

September 12, 2017

HONORABLE MAYOR AND CITY COUNCIL:

I am pleased to present the 2017-2018 Adopted Capital Budget and the 2018-2022 Adopted Capital Improvement Program (CIP) for the City of San José. The Budget and CIP presented in this document guide the City in the planning, scheduling, and budgeting of capital improvement projects during the next five-year period. 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.

Directed by the Envision San José 2040 General Plan (General Plan), this CIP maintains critical investments to sustain, enhance, and develop a wide array of public infrastructure to improve system reliability, enhance recreational experiences, advance public safety, and ensure that San José is well-positioned for further economic growth and opportunity. Accordingly, this CIP allocates significant resources to upgrade and revitalize the Water Pollution Control Plant (San José-Santa Clara Regional Wastewater Facility); invests in and sets aside funding for the rehabilitation and enhancement of a variety of park assets and recreational facilities; triples the investment in the pavement maintenance program; and continues the renovation of the City's outstanding cultural facilities. The City's 2017-2018 Adopted Capital Budget totals \$1.0 billion and the 2018-2022 Adopted CIP totals \$3.3 billion. The 2017-2018 Adopted Capital Budget reflects a 14.0% increase from the 2016-2017 Adopted Capital Budget of \$878.4 million, and from a five-year perspective, the 2018-2022 Adopted CIP is 35.3% higher than the \$2.4 billion 2017-2021 Adopted CIP.

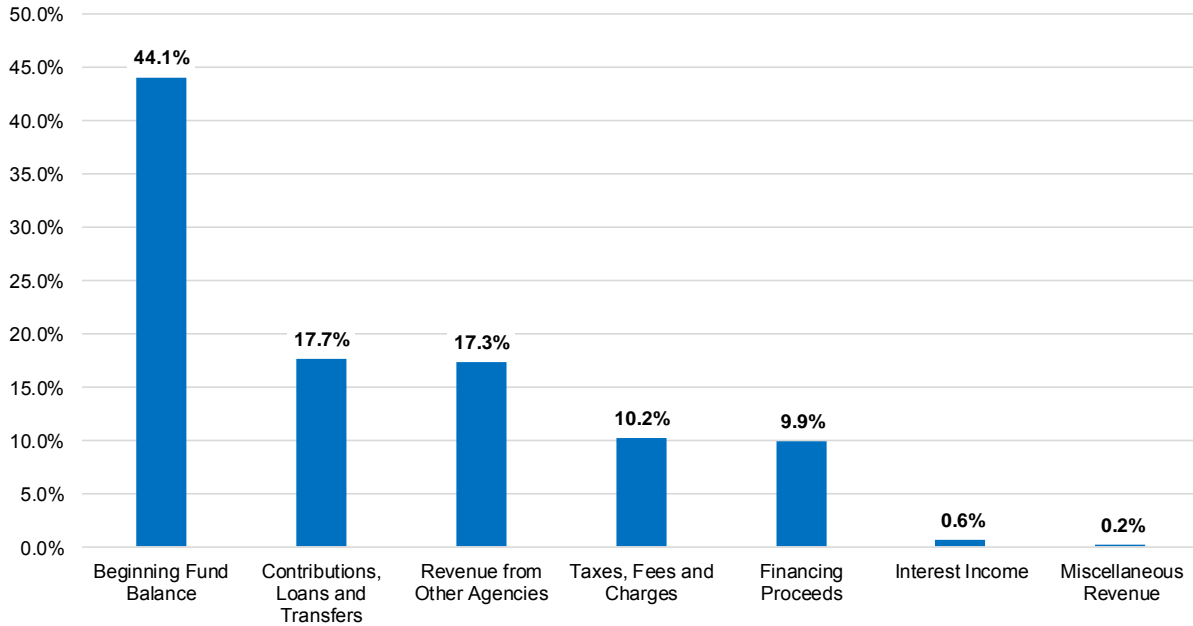
Even with strong emphasis placed on rehabilitation and renewal, the City continues to lack the resources required to fully maintain its infrastructure portfolio. The persistent gap between optimal levels of capital investment and available resources, including grants and revenues from other agencies, results in a growing backlog of unmet/deferred infrastructure needs. For example, the Status Report on Deferred Infrastructure Maintenance Backlog, accepted by the City Council on March 14, 2017, identifies a \$1.51 billion backlog of unmet/deferred infrastructure needs with an ongoing investment need of approximately \$144 million annually to maintain and prevent further degradation of the City's infrastructure. Nowhere is this gap between need and funding more apparent than in the City's pavement maintenance with a backlog of \$584.4 million in unmet/deferred maintenance needs. However, with the recent passage of the California transportation bill SB1 and the Valley Transportation Authority (VTA) 2016 Measure B, there is a significant increase in funding allocated towards pavement maintenance. These larger funding levels for pavement maintenance in this Adopted CIP ranging from \$71 million to \$50 million annually to provide sufficient funding to address pothole repairs and pressing pavement priorities (ongoing maintenance of the Major Street Network). Additionally, this funding will also allow for limited maintenance to occur on the City's local and neighborhood streets for the first time since 2012. At the same time, the City's pavement maintenance funding continues to fall short of the annual ongoing investment of \$109 million that is required to maintain an overall "good" condition. Investments in this CIP also address emergency preparedness and flood-related needs, such as parks infrastructure repairs and flood protection improvements at the Water Pollution Control Plant.

**2017-2018 ADOPTED CAPITAL BUDGET
2018-2022 CAPITAL IMPROVEMENT PROGRAM**

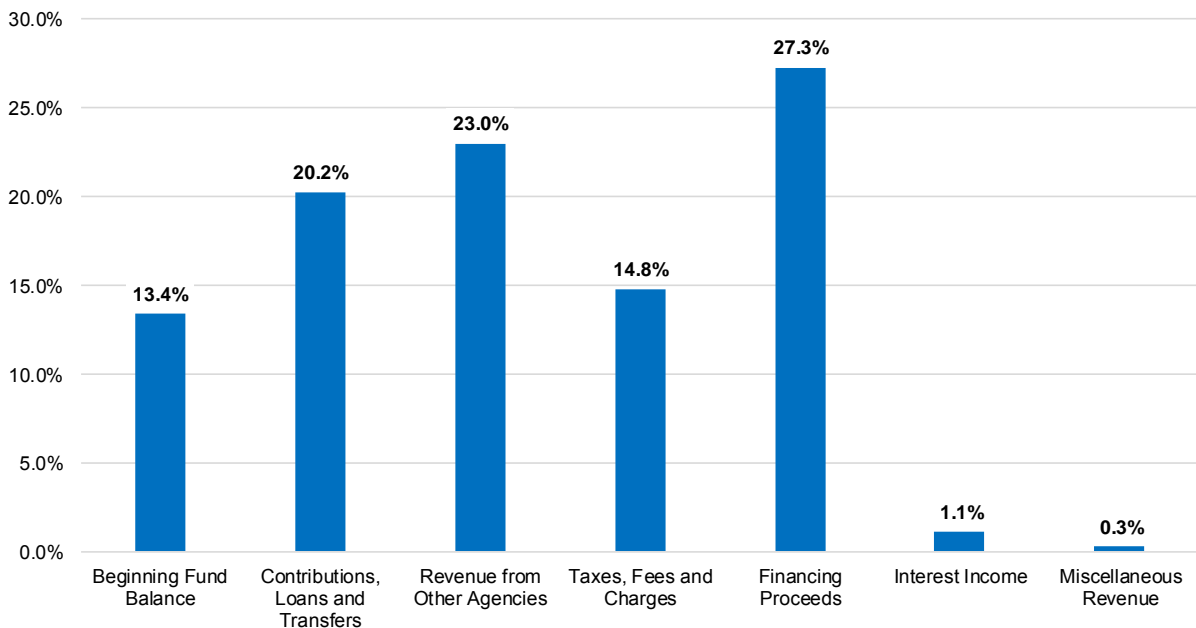
CAPITAL PROGRAM FUNDING SOURCES

The Capital Program is supported by a variety of funding sources as shown in the graphs below that depict both the 2017-2018 and five-year CIP funding.

**2017-2018 Adopted Capital Budget
Source of Funds (\$1.0 billion)**



**2018-2022 Adopted Capital Budget
Source of Funds (\$3.3 billion)**



2017-2018 ADOPTED CAPITAL BUDGET 2018-2022 CAPITAL IMPROVEMENT PROGRAM

CAPITAL PROGRAM FUNDING SOURCES

The Beginning Fund Balances in the 2018-2022 CIP total \$441.9 million, representing 44.0% of the 2017-2018 Adopted Capital Budget and 13.4% of the 2018-2022 CIP. The Parks and Community Facilities Development Capital Program has Beginning Fund Balances totaling \$134.2 million, accounting for 30.2% of the total Beginning Fund Balances. The Traffic Capital Program accounts for 26.9% (\$119.4 million) of the Beginning Fund Balances, representing a significant amount of carryover project costs that will be spent over the next five years. The other programs with significant Beginning Fund Balances include Water Pollution Control (\$57.2 million), Sanitary Sewer System (\$52.2 million), and Airport (\$24.2 million). All three programs include a large number of projects whose delivery will result in lower Ending Fund Balances by the end of the CIP.

The 2018-2022 Adopted CIP includes revenues of \$900.3 million from the issuance of debt. The Water Pollution Control Capital Program accounts for \$891.0 million from both commercial paper (\$455.0 million) and bond proceeds (\$436.0 million) that will be used for the implementation of capital improvement projects recommended by the City Council-approved Plant Master Plan that responds to aging infrastructure, future regulations, population growth, and treatment technology improvements. The Library (\$5.9 million) and Public Safety (\$3.3 million) Capital Programs incorporate the final bond issuances for the two General Obligation Bond programs, scheduled to be issued in 2017-2018.

Contributions, Loans and Transfers from Other Funds total \$596.7 million. The largest transfers of funds are from the Sewer Service and Use Charge Fund to the Water Pollution Control Capital Program (\$220.0 million) and the Sanitary Sewer System Capital Program (\$160.0 million).

The Revenue from Other Agencies category totals \$760.1 million and is comprised of contributions from other agencies that use the Water Pollution Control Plant (WPCP) (\$318.9 million) and the Sanitary Sewer System (\$9.65 million); federal (\$189.6 million) and State (\$110.3 million) grants and allocations; Valley Transportation Authority funding that is mostly derived from a county-wide sales tax measure allocated toward pavement maintenance (\$130.7 million); and other agency contributions (\$950,000). Overall, estimated revenues from these sources reflect an increase of \$329.1 million (76.4%) from the 2017-2021 Adopted CIP, mainly due to a significant increase in State and Valley Transportation Authority funding for pavement maintenance.

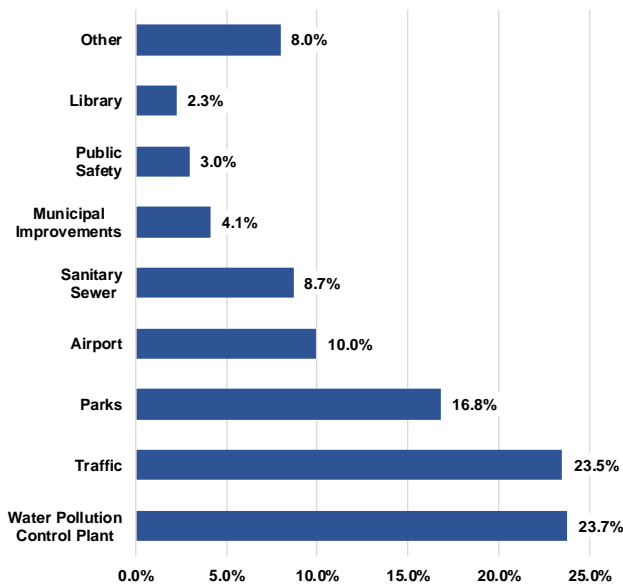
The 2018-2022 Adopted CIP includes an estimate of \$487.7 million in the Taxes, Fees and Charges category, an increase of \$157.2 million from the estimated level in the 2017-2021 Adopted CIP. This increase is due to shifting Passenger Facility Charge Proceeds to this category from Miscellaneous (\$120.4 million) and a higher revenue estimate from construction taxes levied on private development activity (\$34.0 million). A more detailed discussion of revenues can be found in the Summary Information section of this budget document.

2017-2018 ADOPTED CAPITAL BUDGET 2018-2022 CAPITAL IMPROVEMENT PROGRAM

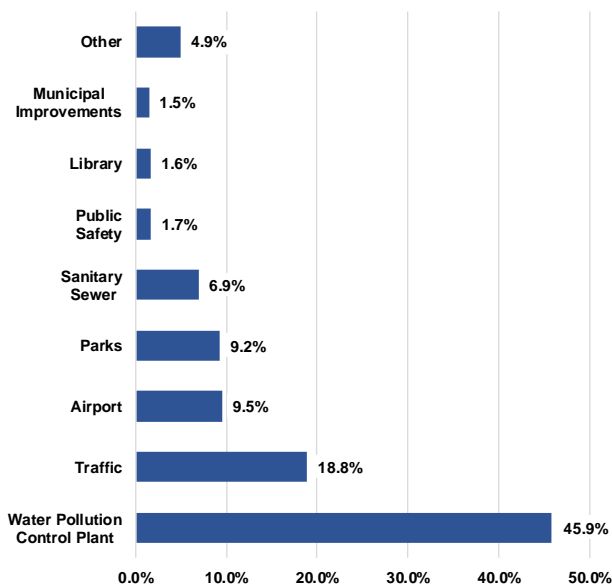
CAPITAL PROGRAM INVESTMENTS

The CIP consists of 14 capital programs. The following charts depict the uses of funds by capital program and percentage of funding for the 2017-2018 Capital Budget and the 2018-2022 Capital Improvement Program. Major projects to be completed over the next five years are highlighted in the sidebar.

**2017-2018 Capital Budget
Use of Funds (\$1.0 billion)**



**2018-2022 Capital Improvement Program
Use of Funds (\$3.3 billion)**



Major Projects to be Completed Over the Next Five Years

2017-2018 Projects

- 30" Old Bayshore Supplement
- Alum Rock Avenue and 31st Street Park Phase II
- Arcadia Softball Facility
- Branham and Snell Street Improvements
- Bridge Libraries
- Butcher Park Playlot Renovation
- City Hall Network Operations Center Main Switchboard Replacement
- Del Monte Park Expansion Phase II
- Del Monte Park Improvements
- East San Jose Bike/Pedestrian Transit Connection (OBAG)
- Emergency Vehicle Preemption Service
- Fire Station Alert System
- Gumdrop Drive Main Replacement
- Hathaway Park Renovation
- Iris Chang Park Development
- Montague Expressway Improvements Phase 2
- Rincon South Park Development
- Silicon Valley Regional Communications System – Dispatch Consoles
- Tamien Park Development Phase II
- TRAIL: Coyote Creek (Story Road to Selma Olinder Park)
- TRAIL: Lower Silver Creek Reach 4/5A (Alum Rock Avenue to Highway 680)
- TRAIL: Three Creeks (Lonus Street to Guadalupe River)

2018-2019 Projects

- 60" Brick Interceptor, Phase VIA and VIB
- Aircraft Rescue and Fire Fighting Facility
- Airport Noise and Operations Monitoring System Replacement
- Alviso Storm Pump Station
- Branham Park Improvements
- Fire Facilities Remediation
- Fowler Pump Station Replacement
- Large Trash Capture Devices

2019-2020 Projects

- Digester and Thickener Facilities Upgrade
- Electronic Airport Layout Plan
- Fourth Major Interceptor, Phase VIIA
- Senter Road Pedestrian Safety Improvements
- Treatment Plant Distributed Control System

2020-2021 Projects

- Airfield Geometric Implementation
- Bollinger Road – Moorpark Avenue – Williams Road Sanitary Sewer Improvements

2021-2022 Projects

- Digested Sludge Dewatering Facility
- Headworks Improvements
- Terminal B Ramp Rehabilitation

**2017-2018 ADOPTED CAPITAL BUDGET
2018-2022 CAPITAL IMPROVEMENT PROGRAM**

CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Each of the 14 capital programs is aligned to one of the six City Service Areas (CSAs). The chart below compares the 2017-2021 Adopted CIP with the 2018-2022 Adopted CIP for each CSA. As discussed earlier, the 2018-2022 Adopted CIP is 35% higher than the 2017-2021 Adopted CIP. The increase from the prior CIP is primarily due to large construction projects in the Water Pollution Control Program (Environmental and Utility Services CSA) and increase in the pavement maintenance program (Transportation and Aviation Services).

2017-2021 Adopted CIP and 2018-2022 Adopted CIP Comparison (By City Service Area)

City Service Area	2017-2021 Adopted CIP	2018-2022 Adopted CIP	% Change
Community and Economic Development	\$ 14,143,086	\$14,888,423	5.3%
Environmental and Utility Services	1,280,222,906	1,822,504,911	42.4%
Neighborhood Services	373,607,994	359,132,030	(3.9%)
Public Safety	60,768,993	55,371,422	(8.9%)
Transportation and Aviation Services	614,214,230	969,815,713	57.9%
Strategic Support	98,638,396	81,647,612	(17.2%)
Total	\$ 2,441,595,605	\$ 3,303,360,110	35.3%

The following discussion of significant issues and projects included in the CIP is presented by CSA. 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.

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 CIP 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 are 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 major undergrounding projects in this CIP include:

- Camden Ave. (Bascom Ave. to Leigh Aven.)
- Aborn Road (Pumpherstons Way to White Rd.)
- Monterey Road (Willow St. to Curtner Ave.)

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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 System Capital Programs.

Sanitary Sewer System Capital Program

The Sanitary Sewer System consists of approximately 2,030 miles of sewer mains ranging in diameter from six to 90 inches. The system serves the City, as well as three other jurisdictions, and conveys sewage to the San José-Santa Clara Water Pollution Control Plant (Plant). The objectives of this capital program are to reduce sanitary sewer overflows (SSOs); enhance sewer capacity to meet economic development; rehabilitate large diameter sanitary sewers; reduce water inflow and infiltration in sanitary sewers; and improve local neighborhood sewers.

As identified in the Status Report on Deferred Maintenance and Infrastructure Backlog accepted by City Council on March 14, 2017, the Sanitary Sewer Collection System has estimated unfunded needs of approximately \$1.7 million per year. With this remaining backlog, the City will continue to evaluate staffing levels and resources and overall strategic capital improvement priorities at both the Plant and the sanitary collection system to address the remaining unfunded need in the future.



**Stevens Creek
Sanitary Sewer Replacement**

The Adopted CIP includes a 7.0% rate increase for the Sewer Service and Use Charge (SSUC) Fund in 2017-2018. In the remaining years of the CIP, rate increases ranging from 4.0% up to 7.0% are projected. These increases may be revised based on future assessments of capital and operating needs, changes in project costs, or other unforeseen circumstances.

The major projects in this CIP include:

- 60" Brick Interceptor, Phase VIA and VIB
- Almaden Supplement Sewer Rehabilitation (North)
- Bollinger Road – Moorpark Avenue – Williams Road Sanitary Sewer Improvements
- Fourth Major Interceptor, Phase VIIA
- Rehabilitation of Sanitary Sewer Pump Stations
- Rincon Avenue – Virginia Avenue Sanitary Sewer Improvements
- Westmont Avenue and Harriet Avenue Sanitary Sewer Improvements

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CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Storm Sewer System Capital Program

In accordance with the City’s Envision San José 2040 General Plan, the goal of the Storm Sewer System CIP is to reduce the risk of drainage-related surface damage and manage the quality of storm water runoff. The City is responsible for the design, construction, and maintenance of facilities for the conveyance of surface runoff in the City’s Urban Service Area to adjacent stream channels. However, the Santa Clara Valley Water District and the U.S. Army Corps of Engineers are responsible for the design and construction of flood control facilities or the modification and maintenance of stream channels.

Project funding levels in the CIP will not require a Storm Sewer Service Charge rate increase; however, this may change in the out-years based on the initial recommendations from the Storm Sewer Master Plan, which is scheduled for completion in 2017. The Storm Sewer Master Plan will identify and prioritize capital improvements that maximize the efficiency and capacity of the storm drainage system city-wide. The need for a rate increase will be reassessed annually and any necessary increases will be brought forward for City Council consideration as part of the annual budget process.

Provision C.3 (New Development and Redevelopment) of the San Francisco Bay Regional Water Quality Control Board Municipal Regional Permit (MRP) requires development projects to address both soluble and insoluble storm water runoff pollutant discharges and prevent increases in runoff flows to local water bodies through the implementation of Low Impact Development (LID) techniques. New to this CIP is the Green Infrastructure Improvements allocation, which will fund projects that will implement green infrastructure as required by the MRP. The goal is to reduce impervious surfaces to reduce the flow rate and improve water quality by treating the urban storm water runoff before it enters into waterways, such as creeks and rivers in San José. Green elements included in these projects consist of bio-retention areas, or “rain gardens,” that function as a soil- and plant-based filtration measure, and pervious pavers and infiltration trenches, which will allow storm water run-off to infiltrate into the ground. In the 2018-2022 Adopted CIP, this ongoing allocation totals \$2.3 million.

The major projects in this CIP include:

- Alviso Storm Pump Station
- Green Infrastructure Improvements
- Large Trash Capture Devices
- Park Avenue Green Street Pilot
- Storm Sewer Master Plan – City-wide
- Urgent Flood Prevention and Repair Projects

2017-2018 ADOPTED CAPITAL BUDGET 2018-2022 CAPITAL IMPROVEMENT PROGRAM

CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Water Pollution Control Capital Program

The Water Pollution Control Plant (Plant) is a wastewater treatment facility serving eight South Bay cities and four sanitary sewer districts. Accounting for 45.9% of the 2018-2022 Adopted CIP, the Plant CIP is the largest capital program. A total of \$1.51 billion will be directed to renovate and upgrade the Plant infrastructure to ensure capacity and reliability of treatment plant processes. This work is guided by the Plant Master Plan (PMP) and includes anticipated commercial paper proceeds (\$455.0 million) and bond issuances (\$436.0 million) over the next five years. The PMP 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. Priorities for the near-term include obtaining short- and long-term financing for San José, continuing to prioritize and program projects, and managing project risks and variables.



**Aerial View of the San José-Santa Clara
Regional Wastewater Facility**



Headworks #1 Bar Screens

As discussed earlier, the 2018-2022 Adopted CIP includes a 7.0% rate increase for the SSUC Fund for 2017-2018, with rate increases of 4.0% up to 7.0% in the out-years. These rates will be reassessed at a later time once a more detailed implementation plan and financing strategy are identified. The next five to ten years will see significant investment at the Plant based on the PMP, resulting in revitalized infrastructure to meet current and future customer demands, meet future environmental regulatory standards, and reduce odor impacts to the surrounding community.

**2017-2018 ADOPTED CAPITAL BUDGET
2018-2022 CAPITAL IMPROVEMENT PROGRAM**

CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Water Pollution Control Capital Program (Cont'd.)

The major projects in this CIP include:

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|--|---|
| <input type="checkbox"/> Aeration Tanks and Blower Rehabilitation | <input type="checkbox"/> Flood Protection |
| <input type="checkbox"/> Digested Sludge Dewatering Facility | <input type="checkbox"/> Headworks Improvements |
| <input type="checkbox"/> Digester and Thickener Facilities Upgrade | <input type="checkbox"/> New Headworks |
| <input type="checkbox"/> Energy Generation Improvements | <input type="checkbox"/> Nitrification Clarifier Rehabilitation |
| <input type="checkbox"/> Filter Rehabilitation | <input type="checkbox"/> Yard Piping and Road Improvements |

Water Utility System Capital Program

The San José Municipal Water System provides water service to approximately 118,000 residents via 26,700 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. A Water Utility average revenue increase of 9.0% was approved for 2017-2018 in order to offset increased operating costs.

In an effort to maintain and upgrade the City's Municipal Water distribution system, the Adopted CIP includes funding for an Annual Water Main Replacement allocation (\$4.9 million), which will prioritize water mains for replacement throughout the service areas by rating pipe segments based on age, adequacy of size and flow, the number of leaks or failures that have occurred, and the difficulty to repair the pipe if it failed considering location and traffic conditions.

Additionally, the North San José and Alviso service areas have experienced some growth in the last several years, and growth is assumed in this CIP. In order to take advantage of groundwater as the least expensive water supply to meet future demand forecasts, the City continues to work with developers to construct a new groundwater well once viable locations are determined. Increased focus on rehabilitation and construction of groundwater wells will enable the San José Municipal Water System to minimize costs to customers, supply groundwater under emergency situations, and take advantage of Indirect Potable Reuse of purified water when available.

The major projects in this CIP include:

- Annual Water Main Replacement
- Fowler Pump Station Replacement
- Gumdrops Drive Main Replacement
- North San José Reliability Well #6 Construction
- North San José Well #5 Development and Construction

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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 City's library system underwent a major transformation as a result of the November 2000 voter-approved bond measure that approved the issuance of \$212 million in General Obligation bonds to improve the branch library system consistent with the Branch Facilities Master Plan. This bond measure provided funding for the reconstruction or replacement of 14 of the 17 existing branches and the construction of six new branches in under-served neighborhoods. The new Village Square Branch, which opened in April 2016 and is located at the Evergreen Village Square, is the final bond-funded new branch library. The 2018-2022 CIP assumes the final sale of bonds will occur in 2017-2018, which allows time to help identify potential bond-eligible projects. Proceeds from the final sale, along with remaining funding, will be used to recommend a new suite of bond-eligible projects in a future budget process which includes improvements to three of the oldest library branches (Alviso, Biblioteca, and West Valley).



Maker[Space]Ship

Aside from the Bond program, the Library CIP receives funding from the Library C&C Tax Fund and the Library Parcel Tax Fund. On June 3, 2014, over 81% of San José voters approved the continuation of the Library Parcel Tax for the next 25 years, beginning in 2015-2016. For 2017-2018, the Library Parcel Tax provides 34% of the Acquisition of Materials budget and 60% of the Automation Projects and System Maintenance budget. This funding will continue the replacement of library materials on an annual basis, replacement of public and staff computers, replacement and repair of the Library automated handling and self-checkout machines, and provide the stability needed to position the library system for growth.

The major project included in this CIP is Bridge Libraries. In 2017-2018, the Library Capital Program will fund this project, which will provide a space for the community to convene, engage and access resources bridging known geographic and economic barriers. This project will also serve as a local hub for offering a range of library programs for both youth and families.

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CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

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 3,500 acres of parks (regional/city-wide and neighborhood/community) and open space in the City's sphere of influence. In addition, the City has plans for construction of a trails and greenways system that will provide a 100-mile network of hiking, biking, jogging, and equestrian trails along the Guadalupe River, Coyote Creek, Los Gatos Creek, Penitencia Creek, San Tomas/Saratoga Creek, Thompson Creek, and other major feeder streams.

In November 2000, a \$228 million General Obligation Bond was approved by City voters for parks and recreational facilities improvements. The Bond program is nearing completion, with the final two projects, a soccer complex and a softball facility, anticipated to be completed in this CIP. As the Bond program nears completion, the primary sources of support for the P&CFD Capital Program remain the Construction and Conveyance Tax (C&C Tax) revenue and Parkland Dedication Ordinance/Park Impact Ordinance (PDO/PIO) fees.



Guadalupe River Trail

A major focus of the P&CFD Capital Program is to develop the scope of work and funding plan to repair the damage sustained at 65 parks citywide, due to intense storms during the winter of 2016-2017 that produced flood events and structural damage. The estimated value of park and trail repairs is \$15-\$18 million. Given available revenue, returning these parks to full operational condition requires a two-part funding strategy – scoping, estimating and designing flood related projects with available funding (\$1.9 million), and financing construction of the final projects identified and approved through a loan with a structured repayment plan, using Construction and

Conveyance Tax (C&C Tax) fund balance for debt service. The City will seek reimbursement from the Federal Emergency Management Agency (FEMA), the California Office of Emergency Services (CalOES), and the City's insurance provider (AIG) for all eligible expenses.

The City's response to these immediate needs requires coordination. The 2017-2018 Adopted Budget includes funding for a new Program Manager position for one year to oversee parks and recreation storm-related capital repair projects. The Program Manager will track capital project status, manage project funding, coordinate insurance and FEMA claim applications, ensure that procurements align with AIG claim and FEMA application guidelines, and monitor reimbursement status in accordance with insurance or FEMA claim eligibility. The addition of this staff resource will enable repair work to progress while mitigating disruptions to the delivery schedules for other projects.

2017-2018 ADOPTED CAPITAL BUDGET 2018-2022 CAPITAL IMPROVEMENT PROGRAM

CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

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

The major projects in this CIP include:

- Arcadia Softball Facility
- Alum Rock & 31st Street Park Phase II
- Butcher Park Playlot
- Del Monte Park Expansion Phase II
- Hathaway Park Renovation
- Iris Chang Park Development
- Parks and Recreation Capital Flood Repairs
- Rincon South Park Development
- Tamien Park Development Phase II



Japanese Friendship Garden

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.

Over the last decade, the major investment in Public Safety infrastructure was made possible because of the voter approved Measure O, the “9-1-1, Fire, Police, Paramedic and Neighborhood Security Act.” This bond measure, approved in March 2002, authorized the City to issue General Obligation Bonds in an amount not to exceed \$159 million to fund both Police and Fire Department capital improvements. Fire Station 37 is the final new station identified for construction as part of the Public Safety Bond Program. In 2016-2017, the remaining Neighborhood Security Bond funds of \$4.5 million were set aside as a reserve for Fire Station 37 (Willow Glen)/Other Capital Projects along with an Earmarked Reserve for Fire Station 37 Construction (\$960,000) in the General Fund funded from the local Sales Tax measure, Measure B, approved in June 2016. However, this reserve was not sufficient to address the funding need. With estimated construction costs of at least \$8.8 million, fixtures, furniture and equipment costs of \$460,000, and new fire engine and related equipment costs of \$750,000, the Fire Station 37 project is approximately \$4.5 million short of the funding and does not include ongoing funding needs of \$3.7 million annually for personnel, operations, and maintenance costs. As directed in the City Council approved Mayor’s March Budget Message for Fiscal Year 2016-2017, the Administration will return to the City Council with a multi-year funding strategy to fully fund the construction of Fire Station 37 by 2019, contingent on the development of an alternative service delivery model for emergency medical services that has improved cost recovery. The construction of this project, therefore, is deferred until the funding strategy is developed and approved by the City Council. Because Fire Station 37 is not moving forward at this time due to

2017-2018 ADOPTED CAPITAL BUDGET 2018-2022 CAPITAL IMPROVEMENT PROGRAM

CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Public Safety Capital Program (Cont'd.)

funding gaps, a funding shift was approved that reallocated the Bond funds to eligible fire station remediation projects that would otherwise be funded in the Fire C&C Tax Fund and C&C Tax funds have been reallocated to a Fire Station 37 Reserve. This allows the timely expenditure of Bond funds while preserving the majority of funding for Fire Station 37 during the CIP period, with additional allocations needed beyond the five years in order to close a remaining gap resulting from this strategy. It should be noted that if Construction and Conveyance Tax revenues exceed projections over the next five years, the Administration's priority will be to restore the full funding as soon as possible. The remaining Neighborhood Security Bond funds would address critical capital repairs at fire facilities identified in the life cycle and condition assessment. Remediation work at Fire Station 3, which began in 2016, is anticipated to be completed in summer 2018. Remediation work for remaining Fire Stations 4, 30, and 13 are programmed for 2017-2018 and 2018-2019.



The Adopted 2018-2022 CIP includes \$30.3 million for fire apparatus replacement, of which \$15.1 million is budgeted in 2017-2018 (\$12.4 million from the General Fund, \$2.7 million from the Fire C&C Tax Fund). This investment will replace fire engines, aerial ladder trucks, brush patrols, water tenders, and other emergency response apparatus. These replacements will maintain the reliability of the Fire Department's fleet.

The 2017-2021 Adopted CIP included projects to improve emergency response times. Two projects were remaining, the Fire Station Alert System and the emergency vehicle preemption service, and were carried over into the 2018-2022 Adopted CIP. The Fire Station Alert System, an Internet Protocol (IP)-based alert system, was allocated \$1.3 million as directed in the City Council-approved Mayor's June Budget Message for Fiscal Year 2016-2017. This system will eliminate inefficiencies by enabling processing of multiple 911 dispatches simultaneously. Other organizations of similar size and call volume to those of the City of San José adopting this technology have experienced improved response times of 30 seconds per call during the first year of implementation. Also, as described in Manager's Budget Addendum #14 that was incorporated into the Mayor's June Budget Message for Fiscal Year 2016-2017, \$1.2 million from the voter-approved sales tax measure is allocated to an emergency vehicle preemption service at all signalized intersections to help improve response times to fire and medical emergencies. The integration of the Transportation Department's traffic management controls system and the automated vehicle location features that exist in the Fire Department's Computer Aided Dispatch (CAD) System will allow for a four second resolution, compared to the current rate of 120 seconds and is expected to be completed in July 2018.

The major projects in this CIP include:

- Facilities Improvements
- Fire Apparatus Replacement
- Fire Facilities Remediation
- Emergency Vehicle Preemption Service
- Fire Station Alert System
- Fire Station 37 (Construction Reserve)

2017-2018 ADOPTED CAPITAL BUDGET 2018-2022 CAPITAL IMPROVEMENT PROGRAM

CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Transportation and Aviation Services CSA

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

Airport Capital Program

The Adopted 2018-2022 CIP contains projects reflecting SJC's strategic priorities to drive growth, innovate, fund the future, and maintain and improve security.

Recently completed and in-progress projects such as Perimeter Fence Line Upgrade, Southeast Ramp Reconstruction, and Terminal B Gates 29 and 30, and future projects such as the Airfield Geometric Implementation, Terminal B Ramp Rehabilitation, and Aircraft Rescue and Fire Fighting Facility are all examples of the implementation of SJC's strategic priorities and master plan.



Terminal A Ground Transportation Island

Looking forward, projections indicate further growth in passenger activity. SJC will continue to seek opportunities to receive federal grants or other outside funding to move forward with projects that modernize aging infrastructure, enhance security, and increase the capacity of Airport facilities. SJC will also continue to support the airlines and success of their flights by providing a favorable environment for sustained growth.

The major projects in this CIP include:

- Airfield Geometric Implementation
- Aircraft Rescue and Fire Fighting Facility
- Terminal A Parking Garage Resurfacing
- Terminal B Ramp Rehabilitation

Parking Capital Program

The 2018-2022 Adopted Parking CIP was developed with guidance from the Envision San José 2040 General Plan, particularly to provide a well-maintained parking infrastructure with the goal of supporting Downtown as a regional job, entertainment, and cultural destination. This CIP focuses on projects that will adequately maintain the City's parking facilities in a safe and operational manner, upgrade the Revenue Control System within key garages, expand meter upgrade to Smart Meters, support LED lighting and security program upgrades, provide for multi-modal improvement projects

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CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Parking Capital Program (Cont'd.)

in the greater Downtown and Diridon Areas, provide preliminary evaluation and planning for a parking garage to serve the greater Downtown Area, and provide interim parking facilities (surface lots) to serve parking needs in the Downtown area during the development of the Greater Downtown Parking Garage.

The major projects in this CIP include:

- Greater Downtown Area Multi-Modal/Streetscape Improvements
- Greater Downtown Parking Garage
- Minor Parking Facility Improvements
- Revenue Control and Meter Upgrades

Traffic Capital Program

The mission of the Traffic Capital Program is to implement a safe, efficient, and environmentally sensitive surface transportation system consistent with the goals and policies of the City's General Plan. The investments in the CIP include: funding for maintenance and rehabilitation activities, including bridge and pavement maintenance; the local system expansion; safety and efficiency projects, primarily pedestrian safety improvements; support for the City's contribution to regional system expansion; future transportation improvements in the Downtown and North San José areas; activities that promote community livability, including land management, weed abatement, and monitoring of environmental mitigation sites; and project and program support.

The Traffic Capital Program is the second largest program, or 18.8% of this CIP, with a budget of \$621.6 million. Of this amount, \$294.2 million (or 47%) is allocated to pavement maintenance and is broken down as follows: \$71.1 million in 2017-2018, \$71.5 million in 2018-2019, \$51.3 million in 2019-2020, and \$50.2 million in 2020-2021 and 2021-2022. The sources of this funding include revenues from City Construction Excise Taxes, 2016 VTA Measure B funds, State route relinquishment funds, State Gas Tax revenues, including those due to the recent passage of the Road Repair and Accountability Act (SB1 Beall), and Federal Grants. On an annual ongoing basis, funding for pavement maintenance is projected at \$50.2 million. This level of ongoing funding is sufficient to fully fund pothole repairs, necessary program management activities, and the ongoing maintenance of the Major Street Network. This funding also allows for limited maintenance to occur on the City's local and neighborhood streets for the first time since 2012. At the same time, the City's pavement maintenance funding continues to fall short of the annual ongoing investment of \$108.8 million that is required to maintain an overall "good" condition with a PCI rating of 70. An investment of \$75.0 million annually would be needed on an ongoing basis to maintain the entire pavement network at its current condition rating of PCI 62 without additional decline.

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CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Traffic Capital Program (Cont'd.)

This Adopted CIP includes investments targeted towards supporting the Vision Zero San José (VZSJ) transportation safety initiative, which was adopted by City Council in May 2015, by funding approximately \$106.9 million in traffic safety and local multi-modal improvements. To the extent possible, the CIP will prioritize delivery of traffic safety projects on the priority safety corridors identified in the VZSJ plan as having the highest incidence of traffic fatalities and severe injuries. A significant portion of these projects is supported by grant funds.

The North San José Transportation Plan (Plan) adopted in 2005 identifies traffic infrastructure investments of over \$500 million to facilitate future growth and development of North San José. These improvements were originally envisioned to be primarily funded from traffic impact fees levied on developers and contributions from the San Jose Redevelopment Agency (SJRA). The lowering of impact fees to entice commercial/job-oriented development into North San José and the loss of SJRA has created a large traffic infrastructure funding gap and made plan implementation more reliant on local City revenues and regional grant funding. As approved as part of the Mayor's June Budget Message for Fiscal Year 2014-2015, Manager's Budget Addendum #8 described a new funding strategy, dedicating future Building and Structure Construction Tax revenues (estimated to exceed \$32 million as development proceeds) and future Business Cooperation Program revenues generated from new development in North San José to be held in reserve for North San José transportation projects. This strategy has resulted in the collection of \$2.2 million in Building and Structure Construction Tax allocated to the North San José New Development Reserve. The 2018-2022 Adopted CIP also includes a North San José Transportation Improvements Reserve of \$8.0 million, of which \$2.0 million may be allocated towards the cost of interchange improvements at US 101/Oakland Road and at US 101/Mabury Road, and the remaining funding will be allocated in the future for other North San José transportation improvements.

The level of regional transportation system planning and construction occurring in the City of San José has reached historic levels. The effective delivery of the major projects over the next decade is essential to the economic and mobility needs of our community, and to support the growth anticipated in the General Plan. Currently under construction is the BART Phase I project into North San José and the Santa Clara Alum Rock Bus Rapid Transit project connecting East San José to Downtown and the Diridon Transportation Center. Numerous regional projects are in various stages of conceptual planning and environmental clearance including BART Phase II, California High Speed Rail, Caltrain Modernization, and the Diridon Transportation Center, in addition to numerous highway interchange and overcrossing improvements that support the City's Area Development Policies. Resources invested in the Traffic CIP fund staff activities to ensure the projects are planned, funded, and delivered in a way that aligns with the City's interests.

The major projects in this CIP include:

- | | |
|--|---|
| <input type="checkbox"/> ADA Sidewalk Accessibility Program | <input type="checkbox"/> McKee Road Safety Corridor Improv. |
| <input type="checkbox"/> Autumn Street Extension | <input type="checkbox"/> Pavement Maintenance |
| <input type="checkbox"/> Montague Expressway Improv. Phase 2 | <input type="checkbox"/> Tully Road Safety Corridor Improv. |
| <input type="checkbox"/> W San Carlos Urban Villages | <input type="checkbox"/> Safety - Pedestrian Improvements |

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CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

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.



ECOMM Antennae at Eagle Rock

The Silicon Valley Regional Interoperability Authority (SVRIA) is a joint powers authority consisting of 15 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. The Silicon Valley Regional Communications System (SVRCS), a multistage project coordinated by SVRIA, will replace the existing public safety radio systems currently in use in Santa Clara County with a system that uses the 700/800MHz spectrum, which allows for enhanced data transmissions, additional capacity for mutual aid scenarios, and the ability to record transmissions for training purposes. The additional transmission towers, repeater sites, and other infrastructure required to build out the SVRCS is estimated to cost \$28.9 million. The City's estimated share, based on its proportionate number of communication devices, is \$7.6 million. The City also needs to purchase new radios (\$13.1 million) and dispatch consoles (\$3 million for Police and Fire Communications Center and \$1 million for the South San José Police Substation) that can fully operate on the new system, bringing the City's total need for the SVRCS to \$24.6 million.

The City entered into a Memorandum of Understanding (MOU) with SVRIA, as approved by the City Council on June 16, 2015, for the City's proportionate share of the infrastructure buildout for the SVRCS project in the amount of \$7.6 million over a three-year period. With \$3.1 million paid in 2015-2016, \$2.0 million paid in 2016-2017, and the remaining \$2.5 million budgeted in the 2017-2018 Adopted Operating Budget, the City's share of the system's infrastructure's cost is fully funded and the last payment will be made in September 2017.

To date, a total of \$10.9 million has been allocated for radio replacements. In addition, over the five-year CIP, approximately \$2.3 million is included in the Silicon Valley Regional Communications System – Radios project to complete the necessary radio purchases.

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CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Communications Capital Program (Cont'd.)

In 2017-2018, funding of \$4.0 million (\$2.3 million in the Communications CIP) is allocated in the Adopted Operating and Capital Budgets to complete the purchase of SVRCS dispatch consoles for use in the Police and Fire Communications Center that serves as the primary Public Safety Answering Point (PSAP) and the South San Jose Police Substation that serves as the secondary PSAP. A total of 34 dispatch consoles is needed in the Police and Fire Communications Center (of this amount, two consoles have already been purchased) to go live on the SVRCS by December 2018. To meet this need, \$3 million is allocated to purchase 32 consoles and includes the following funding sources in the Adopted Operating and Capital Budgets: \$900,000 transfer from the General Fund to the Communications and Conveyance Tax Fund; \$738,000 from the Supplemental Law Enforcement Services Fund, \$570,000 from a Urban Areas Security Initiative (UASI) Grant – Police 2016 rebudget in the General Fund; \$379,000 from the Communications Construction and Conveyance Tax Fund, \$271,000 from the State Drug Forfeiture Fund, \$92,000 from the Gift Trust Fund and \$50,000 from the Edward Byrne Memorial Justice Assistance Grant Trust Fund. In addition, \$1.0 million is transferred from the General Fund to the Communications Construction and Conveyance Tax Fund to purchase 14 consoles at the South San José Police Substation.

The major projects in this CIP include:

- Silicon Valley Regional Communications System – Dispatch Consoles
- Silicon Valley Regional Communications System – Radios
- Silicon Valley Regional Interoperability Authority
- Communications Equipment Replacement and Upgrade

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 CIP includes new one-time funding of \$1.7 million from the General Fund to address several needs, the largest of which includes the City Hall Network Operations Center (NOC) Switchboard Replacement project, the Police Administration Building Chiller and Boiler replacement and the City Hall Audio Visual Upgrade.

The General Fund Cultural Facilities Capital Maintenance Reserve is used to support City-owned cultural and arts facilities. In 2016-2017, the Cultural Facilities Capital Maintenance Reserve totaled \$6.9 million. In the 2018-2022 CIP, \$2.4 million is programmed in 2017-2018 from the existing reserve to address capital needs at City-owned cultural and arts facilities, which include the Hammer Theatre Center (\$475,000), Mexican Heritage Plaza (\$400,000), History San José (\$250,000), San José Museum of Art (\$200,000), Tech Museum of Innovation (\$100,000), and the Children's Discovery Museum (\$50,000) as well as needs identified in the Mayor's June Budget Message for 2017-2018, as approved by City Council, including Camera 3 Theatre (\$500,000), Children Discovery Museum – Bill's Backyard (\$400,000), and History San José Indoor Programming (\$25,000).

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CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Municipal Improvements Capital Program (Cont'd.)

It is important to note that from 2014-2015 through 2016-2017, the growth in General Fund Transient Occupancy Tax (TOT) revenues above the 2013-2014 actual collections was set aside in the General Fund Cultural Facilities Capital Maintenance Reserve, per City Council direction (Mayor's March Budget Message for Fiscal Year 2014-2015). In 2017-2018, a budget action was approved to eliminate the portion of the Cultural Facilities Capital Maintenance Reserve supported by the growth in TOT receipts (\$6.8 million in 2017-2018). This action did not reduce the existing reserve of \$6.9 million. To address facility needs, an annual General Fund allocation of \$450,000 was approved. This funding, in combination with the existing Reserve balance, will support capital maintenance needs over the next three years.

The Convention and Cultural Affairs Fund and the Convention Center Facilities District Revenue Fund, also both driven by strong hotel taxes, provide funding of \$14.5 million to address a variety of electrical, mechanical, structures, unanticipated, and miscellaneous rehabilitation and repair projects at the Convention Center and cultural facilities managed by Team San Jose.

The major projects in this CIP include:

- ❑ African American Community Services Center Improvements
- ❑ City Hall Network Operations Center Main Switchboard Replacement
- ❑ Convention Center Restrooms Upgrades
- ❑ Mexican Heritage Plaza HVAC Systems Components and Upgrades
- ❑ Police Administration Building Boiler and Chiller Replacement
- ❑ Unanticipated/Emergency Maintenance and Repairs of City Facilities

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. While ongoing funding is allocated to address general capital improvement needs, the repayment of debt associated with the Central Service Yard Phase I and Phase II projects represents the largest use of funds in the 2018-2022 CIP. The Central Service Yard Phase I project included the purchase of the Central Service Yard property and renovation of Building A. The Central Service Yard Phase II project entailed construction and relocation of remaining operations from the old Main Yard property to the Central Service Yard. In the 2018-2022 CIP, a total of \$8.3 million is budgeted for debt service on Phase I bonds and \$4.5 million for Phase II commercial paper repayments.



Fire Truck Maintenance at the Central Service Yard

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CAPITAL PROGRAM OVERVIEW BY CITY SERVICE AREA

Service Yards Capital Program (Cont'd.)

The major projects in this CIP include:

- Central Service Yard Phase II
- Debt Service on Phase I Bonds for the Central Service Yard Expansion
- Mabury Yard Improvements
- South Yard Vehicle Lift Replacement
- Roof Replacement, Painting, and Supplemental Needs

OTHER CAPITAL PROGRAM HIGHLIGHTS

Unmet Infrastructure/Maintenance Needs

As presented in a report to the City Council on October 1, 2007, insufficient funding has created a structural deficit between the funding available and the resources necessary to maintain the overall condition of the City infrastructure. This includes the City's buildings, parks, traffic (streets, traffic lights, signs, and streetlights), utility, and technology infrastructure. The figures in this report are updated annually, and the most recent report was reviewed by the Transportation and Environment Committee on February 6, 2017 and approved by the City Council on March 14, 2017 (latest report included as an Appendix to this document). In this most recent report, the infrastructure backlog totaled \$1.51 billion across the City. Assuming this one-time backlog could be met, an ongoing annual investment of approximately \$144 million would also be needed to maintain and prevent further degradation of the City's infrastructure. This CIP, as well as investments included in the 2017-2018 Adopted Operating Budget, allocate limited resources to the most immediate and critical deferred infrastructure needs.

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 continues to pursue strategies to ensure the most cost effective operation of City facilities, such as entering into agreements with developers to initially maintain facilities, and installing capital improvements that would reduce costs, such as energy efficient 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." In addition, all capital improvement projects with new General Fund operating and maintenance costs will be detailed in the Five-Year General Fund Forecast and included as part of the annual CIP. There are no projects in this CIP that require City Council certification due

**2017-2018 ADOPTED CAPITAL BUDGET
2018-2022 CAPITAL IMPROVEMENT PROGRAM**

OTHER CAPITAL PROGRAM HIGHLIGHTS

Operating Budget Impacts (Cont'd.)

to the annual operating and maintenance impact of the facility exceeding \$100,000. The Arcadia Softball Complex, which was established prior to the adoption of Budget Principle #8 and therefore, does not need to be certified by the City Council, is now expected to come on-line 6 to 9 months later than originally scheduled and will not be operational in 2017-2018.

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

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

Project Title	2018-2019	2019-2020	2020-2021	2021-2022
Parks Facilities	\$ 365,000	\$ 1,068,000	\$ 1,189,000	\$ 1,264,000
Traffic Projects	26,000	23,000	23,000	23,000
General Fund Total	\$ 391,000	\$ 1,090,000	\$ 1,212,000	\$ 1,287,000
Water Pollution Control Plant (Special Fund)	82,000	1,584,000	1,647,000	1,711,000
All Funds Total	\$ 473,000	\$ 2,674,000	\$ 2,859,000	\$ 2,998,000

For the General Fund, these costs are estimated at \$391,000 in 2018-2019 and are anticipated to increase to \$1.3 million by 2021-2022. These figures do not include the funding needed in 2017-2018 to operate and maintain new facilities as these amounts have been incorporated into the 2017-2018 Adopted Operating Budget. A total of \$312,000 is allocated in 2017-2018 to operate and maintain several facilities including the Happy Hollow Park and Zoo (new animal exhibits and a new ride), Iris Chang Park, Santana Park, Communications Hill, Three Creeks Trail, and various transportation-related infrastructure. The noticeable increase in 2019-2020 is due to the full year operational cost of the Arcadia Softball Facility.

In addition, the expanded infrastructure investment at the Water Pollution Control Plant will result in significant operating costs in the coming years. It is estimated that additional maintenance and operations costs will total \$1.6 million starting in 2019-2020, largely due to completion of large projects such as the bulk of the Digester and Thickener Facilities Upgrade project. The estimated net operating impact of the digester and thickener facilities project may be adjusted in the future after additional analysis is performed to determine required staffing levels to operate and maintain the facilities. The estimate also assumes that all power and heating needs will be provided by the Cogeneration Facility, which is expected to come online in spring 2019.

2017-2018 ADOPTED CAPITAL BUDGET 2018-2022 CAPITAL IMPROVEMENT PROGRAM

OTHER CAPITAL PROGRAM HIGHLIGHTS

Art in Public Places

Funding of the Public Art Program provides the City iconic public art works at the Airport, Downtown, public safety, parks, and library facilities. A sample of projects funded through the public art allocation in the various Capital Programs can be found in the Art in Public Places section in the Appendix of this CIP.

A total investment of \$4.8 million is programmed for eligible public art projects that span all capital programs in the 2018-2022 Adopted CIP. This figure does not include the \$0.9 million in public art expenditures for 2016-2017.

CONCLUSION

The City of San José's 2018-2022 Adopted CIP continues its focus on the rehabilitation and revitalization of existing infrastructure, making strategic investments impacting the entire community now and for years to come. Projects delivered over the next five years will positively impact areas such as pavement maintenance, the appearance and reliability of parks and recreational facilities, and the ability for San José to continue to attract economically important conferences and events to the McEnery Convention Center.

The community will also benefit from numerous projects that, while not as visually apparent, are no less important. Most notable among this broad category include projects to increase the reliability and resiliency of the sanitary sewer collection system and Regional Wastewater Facility; ensure the long-term supply and reliability of quality drinking water in North San José; support continued reliable airport operations; and address the rehabilitation needs of the City's vital cultural facilities and civic administration buildings.

Input from the City Council and community members was incorporated in this budget to ensure that the overall capital improvement program reflects the needs and priorities of our residents, businesses, and visitors within available funding levels. Under the direction of the City Manager's Budget Office, the 2018-2022 Adopted CIP was developed in coordination with all of 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.



Norberto Dueñas
City Manager