

**San Diego County Regional Airport Authority
Advisory Committee Meeting
April 10, 2008**

Executive Summary Report

The meeting was held at the Sheraton San Diego Hotel and Marina, West Tower in the Fairbanks Room. The agenda included the following topics:

Election of Chair and Vice-Chairs for the Advisory Committee,
Presentation of San Diego's Economic Outlook for 2008 and Beyond
Presentation of the Cross-Border Terminal Market Demand Study
Presentation about Leading SDIA to a Sustainable Future
Discussion of Advisory Committee subcommittees.

Election Results

Chair, First Vice-Chair, and Second Vice-Chair are as follows:

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

Presentation Summary

1. 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 16th 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 investments based on 2007 information.
 - It is important that consumer spending continues to increase in San Diego in order to help the economy.
2. Jorge Gonzales, Vice President of Infrastructure Management Group, presented an “Overview of the Cross-Border Terminal and Market Demand Study”.
 - The objective of the 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 is a facility that houses U.S. and Mexico Federal Inspection Services 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 establish 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.
3. Paul Manasjan, Director of Environmental Affairs at the Airport Authority, presented information on what the Airport Authority is doing to address sustainability issues.
- Sustainability can be 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 means 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.

Committee Member Comments

- There were no committee member comments.

Public Comments

- Ms. Cindy Gompper 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 to 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.

The next Airport Advisory Committee meeting will be on July 10, 2008 from 1 to 3:30 p.m. Subcommittee members will be notified of potential dates for their committees to meet prior to the next full committee meeting.



Gail K. Naughton
Chairman, Airport Advisory Committee