



Memorandum

TO: TRANSPORTATION AND ENVIRONMENT COMMITTEE

FROM: William F. Sherry, AAE

SUBJECT: AIRPORT PARKING FACILITIES PROGRAMS AND RATES UPDATE

DATE: 9-17-07

Approved

Date

9/24/07

RECOMMENDATION

Accept this staff update regarding the Mineta San Jose International Airport Parking Facilities and Rates.

BACKGROUND

On June 5, 2007 City Council approved a rate resolution establishing parking rates, charges and fees at Mineta San Jose International Airport. Staff was asked to update City Council, through the Transportation and Environment Committee, on the Airport's parking facilities and rates. This memo responds to that request.

ANALYSIS

This memo will update the Committee on three important areas of the public parking operation at the Airport: current revenues, promotional programs and facilities. This past summer period has been a busy period in regards to each of these areas and the fall and winter will bring even more changes and challenges to the Airport parking environment.

Public Parking Revenues

Parking revenues over the first two and one-half months of the 2007 – 2008 fiscal year show a slight increase over previous year numbers. Parking revenues tend to follow the Airport's passenger traffic patterns, which also have shown an increase after several months of decline or flat results. Transactions have decreased, but longer lengths of stay have resulted in higher revenues.

	Revenue to Date	Transactions
FY 2007 – 2008	\$5,995,956	338,181
FY 2006 – 2007	\$5,947,868	351,031
Increase/(Decrease)	\$48,088	(12,850)

Parking Promotions

On July 1, 2007 the Airport began a promotion to encourage use of our Long Term parking facility in an attempt to bring more passengers who are traveling on summer vacations to our parking lot rather than to our off-Airport competitors. This program offered up to seven days free with a stay of seven days at our long-term rates. A two-week stay with a coupon would provide a one-week savings of \$105 off of their bill. The program was advertised in local newspapers, on the Airport's website (www.sjc.org) and at www.longtermparking.com. Passengers would access the coupon through our website upon answering a couple of quick questions about their parking lot use at the Airport. The program concludes on September 30, 2007 and the results as of September 10 are shown below.

Coupons Issued	2,496
Coupons Redeemed	167
Revenue Received	\$18,451
Discounts Given	\$10,979

While we have generated additional revenue over that given out in discounts, overall Staff feels that other promotions have been more successful in the past. There is concern that there are not as many people taking vacations over seven days, so the coupon, while useful to some, did not have as great an impact as desired. Staff will take the results of this promotion into account as other promotions are considered.

Staff is considering implementation of programs for monthly parking permits for corporate and frequent passengers as well as a dollars-off per day coupon to encourage use of the facilities where spaces will be available. The technology, program specifics and potential effect of the promotions are being worked on to ensure proper implementation and results.

Parking Facilities

August 1, 2007 marked the closing of our terminal area parking for employees at the Airport. These employees are now parking in the Employee Parking Lot on the West side of the Airport off Martin Avenue. New parking media was distributed to all employees involved and other City personnel with Airport Parking access.

The public parking lot at Terminal C has been affected by the Terminal Area Improvement Project and will be undergoing additional changes in the coming months. The entrance on the west side of the lot, directly across from the Terminal was closed to allow for roadway and ground transportation vehicle access and 51 spaces were removed for related projects. Around October 15, 2007 the construction on the first portions of the new roadway will begin, which will result in the loss of approximately 350 additional spaces from the lot. There is capacity in the Terminal A garage to hold any overflow vehicles, but the Terminal C lot is expected to be at capacity, especially mid-week, prior to its complete closure and relocation just after Thanksgiving. The lot will be reduced from 800 spaces to approximately 450 spaces in October and the replacement lot, located to the south of Terminal C's baggage claim building, is expected to have around 400 spaces when operational in November.

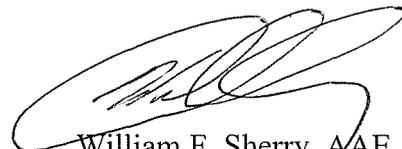
Staff's goal will be to ensure that the meeters and greeters of our flying passengers, those whose vehicles stay for four hours or less and that currently account for over 85% of the transactions in the Terminal C lot, have access at all times. To allow them this desired availability of space in our Terminal C lot, the lot will be designated as an Hourly Lot and passengers staying over that short period will be encouraged to use the Terminal A garage or our long term lot. We are looking into opportunities to provide dollars-off coupons to encourage this use by passengers staying over 4 hours. Staff will continually evaluate the use of the relocated lot and create programs that will best utilize the spaces available, keeping the lot open to short-term users as often as possible.

PUBLIC OUTREACH

Staff advertised the parking coupon program in local newspapers and on the Airport's website and through a media press release. These sources will continue to be used in future promotions along with other avenues of distribution, as appropriate.

COORDINATION

This report has been coordinated with the City Manager's Office and the City Attorney's Office.



William F. Sherry, AAE
Director of Aviation