

## FY 2021-22 Proposed Operating Budget



	2021-22 Proposed Budget (March 2021)	2021-22 Proposed Budget (Published May 3, 2021) <sup>7</sup>	Variance from March to May
<b>Total Beginning Fund Balance</b>	<b>2,947,820</b>	<b>3,030,127</b>	<b>82,307</b>
Revenue:			
Interest	50,000	50,000	0
Miscellaneous	308,000	100,000	(208,000)
Parking Lots & Garages <sup>1</sup>	6,143,750	6,143,750	0
Parking Meters <sup>2</sup>	1,687,500	1,687,500	0
<b>Total Revenue</b>	<b>8,189,250</b>	<b>7,981,250</b>	<b>(208,000)</b>
Transfers			
Transfer from Parking Capital Fund	4,900,000	4,900,000	0
- Public Restrooms	0	0	0
<b>Total Transfers</b>	<b>4,900,000</b>	<b>4,900,000</b>	<b>0</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,037,070</b>	<b>15,911,377</b>	<b>(125,693)</b>
Operating Expenditures			
DOT Contract/Non-Pers/Equip <sup>3</sup>	6,500,928	7,517,393	1,016,465
-Public Restrooms	0	0	0
DOT Personal Services <sup>4</sup>	2,493,622	2,597,618	103,996
Overhead <sup>5</sup>	2,182,640	1,583,570	(599,070)
Police Parking Garage Security Detail <sup>6</sup>	50,000	150,000	100,000
<b>Total Operating Expenditures</b>	<b>11,227,190</b>	<b>11,848,581</b>	<b>621,391</b>
<b>Operating Revenue Less Operating Expenditures</b>	<b>1,862,060</b>	<b>1,032,669</b>	<b>(829,391)</b>
Transfers Out			
City Hall Debt Service Fund	103,433	87,549	(15,884)
Downtown PBID	77,447	77,447	0
General Fund	497,000	497,000	0
- San Jose Downtown Association	210,000	210,000	0
<b>Total Transfers</b>	<b>887,880</b>	<b>871,996</b>	<b>(15,884)</b>
<b>Net Revenue</b>	<b>974,180</b>	<b>160,673</b>	<b>(813,507)</b>
<b>Total Transfer to Capital Budget Fund 559</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditures</b>	<b>12,115,070</b>	<b>12,720,577</b>	<b>605,507</b>
<b>Net Change to Fund Balance</b>	<b>974,180</b>	<b>160,673</b>	<b>(813,507)</b>

<sup>1</sup> \$6.1M represents a 25% increase over FY 20-21 Modified Budget

<sup>2</sup> \$1.68M represent 25% increase over FY 20-21 Modified Budget

<sup>3</sup> Increased to account for approximately 50% of FY 20-21 expenditure reductions

<sup>4</sup> Assumed an expense increase of 4% over the 20-21 Modified Adopted Budget, Budget Office increased to 8%

<sup>5</sup> Assumed an expense increase of 5% over the 20-21 Modified Adopted Budget, Budget Office reduced significantly

<sup>6</sup> Increased budget to provide flexibility to increase SJPD presence given increase in Citywide vandalism/theft also seen in lots/garages

<sup>7</sup> Proposed Budget was published May 3, 2021. City Council Budget Study Sessions conducted during the weeks of May 10th & May 17th. Adopted Budget to be published on June 22, 2021

## 2022-2026 PROPOSED CAPITAL IMPROVEMENT PROGRAM

### OVERVIEW

#### INTRODUCTION

Historically, 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 2,253 metered parking spaces in the areas of Downtown, Japantown, Civic Center, and SAP Center/Diridon Station.

PARKING SYSTEM INFRASTRUCTURE	
PARKING METERS	2,253
PARKING LOTS	6
PARKING GARAGES	8

The 2022-2026 Proposed Capital Improvement Program (CIP) provides total funding of \$26.9 million over the five years, of which \$22.9 million is programmed in 2021-22. This CIP includes \$14.6 million programmed for projects, \$2.4 million allocated to the SAP/Diridon Area Parking and Transportation Reserve, and a \$8.7 million transfer to cover estimated ongoing General Purpose Parking Operating Fund operating losses stemming from the COVID-19 pandemic. Replenishment of the CIP is anticipated to start in the last year of the 2022-2026 Proposed CIP as operating revenues are anticipated to return to a level that is able to support the capital program. This program is part of the Transportation and Aviation Services City Service Area (CSA) and supports three outcomes: 1) *Provide Viable Transportation Choices that Promote a Strong Economy*; 2) *Preserve and Improve Transportation Assets and Facilities*; and 3) *Travelers Have a Positive, Reliable, and Efficient Experience*.



**Coming Soon - The City's new Remote Parking Control & Customer Service Center located at the 4<sup>th</sup>/San Fernando Parking Garage**

#### PROGRAM PRIORITIES AND OBJECTIVES

This CIP was developed with guidance from the Envision San José 2040 General Plan, focused on providing a well-maintained parking infrastructure with the goal of supporting Downtown as a regional job, entertainment, and cultural destination. In the previous FY 2021-25 CIP, significant funding was programmed for key improvement projects like the Parking Access and Revenue Control System (PARCS) upgrade, Smart Meter enhancements, and garage façade improvements, however, due to the significant impact of the COVID-19 pandemic on parking operations and revenue, the 2022-26 CIP has been significantly pared back to focus limited available resources on ensuring the ongoing maintenance of the City's parking facilities.

**SOURCES OF FUNDING**

The 2022-2026 Proposed CIP’s \$26.9 million of funding represents an overall decrease of \$22.7 million from the \$49.6 million programmed in the 2021-2025 Adopted CIP. Projects have historically been funded via transfers from the General Purpose Parking Operating Fund through parking meter and facility revenues which exceed the amounts needed for ongoing operations and maintenance. Unfortunately, the adverse impact of COVID-19 on parking revenue has significantly compromised the operating fund’s ability to fund this 2022-2026 Proposed CIP.

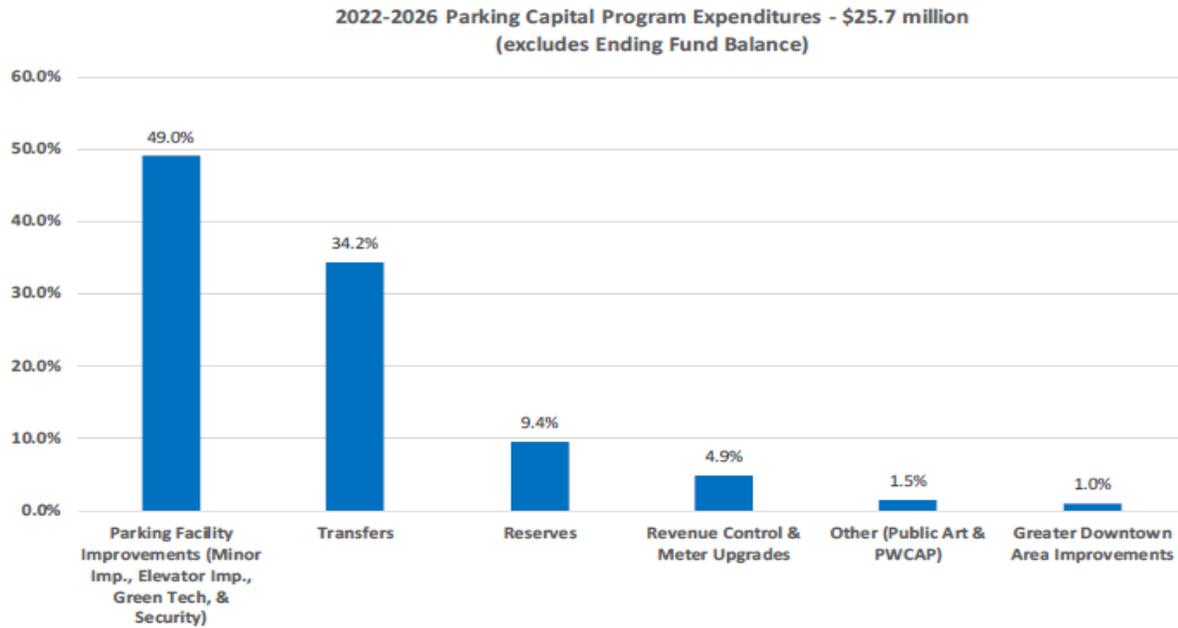
Accordingly, the elimination of the Parking and Transportation Capital Development Reserve (\$8.6 million) and a decrease of the SAP/Diridon Area Parking and Transportation Reserve (\$13.9 million) is included in order to provide funding for the 2022-2026 Proposed CIP and a transfer (\$8.7 million) to the General Purpose Parking Operating Fund to assist in balancing the fund due to reduced revenue collections from parking garages and meters as a result of the COVID-19 pandemic. These actions aimed at balancing the operating and capital funds will reduce the availability of funding for projects and reserves across the five years of the CIP.

**PROGRAM HIGHLIGHTS**

The 2022-2026 Proposed CIP focuses on maintaining existing parking facilities and infrastructure and does not identify projects or funding to enhance facilities nor support ongoing multi-modal and streetscape improvements throughout the greater downtown area and within various meter districts.

The Parking Capital Program’s expenditures are organized to show the use of funds in several categories. The table below summarizes key reserves and projects included in the 2022-2026 Proposed CIP. For further information on the program’s individual projects please refer to the respective summaries in the Detail of Projects section.

Project Name	Project Description	2022-2026 CIP Cost	Estimated Completion
Minor Parking Facility Improvements	Perform minor repair work to prolong the useful life of the parking facilities.	\$8.8 million	Ongoing
Garage Elevator Upgrades	Repair and maintenance of facility elevators	\$2.5 million	Ongoing
SAP/Diridon Area Parking and Transportation Reserve	Future capital projects, investments and improvements to parking and streetscapes.	\$2.4 million	Ongoing
Revenue Control and Meter Upgrades	Provides replacement meters and repairs to parking access and revenue control equipment at parking facilities.	\$1.3 million	Ongoing
Green Technologies and Innovation	Provides improvements at the City’s parking garages such as LED lighting, rooftop solar arrays, solar powered electric vehicle charging stations, and dynamic message signage.	\$1.0 million	Ongoing



**MAJOR CHANGES FROM THE 2021-2025 ADOPTED CIP**

The overall size of the Parking CIP decreased by \$22.7 million from \$49.6 million in the 2021-25 Adopted CIP to \$26.9 million in the 2022-26 Proposed CIP, including reserves. The following table outlines the most significant decreases to project budgets, including new/augmented allocations and reduced/eliminated allocations.

Project	Increase/(Decrease)
Transfer to General Purpose Parking Operating Fund	\$8.7 million
SAP/Diridon Area Parking and Transportation Reserve	(\$13.9 million)
Parking and Transportation Capital Reserve	(\$8.6 million)
Greater Downtown Area Multi-Modal/Meter District/Streetscape Improvements	(\$1.00 million)

**OPERATING BUDGET IMPACT**

Projects in the 2022-2026 Proposed CIP maintain existing facilities or replace existing equipment in facilities or on-street to avoid or reduce possible future maintenance costs, extend the useful life of facilities, and facilitate the implementation of various multi-modal and streetscape improvements, without incurring additional long-term operating and maintenance costs.

Parking  
 2022-2026 Proposed Capital Improvement Program  
**Source of Funds (Combined)**

	Estimated						
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>2025-2026</u>	<u>5-Year Total</u>
<b>General Purpose Parking Capital Fund (559)</b>							
<b>Beginning Balance</b>	38,469,053	22,935,967	12,682,967	7,459,967	3,536,967	113,967	22,935,967*
<b>Reserve for Encumbrance</b>	7,458,668						
<b>Transfers</b>							
Transfer from the General Purpose Parking Fund (533)	754,000					4,000,000	4,000,000
<b>TOTAL Transfers</b>	<b>754,000</b>					<b>4,000,000</b>	<b>4,000,000</b>
<b>Total General Purpose Parking Capital Fund (559)</b>	<b>46,681,721</b>	<b>22,935,967</b>	<b>12,682,967</b>	<b>7,459,967</b>	<b>3,536,967</b>	<b>4,113,967</b>	<b>26,935,967*</b>
<b>TOTAL SOURCES</b>	<b>46,681,721</b>	<b>22,935,967</b>	<b>12,682,967</b>	<b>7,459,967</b>	<b>3,536,967</b>	<b>4,113,967</b>	<b>26,935,967*</b>

\* The 2022-2023 through 2025-2026 Beginning Balances are excluded from the Five-Year Total Source of Funds to avoid multiple counting of the same funds.

Parking  
 2022-2026 Proposed Capital Improvement Program  
**Use of Funds (Combined)**

	Estimated 2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	5-Year Total
<b><u>Parking</u></b>							
Downtown Event Parking Dynamic Message Sign Repair and Upgrades	520,284						
Garage Elevator Upgrades	2,050,000	500,000	500,000	500,000	500,000	500,000	2,500,000
Garage Façade Improvements	4,839,000						
Greater Downtown Area Multi-Modal/Streetscape Improvements	44,164	50,000	50,000	50,000	50,000	50,000	250,000
Greater Downtown Parking Inventory	517,561						
Green Technologies and Innovation		200,000	200,000	200,000	200,000	200,000	1,000,000
Minor Parking Facility Improvements	2,128,147	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	8,750,000
Revenue Control & Meter Upgrades	6,509,156	250,000	250,000	250,000	250,000	250,000	1,250,000
Security Improvements	1,040,000	75,000	75,000	75,000	75,000	75,000	375,000
<b>General Construction - Parking</b>	<b>17,648,312</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>14,125,000</b>
<b>Parking - Construction</b>	<b>17,648,312</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>14,125,000</b>
Public Art Allocation	161,356						
<b>Public Art Projects</b>	<b>161,356</b>						
Capital Program and Public Works Department Support Service Costs	207,000	75,000	75,000	75,000	75,000	75,000	375,000
<b>Allocations</b>	<b>207,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>
City Hall Debt Service Fund	14,000	22,000	23,000	23,000	23,000	23,000	114,000
Transfer to General Purpose Parking Operating Fund (533)	5,700,000	4,900,000	2,300,000	1,000,000	500,000		8,700,000
<b>Transfers to Special Funds</b>	<b>5,714,000</b>	<b>4,922,000</b>	<b>2,323,000</b>	<b>1,023,000</b>	<b>523,000</b>	<b>23,000</b>	<b>8,814,000</b>
General Fund - Interest Income	15,086						
<b>Transfers to the General Fund</b>	<b>15,086</b>						
<b>Transfers Expense</b>	<b>5,729,086</b>	<b>4,922,000</b>	<b>2,323,000</b>	<b>1,023,000</b>	<b>523,000</b>	<b>23,000</b>	<b>8,814,000</b>
SAP/Diridon Area Parking and Transportation Reserve		2,431,000					2,431,000
<b>Expense Reserves - Non Construction</b>		<b>2,431,000</b>					<b>2,431,000</b>

Parking  
**2022-2026 Proposed Capital Improvement Program**  
**Use of Funds (Combined)**

	<b>Estimated</b>						
	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>2025-2026</b>	<b>5-Year Total</b>
<b>Total Expenditures</b>	<b>23,745,754</b>	<b>10,253,000</b>	<b>5,223,000</b>	<b>3,923,000</b>	<b>3,423,000</b>	<b>2,923,000</b>	<b>25,745,000</b>
Ending Fund Balance	22,935,967	12,682,967	7,459,967	3,536,967	113,967	1,190,967	1,190,967*
<b>TOTAL</b>	<b>46,681,721</b>	<b>22,935,967</b>	<b>12,682,967</b>	<b>7,459,967</b>	<b>3,536,967</b>	<b>4,113,967</b>	<b>26,935,967*</b>

\* The 2021-2022 through 2024-2025 Ending Balances are excluded from the Five-Year Total Use of Funds to avoid multiple counting of the same funds.