

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Paul Joseph
Jim Shannon

SUBJECT: See Below

DATE: August 25, 2025

Approved

Date:

9/4/2025

COUNCIL DISTRICT: Citywide

SUBJECT: Actions Related to the Funding and Purchase of a Fixed Wing Aircraft for the Police Department

RECOMMENDATION

- (a) Adopt a resolution authorizing the City Manager or her designee to:
- (1) Negotiate and execute a contract with Daher Kodiak for one model Kodiak 100 fixed wing aircraft, in an amount not to exceed \$3,800,000, including the base configuration fixed wing, configuration options as required by the Police Department, maintenance and warranty package, and pilot training, exclusive of any applicable taxes and fees, subject to the appropriation of funds;
 - (2) Negotiate and execute a contract with Hangar One in an amount not to exceed \$1,023,953, for equipment and configuration, as required by the Police Department, exclusive of any applicable taxes and fees, subject to the appropriation of funds; and
 - (3) Approve a contingency of \$300,000 for any unforeseen changes or modifications to the fixed wing and/or final configuration of the fixed wing aircraft.
- (b) Approve the proposed 2024-2026 Spending Plan for the Supplemental Law Enforcement Services grant in the amount of \$1,497,156 and authorize the Chief of Police to amend the Spending Plan to conform to the budget priorities set out in this memorandum, and in the event the Supplemental Law Enforcement Services Grant payments are less or more than expected.
- (c) Approve the revised 2023-2025 Spending Plan for the Supplemental Law Enforcement Services Grant in the amount of \$2,903,332.
- (d) Adopt the following 2025-2026 Appropriation Ordinance and Funding Sources Resolution amendments in the Supplemental Law Enforcement Services (SLES) Fund:
- (1) Increase the Beginning Fund Balance by \$36,200;

- (2) Increase the estimate for Revenue from the State of California by \$2,909,026;
 - (3) Establish the SLES Grant 2024-2026 appropriation to the Police Department in the amount of \$1,497,156; and
 - (4) Increase the SLES Grant 2023-2025 appropriation to the Police Department by \$1,448,070.
- (e) Adopt the following 2025-2026 Appropriation Ordinance amendments in the Federal Drug Forfeiture Fund:
- (1) Increase the Beginning Fund Balance by \$112,606;
 - (2) Establish the Police Fixed Wing Aircraft Replacement appropriation to the Police Department in the amount of \$600,285; and
 - (3) Decrease the Ending Fund Balance by \$487,679.
- (f) Adopt the following 2025-2026 Appropriation Ordinance amendments in the State Drug Forfeiture Fund:
- (1) Increase the Beginning Fund Balance by \$604,611;
 - (2) Establish the Police Fixed Wing Aircraft Replacement appropriation to the Police Department in the amount of \$2,266,414; and
 - (3) Decrease the Ending Fund Balance by \$1,661,803.

SUMMARY AND OUTCOME

This memorandum outlines the multiple funding sources for City Council consideration and approval to purchase a new fixed wing aircraft for the Police Department, (Department) replacing a previous fixed wing that was decommissioned in 2018. The various appropriation adjustments recommended in this memorandum will provide the funding necessary to purchase the fixed wing aircraft, install the necessary equipment, and configure the aircraft. While one-time funds are needed for the purchase of the new aircraft, ongoing operating and maintenance costs are not anticipated to increase above current levels, as deployment of a fixed wing aircraft allows for fewer operating hours for the existing helicopter, resulting in substantially lower maintenance costs for the helicopter.

Approval of the 2024-2026 Supplemental Law Enforcement Services (SLES) Spending Plan and revised 2023-2025 SLES Spending Plan will provide additional resources to the City of San José (City) for front-line law enforcement activities. Additionally, reallocating funds within the 2023-2025 SLES Spending Plan allows the City to use the funding based on the priority of projects, given their respective time frames.

BACKGROUND

The Department previously operated a Cessna 182, a small, fixed wing aircraft that was decommissioned in 2018 due to age and safety concerns. Currently, the Department

only has one helicopter (AIR3) which aims to operate seven days a week and is rapidly accumulating flight hours. With nearly one million residents to serve, AIR3 is frequently tasked with missions beyond its intended scope, stretching its operational capacity.

A second aircraft would significantly expand aerial support capabilities by allowing for increased flight time to augment units on the ground for support in response to calls for service, priority events, vehicle pursuits, foot pursuits, rescues, and other outcomes. Air support frees up officers to respond to more calls for service, as well as makes officers safer and more effective by giving tactical insight to responding or on-scene units and giving airborne assessments of incidents in real-time. This dramatically increases officers' apprehension rates while decreasing the risk these apprehensions pose to officers and the general public.

As the Department's only aerial resource, AIR3 is in constant use, leading to frequent and costly maintenance that removes it from service for extended periods. When it is grounded, the City is left without air support, creating critical gaps in the Department's public safety response. A second aircraft would allow for continuous air support, during the maintenance of AIR3, as well as during major public safety incidents and large-scale events.

SLES grant funding, which is recommended to be used for the purchase of the fixed wing aircraft, is received from the State of California's Citizen's Option for Public Safety Program via the County of Santa Clara. The program began in 1996-1997 and continues to be funded. SLES funds may be used only for front-line, municipal police services and should supplement, not supplant, current front-line law enforcement services. Funds must be encumbered or spent within the two-year grant cycle. The spending plan for these funds is approved by a separate, five-member Supplemental Law Enforcement Oversight Committee chaired by the Santa Clara County District Attorney's Office. Approval by the Supplemental Law Enforcement Oversight Committee will occur once the City Council has approved the proposed spending plan.

Federal Drug Forfeiture Funds account for federal drug forfeiture monies received pursuant to the drug abuse prevention and control provisions of Title 21, Chapter 13 of the United States Code. Federal guidelines for this fund stipulate that seizure monies be used for the financing of law enforcement activities.

State Drug Forfeiture Funds accounts for state drug forfeiture monies received whenever the Department is involved in asset seizures from convicted drug law violators. The program allows these funds to be used for a wide range of law enforcement activities.

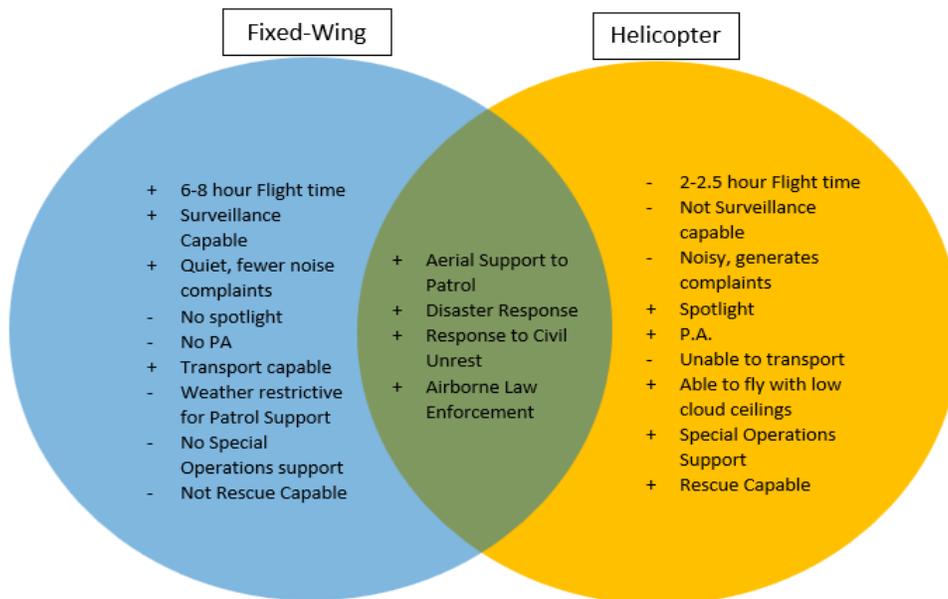
ANALYSIS

Fixed Wing Aircraft Versus Helicopter

For a decade, the Department has relied on its helicopter for all air support needs. While it has proven to be an essential resource to the overall airborne law enforcement mission, the helicopter possesses certain limitations, including a relatively short range, limited flight time, and an inability to carry significant loads due to weight restrictions.

The maintenance costs and downtime requirements of helicopters tend to create significant breaks in availability that surpass those experienced by non-rotary wing aircraft. These factors, combined with technology improvements in imaging systems that use sensors to detect and identify objects, have driven modern law enforcement agencies to increasingly rely on fixed wing aircraft to achieve their day-to-day goals. The figure below evaluates the pros and cons of both the fixed wing aircraft and the helicopter, as well as the overlapping benefits. It demonstrates the need to have at least one of each aircraft, so all capabilities are met and the appropriate aircraft can be used based on the Department's mission.

Figure – Pros and Cons of Fixed Wing Aircraft and Helicopter



The Department previously owned and operated a fixed wing aircraft for over 30 years, until it was decommissioned in 2018 and sold in 2019; the intention was to replace this fixed wing aircraft as financial resources allowed. The fixed wing aircraft was extremely useful to the Department, as it was regularly used to conduct surveillance, extraditions, and emergency officer transports.

Due to budgetary constraints and prioritization of other critical services and programs, the fixed wing aircraft replacement purchase was put on hold and was never budgeted for replacement. However, in an effort to continue a level of air support for the Department, on December 5, 2017, the City Council approved the purchase of one model HI25 Helicopter (AIR3), replacing the prior helicopter. The AIR3 helicopter, which is currently the aircraft in use, allows the Department to provide a baseline level of essential services to the community. However, in order to achieve all aerial functions in the above diagram, the Department desires to re-add a fixed wing aircraft to its fleet, leveraging grant and forfeiture funds that will not only improve the Department's overall air support capability, but do so within increasing ongoing costs.

A fixed wing aircraft would be expected to service the City for approximately 20 years. The fixed wing aircraft could be deployed on extended events and maintain coverage over longer duration critical incidents, while reducing hours on the helicopter. Additionally, the fixed wing aircraft could provide mission critical capabilities that the helicopter is unable to provide and remain airborne longer during major events. Ownership of both aircraft would allow the Department to have all the benefits unique to each type of aircraft, and the flexibility to choose which aircraft best accomplishes each mission.

Consideration of Drones

In an effort to stay at the forefront of technology and innovation, the Department is also committed to expanding its inventory of unmanned aerial vehicles (UAVs) as funding and the need to invest in other critical priorities allow. However, a fixed wing aircraft offers capabilities that UAVs cannot match, the most significant being response time. UAVs take a significant amount of time to launch and deploy overhead at a scene, as the drone pilot has to drive to the scene, park, make appropriate notifications to Air Traffic Control before launching, and deploy the UAV. In contrast, a fixed wing aircraft can generally give real-time information anywhere in the City in just 10 to 20 seconds, due to the superior camera technology, and can be physically overhead a scene within two minutes. The fixed wing aircraft also has superior range and endurance compared to UAVs, as they can fly hundreds of miles and stay airborne for up to eight hours, making them ideal for extended surveillance, search and rescue, large crowd events, or wide-area patrols. In contrast, most UAVs, especially those commonly used by law enforcement, are limited to short flight times (often under an hour) and require line-of-sight operation due to Federal Aviation Administration restrictions and battery life constraints.

In summary, detailed in the table below, while drones provide valuable support for short-term static scenes, manned aircraft remain essential for apprehending suspects, aircraft endurance, tactical flexibility, and reliability in complex or high-stakes law enforcement operations.

Capability	Aircraft	Drones
Transport officers/equipment/rescues	✓	✗
Long-range operation	✓	⚠ (limited)
Adverse weather ops	✓	✗
High-speed pursuits	✓	✗
Operate in restricted airspace	✓	⚠ (requires waivers)
On-board command/decision-making	✓	✗
Heavy payload surveillance gear	✓	⚠ (lightweight only)
Regulatory flexibility	✓	✗

In addition to these operational advantages, the current price of UAVs make them expensive to operate compared to a fixed wing aircraft. Pricing provided to the Department in 2025 suggests a UAV program providing coverage to approximately one quarter of San José would cost approximately \$4.5 million annually for equipment and subscriptions. This estimate does not include the additional personnel costs that would be required for the UAV operators.

Procurement

In 2026, the City will be hosting multiple high-profile sporting events which will require a high level of public safety presence. Due to the staffing shortages, a fixed wing aircraft is a necessary force multiplier. The Department expects resources to be stretched thin during these large-scale events and the fixed wing aircraft will allow a rapid response and assessment of occurring incidents, which will assist in necessary resource allocation and placement on the ground. It will also allow the Department to maintain an overhead view of the large-scale event, or multiple events occurring simultaneously, for the duration of the event(s). AIR3 is not designed to withstand extended flight times and would have to refuel multiple times during these events, thus creating periods of time with zero aerial coverage. Due to the stealth, superior vantage point, and mobility of the fixed wing aircraft, it is reasonable to believe that one officer in the aircraft is worth multiple officers on the ground.

There are various models of aircraft that would meet the Department’s fixed wing aircraft needs. These models include: Cessnas, Kodiaks, and Pilatus. The Department reached out to all these manufacturers regarding pricing and availability. The Pilatus costs over \$6 million, almost twice the cost of the Kodiak, making it cost prohibitive. Cessna responded to the Department inquiry and stated it currently has no planes

available for purchase and an aircraft would take approximately 18 to 24 months from the time of the sale contract to build.

In order to be ready by spring 2026, the Department must purchase a fixed wing aircraft now. After the acquisition of the aircraft, it must be equipped, which takes approximately four months for installation. In addition, the pilots will each need to take a one-week transition course to familiarize themselves with the specific aircraft. Further, the Department could not practically conduct a procurement earlier, as sufficient funding was not identified until recently, as discussed below.

Currently, there is only one plane available that will allow the Department to own and operate a fixed wing aircraft during the high-profile sporting events of 2026. A Daher Kodiak 100 was already in production and fell out of contract with its initial buyer. Using a Sole Source procurement, the Department would be able to take possession of this aircraft in November 2025 and installation of equipment could be completed within three to four months following acquisition.

Staff concluded that issuing a competitive Request for Bids would not result in multiple bids that would meet the required timeframe.

Staff did explore the use of cooperative agreements to purchase the aircraft, but as of this writing, none were available. Department staff researched recent Kodiak fixed wing purchases by public agencies in California and across the United States. In April 2025, the State of Montana Department of Natural Resources procured a Kodiak 900; however, the procurement could not be used by other agencies. Several other agencies have sought a fixed wing aircraft (e.g., Minnesota Department of Natural Resources, Missouri State Highway Patrol, and Florida Forest Service), but none had documentation available that would meet the requirements for a cooperative agreement.

This sole source purchase meets the following criteria as set forth in the San José Municipal Code:

- Section 4.12.230: Sole Source Purchases: *“The procurement authority may make purchases of such supplies materials or equipment which can be obtained from only one vendor or manufacturer.”*

Once the Kodiak is purchased, it will be sent to Hangar One for equipment installation. Hangar One is a reputable installer and is the only vendor located on the west coast and in the State of California. Completing the build-up in California will allow the Department to have easier access to perform in-person site inspections. Additionally, it allows the Department to have easier and closer access to the vendor to make under warranty repairs on installed equipment. Other vendors are located out of state, primarily in Texas and Florida.

Hangar One has multiple successful completions of similar aircraft, specifically single-engine, turbine aircraft, which makes it a trusted and experienced vendor. Hangar One is used by other California law enforcement agencies, including the California Highway Patrol and the Los Angeles Police Department.

Proposed 2024-2026 SLES Spending Plan

As recommended in this memorandum, the approval of the proposed spending plan for 2024-2026 SLES grants would recognize \$1,497,156 to appropriate funds toward the purchase of the fixed wing aircraft. The sunset date for expending or encumbering 2024-2026 SLES Grant funds is June 30, 2026.

Proposed 2024-2026 SLES Spending Plan		
Project #	Item	Amount
1	Police Fixed Wing Aircraft	\$1,497,156
	Total	\$1,497,156

Revised 2023-2025 SLES Spending Plan

Additionally, recommendations to approve the revised spending plan for 2023-2025 SLES grants are included in this memorandum. The original spending plan for the 2023-2025 SLES Grant was approved by the City Council¹ on November 14, 2023, in the amount of \$1,491,462. On October 2, 2024, the City was notified that an additional amount of \$1,411,870 was added to the City's allocation for 2023-2025 SLES Grant. Due to the allocation adjustment at the state level, the new award amount for 2023-2025 SLES Grant totals \$2,903,332.

With this increase in grant funding, the Department recommends changes to the original 2023-2025 Spending Plan outlined in the table below. Recommended changes include an increase of \$1,411,870 for Project 2, Officer Safety Equipment and Enhancements in Investigative Abilities, for the procurement of the fixed wing aircraft (\$306,220) and taser subscriptions (\$1,105,650).

The Department currently pays \$913,500 per year for its taser subscription. This subscription expires December 2025, and costs are expected to rise. While negotiations are ongoing, the vendor has quoted prices up to \$1,805,650 per year for the new subscription. Of this amount, \$700,000 is in the Department's existing non-personal/equipment budget in the General Fund, with the remaining amount of \$1,105,650 recommended to be funded by the SLES Grant.

¹ Link to November 14, 2023, memorandum:

<https://sanjose.legistar.com/View.ashx?M=F&ID=12418031&GUID=A29D00E8-E44C-4C0A-9028-F4D23D5AEF75>

Subject: Actions Related to the Funding and Purchase of a Fixed Wing Aircraft for the Police Department

The following table illustrates the revised 2023-2025 Spending Plan:

Revised 2023-2025 SLES Spending Plan				
Project #	Item	Original Allocation	Additional Allocation	Total Allocation
1	Department Hardware, Software, and Technology Upgrades	\$203,000		\$203,000
2.1	Officer Safety Equipment and Enhancements in Investigative Abilities (Tasers, etc.)	\$1,284,500	\$1,105,650	\$2,390,150
2.2	Police Fixed Wing Aircraft	-	\$306,220	\$306,220
3	Grants Administration Funding	\$3,962		\$3,962
	Total	\$1,491,462	\$1,411,870	\$2,903,332

Fixed Wing Aircraft Purchase and Operating Costs

The purchase of the fixed wing aircraft is expected to cost \$3.8 million; the initial equipment purchase for the aircraft is approximately \$1.0 million, and a contingency of \$300,000 for a total cost of \$5.1 million. The Department also anticipates procuring additional equipment using either donations or a future SLES grant allocation.

The fixed wing aircraft will be acquired using multiple funding sources, including the Supplemental Law Enforcement Services Fund, State Drug Forfeiture Fund, and the Federal Drug Forfeiture Fund. The budget actions recommended in this memorandum will provide full funding for the replacement of the Department’s fixed wing aircraft.

Item	Cost
Fixed Wing Aircraft	\$3,800,000
Equipment Purchase and Installation	\$1,023,953
Contingency	\$300,000
Total Costs	\$5,123,953

Due to the mixed use of the two aircraft model, the maintenance schedule of the existing helicopter would be significantly reduced, making a two aircraft model cheaper than a single aircraft model. If the status quo continues, the maintenance cost for the existing helicopter – including scheduled major maintenance overhauls based on flight hours – is estimated at \$2.3 million during the five-year period from 2026-2027 to 2030-2031, or an average annual cost of \$460,000. However, if helicopter flight time is split with a fixed wing aircraft, helicopter maintenance costs drop to \$533,000 over the same five-year period, or an average annual cost of \$107,000, as fewer flight hours extends

the time period before major maintenance overhauls are needed. Even if the comparison horizon extends to 2033-2034 to include major maintenance overhauls, the two aircraft model results in a total savings of \$1.4 million.

EVALUATION AND FOLLOW-UP

No additional follow-up with the City Council is expected at this time.

COST SUMMARY/IMPLICATIONS

The total cost for the procurement of the fixed wing aircraft is \$5,123,953, which will be funded by the State Drug Forfeiture Fund (\$2,266,414), Supplemental Law Enforcement Services Fund (\$2,257,254), and Federal Drug Forfeiture Fund (\$600,285). In addition, this memorandum includes recommendations to recognize and appropriate \$1,105,650 in the Supplemental Law Enforcement Services Fund to provide funding for the taser subscription. The table below further details the funding.

Fixed Wing Aircraft Funding			
State Drug Forfeiture Fund			
	Amount	Action	
	Beginning Fund Balance	\$604,611	Recognizing additional beginning fund balance as a result of a preliminary fund balance reconciliation of 2024-2025
	Ending Fund Balance	\$1,661,803	Appropriating the available ending fund balance
	Subtotal State Drug Forfeiture Fund	\$2,266,414	
Supplemental Law Enforcement Services Fund			
	Amount	Action	
	SLES 2024-2026	\$1,497,156	Recognizing grant funds
	SLES 2023-2025	\$306,220	Recognizing grant funds
	SLES 2023-2025	\$36,200	Early rebudget of prior year unexpended funds
	SLES 2022-2024	\$153,878	Use of existing budget
	SLES 2023-2025	\$263,800	Use of existing budget
	Subtotal Supplemental Law Enforcement Services Fund	\$2,257,254	

Federal Drug Forfeiture Fund		Amount	Action
	Beginning Fund Balance	\$112,606	Recognizing additional beginning fund balance as a result of a preliminary fund balance reconciliation of 2024-2025
	Ending Fund Balance	\$487,679	Appropriating the available ending fund balance
Subtotal Federal Drug Forfeiture Fund		\$600,285	
Total Funding for Fixed Wing Aircraft		\$5,123,953	
Taser Subscription		Amount	Action
	SLES 2023-2025	\$1,105,650	Recognizing grant funds

The current ongoing helicopter operating and maintenance budget of \$269,000, excluding the cost of major maintenance overhauls, is sufficient to cover the annualized 2026-2027 estimated operating and maintenance costs of the fixed wing aircraft (\$126,000) and helicopter (\$106,000), if both are operational. As discussed above, with the addition of the fixed wing aircraft, it is expected that the helicopter flight time will decrease; the Department anticipates cost savings from lower helicopter operating and maintenance, which will more than offset the fixed wing aircraft operating and maintenance costs. The Department will continue to monitor costs and usage, and recommend any minor adjustments to the operating budget, as needed, as part of future Base Budget development processes.

If necessary, the Department may bring forward a request for additional equipment using a future SLES grant. In addition, as recommended in this memorandum, SLES funding of \$1,105,650 will be appropriated to fund the Department’s taser subscription.

BUDGET REFERENCE

The table below identifies the funds and appropriations recommended to support the actions included in this memorandum.

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Fund #	Appn. #	Appropriation Name	Total Appropriation	Rec. Budget Action	Amount for Purchase	2025-2026 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
414	R100	Revenue from State of California	\$850,786	\$2,909,026		951	6/17/2025; 25-242
414	R999	Beginning Fund Balance	\$2,884,925	\$36,200		951	6/17/2025; 25-242
414	NEW	SLES Grant 2024-2026	N/A	\$1,497,156	\$1,497,156	N/A	N/A
414	227W	SLES Grant 2023-2025	\$263,800	\$1,448,070	\$1,711,870	951	6/17/2025; 31230
414	225T	SLES Grant 2022-2024	\$493,651		\$153,878	951	6/17/2025; 31230
417	R999	Beginning Fund Balance	\$1,661,803	\$604,611		948	6/17/2025; 25-242
417	NEW	Police Fixed Wing Aircraft Replacement	N/A	\$2,266,414	\$2,266,414	N/A	N/A
417	8999	Ending Fund Balance	\$1,661,803	(\$1,661,803)		948	6/17/2025; 31230
419	R999	Beginning Fund Balance	\$517,132	\$112,606		884	6/17/2025; 25-242
419	NEW	Police Fixed Wing Aircraft Replacement	N/A	\$600,285	\$600,285	N/A	N/A
419	8999	Ending Fund Balance	\$517,132	(\$487,679)		884	6/17/2025; 31230

* The 2025-2026 Adopted Operating Budget was approved on June 10, 2025 and adopted on June 17, 2025 by the City Council.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the Finance Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the September 16, 2025 City Council meeting.

HONORABLE MAYOR AND CITY COUNCIL

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COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

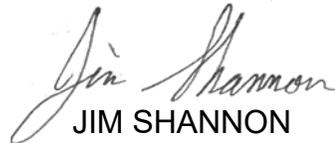
CEQA

Not a Project, File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

PUBLIC SUBSIDY REPORTING

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

/s/
PAUL JOSEPH
Chief of Police


JIM SHANNON
Budget Director

I hereby certify that there will be available for appropriation in the designated funds and in the amounts as listed below in the Fiscal Year 2025-2026 moneys in excess of those heretofore appropriated therefrom:

Federal Drug Forfeiture Fund	\$604,611
State Drug Forfeiture Fund	\$112,606
Supplemental Law Enforcement Services Fund	\$2,945,226


JIM SHANNON
Budget Director

For questions, please contact Jennifer Otani, Division Manager, Police Department, at jennifer.otani@sanjoseca.gov or (408) 537-1625 or Joanna Zywno, Administrative Officer, Police Department, at Joanna.Zywno@sanjoseca.gov or (408) 537-1625.