

2012-2013

OPERATING BUDGET

**TRANSPORTATION
AND
AVIATION
SERVICES
CSA**

Transportation and Aviation Services



***Mission:** To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality*

Primary Partners

Airport

Police

Transportation

CSA OUTCOMES

- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience
- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability

City Service Area
Transportation and Aviation Services
SERVICE DELIVERY FRAMEWORK

Transportation & Aviation Services CSA

Mission:

To provide the community with safe, secure, and efficient surface and air transportation systems that support San José's livability and economic vitality

CITY SERVICE AREA
 A cross-departmental collection of core services that form one of the City's 6 key "lines of business"

MISSION STATEMENT
 Why the CSA exists



Outcomes:

- Preserve and Improve Transportation Assets and Facilities
- Provide a Transportation System that Enhances Community Livability
- Provide Safe and Secure Transportation Systems
- Provide Viable Transportation Choices that Promote a Strong Economy
- Travelers Have a Positive, Reliable, and Efficient Experience

CSA OUTCOMES
 The high level results of service delivery sought by the CSA partners



PRIMARY PARTNERS
 Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
 Primary deliverables of the organization

Airport Department

Core Services:

Airport Facilities Maintenance

Airport Operations

Airport Planning and Development

Transportation Department

Core Services:

Parking Services

Pavement Maintenance

Street Landscape Maintenance

Traffic Maintenance

Transportation Operations

Transportation Planning and Project Delivery

Police Department

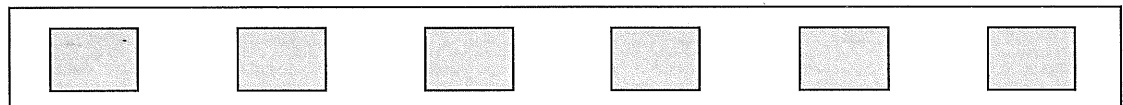
Core Services:

Traffic Safety Services

OPERATIONAL SERVICES
 Elements of Core Services; the "front-line" of service delivery.



STRATEGIC SUPPORT
 Organization-wide guidance and support to enable direct service delivery



Transportation and Aviation Services

Expected 2012-2013 Service Delivery



- Provide safe and viable transportation choices consistent with the Envision San José 2040 General Plan.
- Focus street infrastructure maintenance efforts on facilities having the highest use and economic significance.
- Improve accessibility to San José on major arterials, freeways, and transit corridors to address ongoing concerns with traffic congestion.
- Operate the Norman Y. Mineta San José International Airport in a safe and efficient manner. Provide mandatory security, safety and regulatory compliance for air service operations.
- Deliver positive, reliable and efficient air traveler services and amenities.
- Provide Airport services and infrastructure to support and promote a strong economy and enhance community vitality.
- Preserve Airport assets and facilities through cost effective maintenance and operations.
- Provide efficient services to support successful competition for community air service destinations and frequencies.

2012-2013 Budget Actions

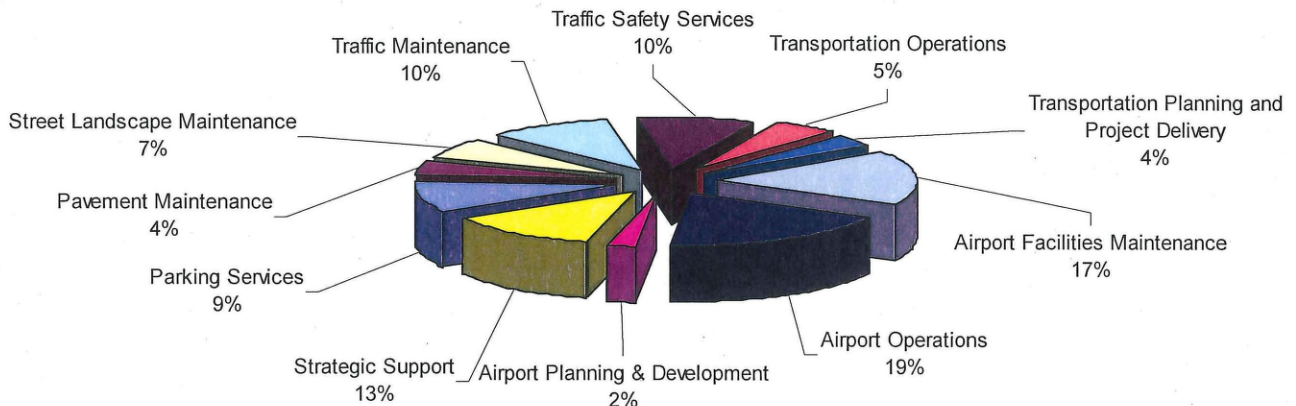


- Reallocates funding previously allocated for local/neighborhood pavement maintenance towards major roads in the Priority Street Network. Eleven maintenance positions previously focused on local and neighborhood street maintenance will be eliminated as part of this shift.
- Increased one-time investments will reduce the deferred maintenance backlog in raised pavement markers, roadway striping, vehicle detection loops, and street tree pruning, and replace outdated school area radar speed display signs and aging vehicles to improve safety and efficiency.
- Increased investments in the Sidewalk Repairs Program, offset by property owner reimbursements and fees will allow the City to begin addressing a backlog of needed repairs.
- Investments from capital funds and grants are targeted primarily towards safety improvements and pavement maintenance.
- Outsourcing the Airport curbside traffic, congestion, and security control services, consistent with the Airport's Competitiveness Strategic Plan, results in over \$1.0 million in annual savings.
- Three new Airport services are included in the Adopted Budget to enhance the customer experience: operation of an Airport Shared-Use Lounge; In-Terminal Customer Service Cart Service; and Oversize Baggage Delivery Services.

City Service Area
Transportation and Aviation Services
BUDGET SUMMARY

2012-2013 Total Operations by Core Service

CSA Dollars by Core Service \$120,789,616



City Service Area Budget Summary

	2010-2011 Actual 1	2011-2012 Adopted 2	2012-2013 Forecast 3	2012-2013 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
<i>Airport</i>					
Airport Customer Service*	\$ 47,128,035	\$ 49,466,467	\$ 0	\$ 0	(100.0%)
Airport Environmental Mgmt*	1,268,573	1,492,905	0	0	(100.0%)
Airport Facilities Maintenance*	0	0	20,690,590	20,690,590	N/A
Airport Operations*	0	0	25,220,642	23,323,913	N/A
Airport Planning & Development*	0	0	2,456,028	2,456,028	N/A
Community Air Service*	505,201	586,598	0	0	(100.0%)
Strategic Support	16,027,009	14,413,180	13,416,454	14,283,957	(0.9%)
<i>Police</i>					
Traffic Safety Services	10,406,506	11,801,585	11,684,189	11,684,189	(1.0%)
<i>Transportation</i>					
Parking Services	11,053,766	11,429,553	11,179,234	11,520,909	0.8%
Pavement Maintenance	7,886,866	6,109,292	6,035,179	5,314,139	(13.0%)
Street Landscape Maintenance	7,028,874	7,751,788	7,788,526	8,147,526	5.1%
Traffic Maintenance	10,126,100	11,204,344	11,801,040	11,801,040	5.3%
Transportation Operations	5,702,440	5,656,169	5,961,632	6,103,360	7.9%
Transportation Planning and Project Delivery	3,652,635	3,648,425	4,051,819	4,186,220	14.7%
Strategic Support	1,456,212	1,433,515	1,207,745	1,277,745	(10.9%)
Dollars by Core Service Subtotal	\$ 122,242,217	\$ 124,993,821	\$ 121,493,078	\$ 120,789,616	(3.4%)
Other Programs					
City-Wide Expenses	\$ 4,295,094	\$ 4,823,804	\$ 4,761,000	\$ 7,776,175	61.2%
General Fund Capital, Transfers and Reserves	1,680,610	762,237	796,026	1,262,026	65.6%
Other Programs Subtotal	\$ 5,975,704	\$ 5,586,041	\$ 5,557,026	\$ 9,038,201	61.8%
CSA Total	\$ 128,217,921	\$ 130,579,862	\$ 127,050,104	\$ 129,827,817	(0.6%)
Authorized Positions	525.49	510.06	512.06	485.61	(4.8%)

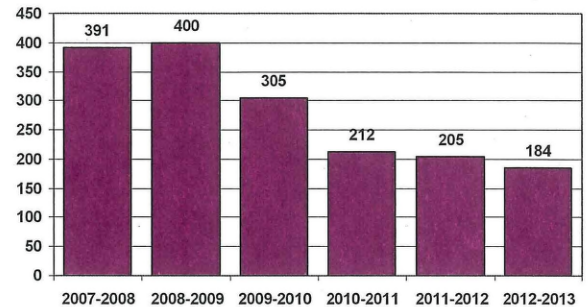
* The Airport Customer Service, Airport Environmental Management, and Community Air Service Core Services are eliminated as part of this budget. Funding previously included in those core services is displayed in the Airport Facilities Maintenance, Airport Operations, and Airport Planning & Development Core Services.

Service Delivery Accomplishments

Air Transportation

- Balancing the budget is a multi-year accomplishment. Since 2008, the Airport has seen a 50% reduction in authorized staff, leading to many service delivery changes. In 2011-2012, the Airport experienced an additional 14% turnover in staff. The Airport has been able to fill positions through a combination of timely recruitments, placements and reinstatements; however the large turnover has presented additional challenges to hire and train the new staff. The Airport anticipates continued turnover and will manage vacancies with a strategic approach that strives to promote a stable, knowledgeable, and adaptable workforce.
- Completion of a new Airport long-term parking lot and new short-term parking areas adjacent to the terminal has benefitted the Airport community, reducing customer travel time and busing costs. The Airport's 2012-2013 parking operations and shuttle bus costs have been reduced by over \$1.4 million, reflecting lower service and maintenance hours, renegotiated contract pricing, and service efficiency improvements.
- In December 2011, All Nippon Airways (ANA) announced new nonstop service between Narita International Airport in Tokyo, Japan and Norman Y. Mineta San José International Airport. Projected to launch in January 2013, this new service will provide the first direct flights to Japan from San José since 2006 and is expected to use ANA's new Boeing 787 Dreamliner aircraft, which is reported to be 20% more fuel efficient than other jetliners. The direct flight will provide long haul international customers with the choice to fly to and from San José.
- A new rental car Customer Facility Charge (CFC) fee structure was implemented in November 2011. The new structure changed the fee from a \$10 per rental car contract to a \$6 per-day fee, for a maximum of five days. The additional revenue generated by the new rate allowed the issuance of \$217.8 million in Airport Revenue Bonds to fund the design and construction of the consolidated rental car garage (ConRac). This fee change restored the appropriate balance between the rental car companies and their customers for the payment of ConRac debt service and facilitated the transition from short-term to long-term financing for the garage.
- In 2010-2011 the Airport was able to generate \$11.5 million in greater than anticipated expenditure savings to apply to the 2012-2013 budget shortfall. Another \$7.5 million in one-time savings was identified in the 2011-2012 budget and is programmed for use in 2012-2013. Although the savings are one-time in nature, the savings reflect the organization's commitment to ensuring operations, services, programs and staffing levels are as efficient and cost effective as possible.

Airport Staffing History
(FTE)



Surface Transportation

- San José's transportation system continues to be one of the safest among large cities in the nation. However, after nearly two decades of annual decreases in the traffic injury crash rate, for the second year in a row there was a slight increase (4%) in 2011 from 2.67 to 2.78 per 1,000 residents. It is anticipated that investments in safety related improvements included in the Adopted Traffic CIP will help to reverse this trend.
- Pedestrian and bicycle safety in school zones remained a priority through support of the School Area Parking Compliance team and traffic engineering services. For 2011-2012, approximately 3,000 children partook in school assemblies and bicycle rodeos.

City Service Area
Transportation and Aviation Services
OVERVIEW

Service Delivery Accomplishments

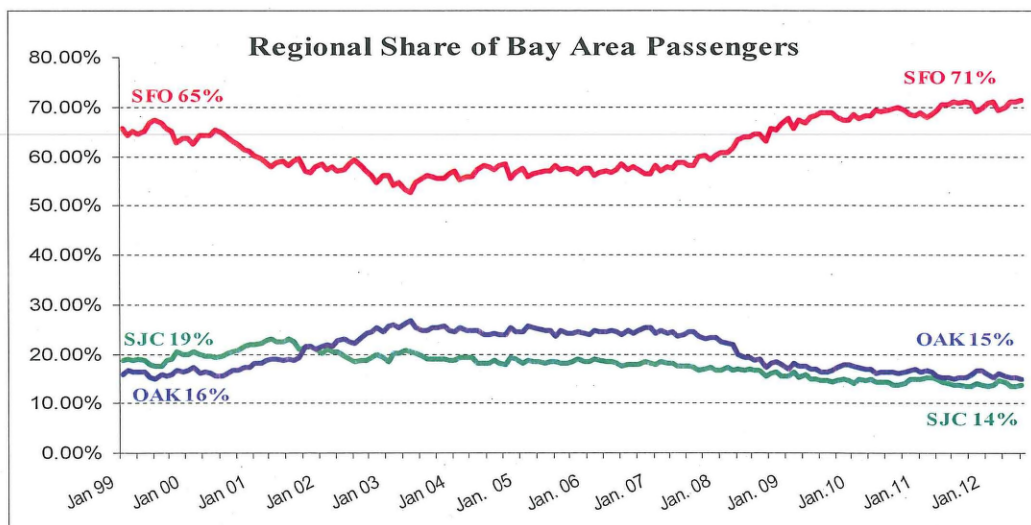
Surface Transportation

- In 2011, 46 miles of residential streets and 26 miles of arterial roads received a surface seal treatment and another 7 miles of streets received a resurfacing treatment. Approximately 12,725 traffic control signs and 1.15 million square feet of roadway markings were preventatively maintained, 11,000 streetlight repair requests were completed, 650 street tree emergencies were responded to, and 3,500 sidewalk repairs were completed.
- In fall 2011, Monterey Road was resurfaced between Blossom Hill Road and Bernal Road in the first large scale use of Cold In-Place Recycling (CIR). To get to the most economical design, the project was bid with two equivalent add-alternates, one conventional, and the other using CIR. The contractors were free to bid either or both. The CIR alternate was selected because it offered a 23% savings on a \$3.2 million project. In addition, CIR saved 11,000 tons of new aggregate from being mined, 900 tons of oil, 1,200 truck trips, and prevented 12,000 tons of asphalt spoils from going to the dump.
- The City is in the process of replacing approximately 2,100 of its existing Low Pressure Sodium (LPS) streetlights with adaptive “smart” LED streetlights (lights equipped with a monitoring and control system). The project is being supported by \$2.9 million in federal funds provided by the American Recovery and Reinvestment Act (ARRA) and Community Development Block Grant programs. The targeted streetlights are located on major street corridors throughout the City. All of the new streetlights and control system components will be installed by fall 2012.
- The Traffic Light Synchronization Project (TLSP), funded by a \$15 million State grant, has upgraded over 90% of the City’s 900 traffic signal controllers, and installed over 45 miles of fiber optic communication cable to support real time traffic monitoring and management. In addition, all 600 traffic signals along commute corridors were re-timed using the grant funds to reduce travel delays and harmful vehicle emissions.
- The City moved forward with a number of significant regional transportation projects including entering into a \$4.5 million agreement for staff support related to design and construction of the BART extension to Berryessa, commencing construction of the 101/Tully interchange, completing the design and financing plan for the 101/Capitol interchange, and completing the relinquishment of State Routes 82 and 130 from the State to San José.

Service Delivery Environment

Air Transportation

- The Airline industry continues to face challenges including: airline restructurings and consolidations, bankruptcy hearings, labor issues, volatile fuel prices, limited capital to purchase new aircraft, as well as the national and global economic impacts.
- The Federal Aviation Administration (FAA), together with the Transportation Security Administration (TSA), play a role in determining the airport's security and safety protocols and procedures. San José International Airport seeks to work with the community both in terms of air service frequencies and destinations needed to support businesses, as well as through curfew and noise abatement programs, traffic and obstruction studies. Airport tenants range from the airlines and rental car companies, food and beverage and retail concessionaires to individual general aviation aircraft owners. Employees must keep current with a multitude of rules and regulations, security requirements, and changing technology.
- In May 2010, the City Council approved the Airport's Competitiveness Strategic Plan. The City Council continues to meet as part of the Airport Competitiveness Committee to discuss options and opportunities to strengthen the Airport. Successful competition strategies are especially important to San José with the completion of the Terminal Area Improvement Program (TAIP). To compete for both flights and passengers, the Airport must be cost efficient and provide quality customer service. Competition for new and existing passengers and air traffic is critical to the Airport's success.
- Norman Y. Mineta San José International Airport is close in proximity to the San Francisco (SFO) and Oakland (OAK) International airports. While San José International's new terminals and roadway systems provide very convenient and technologically advanced facilities with the best on-time performance of the three bay area airports, SFO's global reputation and competitive air carrier market has resulted in 71% of bay area passengers utilizing SFO. Ten years ago, Oakland and San José equally shared 42% the air service market, with San Francisco leading the passenger service market with 58% of passengers.
- Year-to-date through June 2012, San José's passenger traffic is down by 1.6% as compared to 2010-2011, while Oakland's has grown by 2.9% and SFO has grown by 7.8%.



City Service Area
Transportation and Aviation Services
OVERVIEW

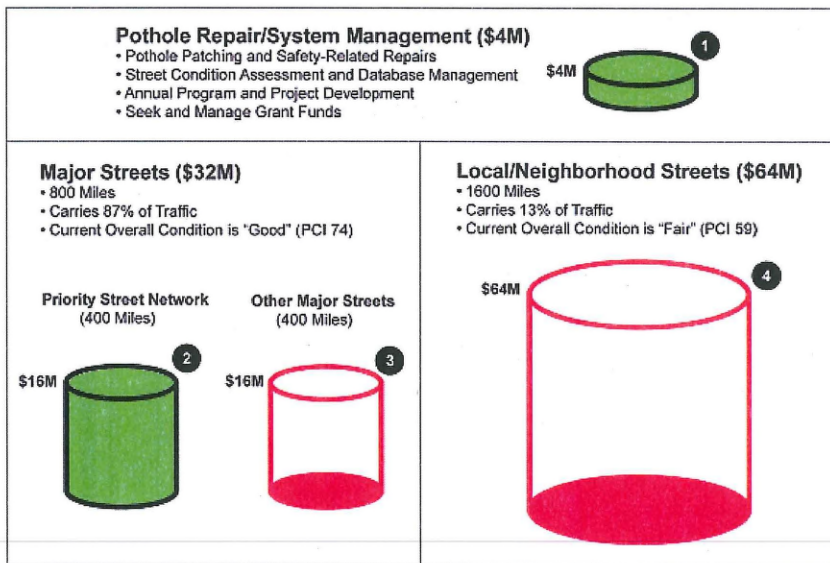
Service Delivery Environment

Surface Transportation

- The Department of Transportation recently updated the estimate of one-time deferred maintenance and annual ongoing maintenance funding needs for the City’s transportation infrastructure. One-time deferred maintenance needs are now \$443.8 million, with pavement maintenance alone having a \$293 million backlog. The deferred maintenance needs for sidewalks, curbs and gutters, and trees, which are the responsibility of property owners, are estimated at an additional \$57.6 million. The annual ongoing shortfall of funding needed for the City to maintain transportation assets in good condition is estimated at \$88.2 million.
- For the next five years, the average annual funding for City street pavement maintenance is estimated to be \$20.3 million, or 20% of the \$100 million annual need. The ongoing sources of funding currently expected annually include: State Gas Taxes (\$7.5 million), County Measure B vehicle registration fees (\$5.0 million), and San José development taxes (\$3.0 million). Additionally, one-time funds expected to be available in the Five-Year CIP include \$10 million in Federal Transportation Bill funds and \$12 million in federal funds related to the relinquishment of former State Routes 82 and 130.

- Four categories of pavement maintenance and the associated funding requirements have been identified to better define the City’s total ongoing funding need of \$100 million. In sequential priority order, the first category covers City-wide pothole repairs and basic management of the pavement system at a cost of \$4 million annually, which is fully funded. The second category is the Priority Street Network which is also fully funded at \$16 million. The remaining two categories (Other Major Streets and Local/Neighborhood Streets) are presently unfunded. Any additional revenues would first be allocated toward Other Major Streets (\$16 million) and then Local/Neighborhood Streets (\$64 million).

San Jose Pavement Maintenance Needs and Use of Funds
 (\$100M Annual Need for 2,400 Miles of Streets; \$20M Available)



- Approximately 30% of the Traffic Capital Improvement Program is funded by federal and State resources/grants. These funds support critical activities such as pavement maintenance, traffic signal upgrades and timing, bike lane and curb ramp construction, installation of bike racks, school safety programs, street improvements, enhancement of pedestrian accessibility, and construction of a new Traffic Incident Management Center. However, the vast majority of these funding sources require some percentage of matching funds from local revenue sources. Although CIP tax revenues have increased (approximately \$9.0 million annually as compared to the 2012-2016 CIP), the ability to leverage grant funding still presents challenges due to the significant competing needs across the transportation system.

Service Delivery Environment

Surface Transportation

- Increased funding in the Traffic CIP for Safety Enhancements will provide a variety of safety improvements on major roadways where most crashes occur. Continued limited resources to implement traffic calming solutions in neighborhoods beyond the basics (signs and markings and enforcement) may result in lower resident satisfaction levels in future community surveys.
- The dissolution of the former San Jose Redevelopment Agency has resulted in increased demands on the Traffic CIP and Parking Fund to meet funding commitments. The necessary absorption of unanticipated expenses such as the 4th Street Parking Garage debt service payments, extension of Autumn Street, and Montague Expressway widening within Milpitas as part of the North San José settlement agreements have required a significant reprioritization of funding and reductions elsewhere in these programs that impact long-term goals.
- With completion of the Envision San José 2040 General Plan, there is a focus on its delivery and implementation. The plan provides a set of balanced multi-modal transportation goals and policies that provide for a transportation network that is safe, efficient, and sustainable. Key elements include:
 - Reduce vehicle travel by 50% by increasing bicycle, pedestrian, and transit use.
 - Implement complete streets that give priority to the mobility needs of bicyclists, pedestrians, and transit users.
 - Maximize connectivity to transit services to increase ridership.

CSA Priorities/Key Services

The Transportation and Aviation Services CSA's highest priority services are those that support the safety of the traveling public followed by those that support mobility and asset condition. This prioritization aligns with the fundamental elements of the CSA's Desired Outcomes.

The Airport has identified eight Strategic Principles for Competitiveness to ensure the efficient and effective operations of the Airport; these include:

- The Airport must always put operational safety and security first.
- The Airport needs to remain fully functional in its core areas, including operations, maintenance, planning, information technology, finance and administration, and marketing.
- The Airport will seek opportunities to continue to be cost-competitive for airlines and reduce costs allocated to airlines through greater efficiencies and innovative service delivery.
- The Airport will continue to provide an excellent customer experience to remain competitive and provide a good product for both passengers and airlines.
- The Airport will continue to aggressively seek to increase air service in partnership with the community to gain more routes, frequencies, and carriers that meet the needs of Silicon Valley businesses and residents. To increase passenger traffic, the Airport needs more flights. This requires active marketing to airlines and the development of more effective community and business engagement to help achieve this goal.
- The Airport will continue to seek opportunities to increase revenues.

City Service Area
Transportation and Aviation Services
OVERVIEW

CSA Priorities/Key Services

- The Airport will work in partnership with carriers to minimize obstacles to doing business at the Airport. *Business goes where it is welcome and stays where it is appreciated.* In that regard, the airlines' perspective, ideas, and suggestions for improvement are essential to the Airport's success.
- The Airport must take the long-term view on costs and opportunities. Policy changes and investments may take time to realize benefits, and short-term solutions to long-term challenges may be counterproductive to long-term competitiveness.

The Department of Transportation's key services are consistent with the priorities identified below:

- Traffic Safety – Provide the safest large city transportation system in the nation, including: enforcement, accident investigations, education, and traffic control.
- Traffic Maintenance – Provide well-maintained and effective traffic signals, signs, and roadway markings which are critical to ensuring traveler safety.
- Transportation Operations – Evaluate resident and school traffic concerns, and study traffic conditions and accident data to enhance traffic safety and mitigate negative traffic impacts. Monitor and upgrade systems on major commute corridors; improve traffic flow.
- Parking Operations – Provide well maintained and operated parking facilities.
- Transportation Planning – Develop local and regional facilities for travel by foot, bike, wheelchair, car, truck and transit.
- Pavement Maintenance – Effective preventive maintenance avoids pavement replacement, which can be five times more costly. Travel on smooth streets is also safer for the traveling public, improves fuel efficiency, and reduces vehicle maintenance.
- Street Landscape Maintenance – Related services such as maintaining street landscaping, rights-of-way, street trees, and special landscapes, as well as providing Downtown cleaning, support safe and aesthetically pleasing streetscapes.

Budget Dollars at Work: Performance Goals

The Transportation and Aviation Services (TAS) CSA Overview consolidates services into a single document to provide stakeholders with a snapshot of City transportation issues. The desired outcomes – fundamentally facilitating the movement of people and goods in a manner that both strengthens the economy and enhances the quality of life for San José residents – are the central goal of this CSA. TAS is responsible for a wide range of services, operations, and infrastructure that support other City Service Areas, chiefly Community and Economic Development and Public Safety.

OUTCOME 1: PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS

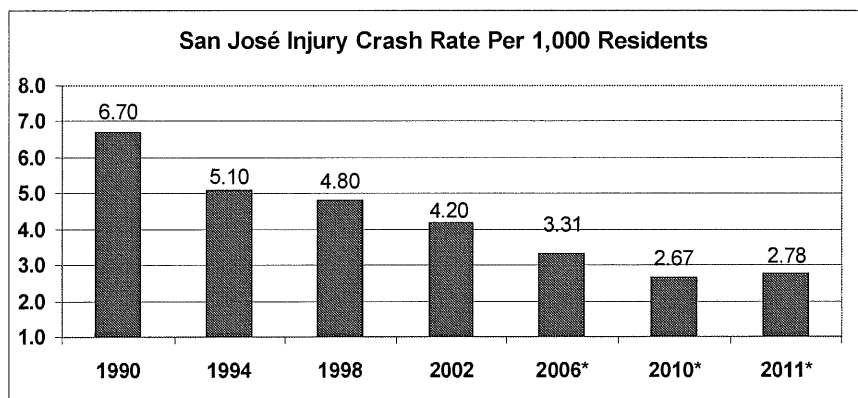
Strategic Goals	CSA Performance Measures	2010-2011 Actual	2011-2012 Target	2011-2012 Estimated	2012-2013 Target	5-Year Goal
Improve Surface Transportation System Safety	1. % of residents rating traffic conditions as safe while:					
	Driving	N/A*	83%	N/A*	82%	83%
	Bicycling	N/A*	47%	N/A*	47%	60%
	Walking	N/A*	81%	N/A*	81%	81%
	2. # of injury crashes per 1,000 population	2.67	2.6	2.78	2.7	2.5
	3. # of pedestrian and bicycle-related injury crashes per 1,000 population	0.63	0.60	0.69	0.68	0.60
Achieve Safe and Secure Air Transportation System and Infrastructure	1. Pass Annual Federal Aviation Regulation FAR 139 inspection with no discrepancies identified	0%	100%	0%	100%	100%

Changes to Performance Measures from 2011-2012 Adopted Budget: No

* Data for these measures is collected through the biennial City-Wide Community Survey. The survey was temporarily suspended in 2011-2012 and will be reinstated in 2012-2013.

- ✓ The Police and Transportation Departments continue to focus on reducing the number of vehicle, bicycle, and pedestrian injury and fatality crashes. Staff continues to enhance safety through engineering and enforcement, and review of collision reports and plan improvement projects to address potential street safety needs. An expanded focus on the implementation of various traffic safety measures, including enhanced pedestrian crossings on major roadways, and modifying existing or constructing new traffic signals is funded in 2012-2013. The Traffic Safety Education Program will restore some of the education provided to children and seniors eliminated or reduced as budget reductions in prior years by using Traffic capital and grant funds. The Police Department Traffic Enforcement Unit will continue to provide traffic enforcement at high crash locations.

- ✓ Based on the surface transportation crash data for calendar year 2011, the San José injury crash rate is 2.78 occurrences per 1,000 residents. Although a slight increase over last year (2.67), this remains well below the national average of 5.0 occurrences per 1,000 residents, contributing to San José being one of the safest big cities in the nation.



* Represents calendar year data where all other years are fiscal year data. The methodology was changed to be consistent with State and national data.

City Service Area
Transportation and Aviation Services
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Budget Dollars at Work: Performance Goals

OUTCOME 1: PROVIDE SAFE AND SECURE TRANSPORTATION SYSTEMS

- ✓ Airport security is a high priority and presents a diverse set of challenges. During 2010-2011 the City went through an extensive review of options related to the possible outsourcing of airport public safety services. The study led to the recommendation to continue the use of San José Police Department and Fire Department staff to provide Airport Law Enforcement and Aircraft Rescue and Fire Fighting services and to evaluate further continuation of providing these services as part of the 2013-2014 budget process. A revised San José Police Department – Airport Division staffing model was introduced in February 2012. The model modified full-time police staffing levels to 11 sworn positions and relies on overtime staffing equivalent to 16 sworn positions.
- ✓ Maintaining and responding to safety and security issues is critical to Airport operations in order to meet current and future FAA and Transportation Security Administration (TSA) safety and security mandates. The Airport continues to work with local, regional, and federal agencies to prepare for changing needs and flexible response plans. The Airport's latest effort took place on March 26, 2012 with the Airport's Full Scale Emergency Exercise – which involved a simulated aircraft crash. These full scale exercises are not only a federal requirement, but also serve as an opportunity for public safety partners to work together to train and practice response procedures and services. Successfully led by the Airport Operation's Division, the 2012 exercise included participants from the airlines, the Police and Fire Departments, the Red Cross, the County Office of Emergency Services, volunteers, and observers that helped to critique and provide suggestions for improvement in the response.
- ✓ The Airport has established an Emergency Planning and Management Team, with the goal of heightening Airport staff's awareness and continuously improving expertise and preparedness. The team provides guidance and knowledge to effectively plan, respond, manage, and recover from all levels of emergencies and major non-emergency/unusual events. The team will align airport response activities and action plans with guidance and direction provided by the Federal Emergency Management Administration (FEMA), the FAA, and other regulatory agencies. The ultimate objective is to create and sustain an operating culture of knowledge and constant readiness to efficiently handle any significant incident or event that occurs at the Airport.



City Service Area
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Budget Dollars at Work: Performance Goals

OUTCOME 2: PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY

Strategic Goals	CSA Performance Measures	2010-2011 Actual	2011-2012 Target	2011-2012 Estimated	2012-2013 Target	5-Year Target
Facilitate Completion of Planned Local and Regional Transportation System	1. % of planned arterial street system complete	98%	98%	98%	98%	98%
	2. % of planned bikeway network complete	52%	57%	54%	58%	74%
	3. % of residents rating the City service in providing bike lanes and paths as good or better	N/A*	62%	N/A*	62%	70%
	4. % of established pedestrian corridors meeting design standards	N/A%	26%	26%	26%	27%
	5. % of planned systems completed:					
	freeway and expressway %	93%	93%	93%	94%	94%
	carpool lane %	96%	96%	96%	96%	100%
	rapid transit %	41%	41%	41%	41%	43%
Expand Use of Alternate Commute Options	1. % of residents rating access to public transit as "easy"	73%	73%	73%	73%	73%
Meet Communities' Needs for Air Service Destinations and Frequencies	1. % of customers reporting satisfaction with availability of flights and destinations that meet their travel needs	N/A*	83%	N/A*	90%	90%
	2. % of regional air service market	14.5%	15.0%	14.0%	15.0%	20.0%
Cost to Airlines of Operating at the Airport is Competitive with other Airports in the Region	1. Airline cost per enplaned passenger	\$11.23	\$11.67	\$12.33	\$11.95	\$11.95

Changes to Performance Measures from 2011-2012 Adopted Budget: No

* Data for these measures is collected through the biennial City-Wide Community Survey. The survey was temporarily suspended in 2011-2012 and will be reinstated in 2012-2013.

- ✓ Continued partnership with Caltrans, VTA, and the County will facilitate improvements at the Route 880/Stevens Creek interchange, High Occupancy Vehicle lanes on Route 880 from 237 to 101, and interchange improvements along Route 101 in North San José, Berryessa, and Evergreen areas. Funding from the North San José Traffic Impact fees will also improve Montague Expressway. These efforts will contribute to increasing the percentage of planned freeway and expressway systems completed to 94%.
- ✓ With a significant portion of the arterial and highway system complete, the CSA is ensuring that resources are also directed towards alternate commute options such as bicycle, pedestrian, and transit options. In support of this, staff will develop and implement the City's Primary Bikeway Network including the modification of design guidelines and completion of innovative projects such as the San Fernando Colored Bike Lanes, River Oaks Buffered Bike Lanes, Road Diets, and Bike Boulevards.
- ✓ Support the VTA and other regional partners to facilitate priorities for the region and City including the BART extension to Berryessa; Bus Rapid Transit; and 101/Capital, 280/880/Stevens Creek, 101/Mabury, and 101/Trimble interchange improvements.

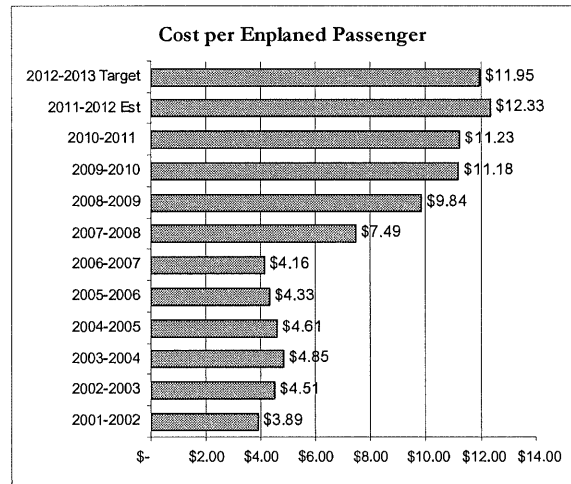
City Service Area
Transportation and Aviation Services
OVERVIEW

Budget Dollars at Work: Performance Goals

OUTCOME 2: PROVIDE VIABLE TRANSPORTATION CHOICES THAT PROMOTE A STRONG ECONOMY

- ✓ Continuation of expanded parking incentives providing free and reduced rate monthly parking to support the growth and retention of businesses in the Downtown.
- ✓ Parking patrols, with an emphasis on compliance, continue in the Downtown, neighborhoods, school zones, and business districts to ensure safe and available parking.
- ✓ The Airport Incentive Program seeks to support interest and attainment of new air service to and from San José by waiving Airport fees during the first several years of operations to airlines that introduce new service to underserved destinations. The Focus City Incentive Program encourages air carriers to increase their commitment to San José International Airport (SJC). The program provides fee waivers and reduced terminal rents for a two-year period when an airline adds a minimum of four year-round daily flights to at least two new destinations. In addition to these programs, the addition of \$250,000 to provide collaborative air service marketing for All Nippon's (ANA) new flight to Tokyo from San José is included in the 2012-2013 Adopted Budget.

- ✓ Airlines use "Cost per Enplaned Passenger" (CPE) as an indicator for their decision about where to locate air service. CPE represents the total costs of airport operations allocated to airlines. The Airport has estimated the airline CPE to be \$12.33 for 2011-2012, up 9.8% from the 2010-2011 rate due to reduced passenger levels. The 2012-2013 targeted CPE is \$11.95, consistent with City Council direction to keep the CPE below \$12.00 for the term of the airline agreement. Average terminal rental rates for 2012-2013 are estimated to increase from \$152 to \$154.65 per square foot. The 2012-2013 landing fee is anticipated to increase from \$2.14 per 1,000 lbs. to \$2.38.



- ✓ The Airport's long-term forecast anticipated passenger volumes would increase by 2% to 5% annually over the course of the forecast period. Although the Airport did experience a 1.9% increase in passengers in 2010-2011, in 2011-2012 activity has declined since October 2011 and fell in each of the subsequent months. As a result the Airport has dropped its passenger projections from an anticipated growth rate of 2.1% in 2011-2012, to a 1.5% reduction. Activity is projected to remain flat in 2012-2013.

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Budget Dollars at Work: Performance Goals

OUTCOME 3: TRAVELERS HAVE A POSITIVE, RELIABLE, AND EFFICIENT EXPERIENCE

Strategic Goals	CSA Performance Measures	2010-2011 Actual	2011-2012 Target	2011-2012 Estimated	2012-2013 Target	5-Year Goal
Passengers Have a Positive Experience When Using the Airport	1. % of customers reporting satisfaction with the quality and variety of airport shops and restaurants	N/A*	70%	N/A*	85%	85%
Improve Traffic Flow on Major Streets	1. % of residents rating commute traffic flow on city streets as "acceptable" or better	N/A*	60%	N/A*	60%	60%
	2. % of City intersections at Council-adopted level of service	98%	98%	98%	98%	98%
Facilitate Efficient Operations of the Regional Freeway System	1. % of residents rating commute traffic flow on freeways and expressways as "acceptable" or better	N/A*	40%	N/A*	40%	40%
	2. % of freeways operating below 35 mph during peak hours	21%	30%	30%	30%	30%
Enhance Access to Major Activity Centers and Events	1. % of customers rating access to major activity centers as "easy"					
	Downtown	N/A*	79%	N/A*	79%	79%
	Airport	N/A*	75%	N/A*	79%	75%
	HP Pavilion Arena	N/A*	72%	N/A*	72%	72%
	Regional Shopping Centers	N/A*	89%	N/A*	89%	89%

Changes to Performance Measures from 2011-2012 Adopted Budget: No

* Data for these measures is collected through the biennial City-Wide Community Survey. The survey was temporarily suspended in 2011-2012 and will be reinstated in 2012-2013.

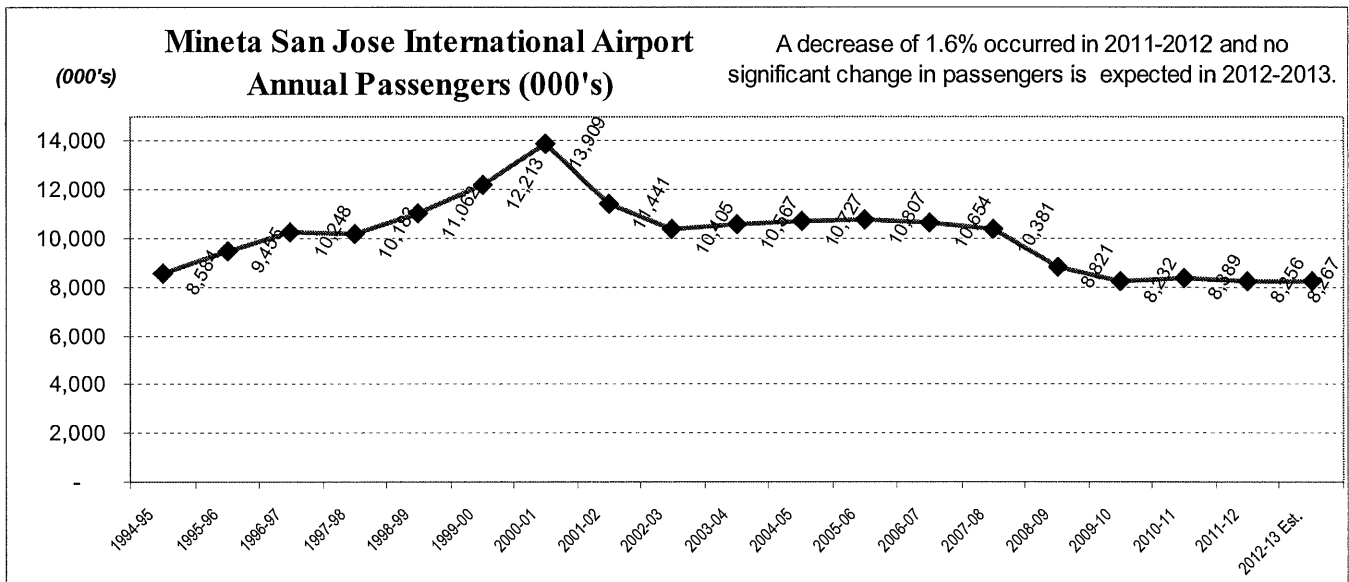
- ✓ DOT has nearly completed a major upgrade to its traffic signal management system. By June 2012 over 80% of work under the grant-funded Traffic Light Synchronization Project (TLSP) will be complete. Once complete in 2012-2013, the state-of-the-art traffic management system will result in commuters experiencing reduced travel times (10% to 15%) and more reliable bus arrivals. Staff will also be able to respond to incidents and signal malfunctions sooner. This project helps to address feedback from the Community Satisfaction Survey where improving traffic flow/congestion issues received the second highest votes by residents when asked what is the most important thing City government can do to improve services.
- ✓ Staff continues to operate the intelligent transportation systems to manage incidents and event traffic at major activity centers. When complete in 2013-2014, the Transportation Incident Management Center (TiMC) in the City Hall Employee Parking Garage will facilitate the flow of traffic in the region and enable staff to effectively manage incidents ranging from traffic accidents to other emergency situations.
- ✓ In January 2012, Hawaiian Airlines launched service to Maui, adding to Hawaiian's daily flight to Honolulu. In April 2012, Alaska Airlines celebrated their inaugural nonstop service to Honolulu.
- ✓ Traffic conditions and parking availability play a significant role in creating a positive image of Downtown for workers, visitors, and event attendees. The parking guidance system and continued investment in improved parking garage security and cleanliness support a positive experience for Downtown visitors, and make Downtown an easy and desirable place to be. In the coming year, the Department will continue to coordinate with staff from the Police Department, the Office of Cultural Affairs, Department of Public Works, Team San José, Downtown Association, and HP Pavilion to the extent possible to address traffic impacts from Downtown construction, Arena events, and special events.

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Budget Dollars at Work: Performance Goals

OUTCOME 3: TRAVELERS HAVE A POSITIVE, RELIABLE, AND EFFICIENT EXPERIENCE

- ✓ A new Airport Customer Service Survey, which seeks feedback on 46 Airport facilities and service areas, was introduced to customers in the fall of 2011 via the Airport’s free wi-fi service and web page. The Airport received high ratings in the areas of safety and security, customer service in food and beverage/retail shops, and facility cleanliness and general conditions.
- ✓ Travel experience will be enhanced by the addition of an Airport lounge, slated to open in 2012-2013. This new service will be available to the public on a per use basis, and to members of airline programs allowing access to their proprietary lounge systems. The lounge will include a frequently requested business center and offer other amenities in a lounge atmosphere.



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Budget Dollars at Work: Performance Goals

OUTCOME 4: PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES

Strategic Goals	CSA Performance Measures	2010-2011 Actual	2011-2012 Target	2011-2012 Estimated	2012-2013 Target	5-Year Goal
Maintain Pavement Surfaces in Good Condition	1. % of residents rating "neighborhood" streets in "acceptable" or better condition	N/A*	83%	N/A*	83%	65%
	2. % of streets rated in "good" or better condition (70 or greater on a 1-100 scale)	39%	40%	39%	42%	36%
	3. City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is 0.80)	0.62	0.62	0.64	0.65	0.59
Maintain Traffic Devices in Good Condition	1. % of traffic signals, signs, and markings in "good" or better condition (visible and functioning properly)	54%	55%	59%	61%	61%
Preserve and Enhance Neighborhood Streetscape	1. % of residents rating streetscapes in "good" or better condition (includes: sidewalks, street lights, landscaping, and trees)	N/A*	60%	N/A*	43%	43%
	2. % of neighborhood street trees in "good" or better structural condition	43%	42%	38%	38%	38%
	3. % of residents rating adequacy of street lighting as "good" or better	N/A*	59%	N/A*	54%	59%
	4. % of planned landscaped median island locations complete	72%	72%	72%	72%	72%

Changes to Performance Measures from 2011-2012 Adopted Budget: No

* Data for these measures is collected through the biennial City-Wide Community Survey. The survey was temporarily suspended in 2011-2012 and will be reinstated in 2012-2013.

- ✓ The total funding for the 2012 paving season is approximately \$23.5 million and is allocated in alignment with the Priority Street Network service delivery model. This new model provides a balance of preventive maintenance and rehabilitation treatments for major roads, including a total of 23 miles of street sealing and 15 miles of resurfacing on the Priority Street Network.
- ✓ Through development, infill, capital investment, and annexations, the City's extensive inventory of transportation infrastructure including pavement, landscapes, trees, sidewalks, signals, streetlights, signs and roadway markings has continued to grow while the resources devoted to operate and maintain the assets have not kept pace. Staff continues to invest available funding and resources in the most efficient and effective way possible, and to seek more cost-saving ideas such as streetlight LED conversions, however the gap between resources and needs will continue to be a critical issue for the City to address in future years.
- ✓ One-time funding is included to address a portion of the transportation infrastructure maintenance backlog, including raised pavement markers, repainting of the most critical arterial road striping and markings, structural pruning of City-owned trees in median islands, replacement of damaged vehicle detection sensors and associated pavement repairs at various traffic signals; and the replacement of 20 and addition of five radar speed display signs.

Budget Dollars at Work: Performance Goals

OUTCOME 4: PRESERVE AND IMPROVE TRANSPORTATION ASSETS AND FACILITIES

- ✓ In 2011-2012 streetlight wire theft increased, with 201 new locations identified with stolen wires impacting approximately 605 streetlights. Funding included in the 2013-2017 Adopted Traffic CIP will address these locations and anticipated additional incidents. This problem diverts resources from normal streetlight maintenance activities and impacts the backlog of streetlight outages; staff will continue to proactively address this issue.
- ✓ The conversion of high level landscapes to lower level designs which reduce the amount of required maintenance, and the implementation of a new and innovative hybrid service delivery model has kept the percentage of landscapes in good condition from declining as precipitously as previously expected following severe reductions in prior years. The percentage of landscapes in good condition is anticipated to be nearly 50% by the end of 2012-2013. The hybrid service delivery model also responsible for the condition improvement includes more efficient and effective deployment methods, expanded use of volunteers to maintain 78 parcels comprising approximately 15.5 acres of landscape, and the expanded utilization of work-release inmates resulting in the removal of approximately 750 truckloads of litter, debris, and leaves from landscape parcels that would not otherwise have been possible with existing staff resources. Approved funding for vehicle replacements will enable staff to take out additional inmates, increasing the department's ability to leverage this free labor source.
- ✓ In July 2011, the Airport Taxiway W Improvements project received \$7.5 million in FAA grant funding, providing for the third phase of the construction of a taxiway extension (Taxiway J to Taxiway L) on the west side of the Airport. In July 2012, this project received an additional \$7.0 million in FAA funding, providing for the fourth phase of construction (from Taxiway G to Taxiway J), as well as the strengthening and widening of existing cross Taxiway G from Taxiway W to Taxiway V for larger aircraft use. The Airport continues to aggressively seek grant funding for infrastructure improvements and asset development.
- ✓ The Airport Facilities Team continues to introduce cost containment and asset preservation activities. In addition to the recent negotiation of a fixed price contract for custodial services, landscape has been improved by the replacement of plant selections suitable to the Airport property. Additional irrigation zones have been installed, reducing overall water usage. The work management on-line reporting system continues to support both planning and scheduling of repairs needed, as well as proactive maintenance management activities.
- ✓ The development of land on the Airport's west side is moving forward based on direction received from the City Council. At Council's direction, staff is also evaluating the fees and charges for general aviation, and reported relevant findings to the Mayor's Ad Hoc Committee for Airport Competitiveness in May 2012.
- ✓ Airport Non-Terminal Area Projects, including the development of the west side of the Airport, are funded in the Airport Capital Improvement Program. Improvements are expected to generate new Airport and General Fund revenues, provide employment opportunities and result in increased federal, State and local taxes.
- ✓ FAA Airport Improvement Program funding eligibility requires the development and institution of a Pavement Maintenance Management System (PMMS), which will both extend the life of existing airfield pavement, as well as ensure that necessary repairs and needs are identified and resolved in a timely manner.

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Budget Dollars at Work: Performance Goals

OUTCOME 5: PROVIDE A TRANSPORTATION SYSTEM THAT ENHANCES COMMUNITY LIVABILITY

Strategic Goals	CSA Performance Measures	2010-2011 Actual	2011-2012 Target	2011-2012 Estimated	2012-2013 Target	5-Year Goal
Provide Neighborhood-Friendly Traffic Operations	1. % of residents rating traffic impacts in their neighborhood as "acceptable" or better	N/A*	77%	N/A*	77%	77%

Changes to Performance Measures from 2011-2012 Adopted Budget: No

* Data for this measure is collected through the biennial City-Wide Community Survey. The survey was temporarily suspended in 2011-2012 and will be reinstated in 2012-2013.

- ✓ Capital funding will provide for pedestrian safety improvements targeting locations on major roadways and pedestrian safety education focused on the most vulnerable populations such as seniors and children. Limited staff resources are available to address neighborhood traffic concerns. Previous reductions have eliminated services to respond to neighborhood speeding, parking, and traffic intrusion concerns; review of faded signs and markings; special timed parking zone establishment; the ability to install physical traffic calming improvements in neighborhoods; and diminished the capacity to staff the School Pedestrian Safety Committee and attend community meetings.
- ✓ Emphasis will continue on parking compliance activities to enhance pedestrian and bicyclist safety in school zones. The Police Department will also continue to support safety in neighborhoods and help to keep the injury crash rate to one of the lowest in the nation.
- ✓ The Airport has a number of programs in place to mitigate Airport impacts on the community, including programs to protect wildlife, clean energy use initiatives such as the solar energy system built to support rental car/public parking garage services, and the use of Compressed Natural Gas (CNG) shuttles. To support air quality goals the Airport has purchased and operates a fleet of electric maintenance vehicles. The Airport will continue, when feasible, to focus on initiatives identified in the City's Green Vision goals. However, with the reductions in staffing and resources, the Airport anticipates maintenance of existing programs at baseline levels, and introduction of new programs will be limited.
- ✓ The Capital Budget contains several new programs within this outcome, including allocation of funds for the design and construction of asphalt concrete pavement and storm drain protection improvements, bulk material storage, equipment canopies and other storm water best management practices to meet the latest requirements of the Industrial General Stormwater Permit. The Airport will also begin the replacement of incandescent airfield lights with LED Technology. The project will provide lighting that will last an estimated ten times longer than the existing lighting and provide significant energy and maintenance cost savings. The clean-up of the Airport's closed fuel farm is also programmed in the Capital Budget; the fuel tanks have been removed and final remediation efforts are underway.

City Service Area
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ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
AIRPORT DEPARTMENT			
• Airport Shuttle Bus Contractual Services		(1,487,272)	0
• Curbside Management Service - Service Delivery Model Change	(20.00)	(684,457)	0
• Technology Services Staffing	0.00	(17,797)	0
• Airport Lounge Operator		600,000	0
• Customer Cart and Baggage Delivery Services		275,000	0
• Collaborative Air Service Marketing		250,000	0
• Airport Councils International World/North American Conference Funding		35,300	0
<i>Subtotal</i>	(20.00)	(1,029,226)	0
TRANSPORTATION DEPARTMENT			
• Local/Neighborhood Streets Pavement Maintenance Program	(8.45)	(721,040)	0
• San José Downtown Association		190,000	0
• Street Sweeping Signage		178,000	0
• Parking Services Program Management		151,675	0
• City-Wide Sidewalk Repairs Program		140,000	140,000
• Transportation Grant Staffing	1.00	134,401	0
• General Plan Implementation	1.00	133,728	133,728
• HP Pavilion Employee Parking		70,000	0
• New Transportation Infrastructure Operations and Maintenance		49,000	49,000
• Transportation Department Development Program Funding Shift		0	58,535
<i>Subtotal</i>	(6.45)	325,764	381,263
<i>Subtotal Departments</i>	(26.45)	(703,462)	381,263
CITY-WIDE EXPENSES			
• Cambrian 36 Traffic Safety Enhancements		61,000	61,000
• Radar Speed Display Signs		350,000	350,000
• Raised Reflective Markers and Arterial Street Striping		500,000	500,000
• Sidewalk Repairs Program		900,000	900,000
• Street Tree Maintenance		500,000	500,000
• Vehicle Detection Sensors		250,000	250,000
• Miscellaneous Rebudgets		454,175	454,175

City Service Area
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ADOPTED BUDGET CHANGES

Adopted Changes	Positions	All Funds (\$)	General Fund (\$)
GENERAL FUND CAPITAL, TRANSFERS AND RESERVES			
• Capital Contributions: The Alameda Beautiful Way		300,000	300,000
• Capital Contributions: Bucknall Road		200,000	200,000
• Capital Contributions: Rebudgets		15,000	15,000
• Earmarked Reserves: New Traffic Infrastructure		(49,000)	(49,000)
Assets Elimination			
<i>Subtotal Other Changes</i>	0.00	3,481,175	3,481,175
Total Adopted Budget Changes	(26.45)	2,777,713	3,862,438

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