



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Aitken

SUBJECT: SEE BELOW

DATE: January 3, 2018

Approved

D. D. S. L.

Date

1/12/18

**SUBJECT: REPORT ON THE CURRENT AND FUTURE STATE OF AIRPORT
TERMINAL GROWTH CONSTRAINTS**

RECOMMENDATION

Accept this report on the current and future state of the Airport terminal operations and growth constraints.

OUTCOME

To provide the Council with an overview of the current and future state of the Airport terminal operations and growth constraints.

BACKGROUND

The Airport Master Plan for the Norman Y. Mineta San José International Airport consists of facility improvements designed to adequately accommodate projected aviation demand (passenger, cargo, and general aviation), with development phased as demand warrants and as determined to be financially feasible. The Airport Master Plan was originally adopted by the City Council in 1997 and subsequently updated through a series of adopted amendments as prescribed by the Municipal Code, the most recent of which occurred in June 2010. The Airport Master Plan currently extends to the year 2027 and states:

The Master Plan identifies a number of improvement projects to undertake, including the expansion of passenger terminal facilities: Up to 40 air carrier gates provided through construction of new and remodeled terminal buildings to adequately serve projected demand (17.6 million annual passengers and 184,000 aircraft operations in 2027), along with garages for public and rental car parking, roadway improvements, and a new or expanded jet fuel storage and other support facilities on the east side of the Airport.

As part of the Terminal Area Improvement Program approved in 2006, Terminal A was upgraded and expanded in 2009, and new Terminal B was constructed and opened in June of 2010 (replacing the old Terminal C that was demolished). From late 2010 until the fall of 2017 the Airport had 28 gates with jet bridges available for passenger airline operation. In November of 2017, the Airport built two additional interim gates with jet bridges (Gates 29 and 30) to accommodate increased demand from the airlines. The Airport has also initiated improvements to Terminal A to support the busing of passengers to two additional interim aircraft parking positions for ground boarding/deboarding.

ANALYSIS

These recent interim improvements are intended to accommodate the strong growth in airline service demand expected for the next 6-12 months. In 2014, the Airport had 10 airlines flying to 22 non-stop destinations, including 3 international destinations. Today, San José International Airport has 16 airlines, serving 53 non-stop destinations, 10 of which are international. In 2016, San José International Airport was the fastest growing of the 50 largest airports in the nation in terms of percentage increase in passenger volume. In 2016 and 2017, the number of Airport passengers grew by 1 million or more in each year.

To accommodate this rapid growth, and to continue the implementation of the Airport Master Plan, the Airport is preparing for the initial steps for Phase 2 of the Terminal Area Improvement Program. When Terminal B was designed, the project was divided into two phases because of the recession and passenger traffic. The Phase I was the part of Terminal B that currently exists, adding 12 gates, which when combined with the recently constructed 2 gates brings the Airport's current gate total to 30. The next phase was generally identified in the Airline Agreement, which calls for the planning of Phase II of Terminal B construction when either certain passenger or flight operation targets are hit. Both of these targets have been passed. Phase II would take the terminal up to 40 gates and would include a parking facility to address parking displacement and other precursor projects related to the land needed for Phase II. The financial, administrative, and design considerations for this next development phase will be developed further and brought to Council this Spring for discussion and recommended direction.

EVALUATION AND FOLLOW-UP

This memorandum is a report of the current terminal growth constraints and any follow-up will be by Council direction to staff.

HONORABLE MAYOR AND CITY COUNCIL

Subject: Report on the Current and Future State of Airport Terminal Growth Constraints

January 3, 2018

Page 3

PUBLIC OUTREACH

This memorandum will be posted to the City Council Agenda website for the January 23, 2018 meeting. This topic was also discussed at the August 14, 2017 Airport Commission meeting, which is open to the public.

COORDINATION

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

COMMISSION RECOMMENDATION/INPUT

The Airport Commission was briefed on current and future Airport terminal growth constraint issues at its August 14, 2017 Commission meeting.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

JOHN AITKEN, AAE
Director of Aviation

For questions, please contact Matthew Kazmierczak, Manager of Strategy and Policy for the Airport, at 408-392-3640.