

# SUPPLEMENTAL



## Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** William F. Sherry, A.A.E

**SUBJECT:** SEE BELOW

**DATE:** May 31, 2010

Approved

Date

6/4/10

### SUPPLEMENTAL MEMORANDUM

**SUBJECT: Major Amendment to the Airport Master Plan for Mineta San Jose International Airport to Update Demand Projections and the Facility Development Program**

#### **REASON FOR SUPPLEMENTAL**

This supplemental memorandum updates the Public Outreach information and adds the Summary of Comments related to the proposed amendments.

#### **PUBLIC OUTREACH**

Four public outreach meetings on the Non-Terminal Area Improvement Program, including this proposed amendment, were conducted during February and March. The meetings were held with District 3 residents, District 6 residents, the Citizens Against Airport Pollution (CAAP) group, and Airport general aviation (GA) tenants. Outreach has also been conducted with the City of Santa Clara.

The County Airport Land Use Commission (ALUC), under State regulations, reviewed the proposed amendment on 3/24/10 and determined it to be consistent with the ALUC Plan. The Airport Commission reviewed the proposed amendment at its meeting on 4/12/10, and the Planning Commission reviewed the proposed amendment at its meeting on 4/21/10, with both commissions recommending Council approval.

The proposed amendment was also reviewed by the Council's Transportation and Environment Committee on 5/3/10, and by the Council's Community and Economic Development Committee

on 5/24/10. In addition, a public notice of the Council public hearing for this item was published in the Mercury News on 5/19/10.

### **SUMMARY OF COMMENTS RELATED TO THE PROPOSED AMENDMENT**

The most prevalent comments applicable to the proposed master plan amendment received during the public outreach meetings concern the impact of the proposed amendment on existing general aviation located in the southwest corner of the Airport, as well as competition issues between the existing private general aviation operators and possible future competitors. The following provides an overview and of these issues as they relate to the proposed amendment.

Given the physical constraints of the Airport site, and being the only commercial airport located in Silicon Valley, the most critical goal of the Airport Master Plan as originally adopted in 1997 has been to provide sufficient airfield and landside capacity to adequately accommodate projected commercial aviation demand (air passenger and cargo) which in turn has required a phased reduction in general aviation activity and facilities. Prior to the completion of the Master Plan, the Airport had over 600 based GA aircraft located in facilities on the southeast side, south end, and southwest side of the Airport, and landings and takeoffs by GA aircraft accounted for the majority of the Airport's total aircraft operations.

Under the 1997 Airport Master Plan, general aviation facilities would be ultimately limited to the southwest side of the Airport (approx. 56 acres and serviced by west side Runway 11-29), with an objective to accommodate as much of the business/corporate segment of general aviation demand as possible. The Master Plan projected that a maximum of 360 GA aircraft could be physically accommodated on the southwest side if most of the aircraft remained small and parked in open-air tiedown positions. The Master Plan has also provided for the flexibility to reconfigure facilities on the southwest side, particularly as the existing non-aviation uses (SJSU leasehold and former restaurant leasehold) were or are converted to general aviation use, whether by the Airport Department directly or through third party fixed base operators (FBOs).

Implementation of the Master Plan to date has proceeded accordingly. In eliminating general aviation facilities at the south end and southeast corners of the Airport, no based aircraft tenant was intentionally evicted. Instead, as aircraft storage spaces on the southwest side became available over time, they were held vacant to allow for all displaced aircraft to remain at the Airport. Many aircraft operators voluntarily left for other airports, which may have been partly attributable to the Airport's increase in aircraft storage rates to better match GA revenues with expenses. Two small FBOs leaseholds were bought out by a new FBO (AvBase), the San Jose Jet Center (now Atlantic Aviation) was allowed to expand its leasehold and, most recently, the last of the east side FBOs (ACM) relocated to a new leasehold on the southwest side.

As these physical, operational, and economic changes have occurred, the number and type of based aircraft has also changed. In the late 1990's, prior to Master Plan adoption and implementation, the Airport had over 400 based aircraft, of which only 35-40 (under 10%) were corporate jets. Currently, the Airport has approx. 150 based aircraft, of which about 55 (over 35%) are corporate jets. Clearly, many of the smaller GA aircraft once based at the Airport have

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left for lower-cost smaller airports, and are being replaced by larger, higher-performance aircraft. This pronounced shift in types of GA aircraft, which is projected to continue into the future, is one of the factors supporting staff's proposed amendment to the Airport Master Plan, i.e., that the 56 acres comprising the southwest side of the Airport cannot accommodate projected general aviation demand, including almost a tripling of corporate jet aircraft. The updated GA demand projections for 2027 included in the proposed Master Plan amendment (documented in the consultant technical report posted on the Airport website) are consistent with the national-level forecasts prepared by the FAA.

Under the proposed Master Plan amendment, the entire 44 acres of the northwest side of the Airport (currently the interim public long-term parking and employee parking lots) would become available for general aviation use. Once the parking facilities are relocated to the terminal area on the east side, it is the Airport's intent to phase general aviation development on the northwest side through issuance of RFPs for FBO leasehold development and operation. Such expansion would accommodate GA demand, create more competition for GA services, provide additional revenue to the Airport, and generate direct and indirect economic benefits to the City and region. The Airport would continue to monitor aviation activity against its demand projections, and report regularly to Council through submittal of its annual status report on the Airport Master Plan.

/s/

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For questions please contact William F. Sherry, A.A.E, Director of Aviation, at 408-501-7669