Revised 5/1/13

Item 11

UPDATE ON THE AIRPORT DEVELOPMENT PLAN FACILITY REQUIREMENTS

San Diego International Airport

Prepared for

San Diego County Regional Airport Authority
San Diego, CA

May 2, 2013

SAN DIEGO INTERNATIONAL AIRPORT

SDIA AIRPORT DEVELOPMENT PLAN

Leigh|Fisher

Agenda

- **Summary**
- **Where do the customers park today?**
- **Who are the customers?**
- **Why are they important?**
- **Parking needs**
- **Consequences of not providing sufficient parking**
- **Conclusion**

At the April 4, 2013 Authority Board meeting, an update on the Airport Development Plan (ADP) was provided. Specifically, the facility requirements were discussed, except for the parking requirements, which are the subject of this briefing. The ADP Team has estimated near term and long term parking needs in consideration of the Authority Goals and the implementation needs of the ADP.

Summary

- **Our analysis concludes**
  - 7,000 total spaces required within walking distance of the terminals by 2035
  - 3,000 spaces needed for T2 customers immediately
  - A parking structure is required to provide these spaces

- **Our conclusion supports Authority Goals**
  - Achieve the highest level of internal and external customer satisfaction
  - Enhance the financial position of the Airport Authority
  - Operate our airport in a safe, secure, environmentally sound, effective and efficient manner

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SDCRAA Board Briefing
May 2, 2013

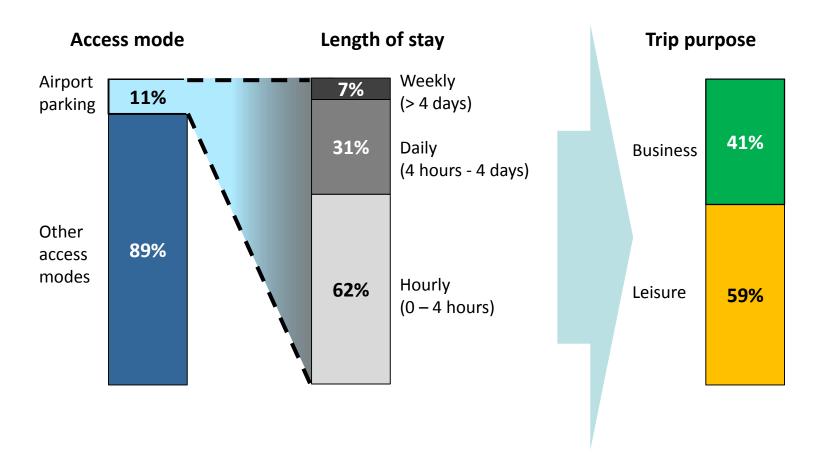# Where Do Customers Park Today?

- ***Close-in parking is used by:***
  - *100% of customers parking for less than 4 hours*
  - *28% of customers parking for over 4 hours*
- ***Remainder park in SAN Park lots or off-Airport***

Who Are the Parking Customers?

1.8 million customers parked at the Airport in FY 2012

Access mode

- Airport parking: **11%**
- Other access modes: **89%**

Length of stay

- Weekly (> 4 days): **7%**
- Daily (4 hours - 4 days): **31%**
- Hourly (0 – 4 hours): **62%**

Trip purpose

- Business: **41%**
- Leisure: **59%**

There Are Two Types of Parking Customers

Airport should provide products meeting needs of all customers

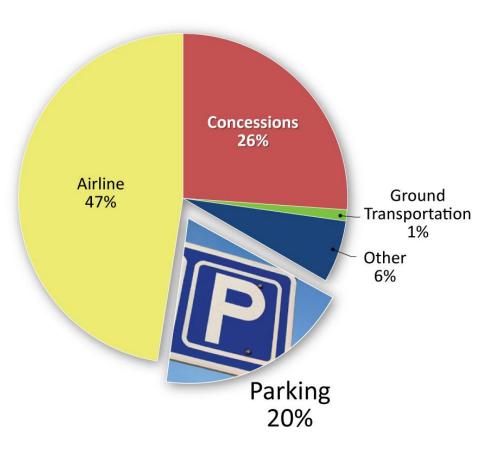|		Time-sensitive business traveler	Cost-sensitive leisure traveler
Time	Time savings	IMPORTANT	Less important
	Travel time reliability	IMPORTANT	Less important
	Ability to control own time	IMPORTANT	Less important
	Willingness to use transit	Rarely use	Potentially use
	Willingness to use parking shuttle	Not preferred	Willing
Convenience	Weather protection	IMPORTANT	Less important
	Walking distances	IMPORTANT	IMPORTANT
	Shuttle frequency	Rarely use	IMPORTANT
	Shuttle shelters	Rarely use	IMPORTANT
Cost	Parking costs	Less Important	IMPORTANT
	Who pays costs?	Others	Self
	Acceptable parking costs	High (e.g., $28/day)	Lower ($9 - $11/day)
Preferred parking location		*CLOSE-IN, COVERED*	*ECONOMICAL*

Why Are They Important?

In FY 2012, parking generated

- **$29.4 million in revenues**
- **20% of total revenues**
- **38% of non-airline revenues**

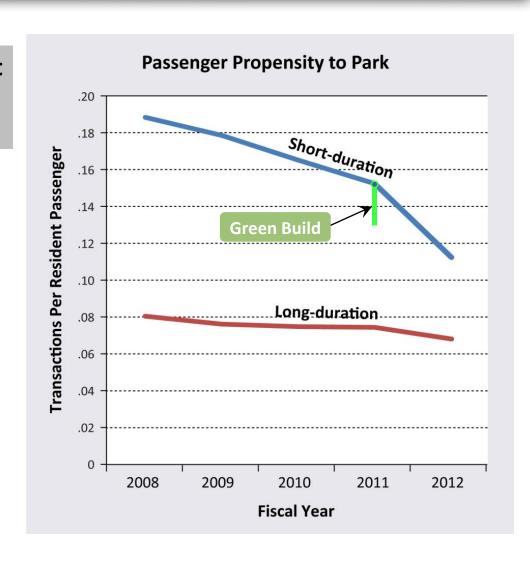**Parking is a key component of customer's airport experience**

Share of FY 2012 Revenues

Concessions 26%

Airline 47%

Ground Transportation 1%

Other 6%

Parking 20%

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May 2, 2013

The Airport Has Insufficient Close-in Parking

- **Existing parking facilities do not meet the needs of up to 0.5 million customers annually**

- **T1 and/or T2 lots are full over 100 days each year**

- **Close-in lots are regularly full during mid-week**

- **Proportion of passengers parking on the Airport continues to decline**

Passenger Propensity to Park

Transactions Per Resident Passenger

Short-duration

Green Build

Long-duration

.20
.18
.16
.14
.12
.10
.08
.06
.04
.02
0

2008   2009   2010   2011   2012

Fiscal Year

The Airport Has Insufficient Close-in Parking

- **Many hourly parking customers no longer try to park, but use curbsides instead**

  Fewer hourly customers (62%) than Seattle (69%) or San Francisco (76%)

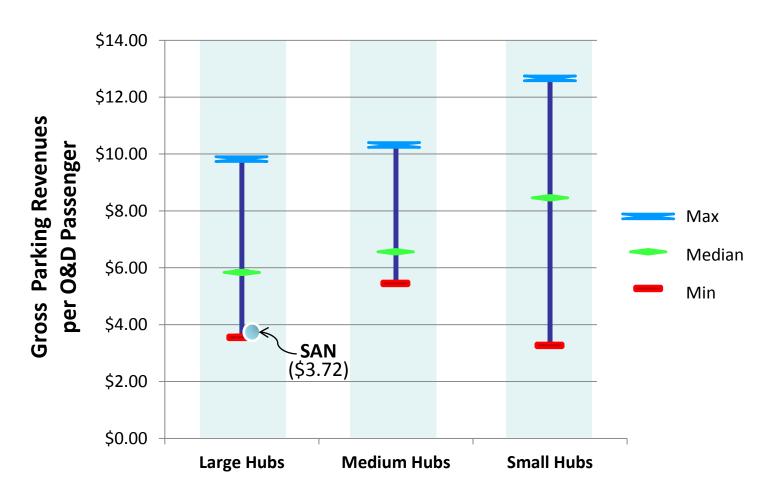- **Weekly customers (durations of 4 days and higher) increasingly rely on off-Airport, privately-operated lots**

  Fewer weekly customers (7%) than Portland (14%) or Sacramento (16%)

CONSEQUENCES

- **Increased curbside congestion**

- **Lower revenues**

- **Inability to assure customers are served in future (private lots may be re-developed for more valuable uses)**

Parking Revenue per Passenger is Significantly Underperforming Compared with Other US Airports
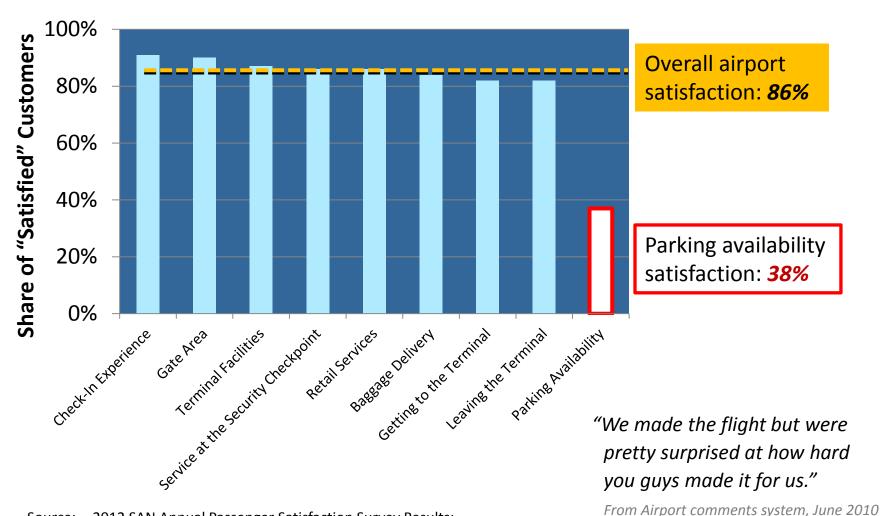

Source: 2012 ACI/IPI Parking Survey

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SDIA Customers Are Much Less Satisfied with Parking

Share of "Satisfied" Customers (y-axis: 0% to 100%)

Categories (x-axis):
- Check-In Experience
- Gate Area
- Terminal Facilities
- Service at the Security Checkpoint
- Retail Services
- Baggage Delivery
- Getting to the Terminal
- Leaving the Terminal
- Parking Availability

Overall airport satisfaction: **86%**

Parking availability satisfaction: **38%**

"We made the flight but were pretty surprised at how hard you guys made it for us."

From Airport comments system, June 2010

Source: 2012 SAN Annual Passenger Satisfaction Survey Results: Board of Directors Presentation

SAN DIEGO INTERNATIONAL AIRPORT

Up to 7,300 Total Close-in Spaces Are Required to Meet Future Needs

Lack of close-in, covered parking is causing Airport to forego up to:

- **$9 million per year today**
- **$440 million total over the next 25 years**

A Garage at T2 Would Meet Existing and Future Needs and Assist T1 Terminal Redevelopment

- **ADP needs to maximize efficiency of existing real estate**

- **T2 surface lot only provides 1,300 of the needed 3,000 close-in spaces**

- **T1 parking lot will need to close during terminal redevelopment**

  – A T2 garage would improve customer service and revenues

  – T2 garage revenues would help fund T1 redevelopment

"I had to park in the T1 parking area to get to the concourse at T2 to pick up my guest and then walk all the way back with them AND their luggage."

From Airport comments system, April 2011

Consequences of Not Providing Sufficient Parking

- **Increased traffic**
  - Pickup/drop-off
  - Taxicabs / limousines
  - Shuttles

  →
  - **Pickup and drop-off activity causes double trips**
  - **Harbor Drive and curbside congestion**

- **Reduced customer service**

  →
  - **Continued local resident dissatisfaction with SDIA parking**

- **Lost revenues**
  - Market share erosion
  - Increased use of taxicabs / limousines

  →
  - **Constrained ability to fund future re-development**
  - **Missed opportunities for construction jobs**

Our Recommendation

- **Develop 3,000 spaces at T2**

- **Garage is permitted in 2009 EIR**

- **Leverages Green Build investment**
  - SmartCurb
  - 10 new T2 gates

- **Minimizes foregone parking revenues**

- **Needed to meet customers requirements and service goals**

- **Facilitates future Airport Development Plan**
  - Relief parking for future T1 development
  - Revenues support ADP implementation

Conclusion –
A Parking Structure Supports Authority Goals

Authority Goal

A Parking Structure Would:

Achieve the highest level of internal and external customer satisfaction

Meet the needs of passengers desiring reliable, close-in, covered parking

Enhance the financial position of the Airport Authority

Increase non-airline revenues

Operate our airport in a safe, secure, environmentally sound, effective and efficient manner

Reduce curbside congestion, shuttle busing, and traffic on Harbor Drive; make efficient use of limited SDIA property

THANK YOU

Leigh|Fisher   **SDIA** AIRPORT DEVELOPMENT PLAN   SAN DIEGO INTERNATIONAL AIRPORT