

Downtown Airspace and Development Capacity Study February 26, 2019

The Situation

- Downtown and Airport are two of San Jose's economic priorities
- One priority: increase the density of the Downtown Core and the Diridon Station Area
- Another priority: continue developing a world-class airport and build national and international connections by attracting new air service
- Need to balance these two priorities, since taller buildings can impact certain flights to certain markets

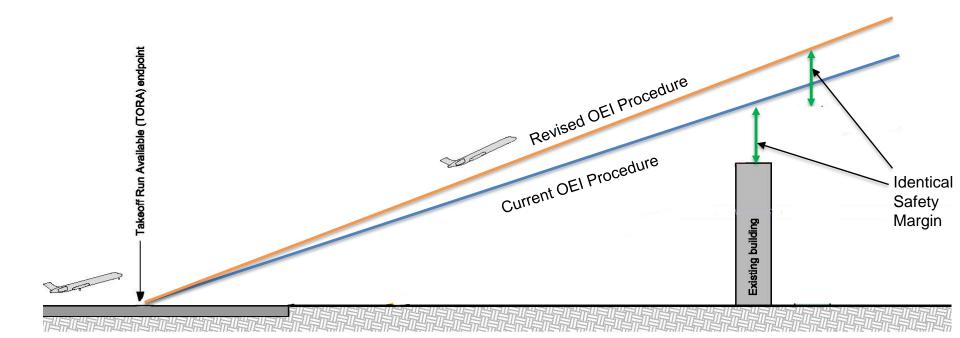
Safety Is Top Priority and Not Changing

- FAA protects arriving and departing airspace around airport.
 - Invisible "surfaces" known as Part 77 and FAA/TERPS
 - Protect all aircraft types, all engines under normal operations
- Any proposed structure near this protected airspace requires FAA approval, which is incorporated into the City's permitting requirements.
- Any potential changes to San Jose building heights do not affect FAA-mandated TERPS procedures or safety.

One-Engine Inoperative (OEI)

- One-engine inoperative (OEI) is a procedure in case one engine on a two-engine commercial aircraft becomes inoperative upon take-off.
- The FAA requires airlines to develop their own OEI procedures based on their specific aircraft for each departure.
- FAA does not consider OEI procedures to be a factor in height limits because airlines have the option to offload passengers, cargo, and fuel to clear structures safely with OEI.
- A plane that cannot safely climb out of SJC and avoid structures on one engine would NOT be allowed to take-off *in any scenario*.
- OEI is not a safety issue.

Identical Safety Margin



Note: for Illustrative Purposes Only

Considerations for South Flow Departures

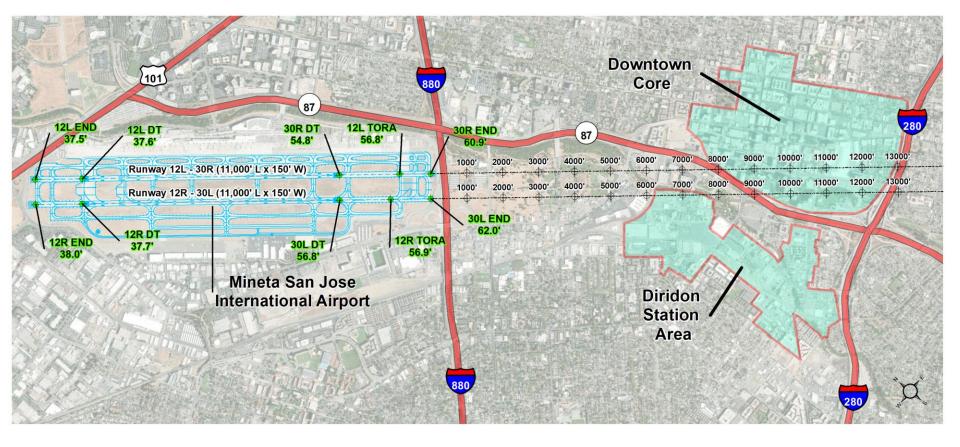
- What is "South Flow"?
 - Aircraft depart to the south during strong winds from the south
 - More typical in winter than summer (associated with cooler temps)
- Weight of the Aircraft
 - Passengers ("Load Factors"), cargo & fuel
- Temperature
 - Aircraft can climb faster in cooler weather
- Aircraft and Configuration
 - Certain aircraft have more power to take-off
 - Seating configuration of the aircraft can mean fewer passengers on the plane

2007 Obstruction Study

In 2007, San José conducted an Obstruction Study that established:

- The Straight Out OEI procedure, based on existing buildings working with developers
- The West Corridor OEI procedure, based on height of SAP Center

Study Evaluation Area



Council Direction to Staff (June 2017)

- Re-evaluate the 2007 Obstruction Study, with a goal of determining if changes can be made to maximize potential development densities Downtown
- Remain consistent with FAA and airline safety requirements
- Develop a collaborative process

Project Steering Committee

Community Representatives

Teresa Alvarado – SPUR

Scott Knies – San Jose Downtown Association

Matt Mahood – Silicon Valley Organization

David Bini – Building & Construction Trades Council

Josue Garcia – Santa Clara County Residents for Responsible Development

Matt Quevedo – Silicon Valley Leadership Group

Julie Matsushima – Airport Commissioner and Downtown Resident

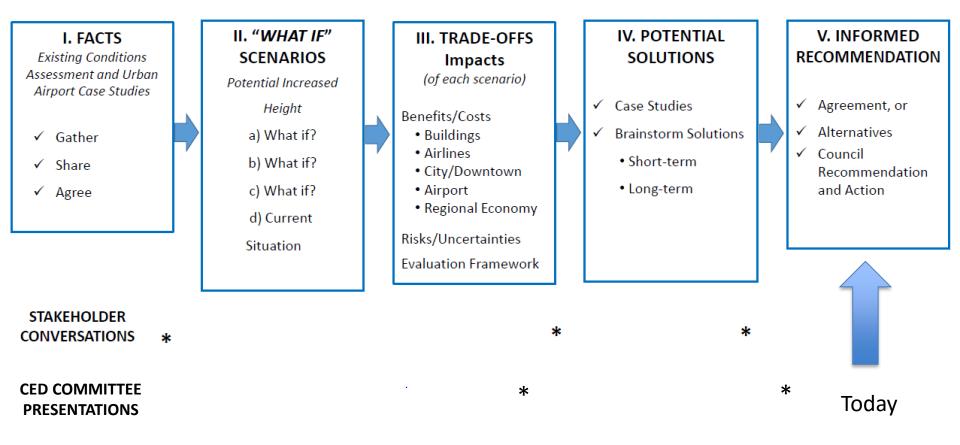
City Staff

John Aitken and Judy Ross – Airport Department Kim Walesh and Blage Zelalich – City Manager's Office/Office of Economic Development Rosalynn Hughey – Planning, Building and Code Enforcement David Hai Tran & Christina Ramos – District 3 Office Kelly Kline – Mayor's Office

Consultants

Landrum and Brown & Jones, Lang, and LaSalle

Collaborative Process



Airspace Protection Scenarios

- Started by looking at existing conditions and 10 different scenarios
- Steering Committee narrowed the list down to 4 scenarios for more detailed analysis:
 - Scenario 4: FAA/TERPS Height
 - Scenario 7: Existing Straight-out OEI protection
 - Scenario 10: Existing Straight-out OEI protection with West Corridor OEI protection alternatives
 - Scenario 9: Increased FAA/TERPS Height

Steering Committee Recommendation

Scenario 4 – FAA/TERPS Height

Steering Committee concluded this option had the right balance of:

- Allowing building heights to increase
- Maintaining key nonstop routes for Mineta San José International Airport

Development Impact of Scenario 4

Downtown Core

• Specific development sites may achieve some additional height: 5'-35'

Diridon Station Area

- Developable heights could increase by 70'-150'
- Up to 8.6M net new square feet of development
- \$4.4B in construction value and \$5.5M in annual property tax



Certain long-haul flights become subject to mitigation procedures to protect OEI when a structure is built to FAA/TERPS.

- Day-to-Day Mitigations
 - Off loading of cargo and/or passengers
 - Request another runway (wind, weather, air traffic permitting)
 - Make a refueling stop
- Long-Term Alternatives
 - Change aircraft type
 - Cancel air service if payload loss affects financial viability

Airline Response to Scenario 4

13 airlines currently serving SJC responded for requests for a performance assessment of the various airspace scenarios.

Hainan indicated a potential concern with their existing service to Beijing.

| Responded | No Response |
|-----------------|-------------|
| Alaska | Air Canada |
| American | JetBlue |
| ANA | |
| British Airways | |
| Delta | |
| FedEx | |
| Frontier | |
| Hainan | |
| Hawaiian | |
| Southwest | |
| UPS | |
| United | |
| Volaris | |

Frequency of Asian South Flow Departures

| SJC Operations | | | | | | | | | |
|----------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|---------------------------|
| | 20 | 15 | 20 | 16 | 20 |)17 | 20 | 18 | Average |
| % Airport | | | | | | | | | |
| Ops in | 9. | 1 | 15 | .9 | 1 | 2.9 | 11 | .9* | 12.6 |
| South Flow | | | | | | | | | |
| | # South Flow Dep. | % of Airline's Dep. | % of Airline's Dep. |
| ANA | 30 | 8.24% | 57 | 15.83% | 40 | 11.11% | 23 | 6.32% | 10.38% |
| Hainan | 5 | 4.10% | 30 | 13.45% | 27 | 11.20% | 10 | 4.81% | 8.39% |

* Preliminary

Asian south flow departures represent >0.06% of total SJC commercial departures.

Nonstop Routes: South Flow Feasibility



Today (summer)

| London | Frankfurt | Tokyo | Beijing | Shanghai |
|----------------------|----------------------|----------------------|---------------------|--|
| B787-9 B777-300ER | B787-9 B777-300ER | B787-9 B777-300ER | 787-9 B777-300ER | B787-9 B777-300ER A330-200 A350-900 |

Green – No Significant Weight Penalties Orange – Some Weight Penalties Red – Significant Weight Penalties

| Rio de Janeiro | Таіреі | HK/Shenzhen | Delhi | Dubai |
|----------------|-------------------|-------------------|-------------------|------------|
| B787-9 | B787-9 | B787-9 | B787-9 | B787-9 |
| B777-300ER | B777-300ER | B777-300ER | B777-300ER | B777-300ER |
| A330-200 | A330-200 | A330-200 | A330-200 | A330-200 |
| A350-900 | A350-900 | A350-900 | A350-900 | A350-900 |

Nonstop Routes: South Flow Feasibility

in Scenario 4 (summer)

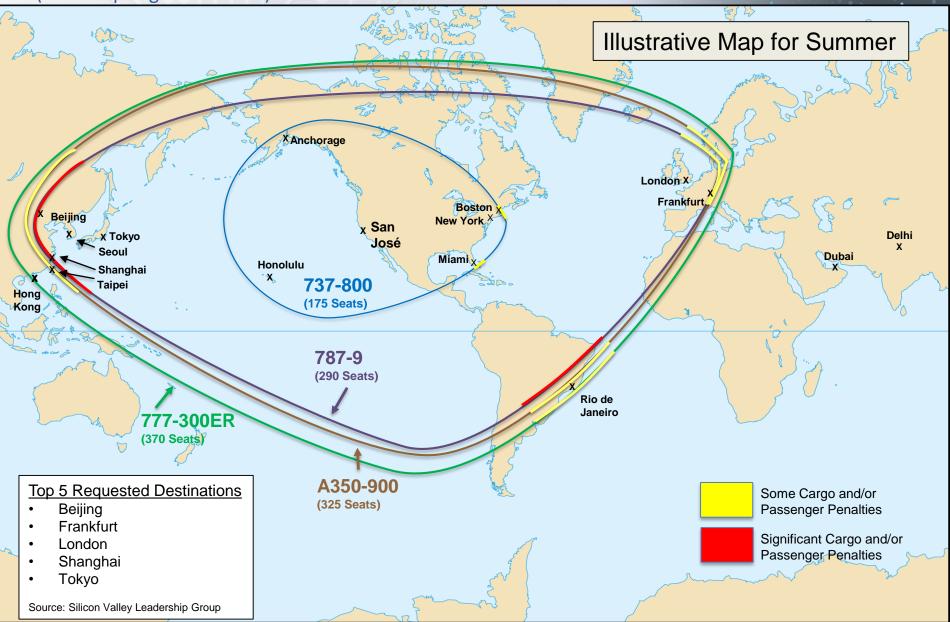
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| B777-300ER | B777-300ER | B777-300ER | B777-300ER | B777-300ER |
| A330-200 | A330-200 | A330-200 | A330-200 | A330-200 |
| A350-900 | A350-900 | A350-900 | A350-900 | A350-900 |

Scenario 4 by Plane Type

(Non-Stop Flights from SJC)



Mitigating the Uncertainty

Create a Community Air Service Fund

- Fund could offset losses to airline for certain situations when they need to offload passengers due to OEI procedures
- Creative solution to address the uncertainty for current and future routes that may be impacted by OEI procedures
- Can support market growth for service by larger, more powerful aircraft that do not have weight penalties

Growing Together

- San José is proud to offer nonstop service to Europe and Asia to meet the needs of the South Bay community.
- Majority of SJC traffic is, and will continue to be, within North America and Hawaii.
- Increased development in Downtown has increased opportunity to grow SJC passengers.
- Community Air Service Support Fund could offset the economic uncertainty for select routes.

