

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF AVIATION OR DIRECTOR'S DESIGNEE TO PROVIDE FEE WAIVERS AND/OR MARKETING SUPPORT TO DELTA AIR LINES, VOLARIS AIRLINES AND CALIFORNIA PACIFIC AIRLINES, PURSUANT TO THE AIR SERVICE SUPPORT PROGRAM AT THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT

WHEREAS, the City of San José ("City") owns and operates the Norman Y. Mineta San José International Airport ("Airport"); and

WHEREAS, Federal Aviation Administration ("FAA") policy allows airports to establish air service incentive programs involving waivers or discounting of fees and charges imposed on airlines in exchange for new service, so long as the incentives are limited to a defined promotional period and the incentives are available on a non-discriminatory basis to all airlines that are willing to provide the same type and level of new service consistent with the incentive program; and

WHEREAS, consistent with FAA policy, in 2006 the Airport established the Air Service Support Program, which has been amended from time to time to take into account changes in the industry; and

WHEREAS, application of the Air Service Support Program to assist the air carriers in succeeding financially in serving the new destinations will benefit the City; and

WHEREAS, pursuant to its Air Service Support Program, the City desires to authorize the Director of Aviation or the Director's designee to provide fee waivers and/or marketing support to Delta Air Lines, Volaris Airlines and California Pacific Airlines;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The Director of Aviation or the Director's designee is hereby authorized to provide the following fee waivers and/or marketing support pursuant to the Airport's Air Service Support Program:

1. By launching new air carrier service to Detroit Metro Airport (DTW), constituting a new Long-Haul Domestic Destination, Delta Air Lines shall receive:
 - a. landing fees waived for eighteen (18) months after initial operation, amounting to approximately \$174,521; and
 - b. marketing funds, amounting to \$75,000.
2. By launching new air carrier service to Morelia International Airport (MLM), constituting a new International Destination within North America, Volaris Airlines shall receive:
 - a. landing fees waived for eighteen (18) months after initial operation, amounting to approximately \$49,592; and
 - b. marketing funds, amounting to \$33,333.
3. By launching new air carrier service to Zacatecas International Airport (ZCL), constituting a new International Destination within North America, Volaris Airlines shall receive:

- a. landing fees waived for eighteen (18) months after initial operation, amounting to approximately \$46,962; and
 - b. marketing funds, amounting to \$33,333.
- 4. By launching new air carrier service to Leon Del Bajio International Airport (BJX), constituting a new International Destination within North America, Volaris Airlines shall receive:
 - a. landing fees waived for eighteen (18) months after initial operation, amounting to approximately \$49,592; and
 - b. marketing funds, amounting to \$33,333.
- 5. By launching new air carrier service to McClellan-Palomar Airport, Carlsbad, CA (CLD), constituting a Short-Haul Domestic Destination, California Pacific Airlines shall receive:
 - a. landing fees waived for twelve (12) months after initial operation, amounting to approximately \$56,204; and
 - b. marketing funds, amounting to \$25,000.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk