



Memorandum

TO: MAYOR LICCARDO

FROM: Councilmember Donald Rocha

SUBJECT: BUDGET DOCUMENT

DATE: May 24, 2017

Approved

Don Rocha

Date

5/24/17

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: San Jose Sports Authority

Amount of City Funding Required: \$225,000

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

The proposed budget includes a total of \$494,400 in operating funding for the San Jose Sports Authority, comprised of a \$369,400 base operating grant and a \$125,000 augmentation to that base. This proposal would increase the augmentation to San Jose Sport's Authority's base budget by \$225,000, bringing the total amount of operating funding to \$719,400.

San Jose Sports Authority helps to bring major sporting events to San Jose that provide recreational opportunities for our residents and economic development opportunities for our businesses. They are a critical partner for the City who has seen great success in recent years, bringing events like the Figure Skating Championships, Division I NCAA Basketball, and Wrestlemania to our area despite their limited budget. By providing adequate operating funding we can continue to leverage their good work and ensure that San Jose will continue to benefit from major events.

I am concerned that the proposed budget does not provide adequate funding. It proposes setting operating funding levels that are substantially lower than in previous years. Here's an overview of funding levels in recent years:

Budget Year	Annual Base Grant	Augmentation to Base	Total Base Funding to Operate
13-14	\$ 338,073	\$ 200,000	\$ 538,073
14-15	\$ 338,073	\$ 0	\$ 338,073
15-16	\$ 348,200	\$ 250,000	\$ 598,200
16-17	\$ 348,200	\$ 250,000	\$ 598,200
17-18 (Proposed)	\$ 369,400	\$ 125,000	\$ 494,400

As we can see, total operating funding would decrease from 598,200 in 16-17 to 494,400 in the next fiscal year. I don't believe it would be responsible for the City to allow such a precipitous funding drop for a partner who has seen such success in recent years. Adding the funding recommended in this document would allow them to continue their good work attracting sports events to San Jose.

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund):

Department or Organization: Office of Economic Development

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

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