

# DRAFT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
AIRPORT ADVISORY COMMITTEE/SPECIAL BOARD MEETING MINUTES  
Thursday, April 10, 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, April 10, 2008, at the Sheraton San Diego Hotel and Marina, West Tower, Fairbanks Room, 1590 Harbor Island Drive, San Diego, CA 92101.

## PLEDGE OF ALLEGIANCE

## ROLL CALL

### Committee Members Present:

Rick Alexander	East County EDC
Barbara Baker	Miramar Technical Advisory Committee
Richard Beach	President, Community Airfields Association of San Diego
Laurie Berman	Chief Deputy Director of Project Delivery, Caltrans
Sharon Bernie-Cloward	Executive Director, Port Tenants Association
Dennis Burks	Alternate for John Chalker, Founder, ASAP21
Clara Carter	President/Founder, Multi-Cultural Convention Services Network
Bill Clevenger	Alternate for Kirk Lanz, South County EDC
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
Brian Gray	San Diego Taxpayers Association
Susan Hafner	Director of Multimodal Operations, MTS Taxicab administration
Terry Hansen	Alternate for Col. Dave Myers, USMC MCI-WEST
John Hawkins	President/CEO, Cloud 9 Shuttle
Bella Heule	President, San Diego World Trade Center
Curtis Holmes	Transport Workers Union
Lucy Killea	Former State Senator, State Assembly Member
Stephanie Jungerson	Alternate for 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
Harry Mathis	Chairman, MTS
Richard Miller	San Diego Chapter Sierra Club

Denise Mosgrove	Alternate for Carol Wallace, San Diego Convention Center
Gail K. Naughton	Dean, SDSU College of Business Administration
Joe Panetta	President/CEO, BIOCOM
David Peckinpaugh	President/CEO, San Diego Convention and Visitors Bureau
Ellen Roundtree	Alternate for Julie Nygaard
Ginna Reyes	Board Member, Carlsbad Chamber of Commerce
Carelyn Reynolds	President, Coronado Livery, Inc.
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
Phil Stone	Senior Vice President of Sales, New Way Landscape & Tree Services
Mike Tussey	Deputy Director, Airport Division, City of San Diego
Bill Urban	Co-Founder, Mission Hills Town Council
Julie Meier Wright	San Diego Regional Economic Development Corporation

**Regional Airport Authority Representatives Present:**

Peggy L. Cooper, Strategic Planning Coordinator  
 Dan Frazee, Director of Airport Noise Mitigation  
 Breton Lobner, General Counsel  
 Paul Manasjan, Director of Environmental Affairs

**Regional Airport Authority Board Members Present:**

James Panknin  
 Bruce Boland

Approval of Minutes

The January 17, 2008 Airport Advisory Committee meeting minutes were approved without any revisions.

Comments from Chair Gail Naughton

Gail welcomed all the members to the April meeting. She thanked everyone who signed up to serve on a subcommittee and asked that each subcommittee meet at least once before the July Advisory Committee meeting.

Welcome Remarks from Authority Board Member Mr. Bruce Boland:

Bruce thanked the Committee members for their dedication to the Airport Authority. He explained the Authority has executed an agreement with the San Diego Area Association of Governments, which will allow the Authority to move forward with the planning for improvements to Terminal 2. The preliminary planning must be completed

by the end of February 2009. He also noted that as a result of Senate Bill 10, the Authority Board has three new ex-officio members. He announced the public comment period for the Airport Master Plan EIR ended in February, and final document will be presented to the Authority Board for certification on May 1, 2008. Bruce also explained the Coastal Commission approved the Authority's plan to complete mitigation projects at a different location for the Terminal 2 expansion project. The Authority is also considering using renewable energy sources in the new terminal as part of its sustainability efforts. He also stated the three subcommittees formed by the Advisory Committee will be valuable to the Authority Board moving forward. He then introduced a new, 12-minute educational video about the Terminal 2 expansion and other improvements at SDIA. The group viewed the video, and Bruce answered the following questions from committee members:

- Mr. Sandy Shapery stated he understands the traffic on Harbor Drive is a large issue for SDIA. He asked why the Authority sees a need for a new parking structure near Terminal 2 if they are going to build an intermodal transportation center with additional parking. Bruce explained SDIA is currently in need of an additional 3,700 parking spaces. There is a particularly high demand for parking close to the airport. He stated the new parking structure has not been approved yet, but a second level roadway has.
- Mr. John Hawkins stated his belief that the current focus of SDIA is on Terminal 2 gates, but Terminal 1 is ignored. Since 50 percent of SDIA passengers fly in and out of Terminal 1, he feels Terminal 1 improvements need to be kept top of mind. He also feels the Authority should ask SDSU for advice on how to get people to use public transportation. He explained SDSU used market forces to drive human behavior and encourage people to ride the trolley instead of driving to campus. Bruce agreed modifications are needed for Terminal 1 as well. He stated the Authority is currently evaluating moving some of the terminals to the north side of the airport.
- Ms. Barbara Baker stated she has concerns about baggage with the Terminal 2 Expansion Plan. Currently because of economic issues, airlines are operating with decreased staffing levels, making it even more difficult to get bags off planes in a timely manner. Bruce noted, according to a passenger survey, there have been improvements to baggage handling in recent months.

### **NEW BUSINESS:**

1. An election was held for Chair, First Vice-Chair, and Second-Vice Chair. The results are as follows:

- Gail K. Naughton – Advisory Committee Chair
- John Hawkins – Advisory Committee First Vice-Chair
- Richard Beach – Advisory Committee Second Vice-Chair

2. Mr. Kelly Cunningham, Senior Fellow and Economist for the San Diego Institute for Policy Research, provided a presentation on "San Diego's Economic Outlook for 2008 and Beyond". Based on a 2005 study, San Diego is ranked 16<sup>th</sup> for the highest gross metropolitan products. Since San Diego was one of the first housing markets to experience the slow down now evident throughout the country, it is expected to be one of the first areas to grow again. Unemployment rates in San Diego are and will continue to be lower than the rest of California, and new technology-based jobs in San Diego will continue to increase. Residential building construction in San Diego County is expected to increase because the population is still growing. San Diego is the third largest area for venture capital investment based on 2007 information. It is important that consumer spending continues to increase in San Diego in order to help the economy.
  - Mr. Hawkins asked if Tijuana's economy is included in the economic figures for San Diego. He also asked if military employment is considered federal or local.
    - Mr. Cunningham explained Tijuana's economy is growing at an incredible rate, but it is not included in San Diego's figures. If it were, San Diego would be ranked higher on the list. He explained that military employment is not included on the San Diego Industry Employment Chart.
  - Mr. Harry Mathis stated San Diego is often criticized for having a disproportionate number of people in lower pay scales, many without benefits. Based on the number of jobs, he asked what conclusions can be drawn from one locale to another or at a state level regarding the large service industry in San Diego. He feels it is important to consider other factors that impact the economic figures.
    - Mr. Cunningham explained San Diego has added many high technology, high paying jobs, which has increased the income growth for San Diego. However, San Diego also has a lot of service-sector jobs, which results in a two-tiered income level for the area.
  - Mr. Brian Gray asked about the impact of the wildfires last year on a macro-economic level.
    - Mr. Cunningham explained the loss of homes in the fires has actually created an increased amount of construction work in the region to rebuild homes that were lost, which has stimulated our economy.
  - Mr. Hawkins asked how the potential restructuring of NAFTA will impact San Diego's economy.
    - Mr. Cunningham explained since the implementation of NAFTA in 2004, San Diego has benefited from it in terms of increased trade with Mexico. Tijuana also benefited because of the increased investment in the production of trade items there. Tijuana is one of the stronger economies in Mexico, and it is now more tied to California than the rest of Mexico. If they restructure NAFTA, it will impact San Diego directly and is a big concern.
  - Former Senator Killea asked about the \$3 billion bond measure for stem cell research and if San Diego will get some of that research.

- Mr. Cunningham explained the biotech industry is thriving in San Diego and we are recognized nationally for it. He feels we should get some share of the stem cell research.
  - Mr. Shapery asked how the infrastructure bond will impact San Diego.
    - Mr. Cunningham explained he is confident San Diego will get our share of an infrastructure bond.
  - Mr. Peter Drinkwater asked about the impact of the high fuel costs on San Diego's economy.
    - Mr. Cunningham explained people will not travel as much by car and air because of increasing fuel costs. He explained we will probably see some level of stagflation (rising unemployment and rising inflation) in the future.
- 3. Mr. Jorge Gonzales, Vice President of Infrastructure Management Group, presented an "Overview of the Cross-Border Terminal and Market Demand Study". The objective of the proposed Cross-Border Terminal (CBT) is to allow U.S. based air passengers to quickly cross the border to fly in and out of the region using the Tijuana Airport (TIJ). The concept includes a facility housing U.S. and Mexico Federal Inspection Services that would be located on the U.S. side of the U.S./Mexico border, used exclusively for passengers who cross the border to fly in/out of TIJ. The objective of the market demand study is to establish the market size demand for a cross-border facility and identify the impact of this demand on SDIA and TIJ. The market demand study began in August 2007 and will conclude in the near future. The study's tasks include the following areas: airport capacity and infrastructure, passenger cross-border practices, research findings on potential demand, impact of the CBT on air service demand at SDIA and TIJ, and overview of the potential economic impact of the CBT in the San Diego region. The relationship of TIJ to SDIA is unique and complementary in that TIJ specializes in Mexico travel and SDIA specializes in U.S. travel. The study found 38 percent of the people surveyed initially said they would use the CBT. Once provided more information, 48 percent said they would use it. Also, people who were under the age of 35 were more likely to use CBT as well. Some of the top reasons for using the CBT are: convenience, fast-cross time, cost savings, travel flexibility and avoiding congestion at other airports.
  - Mr. Shapery asked if this study considered that many people traveling to Mexico fly out of LAX or Arizona.
    - Mr. Gonzales stated they have looked at how people currently fly to Mexico and from what cities.
  - Mr. Hawkins asked if the additional passenger demand to U.S. destinations out of TIJ includes the three digit fare differential.
    - Mr. Gonzales stated the fare differential is included in the passenger demand. The analysis also considered large market destinations like San Diego. The concept is to make the CBT as convenient as possible for the San Diego residents.

- Ms. Carelyn Reynolds understands there are some border control concerns for the future and asked if the border security specialists have been consulted about the potential CBT.
  - Mr. Gonzales said the border security specialists have not been consulted about the CBT. However, the CBT would operate the same as any other U.S. airport terminal and would have the same level of security as at SDIA. The CBT would also have proper cross border procedures.
- Former Senator Killea asked if the study considered destinations beyond Mexico and into South America. She feels there is a market for it if the airlines are willing to serve it.
  - Mr. Gonzales explained in the study found that frequent travelers in the San Diego region know the “tricks” on how to spend less money to get to destinations in Mexico.
- Ms. Elsa Saxod asked about the next steps in this process regarding the CBT. She stated the San Diego Chamber of Commerce’s International Committee has written letters of support and would like to encourage the Airport Authority and Authority Board to continue to study the CBT.
- Mr. Brian Gray stated he supports further study of the CBT. He feels it is important to present the CBT option to the customer in a way that shows the cost differences of departing from different airports.
  - Mr. Gonzales explained a cross border terminal would alleviate up to 10 percent of SDIA air traffic by the year 2030.
- Mr. Oris Dunham stated this CBT concept has worked for many years in Geneva, Switzerland for passengers traveling back and forth between Switzerland and France. Passengers go through customs in the terminal of the airport at those locations.
- Mr. Cliff Leary asked why the concept of developing Brown Field as a commuter reliever terminal was left out of the study. His understanding is the public rejected the concept of having an active runway on both sides of the tower at Brown Field. He proposes Brown Field could be a simple air connection to get passengers to their final destination on U.S. soil.
  - Mr. Gonzales explained Brown Field was not part of this study because the objective of the study was to determine the size of the demand for the CBT. There were several studies done on Brown Field a few years ago as well.
- Mr. Mathis stated he understands that the CBT would help solve the capacity and runway issues at SDIA and service trans-continental flights that could benefit the business community in San Diego. He stated there needs to be a focus on what the market is looking for that SDIA does not currently offer. We need to understand TIJ’s runway capacity at because it has limitations as well.
  - Mr. Gonzales explained TIJ has two runways and the airport was built on only 30 percent of its land. However, the runways at TIJ do not allow for simultaneous operations. The analysis showed people fly to international destinations from LAX because there are more options with airlines. The

- Mr. Richard Miller asked if the information from the study has been shared with the appropriate agencies in Mexico.
  - Mr. Gonzales explained the Authority has included the operator of TIJ on the Technical Advisory Committee, so they are aware of the results from the study. They received good information from them that was incorporated into the study as well.
  
- 4. Mr. Paul Manasjan, Director of Environmental Affairs at the Airport Authority, presented information on what the Airport Authority is doing to address sustainability issues. Sustainability is defined as balancing economic, operational, environmental and social interests in a manner that provides the highest quality of life for the region and the people the Airport Authority serves. Airport sustainability includes economic viability, operational excellence, social responsibility and natural resource conservation. In February 2008, the Authority Board adopted the Sustainability Policy. The Sustainability Policy tenets include: environmental commitment, regional partnerships, total cost of ownership, tenant involvement, fundamental business process changes, work environment and community leadership role. The next steps include: educating Authority employees, airport tenants and business partners, as well as integrating existing and new initiatives into the sustainable business plan.

#### **PUBLIC COMMENTS:**

- Ms. Cindy Gomper Graves, representing the South County Economic Development Council Board of Directors, requested the Advisory Committee accept the cross-border terminal market demand study and recommend a feasibility study on the cross-border terminal be completed by the Authority Board. SCEDC believes the cross-border terminal is an environmentally-friendly, regional solution to air capacity constraints that will extend the life of SDIA. It will also provide more options for air travel especially for international flights as well as economic opportunities in terms of jobs and support services in South County. SCEDC believes TIJ and SDIA are not competitors, but partners who can work together to address the air capacity issues in the region. A CBT can also extend air capacity and ensure quality air services for travelers. Regarding the committee's discussion of security concerns with a cross-border terminal, she explained there will have to be enhanced security at the CBT because travelers will be checked by border agents before leaving the United States. She also explained the City of Tijuana Economic Development Council and Enrique Valle Alvarez, the director of the Tijuana Airport, are both in support of the cross-border terminal. She stated SCEDC feels that now is the time to move forward with the cross-border terminal.

- Mr. James Frost, an airport planner and architect from San Diego, explained he would like to bring attention to the petroleum supply issues and how they relate to airport planning and forecast evaluations at SDIA. The production of petroleum supply peaked in 2005 and now is on a downward path in terms of total production. Demand for petroleum is rising, which has caused oil costs to double in the last few years. The air traffic industry is completely reliant on hydro-carbon fuel because at this time there are no other methods for powering aircraft engines. When planning for new facilities to accommodate growth and traffic increases, he recommends accounting for the rising oil prices because they will have a large impact on air traffic growth. He suggested a phased development process, which allows work to be stopped at a logical point without being committed to moving forward if oil prices continue to rise in the future.

**COMMITTEE MEMBER VOTE:**

- The majority of committee members present voted to recommend the Authority Board authorize a more extensive study of the cross border terminal.

**COMMITTEE MEMBER COMMENTS:**

- There were no committee member comments.

**ADJOURNMENT:**

The Committee adjourned at 3:45 p.m. The next regular meeting will be held on Thursday, July 17, 2008 at 1 p.m. at the Sheraton San Diego Hotel & Marina, Fairbanks Room, San Diego, CA 92101.

APPROVED BY A MOTION OF THE ADVISORY COMMITTEE THIS 10TH DAY OF JULY 2008.

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DAN FRAZEE  
DIRECTOR, AIRPORT NOISE MITIGATION