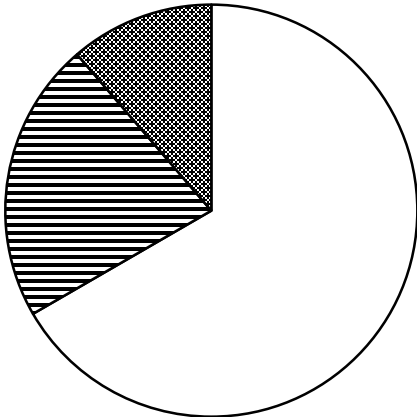


LIBRARY

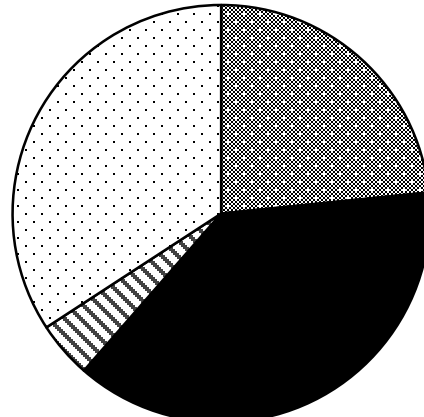
2021-2025 Capital Improvement Program

**2021-2025 Proposed
Source of Funds**



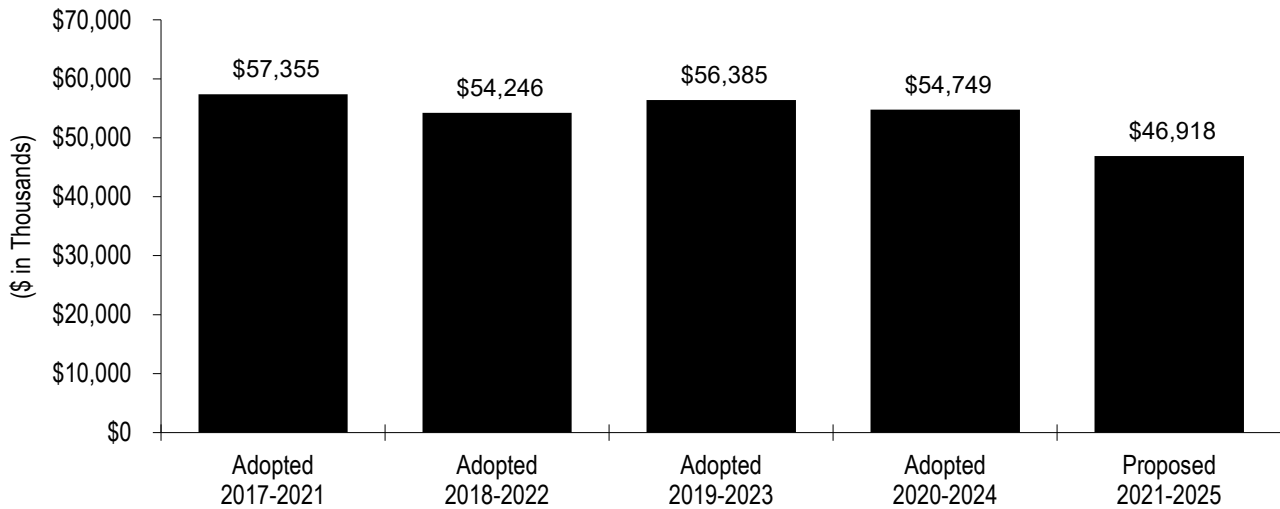
- Beginning Fund Balance
- Taxes, Fees and Charges
- ▨ Transfers and Misc. Revenue

**2021-2025 Proposed
Use of Funds**



- ▨ Construction Projects
- Non-Construction Projects
- ▨ Transfers and Reserves
- Ending Fund Balance

CIP History



Library

2021-2025 Proposed Capital Improvement Program

Overview

INTRODUCTION

The Library Capital Program provides funding to construct new library facilities, acquire materials, install automation equipment to improve information access and electronic processing, and support other miscellaneous facility improvements.

The 2021-2025 Proposed Capital Improvement Program (CIP) provides funding of \$46.9 million, of which \$19.3 million is allocated in 2020-2021. This program is part of the Neighborhood Services City Service Area (CSA) and supports the following outcomes: *Safe and Clean Parks, Facilities, and Attractions and Vibrant Cultural, Learning, Recreation, and Leisure Opportunities.*

SAN JOSE PUBLIC LIBRARY Annual Statistics as of June 30, 2020 (est.)	
Number of Facilities Open	26
Number of Materials Purchased	272,000
Number of Materials Sorted by Automated Handling Machines	4,011,500
Percentage of Materials Checked Out with Self-Check Machines	89%

PROGRAM PRIORITIES AND OBJECTIVES

The objective of the Library's CIP is to provide readily accessible, quality library services to San José residents. The following two metrics are used to help evaluate the availability of library resources:

- Square feet of library facilities per capita
 - 0.43 per capita without Dr. Martin Luther King, Jr. Library; and
 - 0.59 with Dr. Martin Luther King, Jr. Library
- Acquisition of books per year

The targets of 0.43 and 0.59 square feet of library facilities per capita were established as part of the Branch Facilities Master Plan (2000) assuming a population increase of approximately 18% between 1999-2000 and 2019-2020. These targets have almost been met (0.42 and 0.58 square feet of library facilities per capita) by expanding 14 libraries and building 6 new libraries including the opening of Village Square Branch Library in April 2016 and the Mt. Pleasant Bridge Library in April 2019. By 2022-2023, however, it is anticipated that square feet of library facilities per capita will fall further below the target.

The Library Department also measures the acquisition of books per year. Due to COVID-19, the goal to acquire an average of 280,000 materials annually is not anticipated to be met in 2019-2020, but is expected to be met over the 2021-2025 CIP period.

Library

2021-2025 Proposed Capital Improvement Program

Overview

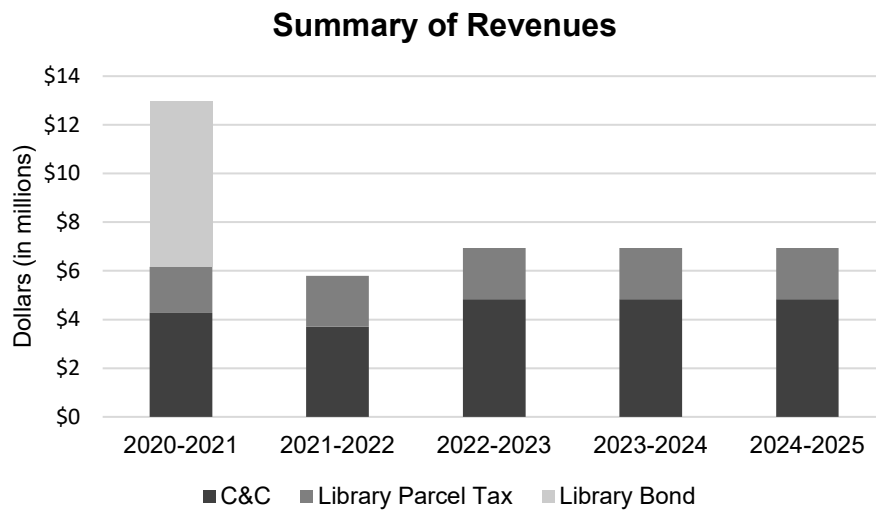
PROGRAM PRIORITIES AND OBJECTIVES

	<u>Target 2020-2021</u>	<u>Est. Actual 06/30/2019</u>	<u>Estimated 2020-2021</u>	<u>Estimated 2024-2025</u>
Square feet of library facilities per capita (including King Library)	0.59	0.58	0.57	0.55
Square feet of library facilities per capita (excluding King Library)	0.43	0.42	0.41	0.39
Acquisition of materials per year	280,000*	272,000	300,000	280,000

* Five-year average

SOURCES OF FUNDING

The 2021-2025 Proposed CIP provides funding of \$46.9 million, of which \$19.3 million is allocated in 2020-2021. Revenue for the 2021-2025 Proposed CIP is derived primarily from three sources: Library Construction and Conveyance (C&C) Tax Revenues (\$22.5 million); Library Parcel Tax (\$10.5 million); revenue from the previous sale of General Obligation Bonds (\$6.8 million).



The 2020-2021 Proposed Capital Budget estimate for C&C taxes is \$30.0 million, of which 14.22% (\$4.3 million) is allocated to the Library Capital Program. Approximately 99% of the C&C tax is derived from a transfer tax imposed upon each transfer of real property, with the remaining 1% generated from a construction tax levied on most types of construction. Due to the COVID-19 pandemic and the resulting anticipated recession, real estate activity will likely be suppressed for the next several years. As a result, the 2021-2025 CIP is built on the assumption that 2019-2020 C&C revenue will total \$38.0 million, drop by \$8.0 million (21.1%) to \$30.0 million in 2020-2021, drop an additional

Library

2021-2025 Proposed Capital Improvement Program

Overview

SOURCES OF FUNDING

\$4.0 million (13.3%) to \$26.0 million in 2021-2022, then increase to \$34.0 million (30.8%) and remain flat for the remaining three years of the CIP. Over the five years of the CIP, collections allocated to the Library Capital Program will total \$22.5 million. For additional information regarding C&C Tax revenue, please refer to the Construction and Conveyance Tax section of the Summary of Capital Improvement Program Revenues, which is located in the Summary Information (Section III) of this CIP.

For many years, the Library Parcel Tax has been a significant source of support for the Library's Capital Budget. In 2020-2021, the Library Parcel Tax provides 30% of the \$5.0 million Acquisition of Materials budget and 52% of the \$1.15 million Automation Projects and System Maintenance budget. On June 3, 2014, over 81% of San José voters approved the continuation of the Library Parcel Tax for 25 years, beginning in 2015-2016. This commitment of Library Parcel Tax resources is critical to maintaining the Library's ongoing efforts and supporting its potential growth.

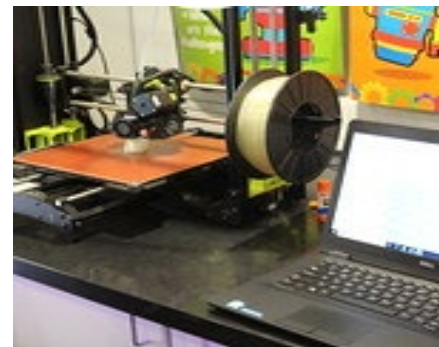
The Branch Facilities Master Plan concluded that the City's branch library system needed significant capital improvements, including reconstruction or replacement of 14 of the 17 existing branches, and construction of six additional branches in under-served neighborhoods. In November 2000, 75.7% of San José voters approved a \$212.0 million library bond measure to improve the branch library system in accordance with the Branch Facilities Master Plan. In April 2016, the Village Square Branch Library was opened to the public, marking the completion of the last programmed bond project. The final bond sale (\$5.9 million) occurred in 2019-2020, with the funds being allocated in the 2021-2025 Proposed CIP for a new suite of bond eligible projects, including renovations at the Biblioteca Branch Library, and efficiency improvements at various branch libraries.

PROGRAM HIGHLIGHTS

The Library Capital Program's expenditures are organized to show the use of funds in several categories. The following highlights the major projects in the program. For further information on the program's individual projects, please refer to the Detail Pages.

Acquisition of Materials

A total of \$24.2 million is allocated in the 2021-2025 Proposed CIP for the purchase of new materials. This funding enables the Library Department to add new materials at all facilities, including non-English language materials, children's books, large type books, audio books, and media materials. On an annual basis, the Library must replenish its inventory to ensure the public has access to high quality and current materials.

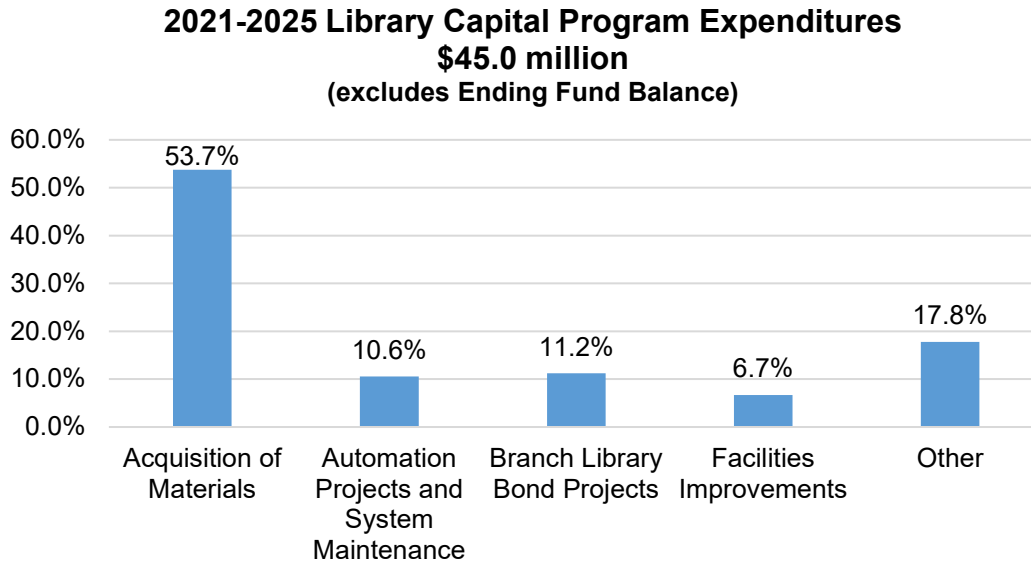


3D Printer and Laptop

Library

2021-2025 Proposed Capital Improvement Program Overview

PROGRAM HIGHLIGHTS



Automation Projects and System Maintenance

The 2021-2025 Proposed CIP includes \$4.8 million for Automation Projects and System Maintenance, which will benefit all service outlets and work units. The Library Department will continue the installation and maintenance of internet and online reference sources for public use, and additional computer workstations at all facilities. Currently, 19 of the 23 branch libraries have Automated Materials Handling systems, with two of the branches having two systems (one inside the branch and the second as a drive-up).

Branch Library Bond Projects

The 2021-2025 Proposed CIP contains funding for improvements and efficiency projects to the City's oldest branch libraries. The 2019-2020 bond issuance for \$5.9 million is allocated in the CIP to address facility improvements at Biblioteca Branch Library, which is one of the oldest library branches in San José. In addition, bond funding will also support efficiency improvements at various branch libraries.

Facilities Improvements and Equipment

The 2021-2025 Proposed CIP includes funding of \$3.0 million for improvements and maintenance of library facilities. Key improvements include preventative measures such as painting, carpet installation, parking lot repairs, heating, ventilation, and air conditioning (HVAC) upgrades, and roof repairs or replacement (\$3.0 million) at all branch facilities.

Library

2021-2025 Proposed Capital Improvement Program Overview

PROGRAM HIGHLIGHTS

Dr. Martin Luther King, Jr. Library

The Dr. Martin Luther King, Jr. Library (King Library) is an innovative collaboration between the City of San José and San José State University (SJSU). While operated jointly by SJSU and the San José Public Library System, King Library is owned and managed by SJSU. Costs for facilities management, interior improvements, and regular maintenance are paid by both agencies, as defined by the Cost Sharing Agreement Between the City of San José and San José State University and the Agreement for Ownership and Operation of Joint Library Building and Grant of Easement (Operating Agreement).



Dr. Martin Luther King, Jr. Library

Over the last two CIPs funding has been allocated from the Library C&C Tax Fund for the Atrium project (\$1.2 million) and the 4th Street Lawn Replacement project (\$275,000). King Library is more than 15 years old and SJSU is recommending approximately \$14.0 million of capital improvements be made over the next five years. The Library's portion of these projects is \$5.1 million, but due to limited resources, this funding is not included in the 2021-2025 CIP and will be reevaluated for inclusion in the future pending identification of additional resources.

MAJOR CHANGES FROM THE 2020-2024 ADOPTED CIP

The overall size of the Library CIP has decreased by \$7.8 million (from \$54.7 million in the 2020-2024 Adopted CIP to \$46.9 million in the 2021-2025 Proposed CIP), which is primarily due to a drop in estimated C&C Tax revenue (\$3.1 million) and lower capital contributions from the Library Parcel Tax (\$2.5 million). Due to these funding constraints, the 2021-2025 CIP includes a reduction to the Acquisition of Materials allocation (\$3.8 million) and the Automation Projects and System Maintenance allocation (\$500,000).

OPERATING BUDGET IMPACT

It is anticipated that there will be no additional operating and maintenance costs associated with projects included in the 2021-2025 Proposed CIP.

Library Capital
2021-2025 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
Branch Libraries Bond Projects Fund (472)							
Beginning Balance	931,574	6,764,574	2,544,574	1,808,574	788,574	150,574	6,764,574 *
Revenue from Use of Money and Property							
Interest Income	30,000	5,000					5,000
TOTAL Revenue from Use of Money and Property	30,000	5,000					5,000
Financing Proceeds							
Bond Proceeds	5,905,000						
TOTAL Financing Proceeds	5,905,000						
Total Branch Libraries Bond Projects Fund (472)	6,866,574	6,769,574	2,544,574	1,808,574	788,574	150,574	6,769,574 *
Library Construction and Conveyance Tax Fund (393)							
Beginning Balance	8,556,699	5,970,339	4,070,339	3,600,339	3,196,339	2,750,339	5,970,339 *
Reserve for Encumbrance	1,105,518						
Revenue from Use of Money and Property							
Interest Income	256,000	242,000	242,000	242,000	242,000	242,000	1,210,000
TOTAL Revenue from Use of Money and Property	256,000	242,000	242,000	242,000	242,000	242,000	1,210,000

Library Capital
2021-2025 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
Construction & Conveyance Tax							
C&C Tax Proceeds	5,404,000	4,266,000	3,697,000	4,835,000	4,835,000	4,835,000	22,468,000
TOTAL Construction & Conveyance Tax	5,404,000	4,266,000	3,697,000	4,835,000	4,835,000	4,835,000	22,468,000
Total Library Construction and Conveyance Tax Fund (393)	15,322,217	10,478,339	8,009,339	8,677,339	8,273,339	7,827,339	29,648,339 *
Library Parcel Tax Capital Fund (483)							
Beginning Balance	325,355	160,859					160,859 *
Reserve for Encumbrance	269,552						
Transfers							
Transfer from Library Parcel Tax Fund (F418)	2,600,000	1,939,141	2,100,000	2,100,000	2,100,000	2,100,000	10,339,141
TOTAL Transfers	2,600,000	1,939,141	2,100,000	2,100,000	2,100,000	2,100,000	10,339,141
Total Library Parcel Tax Capital Fund (483)	3,194,907	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	10,500,000 *
TOTAL SOURCES	25,383,698	19,347,912	12,653,912	12,585,912	11,161,912	10,077,912	46,917,912 *

* The 2021-2022 through 2024-2025 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Library Capital

2021-2025 Proposed Capital Improvement Program

Use of Funds (Combined)

	Estimated 2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
<u>Library Capital</u>							
Biblioteca Library Improvements		3,700,000					3,700,000
Branch Efficiency Projects	110,000	525,000	190,000	190,000	188,000	255,000	1,348,000
Library Facilities Upgrades	60,000						
Branch Library Bond Projects	170,000	4,225,000	190,000	190,000	188,000	255,000	5,048,000
Bridge Libraries	500,000						
Facilities Improvements - Library	600,308	300,000	696,000	1,105,000	600,000	300,000	3,001,000
Other Library - Construction	1,100,308	300,000	696,000	1,105,000	600,000	300,000	3,001,000
Library - Construction	1,270,308	4,525,000	886,000	1,295,000	788,000	555,000	8,049,000
4th Street Lawn Replacement Project	275,000						
Acquisition of Materials	6,852,905	5,037,000	4,153,000	4,925,000	5,029,000	5,029,000	24,173,000
Automation Projects and System Maintenance	1,682,073	1,148,000	760,000	910,000	935,000	1,000,000	4,753,000
Facilities Management	472,000	484,000	496,000	509,000	531,000	558,000	2,578,000
Family-Friendly City Facilities (Library)	151,000						
General Equipment and Furnishings	753,395	95,000	95,000	95,000	95,000	95,000	475,000
Materials Handling Technology	21,245						
Mobile Maker[Space]ship Vehicle	144,000						
Program Management - Library Capital Program	434,000	441,000	447,000	454,000	465,000	479,000	2,286,000
General Non-Construction - Library	10,785,619	7,205,000	5,951,000	6,893,000	7,055,000	7,161,000	34,265,000
Library - Non Construction	10,785,619	7,205,000	5,951,000	6,893,000	7,055,000	7,161,000	34,265,000
Capital Program and Public Works Department Support Service Costs		1,000	1,000	1,000	1,000	1,000	5,000
Infrastructure Management System - Library	159,000	155,000	160,000	165,000	170,000	175,000	825,000
Infrastructure Management System Software Update	13,000						

Library Capital
2021-2025 Proposed Capital Improvement Program
Use of Funds (Combined)

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
Allocations	172,000	156,000	161,000	166,000	171,000	176,000	830,000
City Hall Debt Service Fund	4,000	5,000	5,000	5,000	5,000	5,000	25,000
Transfers to Special Funds	4,000	5,000	5,000	5,000	5,000	5,000	25,000
General Fund - Interest Income	256,000	242,000	242,000	242,000	242,000	242,000	1,210,000
Transfers to the General Fund	256,000	242,000	242,000	242,000	242,000	242,000	1,210,000
Transfers Expense	260,000	247,000	247,000	247,000	247,000	247,000	1,235,000
Dr. Martin Luther King, Jr. Library Improvements Reserve		600,000					600,000
Expense Reserves - Non Construction		600,000					600,000
Total Expenditures	12,487,927	12,733,000	7,245,000	8,601,000	8,261,000	8,139,000	44,979,000
Ending Fund Balance	12,895,771	6,614,912	5,408,912	3,984,912	2,900,912	1,938,912	1,938,912 *
TOTAL	25,383,698	19,347,912	12,653,912	12,585,912	11,161,912	10,077,912	46,917,912 *

* The 2020-2021 through 2023-2024 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Library Capital Program
 2021-2025 Proposed Capital Improvement Program
Detail of One-Time Construction Projects

Biblioteca Library Improvements

CSA	Neighborhood Services	Initial Start Date	3rd Qtr 2020
CSA Outcome	Safe and Clean Parks, Facilities, and Attractions	Initial End Date	2nd Qtr 2021
Department	Library	Revised Start Date	
Location	921 South First Street	Revised End Date	
Council Districts	3	Initial Project Budget	\$3,700,000
Appropriation	TEMP_628	FY Initiated	2020-2021

Description This project provides funding for improvements at the Bibliotecca Branch Library. Project elements may include remodeling of the interior layout of the Branch to improve use of space in both public and staff areas, upgrading existing restrooms, replacing lighting fixtures, replacing existing entrance door, installing a security camera system, audio-visual system for community room, and other minor improvements.

Justification With the passage of the Library bond measure during the November 2000 General Election, voters provided financial support for 20 new or expanded branch libraries. This project is funded by the July 2019 sale of \$5.9 million in Library bonds.

Notes

Major Cost Changes

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Construction			3,700					3,700		3,700
Total			3,700					3,700		3,700

Funding Source Schedule (000s)										
Branch Libraries Bond Projects Fund (472)			3,700					3,700		3,700
Total			3,700					3,700		3,700

Annual Operating Budget Impact (000s)										
Total										

Library Capital Program

2021-2025 Proposed Capital Improvement Program

Detail of Ongoing Construction Projects

Facilities Improvements - Library

CSA	Neighborhood Services	Initial Start Date	Ongoing
CSA Outcome	Safe and Clean Parks, Facilities, and Attractions	Initial End Date	Ongoing
Department	Library	Revised Start Date	
Location	City-wide	Revised End Date	
Council Districts	City-wide	Initial Project Budget	
Appropriation	A5884		

Description This allocation provides ongoing funding for roof and carpet replacement and other capital improvement needs, including emergency repairs. Projects are scheduled as needed throughout the fiscal year.

Justification Capital maintenance is required to ensure that the City's investment in facilities is protected in a cost-effective manner.

Notes Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

Major Cost Changes

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
Expenditure Schedule (000s)							
Construction	600	300	696	1,105	600	300	3,001
Total	600	300	696	1,105	600	300	3,001

Funding Source Schedule (000s)							
Branch Libraries Bond Projects Fund (472)			546	830	450		1,826
Library Construction and Conveyance Tax Fund (393)	600	300	150	275	150	300	1,175
Total	600	300	696	1,105	600	300	3,001

Annual Operating Budget Impact (000s)							
Total							

Library Capital Program
 2021-2025 Proposed Capital Improvement Program
Detail of Ongoing Non-Construction Projects

Acquisition of Materials

CSA Neighborhood Services
CSA Outcome Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
Department Library
Council Districts City-wide
Appropriation A4078

Description This allocation provides funding for the acquisition of books, periodical subscriptions, DVDs/Blu-rays, electronic resources, and other types of materials for the Library's collection.

Notes Selected budget information is not provided due to the ongoing nature of this project.

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
Expenditure Schedule (000s)							
Equipment, Materials and Supplies	6,853	5,037	4,153	4,925	5,029	5,029	24,173
Total	6,853	5,037	4,153	4,925	5,029	5,029	24,173

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
Funding Source Schedule (000s)							
Library Construction and Conveyance Tax Fund (393)	4,646	3,537	2,653	3,425	3,529	3,529	16,673
Library Parcel Tax Capital Fund (483)	2,207	1,500	1,500	1,500	1,500	1,500	7,500
Total	6,853	5,037	4,153	4,925	5,029	5,029	24,173

Library Capital Program
2021-2025 Proposed Capital Improvement Program

Detail of Ongoing Non-Construction Projects

Automation Projects and System Maintenance

CSA Neighborhood Services
CSA Outcome Vibrant Cultural, Learning, Recreation, and Leisure Opportunities
Department Library
Council Districts City-wide
Appropriation A4083

Description This allocation provides funding for automation equipment to improve information access and electronic processing. Funds may be used to purchase, maintain and upgrade catalogs, automated reference resources, and costs related to the installation and maintenance of the online system.

Notes Selected budget information is not provided due to the ongoing nature of this project.

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
Expenditure Schedule (000s)							
Equipment, Materials and Supplies	1,682	1,148	760	910	935	1,000	4,753
Total	1,682	1,148	760	910	935	1,000	4,753

Funding Source Schedule (000s)							
Library Construction and Conveyance Tax Fund (393)	855	548	160	310	335	400	1,753
Library Parcel Tax Capital Fund (483)	827	600	600	600	600	600	3,000
Total	1,682	1,148	760	910	935	1,000	4,753

Library Capital Program
 2021-2025 Proposed Capital Improvement Program
Detail of Ongoing Non-Construction Projects

Facilities Management

CSA Neighborhood Services
CSA Outcome Safe and Clean Parks, Facilities, and Attractions
Department Library
Council Districts City-wide
Appropriation A7350

Description This allocation provides funding for a Program Manager and Library Assistant to manage and monitor branch library facilities.

Notes Selected budget information is not provided due to the ongoing nature of this project.

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
Expenditure Schedule (000s)							
General Administration	472	484	496	509	531	558	2,578
Total	472	484	496	509	531	558	2,578

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
Funding Source Schedule (000s)							
Library Construction and Conveyance Tax Fund (393)	472	484	496	509	531	558	2,578
Total	472	484	496	509	531	558	2,578

Library Capital Program
2021-2025 Proposed Capital Improvement Program

Summary of Reserves

Project Name	Dr. Martin Luther King, Jr. Library Improvements Reserve	Initial Start Date	N/A
5-Yr CIP Budget	\$ 600,000	Initial End Date	N/A
Total Budget	\$ 600,000	Revised Start Date	
Council Districts	City-wide	Revised End Date	
Description	This reserve sets aside funding for future Dr. Martin Luther King, Jr. Library projects.		
