

DRAFT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
AIRPORT ADVISORY COMMITTEE MEETING MINUTES
Thursday, July 17, 2008
SHERATON SAN DIEGO HOTEL AND MARINA, HARBOR ISLAND**

CALL TO ORDER

Chair Gail K. Naughton, Dean of the College of Business Administration at San Diego State University, called the meeting of the Airport Advisory Committee to the San Diego County Regional Airport Authority to order at 1:05 p.m. The meeting was held on Thursday, July 17, 2008, at the Sheraton San Diego Hotel and Marina, East Tower, Harbor Island 3 Room, 1380 Harbor Island Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE

ROLL CALL

Committee Members Present:

Rick Alexander	East County EDC
Christian Anderson	Alternate for Mike Tussey, Airport Division, City of San Diego
Barbara Baker	Miramar Technical Advisory Committee
Richard Beach	President, Community Airfields Association of San Diego
Cheryl Black	Alternate for Peter Houghton, Southwest Airlines
Daniel Burkhart	National Business Aviation Association
Clara Carter	President/Founder, Multi-Cultural Convention Services Network
Diane Coombs	Executive Director, Citizens Coordinate for Century 3
Genevieve DePerio	Alternate for Carolyn Y. Smith, Southeastern Economic Development Corporation
Peter Drinkwater	Airports Director, San Diego County
Oris Dunham	Airport Industry Consultant
Doug Eatros	FedEx Representative
Brad Gessner	Alternate for Carol Wallace, San Diego Convention Center
John Hawkins	President/CEO, Cloud 9 Shuttle
Bella Heule	President, San Diego World Trade Center
Tim Hutter	Chair of Palomar Airport Study Group
Barry Jantz	CEO, Grossmont Healthcare District
Jimmy Jackson	Alternate for Joe Panetta, BIOCUM
Suhail Khalil	Board member, Peninsula Community Planning Board
Lucy Killea	Former State Senator, State Assembly Member
Gary Knight	North County EDC
Clifford Leary	Vice Chairman, Gillespie Field Development Council
Bob Leiter	Alternate for Gary Gallegos, SANDAG
Dirk Mathiasen	Alternate for Bruce B. Hollingsworth, San Diego Unified Port District
Richard Miller	San Diego Chapter Sierra Club

Gail K. Naughton	Dean, SDSU College of Business Administration
Kristin Peterson	Alternate for Sharon Bernie-Cloward, Port Tenants Association
Ramona Salisbury Kiltz	SANDAG Comprehensive Plan Group & County League of Women Voters Representative
Carmen Sandoval	Alternate for Ruben Barrales, San Diego Regional Chamber of Commerce
Elsa Saxod	Chair, International Committee of San Diego Chamber
Major General Bob Scurlock	Alternate for VADM Raymond Peet, USN (ret.), Member of Board of Overseers, UCSD
Joseph E. Seibel	Golden Hill Community Representative
Sandor Shapery	President, Shapery Enterprises
Larry Stambaugh	President/CEO, Calando Pharmaceuticals
Bill Urban	Co-Founder, Mission Hills Town Council
Jason M-B Wells	Executive Director, San Isidro Chamber of Commerce
Julie Meier Wright	San Diego Regional Economic Development Corporation

Regional Airport Authority Representatives Present:

Thella Bowens, President/CEO
 Peggy L. Cooper, Strategic Planning Coordinator
 Dan Frazee, Director of Airport Noise Mitigation
 Amy Gonzales, Director, Counsel Services
 Angela Shafer-Payne, Vice President - Planning & Operations

Regional Airport Authority Board Members Present:

James Panknin

Approval of Minutes

The April 10, 2008 Airport Advisory Committee meeting minutes were approved without any revisions.

Comments from Chair Gail Naughton

Gail welcomed all the members to the July meeting including Suhail Khalil, the newest member of the Advisory Committee.

Welcome Remarks from Authority Board Member James Panknin:

James told committee members he disagrees with a recent editorial in The San Diego Union-Tribune about Lindbergh Field. The article stated it is a waste of time and money to improve Lindbergh Field because it will be unable to meet the future air transportation needs for the region. Mr. Panknin said that while SDIA will reach its capacity in the future, it could carry potentially 27 million passengers and 300 tons of cargo if it is built out correctly. He believes if SDIA is not improved, there will be significant community impacts. Destination Lindbergh is the correct solution because it will create a multi-modal transit center to serve SDIA and the downtown area benefiting the local economy. The Regional Airport Strategic Plan will address the long-term capacity issues at SDIA and develop strategies for using other regional resources to meet

demands including: reliever airports, a cross border terminal, and linking together Southern California airports. He thanked members for being a part of this committee and helping build a brighter future for SDIA.

NEW BUSINESS:

1. Mr. Vernon Evans, Vice President of Finance/Treasury for the Airport Authority, provided a presentation on the Airport Authority's Fiscal Year 2009 Budget. He explained that some of the key challenges in the airline industry include: uncertainty about the U.S. economy, higher oil prices, limited ability to increase fares to keep pace with costs, and a trend toward airline consolidation. SDIA will experience fewer adverse impacts from the current consolidation of air carriers due to its large number of low-cost airline carriers. The SDIA passenger traffic forecast for 2008 to date shows a 3.5 percent increase over the same timeframe in 2007. He stated the total revenue for FY 2009 is budgeted to increase by \$23 million or 11.7 percent. A proposed parking rate increase at SDIA, which would provide the airport with an additional \$28 million in revenue, is pending approval from the Authority Board. The 2009 budget has several priorities: safety and security, the Regional Aviation Planning Program including the Regional Aviation Strategic Plan, and maintenance of aging facilities.

- Ms. Barbara Baker asked when the Authority's budget is developed and if it includes the current economic problems.
 - Mr. Evans explained the budget was approved by the Authority Board in June 2008. Staff is currently preparing a contingency plan to address the economic problems. For example, if there is a decrease in passenger use at SDIA, staff is examining how that will impact airport revenue.

2. Chair Bella Heule provided an update to the Advisory Committee on the progress of the Destination Lindbergh Subcommittee. She explained the goals of Destination Lindbergh include: analyzing and considering economic and environmental sustainability, optimizing operational efficiency, integrating multiple modes of transportation, and evaluating SDIA and adjacent properties. The Subcommittee was formed to provide input for the Ad Hoc Regional Airport Policy Committee chaired by Mayor Sanders, which has representation from every major transportation agency in the county. The Subcommittee has defined each type of transit user, selected modes of transportation that should be included in the intermodal transit center, and identified the factors that will likely affect the ridership forecast. One of the next steps in the analysis will be to forecast airport-related traffic and passenger mode splits. The subcommittee will also be assisting with the refinement of the Lindbergh optimization concept development in the near future.

Chair Joe Seibel provided an update to the Advisory Committee on the progress of the Sustainability Subcommittee. He explained the Sustainability Subcommittee was formed to help the Airport Authority staff develop and implement a sustainability plan to strengthen day-to-day operations, and to provide informed recommendations

regarding sustainability issues to the Advisory Committee. The Authority would like SDIA to become a sustainability leader among all airports. EONS is an acronym representing the four categories to achieve sustainability: economic viability, operational excellence, natural resource conservation and social responsibility. Some ways for the Authority to achieve sustainability include: improving the way bills are paid, enhancing employee recycling efforts, and speeding up the procurement process. Sustainability challenges include: conducting stakeholder planning and research, developing effective messages for sustainability efforts, and implementing a cost-effective sustainability plan that benefits everyone.

3. Mr. Holland Young, Director of Jacobs Consultancy, presented a project overview on the Destination Lindbergh program. He stated the guiding principle of the program is to ensure continued safe and efficient airport operations and the economic viability of SDIA. It is a multi-agency project that includes the City of San Diego, San Diego Association of Governments, Port of San Diego, Metropolitan Transit System, North County Transit System, North County Transit District, and U.S. Department of Defense. The project is in the Vision Foundation Phase of developing the collaborative structure and goals, forecasting aviation activities, developing economic and operational opportunities, and considering social concerns.
 - Mr. Suhail Khalil asked about the status of acquiring properties adjacent to SDIA.
 - Mr. Young stated the first plan is to work within the borders and property owned by SDIA. If that is not possible, then they will look into what land they could potentially buy.
 - Former Senator Lucy Killea explained she feels the Authority should spend more time and money to increase transit ridership to get to SDIA (bus, trolley, etc) because ridership is the key to its success.
 - Mr. Young stated he agreed with Former Senator Killea.
 - Ms. Diane Coombs asked if the program is considering the Marine Corps Recruit Depot as part of SDIA's future footprint.
 - Mr. Young explained the Authority recently received a letter from the Marine Corps stating the Recruit Depot property is not available to the Authority because they are expanding their operations. The program is not planning to utilize that land since it is unavailable.
 - Mr. Dan Burkhart asked about the acreage requirements in the north area for general aviation.
 - Mr. Wilschetz explained 12 acres have been designated in the plans for general aviation activities.
 - Mr. Brad Gessner commented that the north area is used for new and rental car marshalling and as a marshalling yard for the convention center service contractors that shuttle in millions of tons of freight to the convention center. He stated there is not a large enough area nearby to locate these services. He asked if there is a possibility to keep the marshalling yard at its current location.
 - Mr. Young explained it is possible to keep the marshalling yard at its current location, but first we must decide if airline gates will be re-located

to that area. He said he would follow up with Mr. Gessner after the meeting to get additional information on this issue.

- Mr. Gary Knight asked what type of community input is being requested on the Destination Lindbergh program.
 - Mr. Young explained the public is welcome to attend the regular Ad Hoc Policy Committee meetings. The project team will hold open house meetings in the future where the public will be able to provide comments.
 - Ms. Thella Bowens explained members of the public also have an opportunity to comment on the program at each policy committee meeting.
- Mr. Richard Miller asked when and how the Authority plans to engage the public about Destination Lindbergh.
 - Mr. Young explained the Authority will hold several open house meetings in September and later in the fall. The public will be able to provide comments on the draft concepts at those meetings.
 - Mr. Wilschetz announced a town hall meeting will be held in September to discuss Destination Lindbergh at the request of the Peninsula Community Planning Board. He explained the Authority will be happy to provide updates on the project to other interested community groups as well.
- Mr. Burkhart asked if the Teledyne-Ryan property located on the south side of the airport has been included in the planning efforts.
 - Mr. Wilschetz explained the buildings located on the property have not been used for many years. Recently two lawsuits have been filed and settled regarding cleaning up that site. It has been determined that no plans can be made for that property until the CEQA document is certified (hopefully in January 2009.)
- Mr. Doug Eatros asked what the timeline will be for the development on the north area. He requested the project team contact the current tenants about their needs when conducting the acreage analysis.
 - Mr. Young explained the goal is to have a recommended concept for the north area by February 2009 and then the environmental and design process will follow. No buildings will be constructed on that property for several years. He explained they have already contacted most if not all of the tenants in that area.
- Mr. Cliff Leary said he understands it was stated earlier in the meeting that there will be a 100 percent capacity increase in cargo in the future. He knows some cargo is handled by cargo carriers that at least utilize the overnight parking area at SDIA. He asked about the plans for re-locating these carriers in the future.
 - Mr. Young explained that the team needs to plan for a replacement for any displaced carriers on the site. Their forecast is not as large as 100 percent capacity increase for cargo. With the increasing price of fuel over the last several years, carriers have been offloading cargo from airplanes to trucks to save costs. Currently cargo activity is not a huge growth area and it is unlikely to be in the near future. However, it is important to accommodate and plan for that sector.

- Mr. Panknin explained it is important to find a good balance between airlines and cargo to best benefit our region's economy and design the airport to fit that balance.
4. Mr. Scott Ludwigsen, Executive Vice President of Phoenix Marketing International's Travel Research Group, presented information on the passenger satisfaction survey results from 2007. In 2007, there was an 85 percent overall satisfaction rating among 600 randomly selected departing passengers at SDIA. He explained the results include a 95 percent confidence level with an error margin of plus or minus 3.5 percent. Airports typically score about 65 percent in overall satisfaction from passengers. The independent variables in the study included: getting to the terminal, service at the ticket counter, service at the security checkpoint, terminal facilities, gate area, food and beverage, retail, baggage delivery, and leaving the terminal.
- Mr. Khalil asked if there was demographic diversity in the survey participants.
 - Mr. Ludwigsen explained the average survey participant was between 42 and 43 years of age. Half of the participants were from Southern California and half were from San Diego. He stated a higher percentage of business travelers participated in the survey than leisure travelers.
 - Ms. Baker asked if there has been any improvement to shorten the wait time for baggage at SDIA and if so how that is being done. She explained she has waited 45 minutes to receive her bags.
 - Mr. Ludwigsen explained when bags need to go through the carousel system like at SDIA, it takes longer to receive them. He added signage leading up to and in the baggage claim area has been improved since the first year of the study.
 - Ms. Bowens explained a baggage committee composed of airlines and airline staff worked hard on this issue. During that process, people stood in the baggage claim area and kept track of the time when the plane landed at the gate and the time the first bag and last bag were delivered. She also explained there have been some changes to the baggage process behind the scenes as well. Currently, baggage delivery times are down to about 15 minutes, which is well within the industry standards for bag delivery.
5. Keith Wilschetz, Director of Airport System Planning at the Airport Authority, presented the results and possible future uses for the cross border terminal market demand study. The Cross Border Terminal (CBT) Study began in August 2007 to determine how many people would potentially use the CBT if it were built. Some of the tasks in the study included: reviewing current conditions at SDIA and TIJ, researching existing patterns of people crossing the border to use the airport, conducting focus groups and telephone surveys, and researching economic benefits. The study concluded by 2020, 3.2 million people would cross the border into Mexico to use the CBT, but two-thirds of those people would use it even if improvements were not made. The Authority Board decided not to dedicate

additional funds to further study the CBT but decided to include it in the Regional Airport Strategic Plan.

- Mr. Jason M-B Wells asked if the growth plan for TIJ was included in detail in the CBT study. He feels the growth of TIJ could have a bigger impact than expected on international flights.
 - Mr. Wilschetz explained the study did not look at the potential impact of an increasing number of international flights at TIJ over time. TIJ airport operators were part of an advisory group on this topic and felt they would not see a huge increase in trans-oceanic markets in the future, so the Authority did not assume there would be significant growth in that area.
- Former Senator Killea asked what it would take to build the cross border terminal.
 - Mr. Wilschetz explained an additional 1.1 million passengers would be induced to use the CBT by 2020. Today TIJ has about 3 million passengers and SDIA has about 18 million passengers. It will take a lot of time and money to build the CBT, and the Authority Board feels it needs to ensure enough people will use it. He explained the South County EDC is very interested in building the CBT and perhaps another agency will move forward with the concept outside of the Authority.
- Mr. Cliff Leary stated he feels it is a good idea for the CBT to be folded into the RASP. He is concerned that Brown Field is a gem that is underutilized. He feels the shortcoming of the CBT study is that it did not consider how many more people would use the CBT if a shuttle or regional carrier could access it. He believes it would be a good idea to look into enticing airlines to move to Brown Field.
 - Mr. Wilschetz explained the focus of the CBT study was to examine how many additional people would utilize an airport terminal right on the border. The study did not focus on how to shuttle people to and from TIJ.
 - Mr. Panknin explained the Authority Board feels it should not be the lead agency on the CBT project, but would support such a project.

PUBLIC COMMENTS:

- There were no public comments.

COMMITTEE MEMBER COMMENTS:

- Barbara Baker asked if the new parking structure project has been approved. She also asked how the valet parking system has impacted the parking at SDIA.
 - Thella Bowens responded the Authority Board has not made a decision about the parking structure. The Authority Board certified the

environmental impact report and approved the Airport Master Plan. The Authority has decided not to move forward with any project until additional studies are completed for Destination Lindbergh. In the future, the Authority Board will make decisions on a project by project basis. The valet parking at SDIA will not replace short-term parking, but it provides travelers with another parking option.

- John Hawkins complimented members of the Advisory Committee Subcommittees and Authority staff for their hard work on the issues related to SDIA.
- Suhail Khalil explained he is a board member of the Peninsula Community Planning Board. He noted the Authority supports educating the community with airport tours, workshops, updates, and outreach activities related to Destination Lindbergh and applauded the Authority for these efforts.
- Diane Coombs asked if the Center City Development Corporation (CCDC) is involved with the collaboration efforts related to Destination Lindbergh. If they are not currently involved, she feels it would be good to include them.
 - Keith Wilschetz stated the Authority is scheduling a briefing for CCDC about Destination Lindbergh in the near future.

ADJOURNMENT:

The Committee adjourned at 3:30 p.m. The next regular meeting will be held on Thursday, October 9, 2008 at 1:30 p.m. at the Sheraton San Diego Hotel & Marina, Marina East Tower, Harbor Island 3 Room, San Diego, CA 92101.

APPROVED BY A MOTION OF THE ADVISORY COMMITTEE THIS 9TH DAY OF OCTOBER 2008.

DAN FRAZEE
DIRECTOR, AIRPORT NOISE MITIGATION