



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Matt Loesch

**SUBJECT:** See Below

**DATE:** February 9, 2026

Approved

Date:

2/12/26

**COUNCIL DISTRICT:** Citywide

**SUBJECT: Community Oversight Committee Annual Report on the Measure T - Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Program Proceeds and Allocations for Fiscal Year 2024-2025**

## RECOMMENDATION

Accept the Measure T Community Oversight Committee Annual Report on the Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Program proceeds and allocations for Fiscal Year 2024-2025.

## SUMMARY AND OUTCOME

Consistent with its City Council-approved responsibilities, the Measure T Community Oversight Committee (COC) prepared the Fiscal Year 2024-2025 annual report for the Measure T - The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Program (Measure T). (Attachment – San José Community Oversight Committee (COC) 2018 Measure T Disaster Preparedness, Public Safety, and Infrastructure Bond Program Annual Report for Fiscal Year 2024-2025). The COC reviews and reports on expenditures of Measure T bond proceeds to determine consistency with voter-approved purposes. In addition, the COC reviews and forwards the annual audit of the San José Public Safety and Infrastructure Bond Projects Fund financial statements, reviews the Director of Finance’s annual report on the amount of Measure T bonds issued (page 112 in the City of San José Annual Comprehensive Financial Report for the year ended June 30, 2025),<sup>1</sup> and reviews the amount of ad valorem tax collected for each prior FY ending June 30. The COC also reviews the status of Measure T-funded projects and forwards a status report on the pending Measure T projects. In the report, the COC provided general observations, comments,

<sup>1</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=15004129&GUID=9631F222-5138-4C16-B5B7-F6FBD59E96AB>

and specific recommendations regarding the level of spending of the Measure T authorized funds.

Acceptance of this report concludes the COC's review of the expenditure of proceeds of Measure T bonds and the status of projects funded by the bond program in FY 2024-2025.

## **BACKGROUND**

On November 6, 2018, the voters of San José passed Measure T with over 70% of the electorate voting yes. The measure authorizes the City to issue up to \$650 million in general obligation bonds for infrastructure projects.

As part of the Measure T bonds program, City Council was required to appoint a committee comprised of residents of San José to provide community oversight over the expenditure of the Measure T bonds. The measure also required that the size, composition, and specific responsibilities of the committee be determined by a City Council action prior to the issuance of any Measure T bonds. On June 18, 2019, the City Council approved the resolution establishing the size, composition, and specific responsibilities of the committee. The responsibilities of the Measure T COC include the following:

- 1) Review the expenditure of the proceeds of Measure T bonds to ascertain consistency with the voter-approved purposes for the funds;
- 2) In connection with the review of expenditures of Measure T bonds, review and forward to the City Council an audit of the Measure T bonds financial statements, as well as review the Director of Finance's annual report on the amount of Measure T bonds issued, and review the amount of ad valorem tax collected for each prior FY ending June 30; and
- 3) Review the status of projects funded with the proceeds of Measure T bonds and forward a status report on the pending Measure T projects to the City Council.

The COC prepared and reviewed the annual report on the bond program proceeds and allocations through an ad hoc committee. The COC requested a motion to approve this report pending the format changes discussed during its meeting on January 15, 2026 and the motion was passed unanimously.

## **ANALYSIS**

The attached annual report represents the COC report to City Council on the Measure T bonds program for City Council review and acceptance.

The COC provided general observations, recommendations, and comments regarding the authorized funds, status, and planning of Measure T projects. The major concerns highlighted in the report are the level of spending of Measure T authorized funds and the potential risk of public safety project overruns, given that, as of June 2025, most projects were still in various phases of design or construction. The COC report also discussed further analysis of the allocation, status, and results of the Measure T expenditures as reported in the audited financial statements of the San José Public Safety and Infrastructure Bond Projects Fund.

The annual report from the COC also provides the following recommendations for City Council to consider.

- 1) Prioritize the public safety projects slated to receive Measure T funds;
- 2) Continue communication with COC district representatives to facilitate communication of the results of the COC's Measure T oversight;
- 3) Continue to work to appoint individuals to the open COC seats, recognizing the importance to have a full representation on the committee.

## **EVALUATION AND FOLLOW-UP**

The bond program proceeds and allocations, and the status reports on the project expenditures and performance of the Measure T bond program are reported on a bi-annual basis to the COC and City Council. The next Measure T bond program update will be presented to City Council in March 2026.

## **COORDINATION**

This memorandum and the COC's annual report on the Measure T bond program proceeds and allocations have been coordinated with the City Attorney's Office, the City Auditor's Office, the City Manager's Budget Office, and the Finance Department.

## **PUBLIC OUTREACH**

On November 6, 2025, the COC conducted a public hearing to review the expenditures and the audited financial statements for the FY ending June 30, 2025. Staff from the City Auditor's Office, the Finance Department, and a representative from Macias Gini & O'Connell, the City's external financial auditor, attended the public hearing to answer questions from the COC. Department of Public Works staff also presented the bond expenditures and the progress of projects. The COC conducted a second public meeting on January 15, 2026, to review and approve the COC report.

HONORABLE MAYOR AND CITY COUNCIL

February 9, 2026

**Subject: Community Oversight Committee Annual Report on the Measure T - Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Program Proceeds and Allocations for Fiscal Year 2024-2025**

Page 4

This memorandum will be posted to the City's Council Agenda website for the March 3, 2026 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

The Measure T COC approved the audited Financial Statements as identified in its corresponding memorandum and annual report.

### **CEQA**

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

MATT LOESCH

Director, Public Works Department

For questions, please contact Sal Kumar, Deputy Director, Public Works Department, at [sal.kumar@sanjoseca.gov](mailto:sal.kumar@sanjoseca.gov).

**ATTACHMENT** – San José Community Oversight Committee (COC) 2018 Measure T Disaster Preparedness, Public Safety, and Infrastructure Bond Program Annual Report for Fiscal Year 2024-2025

**FROM:** Community Oversight Committee COC)  
for the Measure T: Disaster Preparedness,  
Public Safety, and Infrastructure Bond Program.

15 January 2026

**SUBJECT:** San José Community Oversight Committee (COC) 2018 Measure T  
Disaster Preparedness, Public Safety, and Infrastructure Bond Program  
Annual Report for Fiscal Year 2024-2025

## 1. COC FINDINGS AND CONCLUSIONS

This report provides Measure T COC general observations, comments and specific recommendations regarding the spending of Measure T authorized funds, the status and planning of Measure T projects, and the number of unfilled seats for the COC.

The bond issuance and related expenditures for the fiscal year ended June 30, 2025 have been reviewed by the COC to ensure that the proceeds have been used within the spending categories defined and authorized by Measure T and have been expended on a timely basis to ensure that the municipal bonds issued retained their tax-exempt status.

## 2. COC REQUEST FOR ACTION

Accept this Fiscal Year 2024-2025 Community Oversight Committee (COC) report on the Measure T Disaster Preparedness, Public Safety, and Infrastructure Bond Program proceeds and allocations and its findings and recommendations.

## 3. GENERAL OBSERVATIONS AND COMMENTS

\$440.4 million of the three-tranche, \$650 million bond measure have been issued (\$239.9 million in 2019 and \$200.5 million in 2021) as of the fiscal year ended June 30, 2025.

The remaining \$209.6 million was issued in July 2025 and will be reported on in Fiscal Year's 2025-2026 annual report.

San José City's 2018 Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond Program Audited Use of Funds for FY 2024-2025 was \$107,154,634. The Total Measure T Audited Use of Funds for FY 2019 through FY 2025 was \$455,312,727 or 70% of the total Measure T Proceeds.

Refer to Section 8, Table 8-1 for more information on category spending, expected expenditures and relevant percentages

- a. A total of twenty-two Measure T projects are stated in the Independent Accountant's report (attachment 1, FY 2024-2025 Independent Accountant's Report Statement of Revenues, Expenditures, and Change in Fund Balance by Fiscal Year for the Period from July 25, 2019 through June 30, 2025). This COC report provides a further analysis of the allocations, status, and results of Measure T expenditures (refer to COC matrix, attachment 2, FY 2024-2025 COC Oversight Project Item Comparison Matrix).

- b. DPW issued a June 30<sup>th</sup> semi-annual Measure T status update in a report to council dated September 8, 2025 (refer to attachment 3, The Director of Public Works Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond). COC observations and comments related thereto are summarized below:
- c. With reference to table 3.1 which provides an analysis of the utilization of Measure T reserves, the data show that 83% of all available Measure T reserves have been devoted to funding project overages associated with the ten public safety projects. DPW's September 8, 2025 Measure T update report to Council showed three public safety projects completed and the seven remaining public safety projects in various stages of completion. With only \$14.5 million in reserves now available, there is little margin for error. The Public Safety projects at high risk are Fire Station 36, 911 Call Center upgrades, and Police Admin building upgrades that are still in design phase and subject to inflation. No priority has been established for these projects. There is a real possibility that in-progress projects may have to be halted until other funding sources are located. Prior COC reports to Council have addressed various aspects of these continuing concerns – refer to Section 4, Status of Prior Year Recommendations.
- d. 420 miles of city streets were originally contemplated for repaving in the 2019 projected usage of \$300 million of Measure T funds; according to DPW's most recent report to Council 516 miles have actually been repaved with another 105 miles slated for the current construction season and an additional 58 miles scheduled for the year after, for a total of 676 miles expected to be paved by the time Measure T's original \$300 million allocation is exhausted in 2027. DPW's report indicates that this outperformance was achieved through operational efficiencies (actual cost per paved mile below original expectations) and leveraging other funding sources.
- e. The Department of Transportation (DOT) Pavement Maintenance's other major funding source is the Santa Clara Valley Transportation Authority (VTA) Measure B 2016. This funds local street Americans with Disabilities Act (ADA) ramp projects, remove-and-replace pavement projects, and sealing projects. This funding accounts for roughly 40% of the total funding used towards the local streets paving program annually. Table 3-2 provides the details for miles funded by Measure T, miles funded by VTA Measure B, and the total miles completed by both funding sources.

**Table 3-1. FY 24-25 Measure Public Safety Reserves Status**

<b>Project Name</b>	<b>19/20 Initial Budget</b>	<b>Current Total Project Budget (FY 24/25)</b>	<b>Estimated Projected Overages</b>	<b>Comments</b>
Fire Station 8	16,500,000	20,390,000	-3,890,000	In Construction - anticipated completion in late 2025
Fire Station 20	-	4,930,000	-4,930,000	Completed
Fire Station 23	16,500,000	4,147,000	12,353,000	Reduced scope - Land Acquisition only
Fire Station 32	17,000,000	22,093,000	-5,093,000	In Construction - anticipated completion in spring 2026
Fire Station 36	17,000,000	18,036,000	-1,036,000	In Design
Fire Station 37	6,680,000	8,011,000	-1,331,000	Completed
Emergency Operations Ctr	11,500,000	25,072,000	-13,572,000	Completed
PD Training Center	45,000,000	59,042,000	-14,042,000	In Construction - anticipated completion in spring 2026
PD Hangar	8,400,000	18,237,000	-9,837,000	In Construction - anticipated completion in spring 2026
911 Call Ctr Upgrades	-	6,181,000	-6,181,000	In Design
Police Admin Bldg Upgrades	-	6,250,000	-6,250,000	In Design
Admin Fees	-	2,762,000	-2,762,000	Admin fees and Public Art were not originally budgeted, but required as part of the program.
Public Art	-	1,898,000	-1,898,000	
<b>Total</b>	<b>138,580,000</b>	<b>197,049,000</b>	<b>-58,469,000</b>	
<b>Reserves</b>	<b>Sources</b>			
36,420,000	Initial Public Safety Reserve Budget			
14,100,000	Transfers: Charcot Drainage, Critical Infrastructure, Envi Protection			
12,150,000	FS 8 land sale, FS 20 GF reimbursement, COI Usage			
10,380,780	Interest Earned thru FY22/23			
73,050,780	Total Sources			
14,582,000	Total Reserves Remaining (as of 6/30/25)			

**Table 3-2. Measure T Pavement Program Status**

<b>Year</b>	<b>Miles Funded by Measure T (Resurfacing)</b>	<b>Miles Funded by VTA Measure B (Sealing + Ramps)</b>	<b>Total Miles (Resurfacing +Sealing)</b>
2020	73	56	129
2021	88	53	139
2022	132	54	185
2023	108	50	159
2024	115	59	174
2025 (planned)	109	63	172
Total 2024-1025	516	272	786

- f. Bridge Project Funding. The Measure T program allocated \$20 million for City-owned bridges that are designated as structurally deficient and could be vulnerable in an earthquake or other disaster. DPW is prioritizing bridges that are vulnerable to earthquakes to be completed first and then bridges that are in fair condition and/or non-vehicular bridges. In addition to the Measure T funding, DPW has identified Highway Bridge Program Federal-aid Funding, Caltrans, and Bridge Investment Credits as other potential funding sources for bridge project completion. **The COC recommends that the Bridge project funding and expenditures be tracked and reported in a manner similar to that used for the pavement program Measure T funding and VTA Measure B funding in order to distinguish between funding sources to determine what was accomplished with Measure T funding.**
- g. The Storm Sewer Clean Water and Clean Stormwater Infrastructure Projects were originally allocated \$25 million of Measure T funds and earmarked to address the River Oaks Regional Stormwater Capture Project, the Kelley Regional Stormwater Capture Project, and the Venetian Terrace Regional Stormwater Capture Project. The River Oaks Regional Stormwater Capture Project has been completed with an expenditure of \$13,653,157. **The COC recommends that the two remaining projects’ funding and expenditures be tracked and reported separately.**
- h. Measure T Completed Projects. A total of six of the twenty-two Measure T projects that are statused in the Independent Accountant’s report have been completed. Three of the completed projects are public safety projects. Table 3-3 provides a list of the projects and each project’s Initial project estimate, final project cost, and the results of expenditures

**Table 3-3. Measure T Completed Projects**

<b>Project</b>	<b>Initial Project Estimate</b>	<b>Final Project Cost</b>	<b>Results of Expenditures</b>
Fire Station No. 37	6,680,000	7,867,975	The project was awarded on June 30, 2020, in the amount of \$8,715,600, and began construction in September 2020. The project received the Certificate of Occupancy in July 2023 and has been fully operational since May 2022.
Fire Station No. 20 -	4,600,000	4,929,731	Fire Station 20, located at SJ Airport, replaced the older existing Aircraft Rescue and Firefighting Facility station. A landside bay to the project, increasing operational efficiency to the Fire Department's emergency response to the surrounding area. The project was completed at the end of March 2022, with the newly expanded fire station officially online and operational.
Emergency Operations Center (EOC)	11,500,000	24,084,744	The EOC project, in conjunction with the Fire Department Training Center, was awarded \$54,105,000 on January 12, 2021. The EOC portion of the funding was \$11,500,000. Public Safety Reserve funds in the amount of \$13,572,000 were used to complete the EOC project. The project received a temporary Certificate of Occupancy in April 2024 and was extended through November 2024, with minor punch list items remaining to be completed prior to final project acceptance.
Flood Control-Coyote Valley	50,000,000	46,791,543	City Council approved the purchase of approximately 672 acres of real property in Coyote Valley. Savings were reallocated to the Public Safety Program.
River Oaks Regional Stormwater	10,999,618	13,653,157	The project award on June 13, 2023, was \$10,999,618. The project started in September 2023 and reached beneficial use in February 2025.
Emergency Shelters Priority 1 & 3	12,950,000	12,631,000	The Priority 1 project was awarded on April 4, 2023 in the amount of \$1,938,436. Construction began in June 2023 and reached beneficial use in December 2024. The Priority 3 project was awarded on June 13, 2023 in the amount of \$1,198,780. Construction started September 2023 and reached beneficial use January 2025.

#### **4. STATUS OF PRIOR YEAR RECOMMENDATIONS**

- a. Measure T COC has previously recommended that Council prioritize the remaining in-progress public safety projects. COC suggests rank-ordering them for receipt of Measure T's dwindling reserves. Moreover, should the \$14.5 million reserve balance be exhausted before all projects are completed, COC recommends Council develop a "cut" list to re-direct available Measure T resources from the least important remaining project(s) to those that are deemed more important. This will help ensure that the biggest number of higher priority projects actually get completed before Measure T funds are exhausted.
- b. There were three vacancies (out of a total of fifteen appointed positions) – District 8, Public Safety, and Environmental Issues. Once again, we emphasize the importance of having a fully-seated COC and are hereby encouraging the City Council to appoint individuals to fill the remaining seats as soon as possible.
- c. DPW needs to ensure continued timely spending of bond proceeds to comply with IRS regulations regarding the three-year spending requirement to maintain the issuance's tax-exempt status.

#### **5. CONTINUING RECOMMENDATIONS**

To ensure continued communication and liaison with their respective constituencies, District representatives to the COC will again be required to reach out to their respective Councilmembers to offer any support deemed necessary within their given Districts to facilitate communication of the results of the COC's Measure T oversight to that District's constituency. This also serves to reinforce the importance of restated prior recommendation in Section 4, item b, immediately above.

#### **6. BACKGROUND/DETAILS ON MEASURE T**

This report to the Mayor and Council provides the COC findings and recommendations for the Measure T Disaster Preparedness, Public Safety, and Infrastructure Bond Program for the period from July 1, 2024, through June 30, 2025.

On November 6, 2018, registered voters of the City of San José approved Measure T, the San José Public Safety, and Infrastructure Bonds, authorizing the issuance and sale of general obligation bonds (PSI Bonds) not to exceed \$650,000,000 to be used to fund the cost of land or improvement of land of, without limitation, the following categories of projects: Traffic, Public Safety, Storm Sewer, Municipal Improvements, and Parks & Community Facilities.

The COC was authorized because of the approved San José City's Measure T bond measure that provided for Community Oversight of the expenditure of the bonds.

On June 18, 2019, the City Council approved the resolution establishing the size, composition, and specific responsibilities of the COC.

The Measure T Community Oversight Committee serves as an advisory committee to the City Council, with responsibilities to include the following: (1) Review the expenditure of Measure T funds to ascertain consistency with the voter approved purposes for the funds; (2) In connection with the review of Measure T expenditures, review and forward to the City Council an audit of the Measure T Bonds Financial Statements for the fiscal year ending June 30th as well as the Director of Finance's annual report on the amount of Bonds issued and the amount of ad valorem tax collected for each prior fiscal year ending June 30th; and (3) Review the status of projects funded with Measure T funds and forward a status report on the pending Measure T projects to the City Council.

## 7. BOND PROCEEDS AND TAX EXEMPTION REQUIREMENTS

IRS rules require 85% of the bond proceeds for the Measure T projects must be expended within the three years of bond-issuance to remain tax exempt. The three-year window was reached for the first bond-issuance in July 2022; the three-year window was reached for the second bond-issuance in July 2024. DPW staff has been closely tracking Measure T expenditures to ensure the bond proceeds are spent in accordance with the IRS tax-exempt guidelines for municipal bonds. Table 7-1 provides the Measure T yearly bond history from 2018 through 2025.

The remaining \$209.6 million was issued in July 2025 and will be reported on in Fiscal Year's 2025-2026 annual report.

**Table 7-1. Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond Proceeds**

2018	Bond Authorized	\$650.0 M
2019	Bond Issued	(\$239.9M)
2021	Bond Issued	(\$200.5M)
Total Bonds Issued to date		(\$440.4M)
Remaining Bond Issuance		\$209.6M

## 8. AUDITED USE OF FUNDS

San José City's 2018 Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond Program Audited Use of Funds for FY 2024-2025 was \$107,154,634. The Total Measure T Audited Use of Funds for FY 2019 through FY 2025 was \$455,312,727.

The funds were allocated and expended for each of the Measure T program categories as detailed in Table 8-1 below.

**Table 8-1. FY 2019-2020 Through FY 2024-2025 Measure T Audited Use of Funds Vs Planned Spending and Total Expected Expenditures by Major Category**

Measure T Program Category	Measure T Audited Use of Funds for Fiscal Years June 30, 2019 Through June 30, 2025 (1)	June 30, 2025 Encumbrances by Program Category (2)	Total Audited Use of Funds Plus Encumbrances at June 30, 2025 (3)	Revised Life-of-Category Expected Expenditures per DPW as of 6-30-25 (4)	Percent of Funds Spent vs Total Expected Spending (5)	Percentage of Each Measure T Program Category Unspent as of 6-30-25 (6)
Traffic	225,091,135	9,696,290	234,787,425	328,824,000	71.4%	29.6%
Public Safety	136,143,724	11,823,921	147,967,645	221,820,516 (7)	66.7%	33.3%
Storm Sewer	26,450,428	929,726	27,380,154	54,100,000 (8)	50.6%	49.4%
Municipal Improvements	56,689,153		56,689,154	58,072,495 (9)	97.6%	2.4%
Parks & Comm Facilities	10,938,287	130,113	11,068,400	12,947,000	85.5%	14.5%
<b>Total</b>	<b>\$455,312,727</b>	<b>\$22,580,051</b>	<b>\$477,892,778</b>	<b>\$675,764,011 (10)</b>	<b>70.7%</b>	<b>29.3%</b>

- (1) The aggregate sum of the last six fiscal year's audited financial statements by Measure T program category
- (2) Per the audited financial statements for June 30, 2025 – represents year-end contractual obligations/encumbrances by program category not included as a financial liability in the year-end audited use of funds calculation
- (3) The sum of columns 1 and 2
- (4) Per Measure T COC matrix (see attachment) (note: all program category estimates other than public safety have remained unchanged since the prior year – see footnote 7, below)
- (5) Column 3 divided by column 4
- (6) Column 4 minus column 3 divided by column 4 (or 100% minus column 5).
- (7) Planned spending revision due to unscheduled increases in anticipated project costs, defunding of Fire station 23 and reallocation of available reserves from other unspent program categories
- (8) Planned spending previously revised due to Charcot project re-scoping; unused category reserve transferred to public safety
- (9) Planned spending previously revised due to environmental project savings; unused category reserve transferred to public safety
- (10) Increase in revised life-of-category expenditures from \$663MM (last year's number) to \$676MM reflects funds availability due to the addition of interest earned on unspent bond proceeds and bond issuance fee recoveries

**9. COC COMMITTEE MEMBERSHIP**

A list of the COC members serving during FY 2024-2025 is provided in Table 9-1..

**Table 9-1. COC Committee Members Serving During FY 2024-2025**

Representing	Committee Member	Representing	Committee Member
D1	Gary Cunningham	D9	Shruti Chandrasekhar
D2	Carolyn Bauer**	D10	Emily G Esparza
D3	Michelle Brenot	Citywide (Labor)	Olivia Navarro
D4	Jai Srinivasan	Citywide (Business)	Mansukh Singh
D5	Enrique Arguello	Citywide (Finance/Accounting)	Jay Anand
D6	Nicholas Cochran*	Public Safety	Open
D7	Hai Bui	Environmental Issues	Open
D8	Open		

\*Chair\*\*Vice Chair

**10. COC MEETINGS**

COC meetings were conducted in accordance with SJ City and Brown Act requirements. The Program Manager from the San José City Director of Public Works provided support for meeting logistics including meeting rooms, Zoom calls, agendas, notices, and minutes.

**11. AUDITED DATA AND STATUS REPORT**

The San José City Director of Public Works provided the COC with the following:

- The Measure T Independent Auditor’s Report for the fiscal year ended June 30, 2025 and for the period from July 25, 2019 through June 30, 2025 (Measure T inception-to-date) The report was prepared by Macias Gini & O’Connell LLP (attachment 1).
- The Director of Public Works Measure T, The Disaster Preparedness, Public Safety, and Infrastructure Bond Status Report, dated September 8, 2025 (attachment 3).

**12. OVERSIGHT METHODOLOGY**

Measure T requires community oversight of the measure’s bond proceeds. This includes reporting the measure’s planned proceeds allocation, actual allocations, and the result of the expenditure.

The FY 2024-2025 Independent Accountant’s Report detailing the audited use of funds is used in the oversight process and is included as attachment 1.

The Director of Public Works Measure T, The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond Status Report, dated September 8, 2025, is used in the oversight process. The status report provides the status on budget, schedule, and results of the expenditures and is included as attachment 3.

### 13. OVERSIGHT PROJECT ITEM COMPARISON MATRIX AND ANALYSIS

A matrix of the projects was developed and compares those items with data provided in the reports cited in section 12, Oversight Methodology. The results of the comparisons form the findings for each of the project’s planned use of funds, audited use of funds, and the results or outcomes of the expenditures. The matrix is provided as attachment 2 to this report.

The matrix lists all projects to be funded by Measure T set forth by Measure T category, as rows, and is aligned with the projects listed in attachments 2 and 3. For each project line item (matrix row) nine items of data are shown in the nine columns of the matrix described in Table 13-1. Some projects listed may not have had any planned effort for this fiscal year and are noted as such in the matrix.

**Table 13-1. Title and Description of contents of each of the Nine Columns of the Comparison Matrix (attachment 3)**

Column#	Column Title	Description of contents of the column
0	Projects	Project item associated with each Measure T category
1	Project Location by Council Districts	The districts in which this line item is physically located or the districts either impacted by or benefitted from this item
2	2024-2025 Planned Use of Funds	Planned FY 2024-2025 funding for the item
3	2024-2025 Audited Use of Funds	Audited FY 2024-2025 funds used for the item
4	Total Audited Use of Funds as of June 30, 2025	Total of FY 2019-2020 through FY 2024-2025 Audited funds used for this item
5	Results of Expenditures	Provides details of the accomplishments of the expended funds for the line item
6	Initial Life of Project Total Estimated Expenditure	Provides Initial estimate of the Total Expenditure expected for completing line item
7	Revised Life of Project Total Estimated Expenditure	Provides Revised/New estimate of the Total Expenditure expected for completing line item
8	Potential Delta (Expected overrun/underrun)	Provides the estimate of the Expected Overrun /Underrun for completing this line item. It is the difference between” Initial” and “Revised” Life of Project Total Estimated Expenditure

#### ATTACHMENTS:

- Attachment 1. FY 2024-2025 Independent Accountant's Report Statement of Revenues, Expenditures, and Change in Fund Balance by Fiscal Year for the Period from July 1, 2024 through June 30, 2025.
- Attachment 2. FY 2024-2025 COC Oversight Project Item Comparison Matrix
- Attachment. 3 The Director of Public Works Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond dated September 8, 2025

**CITY OF SAN JOSE  
PUBLIC SAFETY AND INFRASTRUCTURE  
BOND PROJECTS FUND  
(A Fund of the City of San José)**

Independent Auditor's Reports,  
Financial Statements,  
Other Supplementary Information and  
Independent Accountant's Report

For the Year Ended June 30, 2025



Certified  
Public  
Accountants

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**  
(A Fund of the City of San José)  
For the Year Ended June 30, 2025

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## Independent Auditor's Report

City Council and  
Members of the Measure T Community Oversight Commission  
City of San José, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Public Safety and Infrastructure Bond Projects Fund (Fund), a fund of the City of San José (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund of the City of San José, as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of a Matter*

As discussed in Note 2, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2025, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### *Management's Responsibilities for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying statement of revenues, expenditures, and change in fund balance by fiscal year for the period from July 25, 2019 through June 30, 2025, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information for the year ended June 30, 2025 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information for the year ended June 30, 2025 is fairly stated, in all material respects, in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Fund's financial statements as of and for the period from July 25, 2019 through June 30, 2024, which are not presented with the accompanying financial statements. In our reports dated November 17, 2020, November 3, 2021, October 18, 2022, October 13, 2023, October 17, 2024, we expressed unmodified opinions on the Fund's financial statements. The audits were conducted for the purpose of forming opinions on the financial statements as a whole. The information for the period from July 25, 2019 through June 30, 2024 has been subjected to the auditing procedures applied in the audits of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information for the period from July 25, 2019 through June 30, 2024 is fairly stated, in all material respects, in relation to the financial statements from which they have been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2025 on our consideration of the City's internal control over the Fund's financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Fund's financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Fund's financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California  
October 3, 2025

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**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**

(A Fund of the City of San José)

Balance Sheet

June 30, 2025

**Assets**

Restricted assets:

Investments held with fiscal agents \$ 44,852,588

Total assets \$ 44,852,588

**Liabilities and Fund Balance**

Liabilities:

Accounts payable \$ 13,506,322

Accrued salaries, wages and payroll taxes 127,915

Due to the City of San José 15,049,068

Total liabilities 28,683,305

Fund balance:

Restricted for Public Safety and Infrastructure Bond projects 16,169,283

Total liabilities and fund balance \$ 44,852,588

See accompanying notes to the financial statements.

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**

(A Fund of the City of San José)

Statement of Revenues, Expenditures, and Change in Fund Balance

For the Year Ended June 30, 2025

**Revenues:**

Investment income	\$ 7,131,726
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**Expenditures:**

Public safety	46,592,466
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Traffic	36,546,298
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Storm sewer	15,388,655
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Municipal improvements	1,065,973
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Park & community facilities	7,561,242
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Total expenditures	<u>107,154,634</u>
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Change in fund balance	(100,022,908)
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Fund balance, beginning of year	<u>116,192,191</u>
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<b>Fund balance, end of year</b>	<b><u><u>\$ 16,169,283</u></u></b>
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See accompanying notes to the financial statements.

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**  
(A Fund of the City of San José)  
Notes to the Financial Statements  
For the Year Ended June 30, 2025

**NOTE 1 – BACKGROUND**

On November 6, 2018, registered voters of the City of San José (City) approved Measure T, the San José Public Safety and Infrastructure Bonds, authorizing the issuance and sale of general obligation bonds (PSI Bonds) not to exceed \$650,000,000 to be used to fund the cost of land or improvement of land for, without limitation, the following categories of projects.

- The upgrade of 911 communications, police, fire and paramedic facilities to improve emergency and disaster response;
- Repair deteriorating bridges vulnerable to being damaged in an earthquake;
- Repaving local and neighborhood streets and potholes in the worst condition;
- Preventing flooding and water quality contamination; and
- Repair or replace critical infrastructure that is likely to reduce long-term spending on operations or maintenance.

The table below sets forth the amount of PSI Bonds authorized and issued pursuant to Measure T:

	Amount	Date
Voter authorization	\$ 650,000,000	November 6, 2018
Bonds issued:		
Series 2019 Bonds	239,900,000	July 25, 2019
Series 2021 Bonds	200,530,000	July 29, 2021
Total bonds issued	440,430,000	
Authorized but unissued	\$ 209,570,000	

As of June 30, 2025, outstanding projects approved by the City Council to be funded by the bond proceeds include the emergency operations center relocation, Fire Station Nos. 8 and 23 relocations, new Fire Station Nos. 32 and 36, police air support unit hangar, police training center relocation, public art – public safety, 911 call center upgrade, Police Department (PD) headquarters upgrade, bridges, pavement maintenance, Charcot storm drainage, clean water projects, and community centers/emergency shelters.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The accompanying financial statements present only the financial position and the changes in financial position of the Public Safety and Infrastructure Bond Projects Fund (Fund) and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2025, and the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A capital projects fund (governmental fund) is used to account for the City’s Public Safety and Infrastructure Bond Projects activities. Capital projects funds are used to account for financial resources (e.g., bond proceeds and investment income) that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition of land or acquisition and construction of major governmental facilities.

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**

(A Fund of the City of San José)  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Accounting*

The Fund's activity is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Fund considers revenues to be available if collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to vacation, sick leave, claims and judgments are recorded only when payment is due.

*Restricted Cash and Investments*

Cash and investments that are restricted for specified uses by bond covenants or other requirements are classified as restricted. The Fund's restricted cash and investments are held in the City Treasury and in fiscal agent accounts to be spent only on authorized capital projects. The Fund's restricted cash and investments are subject to the requirements of the City's adopted investment policy and bond indentures. The fair value of investments is based on quoted market information obtained from fiscal agents or other sources.

*Fund Balance*

Under Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the balance sheets of governmental funds classify fund balances based primarily on the extent to which the Fund is bound to honor constraints on the specific purposes for which those funds can be spent. The Fund only has restricted fund balance at June 30, 2025. Restricted fund balance represents amounts when constraints placed on use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

*Use of Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**  
(A Fund of the City of San José)  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 3 – RESTRICTED INVESTMENTS**

A summary of the Fund’s restricted investments at June 30, 2025 are as follows:

<u>Type of investment</u>	<u>Fair Value</u>	<u>Moody’s Credit Risk Rating</u>	<u>Weighted Average Maturity</u>
State of California Local Agency Investment Fund	\$ 37,150,194	Unrated	248 days
Wilmington Trust Money Market Mutual Fund	7,702,394	Aaa-mf	36 days
Total investments	<u>\$ 44,852,588</u>		

The Fund has investments subject to provisions of the bond indentures of its various bond issues. According to the bond indentures, the Fund is permitted to invest in the City’s cash and investment pool, the State of California Local Agency Investment Fund (LAIF), obligations of the U.S. Treasury or U.S. government agencies, time deposits, money market mutual funds invested in U.S. government securities, along with various other investments.

The Fund maintains part of its investments in the City’s cash and investment pool. The amounts held in the City’s investment pool can be withdrawn upon demand. Income and losses arising from the investment activity of pooled cash are allocated to the participating funds on a monthly basis, based on their proportionate shares of the average daily cash balance. As of June 30, 2025, the Fund has a negative unrestricted pooled balance of \$15,049,068 in the City’s cash and investment pool, which is included as a payable to the City of San José on the accompanying financial statements.

Information regarding the characteristics of the entire City’s cash and investment pool can be found in the City’s basic financial statements for the year ended June 30, 2025. A copy of that report may be obtained by contacting the City’s Finance Department, 200 East Santa Clara Street, 13<sup>th</sup> Floor, San José, CA, 95113 or can be found at the City’s Finance Department Website at <http://www.sanjoseca.gov>.

Government Code Section 16429.1 authorizes each local government agency to invest funds in the LAIF administered by the California State Treasurer. The total amount recorded by all public agencies in LAIF at June 30, 2025 was approximately \$24.5 billion. LAIF is part of the State’s Pooled Money Investment Account (PMIA). The total amount recorded by all public agencies in PMIA at June 30, 2025 was approximately \$178.1 billion and of that amount, 96.2% was invested in non-derivative financial products and 3.8% in structured notes and asset backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the Fund’s position in the pool.

*Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by nationally recognized statistical rating organizations. The City’s investment policy has mitigated credit risk by limiting investments to the safest types of securities, by prequalifying financial institutions, by diversifying the portfolio, and by establishing monitoring procedures.

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**  
(A Fund of the City of San José)  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 3 – RESTRICTED INVESTMENTS (Continued)**

*Concentration Credit Risk*

Concentration of credit risk is the risk that the failure of any one issuer would place an undue financial burden on the Fund. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds and other pooled investments are exempt from this requirement, as they are normally diversified themselves.

*Interest Rate Risk*

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market rates. The City's investment policy has mitigated interest rate risk by establishing policies over liquidity, including maturity limits by investment classification. These limits, for investments other than external investment pools and money market mutual funds, range from 10 days to 5 years depending on the investment classification.

*Fair Value Measurement Categorization*

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The inputs and techniques used for valuing securities are not necessarily an indication of risk associated with investing in those securities. The City's investment in Wilmington Trust Money Market Mutual Funds is measured at level 1 inputs, while investments in the City's cash and investment pool and LAIF are not subject to fair value hierarchy.

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**  
(A Fund of the City of San José)  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 4 – COMMITMENTS**

At June 30, 2025, the Fund has related outstanding project construction encumbrances as follows:

<u>Project</u>	<u>Amount</u>
Public safety	
Emergency operations center relocation	\$ 485,385
Fire station No. 8 relocation	2,193,273
Fire station No. 23 relocation	24,392
New fire station No. 32	2,440,497
New fire station No. 36	1,200,000
Police air support unit hangar	2,419,630
Police training center relocation	2,548,571
Public art - public safety	67,080
911 call center upgrade	188,613
PD headquarters upgrade	256,480
Traffic	
Bridges	234,927
Pavement maintenance	9,461,363
Storm sewer	
Charcot storm drainage	774,902
Clean water projects	154,824
Municipal improvements	
City facilities LED lighting	1
Park & Community Facilities	
Community centers/emergency shelters	<u>130,113</u>
 Total project encumbrances	 <u><u>\$ 22,580,051</u></u>

**NOTE 5 – GENERAL OBLIGATION BONDS**

On July 25, 2019, the City issued Series 2019 General Obligation Bonds (2019 Bonds) pursuant to the fiscal agent agreement with Wilmington Trust. The 2019 Bonds were the first tranche of bonds issued under Measure T, as disclosed in Note 1. Proceeds from the 2019 Bonds in the amount of \$239,900,000 and a bond premium at issuance in the amount of \$34,158,933 were issued for Measure T purposes. The premium was used to pay debt service on the Series 2019 A-2 taxable Measure T Bonds in the amount of \$33,114,340, to pay cost of issuance, and to fund the debt service accounts. The proceeds related to the premium in excess of the amounts necessary to pay debt service on the 2019 A-2 Bonds, cost of issuance, and debt service fund deposits amounted to \$95,698, and was deposited into the Public Safety and Infrastructure Bond Projects Fund for Measure T purposes.

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**

(A Fund of the City of San José)  
Notes to the Financial Statements (Continued)  
For the Year Ended June 30, 2025

**NOTE 5 – GENERAL OBLIGATION BONDS (Continued)**

On July 29, 2021, the City issued \$200,530,000 of General Obligation Bonds, consisting of Series 2021A (in the principal amount of \$151,210,000), Series 2021B (federally taxable, in the principal amount of \$8,450,000) and Series 2021C (federally taxable, in the principal amount of \$40,870,000) (collectively, the “2021 GO Bonds”). The 2021 GO Bonds constitute the second round of general obligation bonds issued under the Measure T authorization of \$650,000,000 for Disaster Preparedness, Public Safety, and Infrastructure, approved by the voters in November 2018. The 2021 GO Bonds are secured by a pledge of the City to levy ad valorem property taxes without limitation of rate or amount (except certain personal property which is taxable at limited rates). The ad valorem property tax levy is calculated for each fiscal year to generate sufficient revenue to pay 100% of annual debt service net of other available funding sources.

The 2019 and 2021 Bonds related to Measure T are reported in capital projects and debt service funds of the City, and further details can be located in the City’s annual comprehensive financial report.

**NOTE 6 – SUBSEQUENT EVENT**

On July 23, 2025, the City issued \$209,570,000 of General Obligation Bonds, consisting of Series 2025A (tax-exempt, in the principal amount of \$181,740,000), Series 2025B (federally taxable, in the principal amount of \$15,190,000) and Series 2025C (federally taxable, in the amount of \$12,640,000) (collectively, the “2025 GO Bonds”). The 2025 GO Bonds constitute the third and final issuance of bonds under the Measure T authorization of \$650,000,000 for Disaster Preparedness, Public Safety, and Infrastructure, approved by the voters in November 2018. The aggregated true interest cost is 4.432%. The 2025 GO Bonds were issued as long-term fixed-rate debt with level debt service with the final maturity of September 1, 2055. The 2025 GO Bonds are secured by a pledge of the City to levy ad valorem property taxes without limitation of rate or amount (except certain personal property which is taxable at limited rates). The ad valorem property tax levy is calculated for each fiscal year to generate sufficient revenue to pay 100% of annual debt service net of other available funding sources.

**CITY OF SAN JOSE**  
**PUBLIC SAFETY AND INFRASTRUCTURE BOND PROJECTS FUND**  
(A Fund of the City of San José)

Statement of Revenues, Expenditures, and Change in Fund Balance by Fiscal Year  
For the Period from July 25, 2019 through June 30, 2025

	2020	2021	2022	2023	2024	2025	Total
<b>Revenues:</b>							
Investment income	3,201,017	\$ 1,616,937	\$ 460,961	\$ 5,071,110	\$ 8,342,769	\$ 7,131,726	\$ 25,824,520
Unrealized gain/loss on investment	-	-	(14,192)	14,192	-	-	-
Intergovernmental	-	-	2,331,792	-	-	-	2,331,792
Other	-	-	300,000	-	-	-	300,000
<b>Total revenues</b>	<b>3,201,017</b>	<b>1,616,937</b>	<b>3,078,561</b>	<b>5,085,302</b>	<b>8,342,769</b>	<b>7,131,726</b>	<b>28,456,312</b>
<b>Expenditures:</b>							
<b>Public safety</b>							
Emergency operations center relocation	82,346	3,665,164	8,089,855	8,104,435	2,636,828	1,506,116	24,084,744
Fire station No. 8 relocation	63,503	2,472,973	3,025,552	1,112,298	3,789,806	7,527,766	17,991,898
Fire station No. 20 relocation	-	3,774,693	1,145,605	9,433	-	-	4,929,731
Fire station No. 23 relocation	9,202	25,855	39,550	35,165	32,359	417,127	559,258
New fire station No. 32	40,316	138,401	4,125,604	1,137,928	236,692	7,026,124	12,705,065
New fire station No. 36	7,986	78,384	44,949	294,141	9,319	15,438	450,217
New fire station No. 37	34,056	1,823,256	5,825,002	152,504	32,743	414	7,867,975
Police air support unit hangar	63,843	138,608	280,338	1,102,396	4,862,039	8,742,653	15,189,877
Police training center relocation	271,570	18,620,490	576,197	1,519,693	6,021,328	20,364,583	47,373,861
Public art - public safety	50,860	225,060	170,734	386,808	208,343	247,438	1,289,243
911 call center upgrade	17,877	37,016	347,578	351,000	219,446	339,703	1,312,620
PD headquarters upgrade	8,232	19,431	40,623	22,880	258,390	57,365	406,921
Admin - public safety	307,365	370,912	257,550	385,717	313,031	347,739	1,982,314
<b>Traffic</b>							
Bridges	823,581	679,065	1,733,451	1,060,791	3,650,633	2,330,284	10,277,805
Pavement maintenance	1,481,453	38,809,769	42,767,059	38,860,270	55,184,512	34,017,609	211,120,672
LED streetlight conversion	520,608	873,614	256,526	772,430	876,787	180,660	3,480,625
Admin - traffic	105,007	20,958	11,857	28,178	28,288	17,745	212,033
<b>Storm sewer</b>							
Charcot storm drainage	322,422	154,206	152,034	1,224,983	1,473,416	8,605,793	11,932,854
Clean water projects	455,552	425,697	626,567	752,933	4,844,308	6,548,100	13,653,157
Public art - storm sewer	962	4,896	65,480	53,981	121,548	110,062	356,929
Admin - storm sewer	30,452	28,168	152,122	30,982	141,064	124,700	507,488
<b>Municipal improvements</b>							
Environment Protection <sup>1</sup>	46,077,538	451,094	261,727	1,184	-	-	46,791,543
City facilities LED lighting	1,385,703	2,564,706	2,386,732	1,936,851	477,266	1,065,973	9,817,231
Admin - municipal improvements	30,918	20,512	25,588	3,361	-	-	80,379
<b>Park &amp; community facilities</b>							
Community centers/emergency shelters	6,407	45,064	316,437	891,190	1,993,071	7,538,913	10,791,082
Public art - parks	-	-	-	36,802	-	-	36,802
Admin - parks	3,013	4,905	11,475	38,820	29,861	22,329	110,403
<b>Total expenditures</b>	<b>52,200,772</b>	<b>75,472,897</b>	<b>72,736,192</b>	<b>60,307,154</b>	<b>87,441,078</b>	<b>107,154,634</b>	<b>455,312,727</b>
Deficiency of revenues under expenditures	(48,999,755)	(73,855,960)	(69,657,631)	(55,221,852)	(79,098,309)	(100,022,908)	(426,856,415)
<b>Other Financing Sources and Uses:</b>							
Bond proceeds	239,900,000	-	200,530,000	-	-	-	440,430,000
Excess bond premium	50,789	44,909	-	-	-	-	95,698
Proceeds from the sale of property	-	-	2,500,000	-	-	-	2,500,000
<b>Total other financing sources and uses</b>	<b>239,950,789</b>	<b>44,909</b>	<b>203,030,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>443,025,698</b>
Change in fund balance	190,951,034	(73,811,051)	133,372,369	(55,221,852)	(79,098,309)	(100,022,908)	16,169,283
Fund balance, beginning of period	-	190,951,034	117,139,983	250,512,352	195,290,500	116,192,191	-
<b>Fund balance, end of period</b>	<b>\$ 190,951,034</b>	<b>\$ 117,139,983</b>	<b>\$ 250,512,352</b>	<b>\$ 195,290,500</b>	<b>\$ 116,192,191</b>	<b>\$ 16,169,283</b>	<b>\$ 16,169,283</b>

<sup>1</sup> Environmental Protection – FY 2019-2020 transactions include the acquisition of real property located in the Coyote Valley for \$38.3 million and the payoff of the Community Facilities District No. 9 (Bailey/Highway 101) outstanding bonds for \$7.59 million.

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**Independent Auditor’s Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

City Council and  
Members of the Measure T Community Oversight Commission  
City of San José, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Public Safety and Infrastructure Bond Projects Fund (Fund), a fund of the City of San José (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated October 3, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’s internal control over the Fund’s financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fund’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California  
October 3, 2025

### Independent Accountant's Report on Compliance with Measure T

City Council and  
Members of the Measure T Committee Oversight Commission  
City of San José, California

We have examined the City of San José's (City) compliance with certain provisions of Measure T for the year ended June 30, 2025 as follows:

- Bond proceeds were used to pay for the cost of land or improvement of land of, without limitation, the following categories of projects.
  - The upgrade of 911 communications, police, fire and paramedic facilities to improve emergency and disaster response;
  - Repair deteriorating bridges vulnerable to being damaged in an earthquake;
  - Repaving local and neighborhood streets and potholes in the worst condition;
  - Preventing flooding and water quality contamination; and
  - Repair or replace critical infrastructure that is likely to reduce long-term spending on operations or maintenance.

Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance whether the City complied with the specified requirements, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about the City's compliance with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2025.



Walnut Creek, California  
October 3, 2025

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Measure T Public Safety and Infrastructure Bond Fund Planned and Audited Use of Funds FY2024-FY2025

Final Version

Projects <sup>0</sup>	Project Location by Council Districts <sup>1</sup>	2024-2025 Planned Use of Funds <sup>2</sup>	2024-2025 Audited Use of Funds <sup>3</sup>	Total Audited Use of Funds as of June 30, 2025 <sup>4</sup>	Results of Expenditures <sup>5</sup>	Initial Total Project Estimates <sup>6</sup>	Updated Total Project Estimates as of November 2025 <sup>7</sup>	Potential Delta (expected overrun/underrun) <sup>8</sup>	Notes
<b>1. Traffic</b>									
1.1 Bridges	CW	\$2,504,000	\$2,330,284	\$10,277,805	Staff expenditures associated with completing the maintenance on 11 bridges addressing deck treatment and concrete spalls, engineering design for the replacement of Gold St. Connector over Agnew Overflow, maintenance improvements on Tully Road over Coyote Creek, and emergency repair on Lincoln Ave over Los Gatos Creek. In addition, on-call consultant performed Non-NBI bridge inspections to update the current maintenance backlog and provided repair recommendations.	\$ 20,000,000	\$ 19,977,000	\$ 23,000	
1.2 Pavement Maintenance	CW	\$41,595,200	\$34,017,609	\$211,120,672	Completed maintenance on 85 miles of local and neighborhood streets. Started design on 78 miles of local streets.	\$ 300,000,000	\$ 300,000,000	\$ -	The Measure T program designated \$300 million for the repair or rehabilitation of local and neighborhood streets in the worst condition. In 2019, this meant resurfacing a total of 420 miles of streets using Measure T funds. However, as pavement conditions deteriorated over time, more streets fell into the rehabilitation category for pavement treatment. To deliver the pavement program efficiently, staff divided stretches of roadways into zones and prioritized these zones based on overall conditions while also leveraging other funding sources to supplement and deliver projects efficiently and effectively. Approximately 516 miles have been resurfaced since 2020 utilizing Measure T funds. The City is currently projecting to complete paving about 92% of its local and neighborhood streets by 2028.
1.3 LED Streetlight Conversion	CW	\$479,000	\$180,660	\$3,480,625	164 fixtures were ordered, but none were installed due to City crews focusing on copper theft.	\$ 13,000,000	\$ 8,578,000	\$ 4,422,000	\$4.3M of this funding has been transferred to City Facilities LED (Line item 4.1) to cover expenses that were spent benefiting both programs. Most of the 164 fixtures have already been installed by a contractor the first several months of FY 25/26.
1.4 Admin – Traffic	N/A	\$22,000	\$17,745	\$212,033	Administration costs				
1.5 Admin Reserve – Traffic	N/A	\$42,000	-	-	Administration costs		\$ 269,000	\$ (269,000)	Funds only the Senior Analyst and Accountant positions – all other positions are direct charge to the capital project. General obligation bonds have a 5% cap on administrative costs. The total Measure T admin costs are less than 1% of the entire bond.
<b>Total Traffic</b>		<b>\$ 44,642,200</b>	<b>\$ 36,546,298</b>	<b>\$ 225,091,135</b>		<b>\$ 333,000,000</b>	<b>\$ 328,824,000</b>	<b>\$ 4,176,000</b>	<b>Transferred to the City Facilities LED project in the Muni program</b>
<b>2. Public Safety</b>									
2.1 Fire Station 37	6	\$8,000	\$414	\$7,867,975	Staff costs associated with final close out of project. Project completed.	\$ 6,680,000	\$ 7,867,975	\$ (1,187,975)	Actual Bid Results came in higher. Allocation from Public Safety Reserve. <b>Project completed.</b> Remaining balance returned to the PS Reserves.
2.2 Fire Station 8 Relocation	3	\$1,756,000	\$7,527,766	\$17,991,898	Awarded to DL Falk Construction, Inc. Construction began Oct. 2023 and anticipated to be completed late 2025. Staff charges for managing the construction, including pay letters and change orders.	\$ 16,500,000	\$ 21,290,000	\$ (4,790,000)	Actual Bid Results came in higher. Allocation from Public Safety Reserve
2.3 Fire Station 23 Relocation	4	\$462,000	\$417,127	\$559,258	Staff has identified a suitable site for the relocation project and have been in negotiations with the property owners. Expenditures for staff time as it relates to the site search process and required environmental review as part of site selection.	\$ 16,500,000	\$ 4,147,000	\$ 12,353,000	Project was defunded to cover other public safety projects and the remainder was placed in a the Public Safety Reserve. Note: Money has been set aside for land acquisition.

Measure T Public Safety and Infrastructure Bond Fund Planned and Audited Use of Funds FY2024-FY2025

Final Version

Projects <sup>0</sup>	Project Location by Council Districts <sup>1</sup>	2024-2025 Planned Use of Funds <sup>2</sup>	2024-2025 Audited Use of Funds <sup>3</sup>	Total Audited Use of Funds as of June 30, 2025 <sup>4</sup>	Results of Expenditures <sup>5</sup>	Initial Total Project Estimates <sup>6</sup>	Updated Total Project Estimates as of November 2025 <sup>7</sup>	Potential Delta (expected overrun/underrun) <sup>8</sup>	Notes
2.4 New Fire Station 32	7	\$13,541,000	\$7,026,124	\$12,705,065	Awarded to Gonsalves and Stronck Construction Company June 2024 and anticipated to be completed Spring 2026. Staff charges for managing the construction, including pay letters and change orders.	\$ 17,000,000	\$ 22,093,000	\$ (5,093,000)	Difference in costs are associated with projected inflation rates as well as the expanded scope to include the dual company per Council direction from June 2022. Additional funding allocated from the Public Safety Reserve.
2.5 New Fire Station 36	7	\$1,259,000	\$15,438	\$450,217	Staff charges associated with the preparation of the master agreement for the consultant for design services. Design started June 2025.	\$ 17,000,000	\$ 19,077,000	\$ (2,077,000)	Difference in costs are associated with projected inflation rates.
2.6 Fire Station 20	CW	-	-	\$4,929,731	Project completed.	\$ -	\$ 4,929,731	\$ (4,929,731)	Landside serving fire station located at the San Jose Airport. Only \$2.3M was replenished by the General Fund. Total Cost of Project: \$4,929,731 <b>Project completed.</b>
2.7 Emergency Ops Ctr. Relocation (EOC)	CW	\$1,613,000	\$1,506,116	\$24,084,744	Staff charges associated with managing the project close out, including paying out contractor's invoices and change orders.  Project completed (beneficial use in April 2024). There are some closeout items that need to be wrapped up.	\$ 11,500,000	\$ 25,072,000	\$ (13,572,000)	Allocation from Public Safety Reserve.  <b>Beneficial Use as of April 2024.</b> Final closeout items remain (i.e. HVAC, alarms, solar panels monitoring, additional signage & misc items by PW - should be done in FY 25/26)
2.8 Police Training Ctr. Relocation	CW	\$21,013,000	\$20,364,583	\$47,373,861	Awarded to Midstate Construction December 2023 and anticipated to be completed Spring 2026. Staff finished the design and for both the academy and training spaces; construction commenced in March 2024. Expenditures account for staff time, consultant design services and construction/change order invoices.	\$ 45,000,000	\$ 59,042,000	\$ (14,042,000)	A portion of this overrun has been reimbursed from the savings obtained from Storm Sewer program and public safety reserves. The total project budget is for full build out of the Police Training & Academy spaces.
2.9 Police Air Support Unit Hangar	CW	\$2,692,000	\$8,742,653	\$15,189,877	Construction started January 2024 and anticipated to be completed December 2025. Staff charges, consultant design services and construction/change order invoices.	\$ 8,400,000	\$ 18,862,000	\$ (10,462,000)	Difference in costs are associated with projected inflation rates as well as the expanded scope to build an essential building. Additional funding required for the fire foam suppression system and design services. Funding allocated from the Public Safety Reserve.
2.10 Public Safety Reserve	N/A	\$14,581,884	-	-	Reserve funds carried from prior year. Includes project savings and earned interest on the fund.	\$ 36,420,000	\$ 17,475,256	\$ 36,420,000	Interest earning from all programs have been placed into the Public Safety reserve to help with funding shortfalls.
2.11 911 Call Center Upgrade	CW	\$3,026,000	\$339,703	\$1,312,620	Staff charges and consultant services for the design and to prepare for bid and award of this project.	\$ -	\$ 11,053,492	\$ (11,053,492)	Initial estimates were not established at the time of the bond passing. This project is funded from Public Safety Reserve
2.12 PD Admin Building Upgrades (formerly PD Headquarters Upgrade)	CW	\$538,000	\$57,365	\$406,921	Staff charges for preliminary design of the HVAC upgrades and plumbing improvements at the PAB.	\$ -	\$ 6,250,000	\$ (6,250,000)	Initial estimates were not established at the time of the bond passing. This project is funded from Public Safety Reserve
2.13 Public Art – Public Safety	N/A	\$741,000	\$247,438	\$1,289,243	Funding to cover the public art requirement for this bond	\$ -	\$ 1,898,000	\$ (1,898,000)	Required funding for public artwork no less than 1% of the total amount budgeted for the City's capital improvement project. Exceptions are non-construction or rehabilitation projects.
2.14 Admin – Public Safety	N/A	\$372,000	\$347,739	\$1,982,314	Administration costs	\$ -	\$ 2,762,000	\$ (2,762,000)	See note for item 1.4 & 1.5
2.15 Admin Reserve – Public Safety	N/A	\$710,000	-	-	Administration costs	\$ -	\$ 2,762,000	\$ (2,762,000)	See note for item 1.4 & 1.5
<b>Total Public Safety</b>		<b>\$ 62,312,884</b>	<b>\$ 46,592,466</b>	<b>\$ 136,143,724</b>		<b>\$ 175,000,000</b>	<b>\$ 221,819,454</b>	<b>\$ (29,344,198)</b>	<b>The delta is being covered by some of savings obtained in the Muni Improvements (roughly \$8.2M), the bond issuance fee (\$7.05M), the revenue from selling property to VTA (\$2.8M), interest earnings (\$19.6 M), partial reimbursement of FS 20 (\$2.3M), and the transfer from the storm sewer program (\$5.9M)</b>
<b>3. Storm Sewer</b>									
3.1.1 Charcot Storm Drain Improvements - Package I	4	\$ 11,732,000	\$ 8,605,793	\$ 11,932,854	Charcot Package I was awarded to JMB Construction, Inc. Jun 2024 and anticipated to be completed Dec 2025. Staff charges for managing the construction, including pay letters and change orders.	\$ 35,000,000	\$ 28,264,000	\$ 6,736,000	Project was re-scoped to construct a less costly storm drain system rather than a pump station. The project savings were reallocated to the Public Safety program.  The project will be built in two phases. Funding is available to build Package I and only design of Package II.

Measure T Public Safety and Infrastructure Bond Fund Planned and Audited Use of Funds FY2024-FY2025

Projects <sup>0</sup>	Project Location by Council Districts <sup>1</sup>	2024-2025 Planned Use of Funds <sup>2</sup>	2024-2025 Audited Use of Funds <sup>3</sup>	Total Audited Use of Funds as of June 30, 2025 <sup>4</sup>	Results of Expenditures <sup>5</sup>	Initial Total Project Estimates <sup>6</sup>	Updated Total Project Estimates as of November 2025 <sup>7</sup>	Potential Delta (expected overrun/underrun) <sup>8</sup>	Notes
3.1.2 Charcot Storm Drain Improvements - Package II	4				Staff continued to progress the design of Package II, which is estimated to be completed December 2025. Expenditures account for staff time and consultant services for project design.				There is insufficient funding for construction of Package II. Staff is looking for cross connections with Package I to utilize the remaining funding and seeking other potential grants.
3.2.1 Clean Water: River Oaks Stormwater Capture Project	4				Expenditures account for staff time, consultant services, construction costs and change orders.				<b>Beneficial Use as of January 2025.</b> To supplement bond funds, the City continues to pursue federal and state grants for Green Stormwater Improvements. Project is currently in the design phase Project is currently in the design phase.
3.2.2 Clean Water: Venetian Terrace Stormwater Capture Project	9	\$ 3,408,000	\$ 6,548,100	\$ 13,653,157	Staff continued to progress with the scoping, community outreach, and design costs.	\$ 25,000,000	\$ 24,422,000	\$ 578,000	
3.2.3 Clean Water: Kelley Regional Stormwater Capture Project	7				Staff continued to progress with the scoping, community outreach, and design costs.				
3.3 Public Art – Storm Sewer	N/A	\$200,000	\$110,062	\$356,929	Funding to cover the public art requirement for this bond	\$ -	\$ 527,000	\$ (527,000)	See Note for item 2.3
3.4 Admin – Storm Sewer	N/A	\$132,000	\$124,700	\$507,488	Administration costs	\$ -	\$ 887,000	\$ (887,000)	See note for item 1.4 & 1.5
3.5 Admin Reserve – Storm Sewer	N/A	\$250,000	-	-	Administration costs				
<b>Total Storm Sewer</b>		<b>\$ 15,722,000</b>	<b>\$ 15,388,655</b>	<b>\$ 26,450,428</b>		<b>\$ 60,000,000</b>	<b>\$ 54,100,000</b>	<b>\$ 5,900,000</b>	<b>Transferred to Public Safety Program to help shortfall</b>
<b>4. Municipal Improvements</b>									
4.1 City Facilities LED Lighting	CW	\$1,249,000	\$1,065,973	\$9,817,231	Expenditures associated with staff time, materials and contractors to complete the conversion of various fire station exterior lights to LEDs.	\$ 7,000,000	\$ 11,201,000	\$ (4,201,000)	Shortfall covered by Streetlight LED item 1.3 budget adjustment
4.2 Critical Infrastructure	N/A	-	-	-	Funding was shifted to the Public Safety program	\$ 5,000,000	\$ -	\$ 5,000,000	Funding was reallocated to the Public Safety Program
4.3 Admin – Muni Improvements	N/A	-	-	\$80,379	Administration costs	\$ -	\$ 79,952	\$ (79,952)	See note for item 1.4 & 1.5
Admin Reserve – Muni Improvements	N/A	-	-	-	Administration costs				
4.4 Environment Protection	2	-	-	\$46,791,543	Planned expenses due to the purchase of the Coyote Valley Property and for the relocation of the tenants. Project completed.	\$ 50,000,000	\$ 46,791,543	\$ 3,208,457	<b>Project completed.</b> Savings was reallocated to the Public Safety Program.
<b>Total Municipal Improvements</b>		<b>\$ 1,249,000</b>	<b>\$ 1,065,973</b>	<b>\$ 56,689,153</b>		<b>\$ 62,000,000</b>	<b>\$ 58,072,495</b>	<b>\$ 3,927,505</b>	
<b>5. Parks &amp; Community Facilities</b>									
5.1 Community Centers/Emergency Shelters - Priority Project 1	CW				Expenditures account for staff time, construction costs and change orders.				<b>Project completed</b>  <b>Project completed</b> Separate electrical project to ensure readiness for temporary generators at Priority 1 & 3 sites that is currently in the design phase.
5.1 Community Centers/Emergency Shelters - Priority Project 2 (Camden Community Center)	9	\$ 5,957,000	\$ 7,538,913	\$ 10,791,082	Construction began Oct 2024 and expected to be completed Dec 2025. Expenditures account for staff time, design consultant services, construction costs and change orders.	\$ 12,950,000	\$ 12,631,000	\$ 319,000	
5.1 Community Centers/Emergency Shelters - Priority Project 3	CW				Expenditures account for staff time, construction costs and change orders.				
5.1 Community Centers/Emergency Shelters - Priority Project 1 & 3 Electrical Upgrades	CW				Staff is in the design phase for electrical projects at Priority 1 & 3 sites. Expenditures account for staff time and design consultant services.				
5.2 Public Art – Parks	N/A	\$89,000	-	\$36,802	Funding to cover the public art requirement for this bond	\$ -	\$ 126,000	\$ (126,000)	See Note for item 2.3
5.3 Admin – Parks	N/A	\$29,000	\$22,329	\$110,403	Administration costs	\$ -	\$ 190,000	\$ (190,000)	See note for item 1.4 & 1.5
Admin Reserve Parks	N/A	\$73,000	-	-	Administration costs				
<b>Total Parks &amp; Community Facilities</b>		<b>\$ 6,148,000</b>	<b>\$ 7,561,242</b>	<b>\$ 10,938,287</b>		<b>\$ 12,950,000</b>	<b>\$ 12,947,000</b>	<b>\$ 3,000</b>	
<b>Bond Issuance Fee</b>						<b>\$ 7,050,000</b>		<b>\$ 7,050,000</b>	<b>Transferred to Public Safety Program to help shortfall</b>

Measure T Public Safety and Infrastructure Bond Fund Planned and Audited Use of Funds FY2024-FY2025

Projects <sup>0</sup>	Project Location by Council Districts <sup>1</sup>	2024-2025 Planned Use of Funds <sup>2</sup>	2024-2025 Audited Use of Funds <sup>3</sup>	Total Audited Use of Funds as of June 30, 2025 <sup>4</sup>	Results of Expenditures <sup>5</sup>	Initial Total Project Estimates <sup>6</sup>	Updated Total Project Estimates as of November 2025 <sup>7</sup>	Potential Delta (expected overrun/underrun) <sup>8</sup>	Notes
<b>Total Planned Expenditures</b>		\$ 130,074,084				\$ 650,000,000	\$ 675,762,949	\$ (8,287,693)	The additional funding added to the overall program came from the interest revenue earned on the bond (\$19.6M), partial reimbursement for FS 20 (\$2.3M) and the additional funding obtained from the sale of the FS 8 property to VTA (\$2.8M). This funding was added to the Public Safety Program to help cover the remaining shortfall.
<b>Total Audited Use of Funds</b>			\$ 107,154,634	\$ 455,312,727					
<b>Ending Fund Balance</b>									

**Sources**

- <sup>0</sup> Project name / description
- <sup>1</sup> Within the project dashboard located in the Construction Projects and Record Search on the City's website
- <sup>2</sup> Located in the Adopted Capital Budget under the Measure T 5-year Source and Use
- <sup>3</sup> Auditor's Report ending June 30, 2025
- <sup>4</sup> Total expenditures from 2019-2025 from the Auditor's Report (total project expenses through 06/30/25)
- <sup>5</sup> Information on expenditures for the FY 24/25 (referencing how 24-25 Audited Use of Funds<sup>3</sup> was spent)
- <sup>6</sup> Initial budget identified for the project at inception of program
- <sup>7</sup> Revised budgets and estimates to complete the project as of November 15, 2025 (includes prior expenditures)
- <sup>8</sup> Expected Overrun/Savings (difference between Initial Project Estimates<sup>6</sup>-Updated Total Estimates<sup>7</sup>)

**Beneficial Use:** project in use, but closeout items remain resulting in additional expenditures

**Project Completed:** project completed and no additional expenses

COUNCIL AGENDA: 9/30/25  
 FILE: 25-1031  
 ITEM: 2.12



# Memorandum

**TO:** HONORABLE MAYOR  
 AND CITY COUNCIL

**FROM:** Matt Loesch

**SUBJECT:** See Below

**DATE:** September 8, 2025

Approved

Date:

9/16/2025

**COUNCIL DISTRICT:** Citywide

**SUBJECT:** Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond

## **RECOMMENDATION**

Accept the bi-annual status report on the work plan and implementation updates for projects included in the approved 2018 Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond.

## **SUMMARY AND OUTCOME**

The approval of the recommendation provides the City Council with updated information on the status of projects and programs related to the voter-approved 2018 Measure T – The Disaster Preparedness, Public Safety, and Infrastructure Bond. The memorandum provides status updates on all Measure T projects as they progress through the feasibility, design, and construction phases.

## **BACKGROUND**

Measure T, approved by voters in November 2018, provides for the issuance of \$650 million in General Obligation bonds to fund a variety of important infrastructure projects throughout the City. Since the voters approved the bond measure, the City Council has

received annual updates and provided direction on the implementation of the Measure T program. Past updates are linked below for reference.<sup>12345678910111213</sup>

Most recently, on March 25, 2025, Item 2.14,<sup>14</sup> the City Council approved a bi-annual report and supplemental memorandum titled *Status Report on the November 2018 Ballot Measure T – The Disaster Preparedness, Public Safety, and Infrastructure General Obligation Bond*. The report included the staff update on project work plans and implementation schedules, as well as outlined the projected funding needs for the public safety program.

## **ANALYSIS**

Since the March 25, 2025, report, several significant activities have taken place. The updated schedules for all Measure T projects are described in Attachment A – Project Implementation Schedules. Attachment A is the master schedule list, and it will be shared with the Measure T Community Oversight Committee at its November 2025 meeting. The following list provides current project statuses in each of the major program categories.

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<sup>1</sup> <http://files.constantcontact.com/7a210436601/dbd7436a-7b55-4264-b1e4-e25cc8a0b8a3.pdf>

<sup>2</sup> <https://sanjose.legistar.com/LegislationDetail.aspx?ID=3847489&GUID=DCF04188-1A48-4F02-B12D-24873EAD82E5&Options=&Search=>

<sup>3</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=7319023&GUID=A6FDC251-C03F-4AC5-BF59-75566033BBA0>

<sup>4</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=7319022&GUID=0BE80643-A261-4A59-B22B-D50B649E3175>

<sup>5</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=7930362&GUID=B1D89BAF-37DB-4CEB-A297-96E19FF240EE>

<sup>6</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=8453769&GUID=CC323CC8-820D-408E-84B9-8C2C79491C75>

<sup>7</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=8943050&GUID=A6F24606-B5B8-4514-A76F-3ACD0B667913>

<sup>8</sup> <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4970453&GUID=102628A4-C99B-407D-B9D5-E79441D5784A&Options=&Search=>

<sup>9</sup> <https://sanjose.legistar.com/LegislationDetail.aspx?ID=5697307&GUID=04EADE87-A463-4DBB-8A3E-EBB6D5C96AC0&Options=&Search=>

<sup>10</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=11738576&GUID=66879752-3E11-49A0-8333-56C874716A49>

<sup>11</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=12354332&GUID=E97EAD34-02C1-4B15-8D4A-3FAEF3C0D996>

<sup>12</sup> <https://www.sanjoseca.gov/home/showpublisheddocument/112066/638520560075330000>

<sup>13</sup> <https://sanjoseca.primegov.com/Portal/viewer?id=0&type=7&uid=b7b6ae11-d08a-4f0d-bbab-487efcddbaf8>

<sup>14</sup> <https://sanjose.legistar.com/View.ashx?M=F&ID=13929495&GUID=1A149721-74F5-41B7-A3EE-2CE561137B84>

- 1) **Measure T Community Oversight Committee** – The committee met on June 26, 2025, to review the 2025-2026 Proposed Biennial Capital Budget and 2026-2030 Capital Improvement Program, approve the creation of an ad hoc committee, approve the committee by-laws, and vote on a new chair and vice chair. The ad hoc committee is comprised of six members and one alternate that will review and make recommendations to the larger Measure T Community Oversight Committee based on the annual independent auditor's report and annual expenditures of the Measure T Bond funds.

The next meeting will be held on November 6, 2025, to review the annual independent auditor's report on the expenditures from fiscal year 2024-2025.

Currently, there are 13 committee seats filled and two vacant seats from District 8 and the Citywide – Public Safety.

- 2) **Public Safety Projects** – The Measure T program allocates \$220.5 million to complete public safety projects. Site selection, land acquisition, and scoping for the majority of projects have been completed and many of the projects are either in design or construction. Since many projects have now moved into the construction phase, staff has a clear understanding of the spending and funding needs to complete all projects identified at the time the bond measure was passed. The updated schedules for all pending public safety projects are shown in Attachment B – Public Safety Project Estimated Schedules. Additionally, Attachment C – Completed Public Safety Projects reflects all public safety projects that have been completed. A summary of current activities in the public safety category is below.
  - (a) **Relocated Fire Station 8** – The construction project was awarded on August 15, 2023, to the lowest responsive bidder, DL Falk Construction, Inc., in the amount of \$10,526,000. The project began construction in October 2023 with final completion originally anticipated in spring 2025. Due to unforeseen conditions such as the switchgear arriving beyond the anticipated arrival date and the changes to the relocation of the Pacific Gas and Electric Company (PG&E) vault, the expected completion is now October 2025.
  - (b) **New Fire Station 32** – The project was awarded to the lowest responsive bidder, Gonsalves & Stronck Construction Company, on June 18, 2024, in the amount of \$12,867,777 which included the award of bid alternates for expansion of the facility to be a dual company fire station, as well as the installation of a rooftop solar photovoltaic system. The project required an additional \$3 million from Fund 498 – Measure T Public Safety Program Reserve to cover the costs for the dual company area of the project. The project began construction in August 2024 with final completion anticipated for spring 2026. Although this facility is being constructed to house both an

engine and a truck company, the 2025-2026 Adopted Operating Budget deferred funding for the truck company to contribute towards addressing the General Fund shortfall. Staffing augmentations for the truck company will be evaluated annually with consideration towards the City's General Fund position and other critical City Council priorities.

- (c) **Relocated Fire Station 23 (Land Acquisition Only)** – This project includes a budget of \$4.1 million, dedicated solely for the purchase of a property for the future relocation of the fire station. A suitable site for Fire Station 23 has been identified and staff have engaged the landowner in negotiations. To support property acquisition, the project first needs to complete an environmental review under the California Environmental Quality Act. The California Environmental Quality Act is currently under review. Staff anticipates returning to City Council with recommendations for the potential acquisition of the property once the project's California Environmental Quality Act analysis is complete, which is anticipated at the end of this calendar year 2025.

The project is estimated to need an additional \$18 million to complete both the design and construction. To proceed with the design of Fire Station 23, staff will need to prioritize the remaining public safety projects and identify program savings or other funding opportunities, such as grants or funding in the General Fund and Fire Construction and Conveyance Tax Fund. The relocation of Fire Station 23 will improve coverage within the city limits and accounts for planned developments in North San José. Fire Station 23 is the fourth priority fire station approved by City Council in the June 18, 2019 memorandum [Measure T – New Fire Station Placement Prioritization \(Item 8.1\)](#), and is the last fire station in need of land acquisition.

- (d) **New Fire Station 36** – The City has acquired the land located at the intersection of Capitol Expressway and Tuers Road for the construction of Fire Station 36. The project is currently fully funded. Staff have started the design process and anticipates completing the design in fall of 2026 with construction completion anticipated in fall of 2028.
- (e) **Police Training and Academy Facility** – The City acquired 300 Enzo as the site for the relocated Police Training and Academy in March 2021. The project was awarded on December 5, 2023, to the lowest responsive bidder, Midstate Construction, in the amount of \$28,748,000. The project construction start date was March 11, 2024; final completion is anticipated for spring of 2026. Originally, the project was expected to be completed late 2025; however, the project schedule has been impacted due to unforeseen conditions within the existing building discovered during the course of construction.

- (f) ***Emergency Operations Center*** – The project, in conjunction with the Fire Department Training Center, was awarded on January 12, 2021 to Zovich Construction, Inc. in the amount of \$54,105,000. The project received a temporary Certificate of Occupancy in April 2024 and was extended through November 2024, with minor punch list items remaining to be completed prior to final project acceptance. Building 1 includes the Fire Training Center, partial Fire Information Technology team, and the City Manager’s Office of Emergency Management. Building 2 includes the Emergency Operations Center, which has ongoing heating, ventilation and air conditioning system challenges in the computer network room. Staff have been actively monitoring and are seeking further actions with the general contractor to remedy the situation, with an estimated completion date of January 2026.
- (g) ***9-1-1 Call Center Renovation*** – This project improves working conditions and creates a more efficient space for additional dispatch personnel to handle increasing call volumes. This project will also allow the City of San José to keep pace with evolving methods and technologies the public utilizes when calling for a 9-1-1 service. The 9-1-1 Call Center renovation will expand into the space previously used for the Emergency Operations Center in the Police Administration Building. The 9-1-1 Call Center Renovation project was advertised in June; however, no responsive bids were received. Alternative approaches are being considered, and the project may be re-advertised in the near future. Pending a successful re-bid, construction is projected to commence late December 2025 and conclude late 2026.
- (h) ***Police Air Support Unit Hangar*** – The location of this project is 1114 Coleman Avenue, on the corner of Coleman Avenue and Airport Boulevard, next to the recently completed Aircraft Rescue and Fire Fighting Facility (Fire Station 20). The project was awarded on November 7, 2023, to the lowest responsive bidder, DL Falk Construction, Inc., in the amount of \$12,660,000, and included the bid alternate for the construction of the second aircraft hangar bay for a future fixed-wing aircraft. The project began construction in January 2024, with final completion anticipated in October 2025. Due to constructability issues with some of the critical items such as fire foam suppression system and switchgear installation, the project completion schedule has been impacted.

On June 17, 2025, City Council approved staff’s recommendation to increase the construction contingency from 10% to 14% for this project. An additional contingency amount was needed to install the required fire foam suppression system within the hangar and construct the associated building modifications. Overall, the project’s budget increased by \$1.1 million, with the funding coming from the Program Reserve for Public Safety.

- (i) ***Police Administration Building Upgrades (originally reported as Police Headquarters Infrastructure Upgrades)*** – Staff completed preliminary scoping exercises, working closely with the Police Department to identify potential projects to be completed at the Police Administration Building. The highest priority projects identified include improvements to the plumbing throughout the facility, heating, ventilation, and air conditioning system upgrades in the existing range, and an upgrade of the existing gun range target system. As part of the March 14, 2023, update, City Council approved increasing the project budget to \$6.3 million to address these high-priority projects.

The target system replacement for the existing gun range at the Police Administration Building has been completed. Staff is currently working on the preliminary design for the plumbing system with the intention to complete design in May 2026 and start construction by summer of 2026. Staff will be analyzing the existing heating, ventilation, and air conditioning system for appropriate improvements and determining the project need against the available budget for this project and other Public Safety projects.

- (j) ***Program Reserve for Public Safety*** – Initially, \$36.42 million of the Measure T Public Safety and Infrastructure Bond funds were set aside in the reserve for various projects, including: Police Administration Building Upgrades, 9-1-1 Call Center Upgrades, rehabilitation of various fire stations, as well as a contingency for public safety projects. Subsequently, funding has been allocated to various public safety projects once the scopes were defined or to offset higher costs of construction awards. As of July 1, 2025 the reserve balance currently stands at \$18.6 million. The goal of the reserve is to have funds available to be allocated for the design and construction of Fire Station 23; however, these funds could potentially be used for other Measure T priority projects pending bid results.
- (k) ***Arbitrage Rebate Reserve*** – This new reserve was created in FY 2025-2026 to set aside funding for payments to the Internal Revenue Service. Investment earnings in excess of the arbitrage yield on tax-exempt bond proceeds are to be rebated to the Internal Revenue Service at the end of every fifth bond year. For the bond year ending September 1, 2024, the cumulative interest earnings for the tax-exempt 2021A Bonds are estimated to exceed the arbitrage yield by \$4.4 million, which will be subject to rebate to the Internal Revenue Service in 2026. The excess interest earnings are a result of rising interest rates and slower spending of the bond proceeds than anticipated. In the event that payback is not required or less than estimated, the remaining funding in the Reserve will be used for Measure T projects.

### 3) **Pavement and Bridge Maintenance**

- (a) ***Street Resurfacing Projects*** – The City’s 2,519-mile pavement network includes 967 miles of major streets (arterials and collectors) and 1,552 miles of local and neighborhood streets. The Measure T program designated \$300 million for the repair or rehabilitation of local and neighborhood streets in the worst condition. In 2019, this meant resurfacing 420 miles of streets using Measure T funds. However, as pavement conditions deteriorated over time, more streets fell into the rehabilitation category for pavement treatment. To deliver the pavement program efficiently, staff divided stretches of roadways into zones and prioritized these zones based on overall conditions and ability to leverage other funding sources to supplement and deliver projects efficiently and effectively. This has proven to have significant benefits by reducing mobilization costs, shortening the project delivery timeline, and stretching the Measure T funds as streets deteriorate over time and fall under the rehabilitation category-enabling the Department of Transportation (DOT) to deliver many more miles of resurfaced roads than originally expected

DOT has resurfaced about 516 miles of roadway since 2020 utilizing Measure T funds. In the March 2025 report to City Council, an incorrect total miles resurfaced was reported, which included roadway resurfaced through other funding sources. This error has been corrected and is now appropriately reflected in this report.

For the 2025 construction season, DOT plans to complete maintenance using a resurfacing treatment on 105 miles of San José local and neighborhood streets, with about \$50 million in Measure T funding. A map showing the locations can be found in Attachment D – City of San José 2020-2025 Local Streets Measure T Streets.

In the 2026 construction season, DOT plans to resurface 55 miles of local and neighborhood streets using Measure T funding. In 2026, DOT will strategically reduce the paved miles to prioritize efficiency and sustainability, ensuring that investments keep pace with rising construction and project preparation costs. DOT continues to provide updated memoranda every spring to share tentative construction plans with the public.

- (b) ***Bridge Repair and Rehabilitation Projects*** – The Measure T program allocated \$20 million for City-owned bridges that are designated as structurally deficient and could be vulnerable in an earthquake or other disaster. To address as many bridge projects as possible, staff implemented a delivery strategy aimed at leveraging multiple funding opportunities, such as Measure T and the Highway Bridge Program federal-aid funding, which consists of Bridge Investment Credits.

Caltrans has approved \$3 million in Bridge Investment Credits for the City. The City can use the credits as a matching fund for any future federal-aid bridge projects. Staff anticipates additional approval of approximately \$1.7 million in 2025. Between 2018 and 2024, staff completed the rehabilitation work for 59 bridges and applied for Bridge Investment Credits upon completion of the projects. Currently, eight bridges under the Bridge Investment Credit program are in design and expected to begin construction in spring 2026.

Staff will be ready to apply for grant funds as soon as funding becomes available, as the bridge investment credits do not expire. Staff will continue to work with counterparts at Caltrans to maximize grant opportunities and advocate for the increased availability of program funds. New federal requirements on grants have recently been imposed, which may affect the acceptance and administration of Highway Bridge Program funds. Staff will coordinate with the City Attorney's Office for further evaluation of future grant opportunities.

With the continuous uncertainty of the Highway Bridge Program, staff is shifting gears to focus on other bridge projects that pose a vulnerability to earthquakes. Staff has identified a specific criterion in spending the remaining Measure T funds. This includes prioritizing bridges that are vulnerable to earthquakes, projects that have quick turnaround to complete to ensure we meet the spend down requirement, and projects that are vehicular bridges. Once those types of projects have been exhausted, staff will evaluate the next level of criteria in which bridges are in fair condition and/or non-vehicular bridges.

#### 4) **Light Emitting Diode (LED) Outdoor Lighting Projects**

- (a) **City Facilities LED Lighting Projects** –Table 1 below lists the city-owned facilities in conversion priority order, provides details about the total number of fixtures, as well as the number of fixtures that have been converted to date for each category utilizing Measure T funding. As staff evaluated the outdoor lighting inventory, the number of fixtures needing to be converted for City-owned facilities grew by over 1,000. In addition, the cost for the fixtures is higher than originally anticipated. Two alternative funding sources have been identified to ensure the remaining outdoor facility lights could proceed with being converted to LED. Staff was able to secure \$500,000 from the Community Development Block Grant program through the Housing Department to address the exterior and interior lighting at the following 10 fire stations; 3, 5, 7, 16, 18, 20, 26, 30, 34, and 35. An additional \$2.4 million was shifted from the LED Streetlights Conversion project to complete the conversion of all City facilities. This work is estimated to be completed by

June 2026. Staff will continue to coordinate with project managers to ensure all new future developments are scoped to include the new LED lighting and controllers in the base design.

**Table 1  
City Facility Exterior Lighting Conversion Status as of August 2025**

<b>Facilities</b>	<b>Converted</b>	<b>Remaining</b>	<b>Total</b>
Parks and Trails	3,488	38	3,526
Community Centers	1,229	54	1,283
Libraries	1,328	0	1,328
Fire Stations	639	52*	691
Cultural Facilities	212	509	721
San José Police Department	534	60	594
Corporation Yards	419	0	419
Lighted Sports Facilities	165	115	280
<b>Number of Fixtures</b>	<b>8,014</b>	<b>828</b>	<b>8,842</b>

\*Lighting conversion funded by the Community Development Block Grant. All other conversions will be funded by Measure T.

(b) **Lighting Controls for City Facilities** – To date, there have been 5,566 nodes installed. Staff is working to install the remaining 3,276 nodes, for a total of 8,842 nodes citywide, of which Measure T has funded a large portion of these controllers. These nodes are currently being installed at the existing retrofitted sites listed in Table 1 as well as new City facility projects as they come online. There are roughly 1,100 exterior fixtures at new City facilities (i.e., the Emergency Operation Center, Fire Training Center, Municipal Water office buildings, new parks, and fire stations), and staff anticipates purchasing the remaining controllers as sites are completed and as funding is included in project budgets.

(c) **LED Streetlight Conversion Projects** – The majority of the streetlights have been successfully converted either by City crews or PG&E’s “Turnkey Conversion” project. There are roughly 3,000 lights remaining to be converted, which are unique ornamental, or post-top lights, primarily in the downtown neighborhoods and business districts.

With the completion of the PG&E streetlight inventory audit in July 2021, there is also a billing records review underway of over 27,000 streetlight records. The billing records are reviewed as a joint effort with PG&E and City staff. These efforts are anticipated to be confirmed by PG&E in fall of 2025, and it is likely to result in a decrease in the City’s streetlight inventory.

A total of \$2.4 million of the funding from the LED Streetlight Conversion project was reallocated as part of the 2024-2025 Adopted Budget to fund the completion of the LED conversion of the City-owned facility lighting. The total funding remaining within the LED Streetlight Conversion project is \$5.3 million and will be utilized to convert the ornamental lights as the bulbs burn out. In total approximately 1,000 ornamental lights have been previously converted and since the last Measure T status update memo, the City crews converting the LED lights have been redirected to address copper wire theft and vandalism that became a high priority issue in 2024 with over 2,000 streetlights impacted. In addition, staff will continue to perform investigations to determine how many streetlight poles require ground wire within the system. Once those locations are determined, the work will fall into the deferred maintenance infrastructure backlog and funding will need to be identified.

- 5) **Clean Water and Green Stormwater Infrastructure Projects** – The Measure T program has dedicated \$25 million for this category of projects. Each of the projects is being developed in conjunction with the Green Stormwater Infrastructure Plan that was approved by the City Council on September 10, 2019. A summary of current activities is below.
  - (a) **River Oaks Regional Stormwater Capture Project** – This project was awarded on June 13, 2023, to Andrew M. Jordan Inc., dba A & B Construction, in the amount of \$10,999,618. The project has been completed and the ribbon cutting ceremony occurred in April 2025.
  - (b) **Kelley Regional Stormwater Capture Project** – This project will construct a treatment basin on 5.64 acres located in Kelley Park along Coyote Creek and Roberts Avenue, collecting and treating stormwater runoff from approximately 80 acres of the surrounding neighborhood. The project offers a high degree of water quality benefit addressing pollutant reduction, and trash reduction, while also expanding usable green space for the public. Staff began design in May 2024 and anticipates completion in fall 2025.
  - (c) **Venetian Terrace Regional Stormwater Capture Project** – Staff developed a feasibility study that identified five new regional stormwater capture projects. From these five sites, the Venetian Terrace Regional Stormwater Capture Project was prioritized to move forward. This project is located on an approximately 0.4-acre site on Rinconada Drive near Almaden Expressway and Curtner Avenue in Council District 9. The project involves installing a stormwater bioretention to treat stormwater runoff from the surrounding area. The project is currently planned to feature park amenities for residential use. This project is currently in design and is anticipated to start construction summer of 2026.

Staff anticipates prioritizing one or two additional projects to proceed forward with using Measure T funding. Staff utilized approximately \$12 million of Measure T funds for the River Oaks Regional Stormwater Capture Project and anticipates utilizing approximately \$5 million for the Kelley Regional Stormwater Capture Project location and approximately \$3 million for Venetian Terrace Regional Stormwater Capture Project. The program is expected to have approximately \$2.5 million remaining, which will be reserved for the projects outlined above. Staff will report back to City Council at a later date to propose a smaller regional project if any additional funding remains.

- 6) **Storm Drain Improvement Projects for the Charcot Area** – The Storm Drain Improvement Projects for the Charcot area will provide flood protection in the area east of Zanker Road between East Trimble Road and East Brokaw Road. Originally envisioned as a new storm pump station at Charcot Avenue and Hartog Drive, this project was re-scoped to construct a new and less costly storm drain system that connects to the existing Rincon Pump Station II, which outfalls to the Guadalupe River. This revised project approach provides similar levels of flood protection while saving the City significant costs for building, operating, and maintaining a new pump station. The project will be constructed under two packages, due to its size and complexity. Package one will install approximately 4,200 linear feet of a combination of 54-inch fiberglass-reinforced concrete pipe and 72-inch to 96-inch diameter storm pipe along Charcot Avenue and Bering Drive. Package two will be designed to install approximately 3,100 feet of 60-inch to 96-inch diameter storm pipe along East Brokaw Road and Rodgers Avenue.

Package one alleviates approximately 60% of flooding in the area and package two will increase that by 20% by redirecting flow to the Rincon II Pump Station.

Package one was awarded to JMB Construction, Inc on June 18, 2024, in the amount of \$18,180,425. This project began construction January 2025 and is anticipated to be complete the end of calendar year 2025. The delayed start of construction was due to material lead times. This project will be approximately 75% complete for the 2025 wet season. City staff will monitor the need for a temporary pump station at Charcot Ave and Hartog Drive to alleviate any potential flooding until the project is complete.

Package one will use all the available Measure T budget for this project. There is not sufficient funding available for the construction of Package two. Staff will complete package two design in December 2025 and construction will be on hold until funding is identified.

- 7) **Environmental and Flood Protection Projects** – On November 6, 2019, City Council approved the purchase of approximately 672 acres of real property in Coyote Valley.

- 8) **Community Center/Emergency Shelters** – The City Emergency Operations Plan includes the coordination of mass care and sheltering facilities. These facilities will be retrofitted to provide basic human needs, including food, water, shelter, and security. While the operation of an emergency shelter is considered an emergency protective measure under the Stafford Act, facilities identified for such a purpose are required to meet basic facility standards. These standards include per capita allowances for space, feeding, and personal hygiene.

The Priority 1 project, which includes the Roosevelt, Mayfair, Bascom and Seven Trees Community Centers, and the Priority 3 project, which includes the Berryessa, Almaden, and Evergreen Community Centers, are completed and the projects were accepted in March 2025. These facilities now meet the basic standards of an emergency shelter.

The Priority 2 project, which includes Camden Community Center, was awarded on June 18, 2024, to the lowest responsive bidder, City Building Inc., in the amount of \$4,599,178. The project began construction in October 2024 and reached substantial completion and Beneficial Use at the end of August 2025.

Staff have allocated the remaining funding from this program to cover the additional electrical work at the Priority 1 and Priority 3 community center facilities. The scope of work consists of rewiring the fire alarm, telecom, and security systems to the emergency panels to ensure sites utilize a single temporary generator rather than multiple units. This project is currently in design and is anticipated to start construction summer of 2026 with final completion spring of 2027.

- 9) **Public Art** – The public art budget for each capital program is shown in Table 2 and included in the 2025-2027 Adopted Biennial Capital Budget and the 2026-2030 Adopted Capital Improvement Program. The allocation for public art may be refined as the scopes for the projects are completed. The first public art project completed was an exterior ceramic mural and interior window treatment for Fire Station 37 by artist Sam Tubiolo. A major, flatscape sculptural artwork on the exterior of the Fire Department Training Center/Emergency Operations Center has also been completed by Bay Area artist Johanna Poethig, as well as the public art project for the interior of the building which is the permanent display of 31 original artworks created by local artists. Bay Area artist Gordon Huether's site specific artwork for the Police Department's Memorial to San Jose's fallen Officers was completed in November of 2023. A memorial mural at the Mayfair Community Center has been completed by local artist Jessica Sabogal. Additional public art projects are in the planning phase for Fire Stations 8, 32, and 36 as well as mural projects at parks and community center facilities.

**Table 2  
Public Art Budget Allocation**

<b>Program</b>	<b>Total</b>
Public Safety	\$ 1,897,000
Storm Sewer	\$ 527,000
Parks and Community Facilities	\$ 126,000
<b>Total</b>	<b>\$ 2,550,000</b>

### **EVALUATION AND FOLLOW-UP**

Staff will provide City Council with the next bi-annual program update in spring of 2026.

### **COST SUMMARY/IMPLICATIONS**

As the Measure T program evolves, project budgets are recommended for modification, as appropriate, as they proceed through site selection, design, and construction. Attachment E – 2026-2030 Adopted Capital Improvement Program (CIP) – The 2026-2030 Adopted Capital Improvement Program provides funding of \$190.0 million, of which \$142.1 million is allocated in FY 2025-2026 and \$42.1 million in FY 2026-2027. The full amount of \$650 million in Measure T bonds have been issued (\$239.9 million in 2019, \$200.5 million in 2021 and \$209.6 million in 2025).

Attachment F – Measure T Expenditures shows the actual year-to-date Measure T expenditures through June 2025. As previously discussed, the Program Reserve for Public Safety may not be sufficient to complete the remaining public safety projects. Staff will need to prioritize the remaining public safety projects and identify program savings or identify other funding opportunities such as grants.

As noted in the 2026-2030 Five-Year Forecast and Revenue Projections, several of the Measure T projects will incur significant operating and maintenance costs in the future, including the new fire stations, the Police Training Center and corresponding activation of the South San José Police Substation, and the 9-1-1 Call Center Renovation. This would also necessitate adding staff in the Fire, Police, and Public Works Departments to support the additional facilities and expansions. Preliminary estimates in the forecast for the operating and maintenance costs for the Measure T projects coming online during the next five years and the activation of the Substation range from approximately \$13 million in 2026-2027 to \$28 million in 2029-2030 when the majority of the Measure T projects will be completed. Note that in the 2025-2026 Adopted Operating Budget, the full activation of Fire Station 32 and the subsequent activation of the South San José Substation previously anticipated in 2026-2027 after the Police Training Center came

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online were deferred to resolve the General Fund shortfall this fiscal year and to partially resolve the shortfall in 2026-2027. The full activation of these two facilities will be re-evaluated in future budget cycles.

Projects will be brought forward for City Council certification prior to awarding a contract for construction or recommended for certification as part of the Proposed Capital Improvement Program process. In March 2008, the City Council approved Budget Principle #8 that stated 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.” Annual costs for other Measure T projects, such as the upgrades at the Police Headquarters, will be brought forward as part of future budget processes once their scopes have been refined.

Aside from the operating and maintenance costs, future funding is required to outfit the new facilities with the necessary furnishings, fixtures, and equipment – including new fire apparatus – that are not eligible to be paid with Measure T general obligation bonds. Based on very preliminary information, the furnishings, fixtures, and equipment that remain unfunded at this time are close to \$9.0 million at Fire Stations 32 and 36 and the Police Training Facility and Academy, and funding would need to be identified within the next five years. It is anticipated that refinements of these estimates, as well as determining funding for furnishings, fixtures, and equipment, will be completed prior to bringing them forward for consideration by the City Council in any given year.

### **COORDINATION**

This memorandum, work plan, and implementation schedules have been coordinated with the City Attorney’s Office, the City Manager’s Budget Office, the City Manager’s Office of Economic Development and Cultural Affairs, the City Manager’s Office of Emergency Management, the Finance Department, the Fire Department, the Parks, Recreation, and Neighborhood Services Department, the Police Department, and the Transportation Department.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City’s Council Agenda website for the September 30, 2025 City Council meeting.

HONORABLE MAYOR AND CITY COUNCIL

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### **COMMISSION RECOMMENDATION AND INPUT**

The Measure T Community Oversight Committee will hold its next meeting on November 6, 2025 to review the 2024-2025 external audit report findings.

### **CEQA**

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Matt Loesch

Director of Public Works

For questions, please contact Sal Kumar, Deputy Director of Public Works Department, at [Sal.Kumar@sanjoseca.gov](mailto:Sal.Kumar@sanjoseca.gov).

### **ATTACHMENTS:**

Attachment A – Project Implementation Schedules

Attachment B – Public Safety Project Estimated Schedules

Attachment C – Completed Public Safety Projects

Attachment D – City of San José 2020-2025 Local Streets Measure T Streets

Attachment E – 2026-2030 Adopted Capital Improvement Program – Measure T Fund

Attachment F – YTD Measure T Expenditures

**Attachment A**  
**Project Implementation Schedules**

Bond Project List Category	Proposed Projects Scope and Locations	2025	2026	2027	2028	2029
<b>Pavement Projects</b>	<b>388 Miles of Street Repair</b> (approx. 58 mi./year)	[Gantt bars showing construction from 2025 to 2029]				
<b>Public Safety Projects</b>	<b>Fire Station No. 37 - New</b>	COMPLETED				
	<b>Fire Station No. 8 - Relocated</b>	[Gantt bar showing construction in 2025]				
	<b>Fire Station No. 32 - New</b>	[Gantt bar showing construction from 2025 to 2026]				
	<b>Fire Station No. 23 - Relocated</b>	[Gantt bar showing construction in 2025]				
	<b>Fire Station No. 36 - New</b>	[Gantt bar showing construction from 2025 to 2028]				
	<b>Various Fire Stations - Rehabilitation</b>	NOT APPLICABLE				
	<b>911 Center - Upgraded/New</b>	[Gantt bar showing construction from 2025 to 2026]				
	<b>Emer. Operations Ctr. - Upgraded/New</b>	COMPLETED				
	<b>Police Headquarters - Infrastructure needs</b>	[Gantt bar showing construction from 2025 to 2027]				
	<b>Police Dept. Training Center - New/Relocated from South Substation</b>	[Gantt bar showing construction from 2025 to 2026]				
<b>Police Dept. Air Support Unit Hangar - New at Airport</b>	[Gantt bar showing construction in 2025]					
<b>Environmental Protection Projects</b>	<b>Flood Control, open space and environmental protection of lands such as Coyote Valley</b>	COMPLETED				
<b>Storm System Conveyance &amp; Flood Prevention Projects</b>	<b>Charcot Area Storm Drain Improvement Phase I</b>	[Gantt bar showing construction in 2025]				
	<b>Charcot Area Storm Drain Improvement Phase II</b>	[Red bar indicating ON HOLD from 2025 to 2029]				
<b>Clean Water and Green Stormwater Infrastructure (GSI) Projects</b>	<b>River Oaks Regional Stormwater Capture Project</b>	COMPLETED				
	<b>Kelley Regional Stormwater Capture Project</b>	[Gantt bar showing construction from 2025 to 2027]				
	<b>Venetian Terrace Regional Stormwater Capture Project</b>	[Gantt bar showing construction from 2025 to 2027]				
<b>Bridge Repair and Rehab Projects</b>	<b>Various bridge overpasses to be seismically retrofitted or repaired.</b>	[Gantt bar showing construction from 2025 to 2028]				
<b>LED Lighting - Streetlights</b>	<b>Replacement of both standard and decorative streetlights to LEDs to reduce ongoing General Fund impacts.</b>	[Gantt bar showing construction from 2025 to 2026]				
<b>LED Lighting - City Facilities</b>	<b>Replacement of outdoor lights in city facilities to reduce ongoing General Fund impacts.</b>	[Gantt bar showing construction from 2025 to 2026]				
<b>Community Center/Emergency Shelters</b>	<b>Upgrading community centers/emergency shelters and parks facilities to support public safety.</b>					
	<b>Priority 1 (Roosevelt, Mayfair, Bascom, Seven Trees)</b>	COMPLETED				
	<b>Priority 2 (Camden)</b>	[Gantt bar showing construction in 2025]				
	<b>Priority 3 (Berryessa, Almaden, Evergreen)</b>	COMPLETED				

**ON HOLD:** Project is on hold due to funding constraints

**PROJECT SELECTION PROCESS AND IDENTIFICATION:** Evaluation of Options

**SCOPING/CEQA/PROPERTY ACQUISITION:** Consultant Process, Feasibility & Envir Studies

**DESIGN:** Consultant Selection, Design and Bid/Award

**CONSTRUCTION:** Construction, Commissioning, Beneficial Use / Occupancy, Acceptance

Projects	First Estimate	Adv	Bid Opening	Award	Const	Beneficial Use	Comments
Fire Station 8	-	4/26/23	6/1/23	8/15/23	10/5/23	<i>Oct-25</i>	Awarded to DL Falk. Currently in Construction.
Police Air Support Unit Hangar	-	7/12/23	9/7/23	11/7/23	1/16/24	<i>Oct-25</i>	Awarded to DL Falk. Currently in Construction.
Police Training and Academy Facility	-	8/30/23	10/19/23	12/5/23	2/27/24	<i>May 26</i>	Awarded to Midstate Construction. Currently in Construction
Fire Station 32 Re-Bid 4	-	3/20/24	4/25/24	6/18/24	Aug-24	<i>May-26</i>	Awarded to Gonsalves & Stronck Construction Company. Currently in Construction
9-1-1 Call Center Renovation	-	6/18/25	7/31/25	9/23/25	11/10/25	<i>Dec-26</i>	
Fire Station 36	<i>Mar-25</i>	<i>Aug-26</i>	<i>Sep-26</i>	<i>Nov-26</i>	<i>Mar-27</i>	<i>Nov-28</i>	

Light grey dates are actual dates that occur in the past

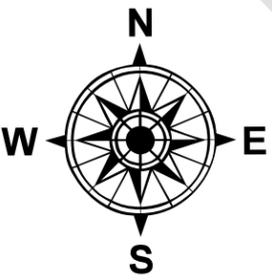
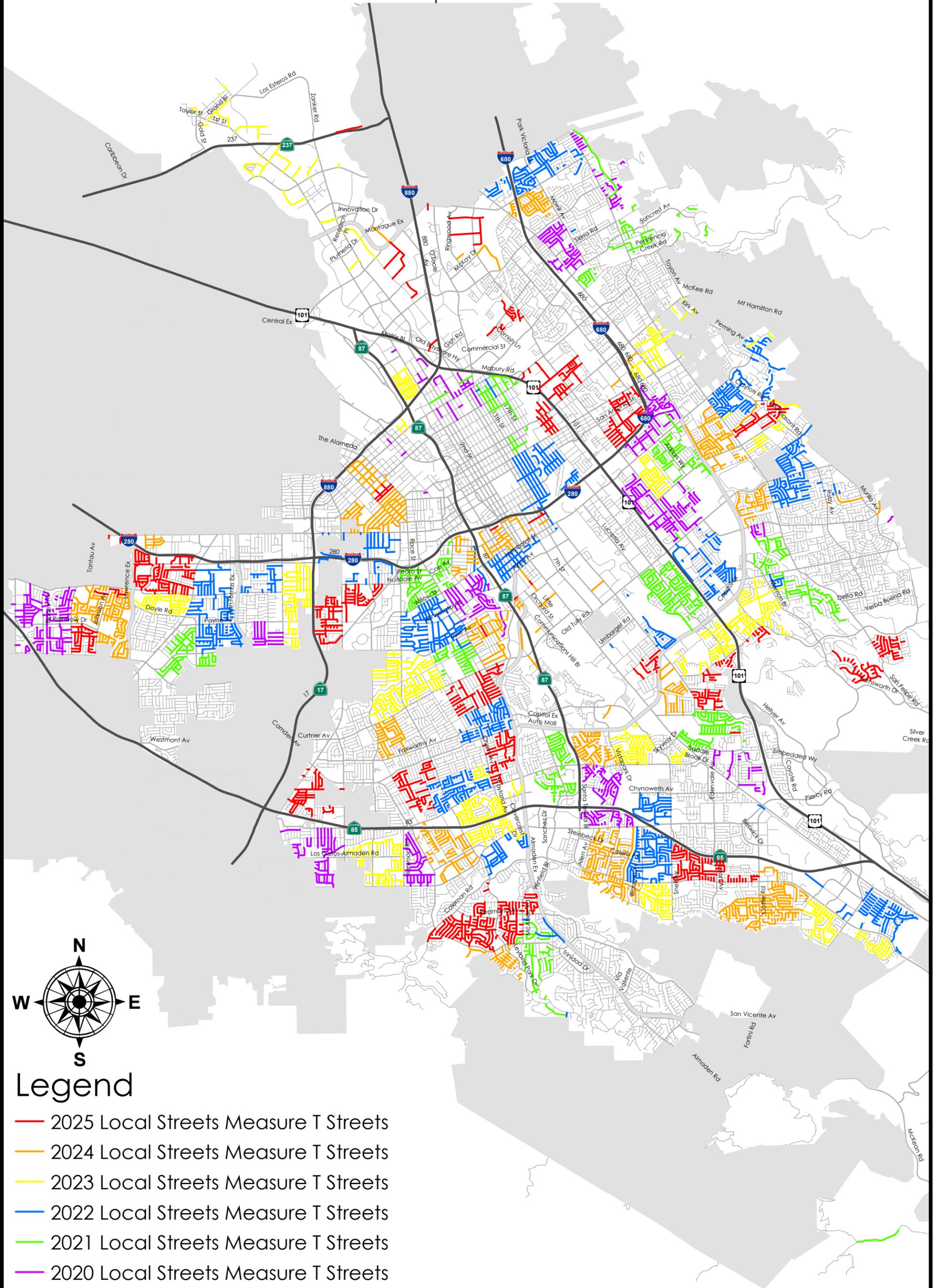
*Dates italicized are the estimated dates*

Attachment C  
List of Completed Projects

Bond Project List Category	Projects Scope and Locations	Status
<b>Public Safety Projects</b>	<b>Fire Station No. 37 - New</b>	COMPLETED
	<b>Fire Station No. 20 -</b>	COMPLETED
	<b>Emer. Operations Ctr. - Upgraded/New</b>	COMPLETED
<b>Environmental Protection Projects</b>	Flood Control, open space and environmental protection of lands such as Coyote Valley	COMPLETED
<b>Clean Water and Green Stormwater Infrastructure (GSI) Projects</b>	River Oaks Regional Stormwater Capture Project	COMPLETED
<b>Community Center/Emergency Shelters</b>	Upgrading community centers/emergency shelters and parks facilities to support public safety.	
	Priority 1 (Roosevelt, Mayfair, Bascom, Seven Trees)	COMPLETED
	Priority 3 (Berryessa, Almaden, Evergreen)	COMPLETED



# CITY OF SAN JOSE 2020-2025 LOCAL STREETS MEASURE T STREETS



## Legend

- 2025 Local Streets Measure T Streets
- 2024 Local Streets Measure T Streets
- 2023 Local Streets Measure T Streets
- 2022 Local Streets Measure T Streets
- 2021 Local Streets Measure T Streets
- 2020 Local Streets Measure T Streets

**CITY OF SAN JOSE**  
**2026-2030 ADOPTED CAPITAL IMPROVEMENT PROGRAM**

**Measure T Public Safety and Infrastructure Bond Fund (498)**

**STATEMENT OF SOURCE AND USE OF FUNDS**

Program	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	5-Year Total
<b><u>SOURCE OF FUNDS</u></b>						
<b>Beginning Balance*</b>	(\$19,557,883)	\$46,376,000	\$4,303,000	\$500,000		(\$19,557,883)
<b>Financing Proceeds</b>						
Traffic	159,000,000					159,000,000
Public Safety	28,870,000					28,870,000
Storm Sewer	15,700,000					15,700,000
Parks & Community Facilities	6,000,000					6,000,000
<b>Total Financing Proceeds</b>	<b>\$209,570,000</b>					<b>\$209,570,000</b>
<b>Total Sources</b>	<b>\$190,012,117</b>	<b>\$46,376,000</b>	<b>\$4,303,000</b>	<b>\$500,000</b>		<b>\$190,012,117</b>
<b><u>USE OF FUNDS</u></b>						
<b>Traffic</b>						
Bridges	4,751,000	1,900,000	1,900,000	500,000		9,051,000
Pavement Maintenance	55,250,307	20,000,000				75,250,307
LED Streetlight Conversion	2,500,000	697,000	1,600,000			4,797,000
Admin – Traffic	21,000					21,000
Admin Reserve – Traffic	21,000					21,000
<b>Total Traffic</b>	<b>\$62,543,307</b>	<b>\$22,597,000</b>	<b>\$3,500,000</b>	<b>\$500,000</b>		<b>\$89,140,307</b>
<b>Public Safety</b>						
Emergency Operations Center Relocation	500,000					500,000
Fire Station 8 Relocation	300,000					300,000
Fire Station 23 Relocation	3,539,000					3,539,000
New Fire Station 32	9,983,000					9,983,000
New Fire Station 36	2,040,000	14,000,000	303,000			16,343,000
Police Training Center Relocation	8,657,000					8,657,000
Police Air Support Unit Hangar	100,000					100,000
911 Call Center Upgrades	4,308,000	200,000				4,508,000
Police Administration Building Upgrades	4,984,000	100,000				5,084,000
Public Safety Reserves	19,183,914					19,183,914
Public Art - Pub Safety	601,659					601,659
Admin WC - Public Safety	355,000					355,000
Admin Reserve - Public Safety	355,000					355,000
Arbitrage Rebate Reserve	4,376,194					4,376,194
<b>Total Public Safety</b>	<b>\$59,282,767</b>	<b>\$14,300,000</b>	<b>\$303,000</b>			<b>\$73,885,767</b>
<b>Storm Sewer</b>						
Storm Drain Improvements at Charcot Ave	12,748,000					12,748,000
Clean Water Projects	5,453,000	5,171,000				10,624,000
Public Art – Storm Sewer	165,000	5,000				170,000
Admin – Storm Sewer	125,000					125,000
Admin Reserve – Storm Sewer	125,000					125,000
<b>Total Storm Sewer</b>	<b>\$18,616,000</b>	<b>\$5,176,000</b>				<b>\$23,792,000</b>

**CITY OF SAN JOSE**  
**2026-2030 ADOPTED CAPITAL IMPROVEMENT PROGRAM**

**Measure T Public Safety and Infrastructure Bond Fund (498)**

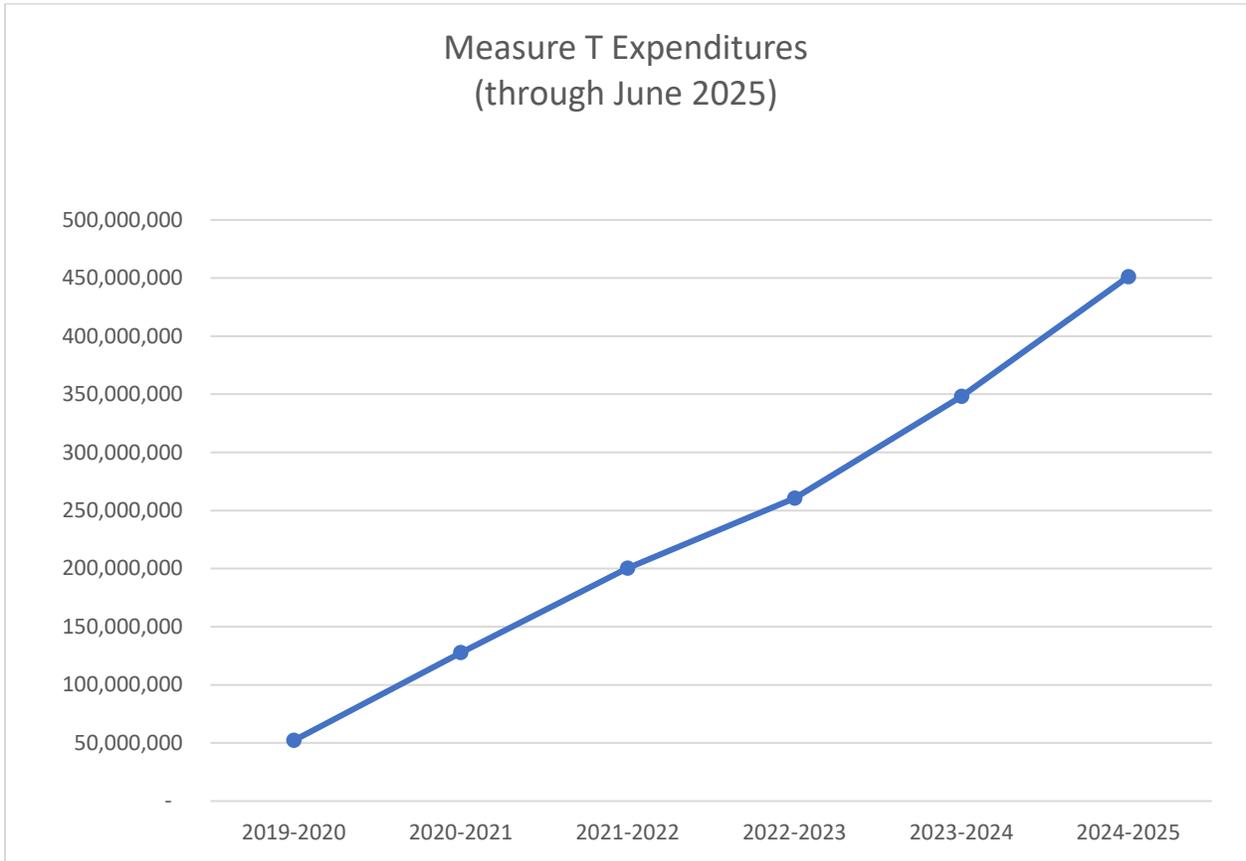
**STATEMENT OF SOURCE AND USE OF FUNDS**

Program	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	5-Year Total
<b><u>Municipal Improvements</u></b>						
City Facilities LED Lighting	1,450,246					1,450,246
<b>Total Municipal Improvements</b>	<b>\$1,450,246</b>					<b>\$1,450,246</b>
<b><u>Parks &amp; Community Facilities</u></b>						
Community Centers/Emergency Shelters	\$1,581,797					\$1,581,797
Public Art - Parks & Community Facilities	\$89,000					\$89,000
Admin – Parks	36,000					36,000
Admin Reserve Parks	37,000					37,000
<b>Total Parks &amp; Community Facilities</b>	<b>\$1,743,797</b>					<b>\$1,743,797</b>
<b>Total Expenditures</b>	<b>\$143,636,117</b>	<b>\$42,073,000</b>	<b>\$3,803,000</b>	<b>\$500,000</b>		<b>\$190,012,117</b>
<b>Ending Fund Balance**</b>	<b>\$46,376,000</b>	<b>\$4,303,000</b>	<b>\$500,000</b>			
<b>Total Uses</b>	<b>\$190,012,117</b>	<b>\$46,376,000</b>	<b>\$4,303,000</b>	<b>\$500,000</b>		<b>\$190,012,117</b>

\*The 2026-2027 through 2029-2030 Beginning Fund Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

\*\*The 2025-2026 through 2028-2029 Ending Fund Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Attachment F - YTD Measure T Expenditures



<b>Fiscal Year</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>
Expenditures*	\$52,200,773	\$75,472,897	\$72,736,192	\$60,307,156	\$87,441,076	\$103,092,896

\*excludes encumbrances