City Council: 9/25/18
Item: 6.1 & 6.2

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

To: CITY COUNCIL

From: Mayor Sam Liccardo
Vice Mayor Magdalena Carrasco
Councilmember Chappie Jones
Councilmember Raul Peralez
Councilmember Johnny Khamis

Subject: SEE BELOW

Date: September 21, 2018

Approved:

Johnny Khamis

SUBJECT: PROPOSED AIR SERVICE SUPPORT PROGRAM REVISIONS & PUBLIC HEARING FOR AIR SERVICE SUPPORT PROGRAM

RECOMMENDATION

Approve staff recommendations contained in Items 6.1 and 6.2 relating to the air service support program.

BACKGROUND

Norman Y. Mineta San José International Airport (SJC) continues to grow at a remarkable rate. Over the past four years, we have seen a 50% increase in flights and passengers. During this growth period, we have also seen many new and exciting nonstop routes to domestic and international locations. Airlines continue to show their interest and confidence in SJC, and the air service support program is an important tool to continue to attract new and desirable routes.

The proposed revisions to our air service support program, last changed in December 2015, make important modifications to better assist with the marketing of new domestic and North American routes. It also eliminates facility fee waivers for ticket counters and boarding gates given current capacity at the airport. The changes also provide more flexibility for airlines introducing multiple low frequency routes within a 12-month period.

The second separate action, item 6.2, approves utilizing this modified program for several new flights introduced by Delta, Volaris, and California Pacific Airlines. It is important to remember that this program is not a subsidy and remains revenue positive due to the collection of other non-waived fees.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.