$ 16,613,000</b>	<b>\$ 18,810,000</b>	<b>\$ 28,270,000</b>	<b>\$ 71,066,000</b>

For the General Fund, these costs are estimated at \$7.4 million in 2025-2026 and are anticipated to increase to \$28.3 million by 2028-2029. Most of the costs are for Public Safety facilities, including new Fire Stations 32 and 36, Police Training Center, and 911 Call Center, but also include Park Facilities, and Traffic projects. The operating and maintenance costs for the new Police Training Center and the full activation of the South San José Police Substation are also included in the cumulative costs, though the costs still reflect an early look of the activation of both sites and could potentially be higher or lower depending on the operational plan and level of available resources.

**OTHER CAPITAL PROGRAM HIGHLIGHTS**

***Art in Public Places***

A vibrant public art program is vital to continue the cultivation of a diverse and thriving community. To provide funding for the City’s public art program, one percent of all construction project funding is generally required to be allocated to public art. Some types of projects, such as those for seismic and Americans with Disabilities Act retrofits, rehabilitation, maintenance and operations, non-construction projects (such as studies), affordable housing, and the Water Pollution Control Plant, are exempted from this one percent public art contribution requirement.

As a result of this program, iconic public art works can be found at the Airport, Downtown, public safety facilities, parks, and library facilities. The Proposed CIP continues to provide meaningful funding to build and display art in public places. A total investment of \$4.5 million is programmed for public art projects in the 2025-2029 Proposed CIP. This figure does not include the \$7.7 million in public art expenditures currently allocated in 2023-2024, a significant portion of which is expected to be rebudgeted into 2024-2025 as part of the Adopted Budget process.



***Teamwork (Fire Station 14)  
Artist: Bill Vujevich (2023)***

**CONCLUSION**

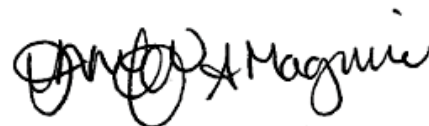
The 2024-2025 Proposed Capital Budget and the 2025-2029 Proposed CIP allocates \$1.1 billion and \$3.7 billion, respectively, from a wide range of funding sources. This is a reflection of the City's continued commitment to rehabilitate and renew, as well as expand, the public infrastructure upon which our community depends. This work includes a surge of activity over the next two years in project delivery of the public safety, transportation, and stormwater protection projects authorized by Measure T. The City continues to focus on the rehabilitation and renewal of existing infrastructure, the limited construction of new infrastructure, and the integration of technical and equity-based analysis to guide the stewardship of public assets for our diverse community well into the future.

Projects delivered over the next five years will further improve the City's roadways; address the reliability, appearance, and recreational opportunities of parks and recreational facilities; significantly upgrade the City's wastewater treatment facility; deliver continued improvements to the Airport; and reduce pollutants within storm drains and creeks. Looking forward, the City will also continue to work with other agencies on major regional projects including BART Phase II, High Speed Rail, an expanded and redeveloped Diridon Station, Caltrain Modernization, and highway interchanges that will dramatically alter the City's transportation infrastructure.

While the Proposed Capital Budget and Proposed CIP address major infrastructure needs, a significant infrastructure maintenance backlog remains. The Administration will continue to target resources toward their most important need with an equity-focus and seek all possible avenues to secure federal, State, and regional funding to supplement available City funding.

Based on City Council direction and expectation, this CIP was developed to reflect the needs and priorities of our residents, businesses, and visitors, and improve the quality of life for all in San José. Under the direction of the City Manager's Budget Office, the 2024-2025 Proposed Capital Budget and 2025-2029 Proposed CIP were developed in coordination with all the CSAs and City departments responsible for capital projects. I want to acknowledge and thank the many employees who made direct contributions to the analysis and production of this CIP and document.

Respectfully Submitted,



Jennifer A. Maguire  
City Manager