



**2011-2012**

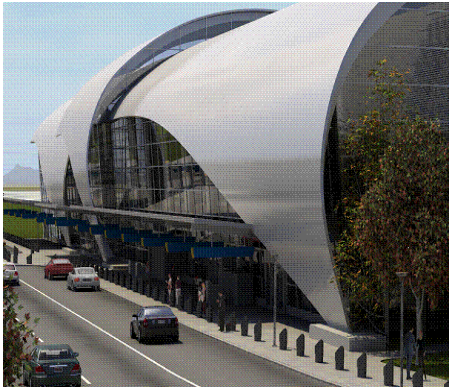
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**OPERATING BUDGET**

**TRANSPORTATION  
AND  
AVIATION  
SERVICES  
CSA**

**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**

**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

**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



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

*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



**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 Customer Service

Airport Environmental Management

Community Air Service

**Transportation Department**

*Core Services:*

Parking Services

Pavement Maintenance

Street Landscape Maintenance

Traffic Maintenance

Transportation Operations

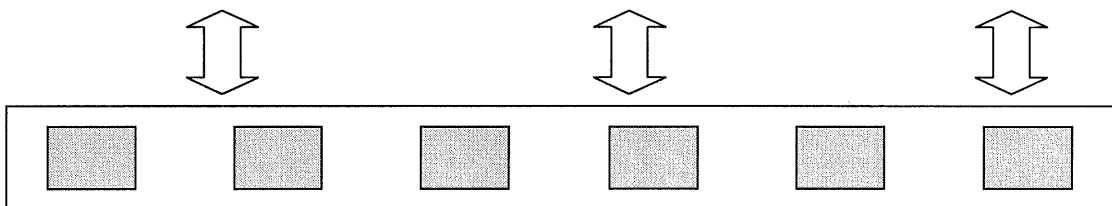
Transportation Planning and Project Delivery

**Police Department**

*Core Services:*

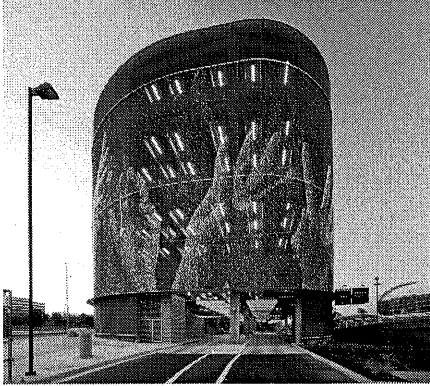
Traffic Safety Services

**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



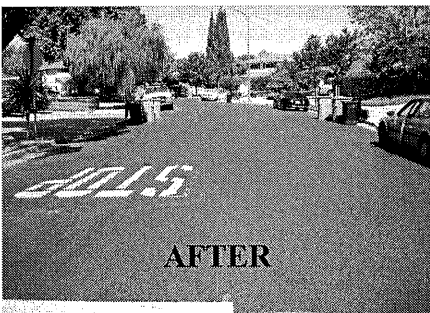
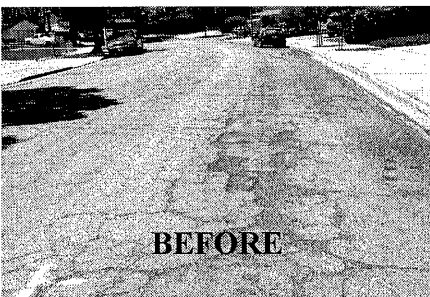
### Expected Service Delivery

- Operate Mineta San José International Airport efficiently while meeting all regulatory requirements for security and safety.
- Operate the 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.
- Plan a progressive surface transportation system that will support viable transportation choices, future City growth, and economic development.
- Improve regional travel on major arterials, freeways, and transit corridors to address ongoing concerns with traffic congestion.



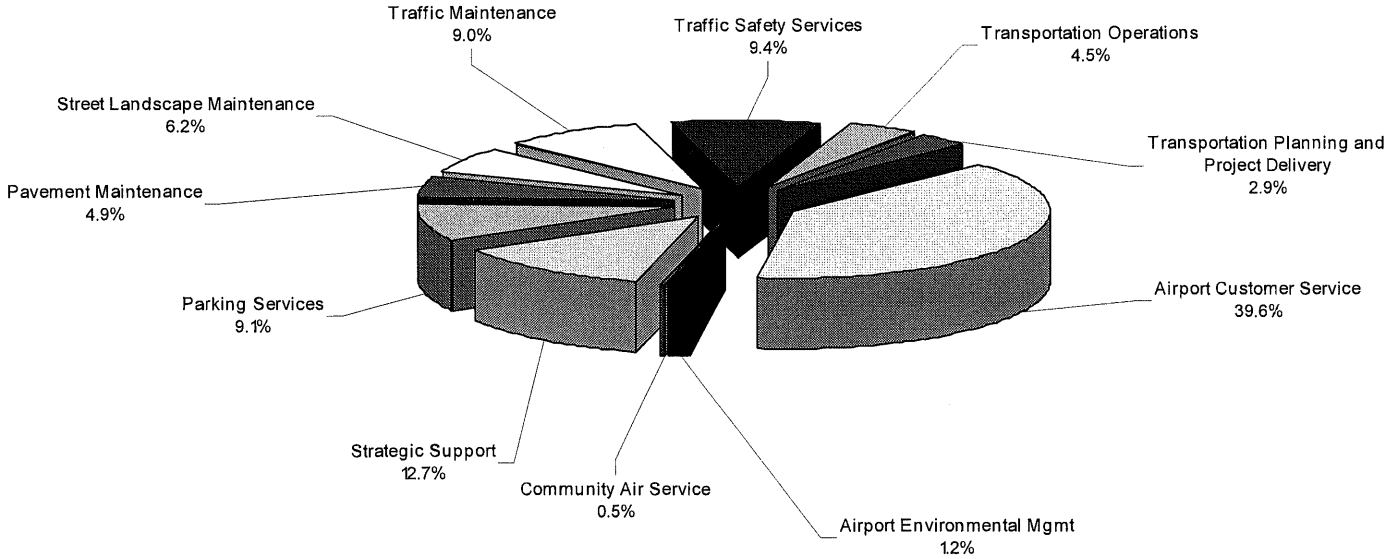
### Impacts of Budget Actions

- Provide efficient services to support successful competition for community air service destinations and frequencies.
- Continue development and evaluation of alternative service delivery models through the reduction of custodial supervisor staff and overtime and partial year outsourcing of law enforcement.
- Continue implementation of the Airport's Competitiveness Strategic Plan with budget reductions achieved through operational efficiencies associated with the new terminal and roadways, staffing consolidations, and fee reductions.
- Elimination of five positions from Pavement Maintenance to align in-house resources with the 46-mile residential program budgeted in street sealing, which is well below the average need of 150 miles per year, due to a lack of local and grant funding.
- Elimination of the two positions responsible for the School Safety Education program will eliminate all adult education and only allow for limited training in elementary and middle schools.
- Reductions in On- and Off-Street Parking Programs and Strategic Support.
- Elimination of a Landscape Maintenance Supervisor and administrative, fiscal, and clerical support reflects reduced resources.



**City Service Area  
Transportation and Aviation Services  
BUDGET SUMMARY**

**2011-2012 Total Operations by Core Service**



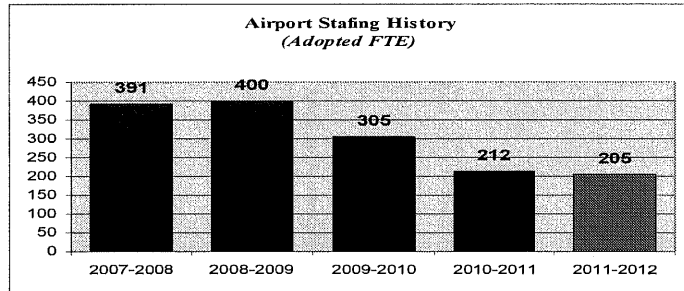
**City Service Area Budget Summary**

	2009-2010 Actual 1	2010-2011 Adopted 2	2011-2012 Forecast 3	2011-2012 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
<i>Airport</i>					
Airport Customer Service	\$ 49,137,115	\$ 56,211,746	\$ 48,364,672	\$ 49,466,467	(12.0%)
Airport Environmental Mgmt	2,116,485	1,626,862	1,527,134	1,492,905	(8.2%)
Community Air Service	666,864	622,855	591,731	586,598	(5.8%)
Strategic Support	17,787,023	17,807,374	14,646,833	14,413,180	(19.1%)
<i>Police</i>					
Traffic Safety Services	10,036,122	10,965,624	11,942,324	11,801,585	7.6%
<i>Transportation</i>					
Parking Services	11,737,580	12,415,915	12,371,904	11,429,553	(7.9%)
Pavement Maintenance	8,249,613	7,042,776	6,559,036	6,109,292	(13.3%)
Street Landscape Maintenance	8,448,701	7,730,550	7,582,942	7,751,788	0.3%
Traffic Maintenance	9,066,042	10,953,744	11,363,304	11,204,344	2.3%
Transportation Operations	6,691,522	5,627,984	5,882,223	5,656,169	0.5%
Transportation Planning and Project Delivery	4,885,457	3,716,307	3,877,852	3,648,425	(1.8%)
Strategic Support	2,039,300	1,540,946	1,679,762	1,433,515	(7.0%)
<b>Subtotal</b>	<b>\$ 130,861,824</b>	<b>\$ 136,262,683</b>	<b>\$ 126,389,717</b>	<b>\$ 124,993,821</b>	<b>(8.3%)</b>
<b>Other Programs</b>					
City-Wide Expenses	\$ 3,790,743	\$ 4,511,924	\$ 4,826,024	\$ 4,823,804	6.9%
General Fund Capital, Transfers and Reserves	2,099,976	1,883,941	887,237	762,237	(59.5%)
<b>Subtotal</b>	<b>\$ 5,890,719</b>	<b>\$ 6,395,865</b>	<b>\$ 5,713,261</b>	<b>\$ 5,586,041</b>	<b>(12.7%)</b>
<b>Total</b>	<b>\$ 136,752,543</b>	<b>\$ 142,658,548</b>	<b>\$ 132,102,978</b>	<b>\$ 130,579,862</b>	<b>(8.5%)</b>
<b>Authorized Positions</b>	<b>675.67</b>	<b>529.49</b>	<b>522.24</b>	<b>510.06</b>	<b>(3.7%)</b>

## **Service Delivery Accomplishments**

### **Air Transportation**

- Airport modernization was completed in June 2010 and includes a new state-of-the-art baggage screening system, a solar powered rental car garage and new roadway system. The challenge was and continues to be maintaining and operating in the new state-of-the-art facilities with greatly reduced staffing levels.
- Development of a new Airport long-term parking lot and a new short-term parking area adjacent to the terminal has been completed. These new lots not only reduce customer travel time, but they also allow a significant reduction in the cost of airport shuttle bus service.



- Airport passenger traffic has seen increases in the past ten months (September 2010 to June 2011). The last time the Airport saw ten straight months of activity increase was in 2001, prior to September 11, 2001.
- This spring, the Airport's revenue bond ratings were affirmed by Standard and Poor's and Fitch Ratings. Maintaining a strong bond rating helps the Airport avoid potentially higher financing costs. The Airport received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Associations (GFOA) for the 13<sup>th</sup> consecutive year. This award recognizes the Airport's high standards in financial disclosure, public accountability and excellence in financial communications.
- The Airport modernization effort, the Terminal Area Improvement Program (TAIP), continues to receive awards and recognition, including the 2011 "Best of the Best Award" selection by McGraw-Hill Construction. An independent jury of design and construction professionals selected 21 national winners. Projects were judged on safety, innovation, contribution to the industry/community aesthetic and functional quality of design and construction craftsmanship. The City can be proud of the major public infrastructure improvements that have been accomplished with the TAIP and the national recognition that the modernization program has gained.

### **Surface Transportation**

- San José's transportation system continues to be one of the safest among large cities in the nation. However, after 19 years of annual decreases in the number of traffic related injuries, there was a slight increase (2%) in 2010. This is partially reflective of the multi-year reductions in resources allocated to traffic safety services and capital improvement projects.
- In 2010, federally-funded pavement maintenance projects from the American Recovery and Reinvestment Act of 2009 (ARRA) program were completed, resulting in the resurfacing of 25.5 miles of some of the worst streets in the City. In addition, 77 miles of residential streets and 68 miles of arterial roads received a surface seal treatment and another 14.5 miles of streets received a resurfacing treatment. Approximately 6,500 traffic control signs and 1,000,000 square feet of roadway markings were preventatively maintained, 11,900 streetlight repair requests were completed, 1,750 street tree emergencies were responded to, and 2,400 sidewalk repairs were completed.

*City Service Area*  
**Transportation and Aviation Services**  
**OVERVIEW**

***Service Delivery Accomplishment***

**Surface Transportation (Cont'd.)**

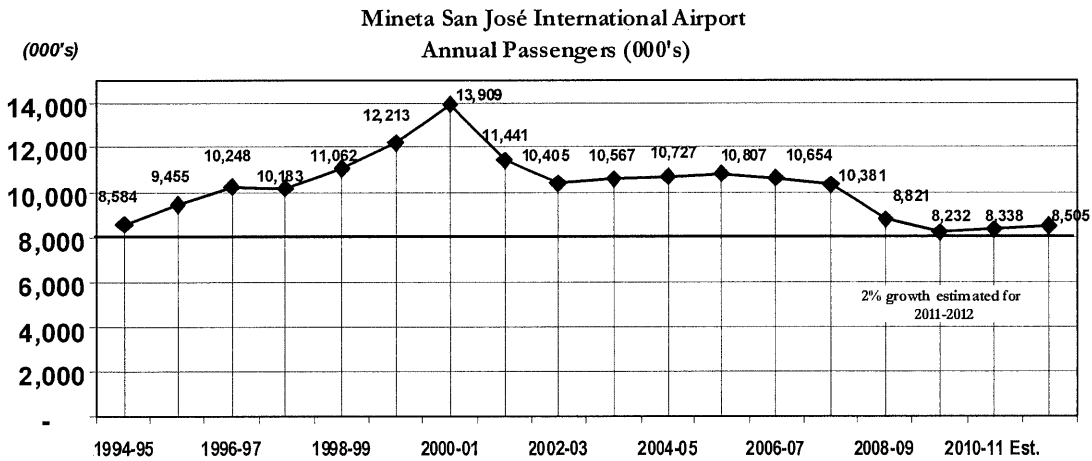
- 50% of the City's street trees have been inventoried using a combination of the community-based organization Our City Forest, in-house resources, and contractual resources, with one-time grant funding and one-time funding from the General Fund to support the Mayor's Green Vision. When completed, the City can apply for grants to develop a Community Forest Master Plan, and the inventory will also provide the information necessary to further explore alternative funding mechanisms for street tree planting and maintenance.
- Pedestrian and bicycle safety in school zones remained a priority through the delivery of traffic safety education to 12,000 children in 2010-2011 and the support of the School Area Parking Compliance team. In addition, San José is ranked first in the nation for providing bicycling education to children, according to the Alliance for Bicycling and Walking's 2010 Benchmarking Report. Approved reductions will significantly decrease this program, allowing only for very limited training in schools.
- Over 90% of the City's 900 traffic signal controllers have been upgraded, and nearly 20 miles of fiber optic communication cable have been installed to support real time traffic monitoring and management. In addition, 90% of the 600 traffic signals along commute corridors were re-timed using grant funds to reduce travel delays and harmful vehicle emissions. This Traffic Light Synchronization Project (TLSP) is being funded by a \$15 million State grant.



***Service Delivery Environment***

**Air Transportation**

- The airline industry has been dealing with many different challenges, including: historically high fuel prices, airline restructuring, the recession, the growth in low-cost air carriers, federal funding limitations, and changing security requirements. Mineta San José International Airport (SJC) also must consider the close proximity and the direct competition with two other airports, Oakland International Airport and San Francisco International Airport. To compete for flights and passengers, SJC must be cost efficient and provide quality customer service.
- Passenger activity is projected to increase slightly in 2010-2011, but overall activity still remains about 23% below 2007 levels and a full 40% lower than passenger levels in 2000-2001. Daily aircraft departures are about 37% lower. As a self-supporting enterprise, the Airport relies entirely on revenues produced by its own operations. The loss of passenger traffic and flights has directly reduced revenues from parking, concessions, passenger facility charges and rental cars, and yet the Airport cannot increase rates without risking its ability to compete for air service.



- In May 2010, the City Council approved the Airport's Competitiveness Strategic Plan and directed the City Manager to take the necessary steps to ensure the ability of Mineta San José International Airport to successfully compete for air service. This included direction to evaluate alternative service delivery models for providing Airport public safety services. The Adopted Budget incorporates a reduction of existing Airport Police staffing levels by 19 positions, and also includes the outsourcing of Airport public safety services to begin no later than February 1, 2012.



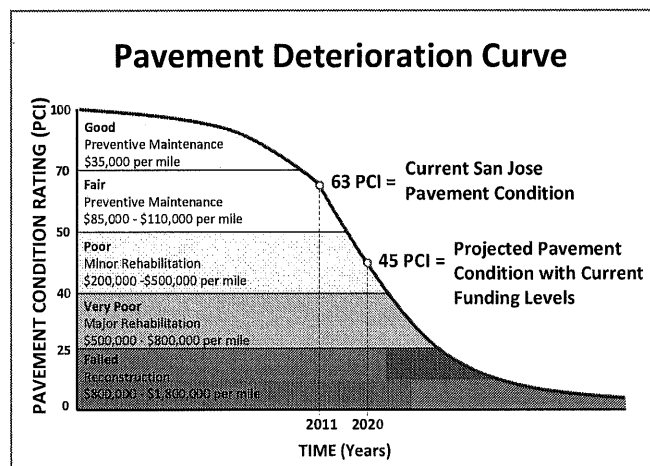
*City Service Area*  
**Transportation and Aviation Services**  
**OVERVIEW**

**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 for the City are now \$417.9 million, with pavement maintenance alone having a \$271.0 million backlog. The deferred maintenance needs for sidewalks, curbs and gutters, and trees, which are the responsibility of property owners, are reported at an additional \$58.4 million. With extremely limited funding, the annual ongoing shortfall needed for the City to maintain transportation assets in good condition is estimated at \$94.4 million. Pavement maintenance is the majority of this shortfall and, over the next five years beginning in 2011-2012, funding is expected to average about \$86 million below the levels needed to eliminate the backlog and restore the system to good condition.
- The lack of adequate funding and continued delay of preventive pavement maintenance is receiving acknowledgement at the regional, State, and federal levels. California has been rated as having the second worst road conditions in the nation, and San José is ranked as having the second worst metropolitan area pavement conditions in the nation. As a City, San José’s pavement condition ranks as the worst in the County. Maintaining the street pavement network is a tremendous challenge due to the size of the network, limited funding, and the escalating costs due to deferred maintenance. Staff will continue to work on pursuing new funding sources and research new technologies and materials to maintain the pavement infrastructure in the most cost effective and innovative way possible.

- **Pavement Deterioration Curve** — Pavement follows a relatively predictable deterioration curve, and without adequate preventive maintenance, the condition begins to decline rapidly. Maintenance costs also increase exponentially as the condition declines. The City’s average pavement condition is currently “fair”, at a 63 Pavement Condition Index (PCI), and is anticipated to drop to “poor”, with a 45 PCI, by 2020 if there is no significant increase in funding levels. The cost to raise the overall condition back to “good” is expected to increase from \$271 million in 2011 to a level approaching \$1 billion in 2020.



## ***Service Delivery Environment***

### **Surface Transportation (Cont'd.)**

- Approximately one third of the Traffic Capital Improvement Program's (CIP) revenues are from federal and State 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 grants require some percentage of matching funds from local revenue sources. Although CIP tax revenues have increased (\$3 million), the ability to leverage grant funding is still problematic.
- Limited resources to implement traffic calming solutions beyond the basics (signs and markings and enforcement) may result in lower resident satisfaction levels in future community surveys.
- Population and jobs are expected to increase by more than 30% over the next 25 years according to the Association of Bay Area Governments. To proactively plan and implement a transportation system that supports future City growth and economic development, this CSA participates in the Envision 2040 update to the General Plan and collaborates with the Community and Economic Development CSA and regional agencies to accomplish the following progressive transportation planning goals:
  - Reduce vehicle travel by planning future development along transit corridors and providing convenient pedestrian and bicycle facilities.
  - Facilitate transportation infrastructure investment by private development and leverage regional grant funding for major projects that support City economic development.
  - Implement major transportation investments such as the BART extension; California High Speed Rail; Diridon Station Expansion; Airport Area Automated Transit Network; light rail and bus enhancements; and various freeway and expressway upgrades.

## ***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**. Staff will not propose any item that will have any adverse impact on the safety and security of Airport operations.
- 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.

**CSA Priorities/Key Services**

- 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**, as it has done through its concessions program.
- 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.

*City Service Area*  
**Transportation and Aviation Services**  
**OVERVIEW**

***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.

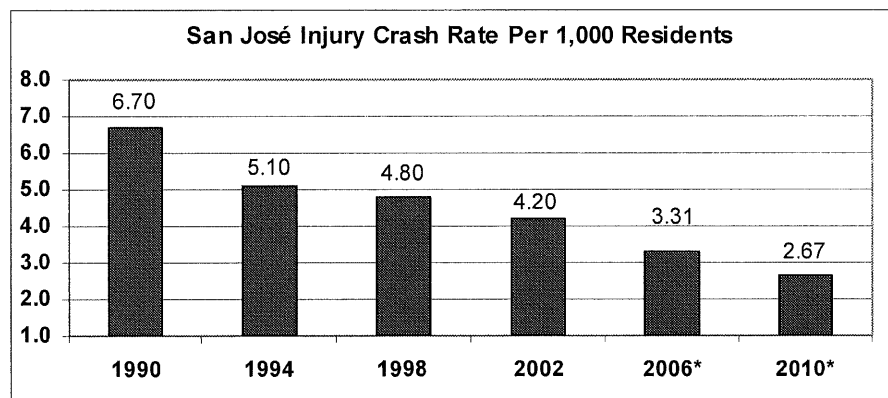
**Outcome 1: Provide Safe and Secure Transportation Systems**

Strategic Goals	CSA Performance Measures	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target	5-Year Goal
Improve Surface Transportation System Safety	1. % of residents rating traffic conditions as safe while:					
	Driving	83%	83%	83%	83%	83%
	Bicycling	47%	47%	47%	47%	50%
	Walking	81%	81%	81%	81%	81%
	2. # of injury crashes per 1,000 population	2.6	2.6	2.7	2.6	2.6
	3. # of pedestrian and bicycle-related injury crashes per 1,000 population	0.59	0.60	0.60	0.60	0.55
Achieve Safe and Secure Air Transportation System and Infrastructure	1. Pass Annual Federal Aviation Regulation FAR 139 inspection with no discrepancies identified	100%	100%	100%	100%	100%

*Changes to Performance Measures from 2010-2011 Adopted Budget: No*

✓ 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, but the Traffic Safety Education Program was approved to be significantly reduced, limiting training to schools when specifically requested or in support of approved grants. The Police Department Traffic Enforcement Unit will continue to provide concentrated traffic enforcement at high crash locations. Engineering staff will review collision reports and plan improvement projects to address potential street safety needs consistent with the limited available funding.

✓ Based on the surface transportation crash data for calendar year 2010, the San José injury crash rate is 2.67 occurrences per 1,000 residents. Although a slight increase over last year (2.62), 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.

***Budget Dollars at Work: Performance Goals***

**Outcome 1: Provide Safe and Secure Transportation Systems (Cont'd.)**

- ✓ Federal Aviation Regulation (FAR) 139 compliance is the Airport's test of conformity with federal aviation regulations. Each year the Federal Aviation Administration (FAA) performs an extensive review of an airport's compliance with safety and operating criteria with regard to such elements as: infrastructure, maintenance, operations, policies and procedures, reporting, training, and response capability. The most recent inspection was held in February 2011 and the Airport is pleased and proud to note that there were no discrepancies found. The exceptional work by various partners provides the community with an Airport that consistently operates in a safe and secure manner.
- ✓ Airport security is a high priority and presents a diverse set of challenges. The Adopted Budget includes the reimbursement to the General Fund for 23 Airport Police staff including four canine teams, which reflects a reduction of 19 staff, effective July 2011. A hybrid security system that uses San José Police Department personnel is under consideration and will be presented to the Public Safety, Finance, and Strategic Support Committee prior to February 2012.
- ✓ Critical to Airport operations is maintaining and responding to safety and security issues 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 on an ongoing basis to prepare for changing needs and flexible response plans.

*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**

Strategic Goals	CSA Performance Measures	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 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	56%	56%	54%	57%	75%
	3. % of residents rating the City service in providing bike lanes and paths as good or better	62%	62%	62%	62%	75%
	4. % of established pedestrian corridors meeting design standards	26%	26%	26%	26%	27%
	5. % of planned systems completed:					
	freeway and expressway %	93%	93%	93%	93%	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%	75%
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	83%	83%	83%	83%	TBD*
	2. % of regional air service market	14.6%	15.0%	14.7%	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	\$11.18	\$11.09	\$11.19	\$11.67	\$13.66

*Changes to Performance Measures from 2010-2011 Adopted Budget: No*

\* The Airport continues to determine the most effective and economical mechanism to gain information on customer satisfaction with regard to Airport services and facilities. The measure above is included as a question in the City's Community Satisfaction Survey, and thus provides a very general indication of satisfaction levels within the community. It is anticipated that during the latter part of 2011, an Airport customer survey will be developed to gain additional information.

- ✓ Continued partnership with Caltrans, VTA, and the County will facilitate improvements at the Route 880/Stevens Creek interchange, on Route 880 from 237 to 101, and along Route 101 in the North San José, Berryessa, and Evergreen areas. Also, funding from the North San José Development Plan will improve Montague Expressway. These efforts will bring the percentage of planned freeway and expressway systems complete to 94% in five years.
- ✓ 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 carpool 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, and Bike Boulevards.

*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  
(Cont'd.)**

- ✓ Support to the VTA and other regional partnerships to facilitate BART to Silicon Valley, California High Speed Rail, Bus Rapid Transit, Diridon Station Expansion, and Airport area transit improvements remain priorities for the region and City.



- ✓ Parking patrols, with an emphasis on compliance, continue in the Downtown, neighborhoods, school zones, and business districts to ensure safe and available parking.
- ✓ Continuation of expanded parking incentives providing free and reduced rate monthly parking support the growth and retention of businesses in the Downtown.
- ✓ Elimination of City funding to support various multi-modal transportation programs, such as the VTA's Downtown DASH shuttle, or providing City employees with a City subsidized

EcoPass or Commuter Check, is required to enable the General Purpose Parking Fund to relieve the San Jose Redevelopment Agency of its scheduled \$3.4 million debt service payment in 2011-2012 for the 4<sup>th</sup> and San Fernando Parking Garage. Additionally, the short term parking rates in the City's Downtown parking facilities will be adjusted to support the debt service payment and to provide for an enhanced evening validation program.

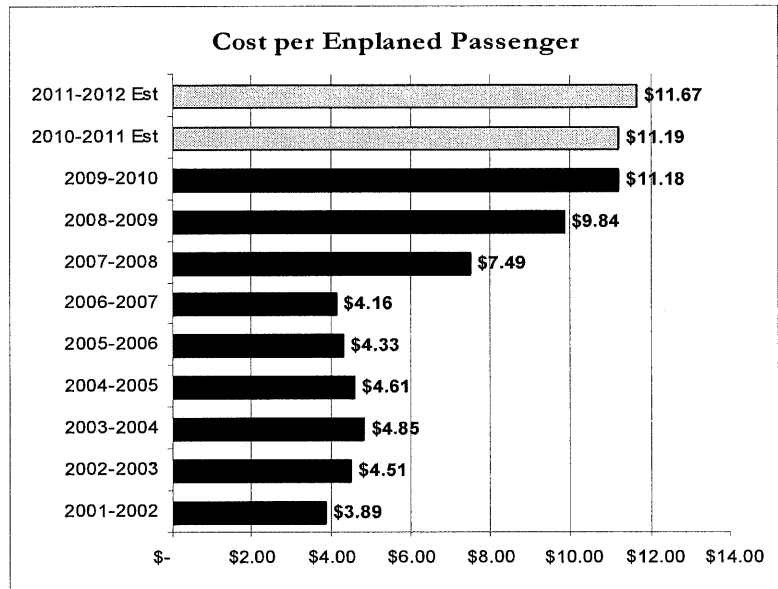
- ✓ The Airport continues to offer the Airport Incentive Program, introduced in 2006-2007, which waives Airport fees during the first several years of airline operations that introduce new service to particular destinations. The Airport Incentive Program has been modified and clarified to extend promotional fee waivers to air carriers providing new service to underserved destinations. The Focus City Incentive Program encourages air carriers to increase their overall commitment to SJC. The program provides a waiver of fees and terminal rents for a two-year period as long as the focus airline adds a minimum of four year-round daily flights to at least two new destinations. Airport air service development funds are limited, but remain available to support priority marketing for new service destinations.



***Budget Dollars at Work: Performance Goals***

**Outcome 2: Provide Viable Transportation Choices that Promote a Strong Economy (Cont'd.)**

✓ Airlines use “Cost per Enplaned Passenger” (CPE) as a key indicator for their decision about where to locate air service. CPE represents the total costs of airport operations that are allocated to airlines and are charged to them in landing fees, rents or other specific charges, divided by the total number of passengers boarding planes at SJC. The Airport has targeted an airline cost per enplaned passenger (CPE) of \$11.67 for 2011-2012, a 4.3% growth from the rate anticipated in 2010-2011. The Adopted Budget is built on several key assumptions including airport passenger volumes increasing by 2% over the current year. The 2011-2012 landing fee is anticipated to decrease from \$2.47 to \$2.19. The average rental rate is estimated to increase from \$130 to \$152 per square foot.



✓ The many new facilities and services that were put into service at the Airport with the opening of the new Terminal, Consolidated Rental Car and Public Parking Garage, and roadway system in June 2010 provide the community with modern, efficient infrastructure to support both leisure and business travel.

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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	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 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	70%	70%	70%	70%	TBD*
Improve Traffic Flow on Major Streets	1. % of residents rating commute traffic flow on city streets as "acceptable" or better	60%	60%	60%	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	40%	40%	40%	40%	35%
	2. % of freeways operating below 35 mph during peak hours	21%	30%	22%	30%	40%
Enhance Access to Major Activity Centers and Events	1. % of customers rating access to major activity centers as "easy:"					
	Downtown	79%	79%	79%	79%	80%
	Airport	75%	75%	75%	75%	75%
	HP Pavilion Arena	72%	72%	72%	72%	75%
	Regional Shopping Centers	89%	89%	89%	89%	85%

*Changes to Performance Measures from 2010-2011 Adopted Budget: No*

\* The Airport continues to determine the most effective and economical mechanism to gain information on customer satisfaction with regard to Airport services and facilities. The measure above is included as a question in the City's Community Satisfaction Survey, and thus provides a very general indication of satisfaction levels within the community. It is anticipated that during the latter part of 2011, an Airport customer survey will be developed to gain additional information.

- ✓ The Airport strives to provide a positive and predictable experience for customers, including roadway access. Traffic flow on the new roadway system has increased capacity, improved traffic flow and safety, provides direct access to each terminal, and enhanced wayfinding. Although funding is limited, Airport staff will continue to provide customer outreach and signage to help enhance customers' knowledge of the terminal space and services.
- ✓ The Airport's shared-use system, including gate and hold room management technology, flight information displays, dynamic signage, visual paging, ticketing, baggage, and reservation systems is completely operational. The operation of these systems allows the Airport and airlines to better manage terminal space, gates, and ticket counters, which will enhance the customer's experience.
- ✓ The customer experience will be further enhanced when long term and employee parking facilities are relocated to the east side of the Airport. The relocation of long term parking to the former rental car lot area in June 2011 has provided customers with a long term parking facility located within minutes of the commercial airline terminals. New surface level parking facilities constructed at the south end of the Consolidated Rental Car Garage and Public Parking Facility and Terminal B areas provide for additional public parking as well as employee parking in locations convenient to all Airport facilities.

***Budget Dollars at Work: Performance Goals***

**Outcome 3: Travelers Have a Positive, Reliable, and Efficient Experience (Cont'd.)**

- ✓ The new Airport food and beverage and retail concessions program has doubled the size of the previous concessions program and includes over 40 new locations in Terminals A and B, many of which are locally based and provide a sense of place for travelers arriving and departing San José. In addition to local favorites, well known regional and national brands round out and complement the program. The concessions program provides a wide variety of choices for passengers, including the Airport's first pre-security concessions with food and beverage and retail in both domestic terminals with outdoor patio seating at Terminal B. Prices charged at the concessions remain affordable and are capped at no more than 10% over comparable street pricing.
- ✓ Positive and reliable travel experiences contribute to creating a healthy and economically vibrant community. The Department of Transportation is undertaking a major upgrade to its traffic signal management system. Through June 2011, over 60% of work under the grant-funded Traffic Signal Communications and Synchronization Project has been completed. When completed in 2011-2012, the new state-of-the-art advanced traffic management system will result in commuters experiencing travel time savings of 10% to 15% and transit riders experiencing more reliable bus arrivals. Staff will also be able to respond to incidents and signal malfunctions in a timelier manner with the expanded traffic surveillance system. This project helps to address the community's feedback (Community Satisfaction Survey) where improving traffic flow and reducing traffic congestion 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 as well as event traffic at the HP Pavilion and other major activity centers. Work will also continue on building the Transportation Incident Management Center (TiMC) in the City Hall Employee Parking Garage to facilitate the flow of traffic in the region and enable staff to effectively manage incidents ranging from traffic accidents to other emergency situations.
- ✓ 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 4: Preserve and Improve Transportation Assets and Facilities**

Strategic Goals	CSA Performance Measures	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target	5-Year Goal
Maintain Pavement Surfaces in Good Condition	1. % of residents rating "neighborhood" streets in "acceptable" or better condition	83%	83%	83%	83%	65%
	2. % of streets rated in "good" or better condition (70 or greater on a 1-100 scale)	N/A	N/A	40%	40%	42%
	3. City average Pavement Condition Index (PCI) rating (Metropolitan Transportation Commission recommended condition level is 0.80)	0.64	0.63	0.63	0.62	0.56
Maintain Traffic Devices in Good Condition	1. % of traffic signals, signs, and markings in "good" or better condition (visible and functioning properly)	56%	51%	56%	55%	55%
Preserve and Enhance Neighborhood Streetscape	1. % of residents rating streetscapes in "good" or better condition (includes: sidewalks, street lights, landscaping, and trees)	60%	60%	60%	60%	60%
	2. % of neighborhood street trees in "good" or better structural condition	40%	40%	42%	42%	50%
	3. % of residents rating adequacy of street lighting as "good" or better	59%	59%	59%	59%	65%
	4. % of planned landscaped median island locations complete	72%	72%	72%	72%	72%

*Changes to Performance Measures from 2010-2011 Adopted Budget: Yes<sup>1</sup>*

<sup>1</sup> Changes to Performance Measures from 2010-2011 Adopted Budget:

☪ "% of streets rated in "fair" or better condition (50 or greater on a 0-100 scale)" was revised to reflect a better target of 70.

- ✓ The total allocation of funding for the 2011 paving season is approximately \$19 million. This represents a decrease in funding from past years when annual investments totaled \$30 to \$40 million due to grant funds provided by the State Proposition 1B and the American Recovery and Reinvestment Act of 2009 (ARRA) programs. The decrease in funding was due to the completion of Proposition 42 and Proposition 1B funded projects as well as the completion of one-time funding received from ARRA. The current allocation of funding is being used to provide for a balance of preventive maintenance and rehabilitation treatments, including a total of 72 miles of street sealing and 7 miles of resurfacing.
- ✓ 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 fallen short of the necessary levels. Staff continues to invest available funding and resources in the most efficient and effective way possible and to seek more cost-saving ideas, but the gap between resources and needs will continue to be a critical issue for the City to address in future years.

***Budget Dollars at Work: Performance Goals***

**Outcome 4: Preserve and Improve Transportation Assets and Facilities (Cont'd.)**

- ✓ Efforts to mitigate the decline in landscape maintenance continue through the conversion of high level landscapes to lower level designs that reduce the amount of required maintenance. In addition, operational improvements to more effectively deploy remaining landscape resources as efficiently as possible continue to be explored and implemented.
- ✓ The Airport Taxiway W Improvements Phase III project is underway, providing for the construction of a new taxiway between Taxiways J and L, and the reconstruction of Taxiway J from Taxiway V to W. Timing and completion of subsequent phases of the taxiway improvements are dependent upon receiving additional grant funding from the FAA and availability of resources to fund the required local match. The Airport continues to aggressively seek grant funding for infrastructure improvements and asset development.
- ✓ Planning for Airport Non-Terminal Area Projects and site preparation work for future facilities and improvements outside of the terminal zone, including the west side of the Airport, are funded in the Airport Capital Improvement Program. These improvements are expected to generate new Airport and General Fund revenues, provide employment opportunities, and result in increased federal, State and local taxes.
- ✓ Airport Facility maintenance has introduced cost containment activities beyond the outsourcing of custodial services. The work management on-line reporting system is relied on to both plan and schedule repairs needed, as well as to arrange for proactive maintenance management activities. Staff continues to meet the ongoing challenge of maintaining a new state of the art facility with reduced staffing levels and resources.

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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	2009-2010 Actual	2010-2011 Target	2010-2011 Estimated	2011-2012 Target	5-Year Goal
Provide Neighborhood-Friendly Traffic Operations	1. % of residents rating traffic impacts in their neighborhood as "acceptable" or better	77%	77%	77%	77%	75%

*Changes to Performance Measures from 2010-2011 Adopted Budget: No*

- ✓ Limited staff resources are available to address neighborhood traffic concerns. Only mandated and safety improvement work will be addressed, including review and installation of new traffic control signs and roadway markings, update of speed surveys to ensure speed violations can be cited, review of stop control and crosswalk requests, and review of collisions and school traffic circulation. Development and capital improvement projects will continue to be reviewed for traffic calming impacts. 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 shuttles. The Airport has programs to purchase electric maintenance vehicles and provide Airport-wide recycling and just-in-time purchasing and delivery. 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 Airport has successfully introduced and continues to operate a variety of noise monitoring and curfew enforcement programs to address community concerns and to keep the community informed of programs.

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**ADOPTED BUDGET CHANGES**

<b>Adopted Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>AIRPORT DEPARTMENT</b>			
• Airport Department Employee Total Compensation Reduction		(1,913,081)	0
• Airport Building Maintenance Services	(2.00)	(254,652)	0
• Airport Building Maintenance Services Overtime		(86,126)	0
• Airport Public Safety Services - Service Delivery Model Change		1,817,000	0
• Airport Department Annual Retirement Contribution		1,048,601	0
• Airport Department Unemployment Contribution		217,038	0
<i>Subtotal</i>	(2.00)	828,780	0
<b>POLICE DEPARTMENT</b>			
• Police Department Employee Total Compensation Reduction		(1,081,768)	(1,081,768)
• Police Department Annual Retirement Contribution		857,306	857,306
• Police Department Unemployment Contribution		83,723	83,723
<i>Subtotal</i>	0.00	(140,739)	(140,739)
<b>TRANSPORTATION DEPARTMENT</b>			
• Transportation Department Employee Total Compensation Reduction		(2,018,614)	(953,703)
• General Purpose Parking Fund Rebalancing	(1.50)	(980,260)	(15,374)
• Right-Sizing Pavement Maintenance Program Staffing	(4.40)	(330,523)	0
• Street Landscape Maintenance Staffing	(1.75)	(174,286)	(174,286)
• Transportation Planning and Project Delivery Management Staffing	(1.00)	(173,825)	0
• City Hall and Employee Parking Garage Operations		(110,000)	(110,000)
• Traffic Safety Education Program Staffing	(1.00)	(106,807)	0
• Transportation Department Administrative Staffing	(0.53)	(42,213)	(34,152)
• Fleet Staffing and Vehicle Pool Program		(38,000)	(38,000)
• Street Landscape Maintenance Overtime		(25,000)	(25,000)
• Parking and Traffic Control Management Staffing	0.00	(19,368)	(19,368)
• Transfer to the Downtown Property and Business Improvement District		(14,897)	0
• Parking Lot Lease Payment Funding Reallocation		0	(60,654)
• Transportation Department Annual Retirement Contribution		1,181,670	568,573
• Maintenance Assessment District Renovations and Maintenance		390,000	0
• Transportation Department Unemployment Contribution		248,186	120,173
• SJRA Parking Facilities Operations and Maintenance		90,000	0
• Meter Collection Van Replacement		40,000	0
• ADA Ramp/Sidewalk Inspections Program	0.00	0	(64,466)
<i>Subtotal</i>	(10.18)	(2,083,937)	(806,257)
<i>Subtotal Departments</i>	<b>(12.18)</b>	<b>(1,395,896)</b>	<b>(946,996)</b>



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**ADOPTED BUDGET CHANGES**

<b>Adopted Changes</b>	<b>Positions</b>	<b>All Funds (\$)</b>	<b>General Fund (\$)</b>
<b>CITY-WIDE EXPENSES</b>			
• Contractual Street Tree Planting		(2,220)	(2,220)
<b>GENERAL FUND CAPITAL TRANSFERS AND RESERVES</b>			
• Transfer to Other Funds: Downtown Property Business Improvement District Fund		(65,000)	(65,000)
• Earmarked Reserves: New Traffic Infrastructure Assets Reserve Elimination		(60,000)	(60,000)
<i>Subtotal Other Changes</i>	<b>0.00</b>	<b>(127,220)</b>	<b>(127,220)</b>
<b>Total Adopted Budget Changes</b>		<b>(12.18)</b>	<b>(1,523,116)</b>
			<b>(1,074,216)</b>