
TO: AIRPORT COMMISSION

FROM: Matthew Kazmierczak
Division Manager

SUBJECT: Response to Items in
Letter from Doug Rice

DATE: February 8, 2023

Dear Airport Commissioners,

Airport Commissioners received several letters from Doug Rice at their August 8, 2022 and November 14, 2022 Airport Commission meetings. Additionally, Mr. Rice provided oral comments at the November Airport Commission meeting. This memorandum is to provide the Airport Commission with some additional information for select items raised by Mr. Rice (The questions from Mr. Rice are in italics and blue. The Airport response is in black and not in italics.)

Q&A Item 1

Would you quantify the loss in revenue to the airport by operations moving to Moffett Field - tax, fuel flowage, delays, etc. - recognizing that 8,000 departures occur every year at Moffett and each departure causes the loss of the equivalent of 1.5 departures slots off of San Jose International.

Airport Response:

From publicly available documents, it seems that Moffett Field is limited to a total number of 24,000 operations a year in accordance with their approved environmental documents. It is the Airport's understanding that 8,000 of these operations are reserved for the federal government. Landing at Moffett Field requires prior coordination with their Airport management team, and only supports a limited number of based aircraft operations. Jet engine type aircraft may apply for a Landing Permit. General Aviation, avgas type aircraft operations, are not supported at this time.

Additional details about Moffett Field are available at:

<https://sites.google.com/a/pv-nuq.com/nuq/home>.

Q&A Item 2

When will the airport address inconsistencies, irrelevancies, and conflicts with the FAR's found in Municipal Code Section 25 - Specifically Chapter 25.12 (Aircraft Operation and Flight Rules) and 25.14 (Flying Clubs)?

Airport Response:

The rules and regulations that govern the operation of the San José Mineta International Airport are significant and complex. As noted in Section 25.12.020 of the San José Municipal Code, Federal and State laws are part of the air traffic and flight rules for the City of San José. Any changes to the Municipal Code need to consider these layered regulations. With this being said, the Airport is currently examining the Municipal Code that governs Airport operations to determine if there are sections that should be updated. Any updates to the Municipal Code will need to include coordination from multiple City Departments and ultimately will need City Council approval.

Q&A Item 3

When the airport does its next financial impact report, how will it quantify the “off budget” monies the airport generates through personal property and possessory interest taxes, gas taxes, and sales taxes that flow to the general fund and the local schools and not to the airport enterprise fund?

Airport Response:

The Airport does not receive revenues from property taxes, gas taxes and sales taxes, with one exception. This exception relates to taxes on aviation fuel sales. FAA policy states that taxes on aviation fuel sales that went into effect after December 30, 1987 are to be remitted to the airport. Therefore, the local sales tax increase that went into effect in October of 2016 in the City of San José does apply to the FAA policy, and since this time, the taxes on the aviation fuel sales at SJC are being remitted to the airport to pay for aviation-related expenses. All other property taxes, gas taxes and sales taxes are remitted to the appropriate agency depending on the type of tax. The Airport does not calculate the amount of taxes that are collected from Airport tenants and remitted to other agencies for their use.

Q&A Item 4

When is the airport going to address the lead paint issue on the airfield buildings?

Airport Response:

When reviewing this potential issue, the Airport found that one of the EPA-approved ways to remediate lead-based paint hazards is to paint over the area with encapsulating paint. Over the next year the Airport plans to utilize Fiberlock Lead Barrier Compound Industrial Lead Encapsulant paint to remediate impacted areas in Airfield buildings.

Q&A Item 5

How will the airport mitigate the high cost of corporate aircraft operations that are driving aircraft to be based outside the county, outside the state, and limit/eliminate fuel purchases that support local businesses and the local tax base? For reference, there are over 1400 aircraft registered in Santa Clara county and only 700-800 actually on the tax rolls. Also, fuel prices at SJC are out of line with surrounding airports (excluding SFO as they are a special case on fuel pricing) - how is that justified and how can the city exert pressure to reduce them and thus increase on and off budget revenue?

Airport Response:

The Airport does not establish the fuel prices that are in effect at SJC. These are set by the free market. In addition, the Airport has no ability to influence these prices.

Q&A Item 6

When is the airport going to address the need for facilities for small to mid-sized general aviation aircraft - some of which are not compatible with or safe to operate at RHV or PAO? Is the airport prepared to recognize the difference of non-commercial operations vs commercial operations as far as basing costs are concerned? Since there are no longer flight schools on the airport to “protect”, when is the airport going to modify/rescind the flying club ordinances?

Airport runway capacity continues to be impacted by operations of smaller commuter aircraft and delays continue to rise due to air traffic impacts - how does the airport plan to mitigate these impacts as air travel recovers post-Covid?

I have lumped these two items together as they again reflect policy decisions. On the one hand, is the desire for air service to “anywhere” a priority - then we will have more small commuter flights. Those flights operate at a cost as the airport capacity for

instrument operations are limited and the more flights we bring in the more chance of operational delays become. Our current limit under instrument conditions is approximately 27 landings per hour and, as mentioned above, our departure rate can be impacted by operations at other airports.

While these considerations are addressed, it should be noted that 1) KSJC has closed one of the three runways, 2) no one has addressed the eVTOL issue (which will certainly impact KSJC, 3) SJSU is playing an integral part in addressing the urgent pilot and mechanic shortage, and 4) as operations increase, the opportunity for instrument training at KSJC diminishes. Each of these require a balanced, policy based long term decision. Additionally, public safety is a consideration should Reid Hillview close as those aircraft needing a longer runway should be accommodated at KSJC for the public good.

Airport Response to Item 6:

The Airport has approximately 10 acres identified on the Airport Layout Plan (for future Aviation Support/General Aviation) development in the Northwest quadrant of the Airport. Given that SJC is landlocked on all four sides from further expansion, any future development on-airport will need to be analyzed for highest and best-use. The Airport Layout Plan is available here: www.flysanjose.com/improvement.

There are significant differences between costs for commercial passenger operations and general aviation. Commercial operators are charged landing fees, ramp parking fees, remain-overnight parking fees, gate fees, and fuel flowage fees. Fees vary depending on if the operator has a signatory or non-signatory operating agreement with the Airport.

The only costs for general aviation aircraft based at the Airport (in City parking spaces) are monthly rent for a tie-down space, taxi-in, or T-Hangar. Fuel-flowage fees are required only if fuel is purchased from a Fixed Based Operator (FBO) at SJC. See the current based-aircraft costs below:

- \$569 T-Hangar
- \$194 Tiedown
- \$331 Taxi-in (small aircraft)
- \$419 Taxi-in (large aircraft)

The Airport's Annual service volume (ASV) – FAA Advisory Circular 150/5060-5 defines ASV as “a reasonable estimate of an airport's annual capacity” – was calculated to be 240,363 aircraft operations, based on a two-runway configuration (12R/30L & 12L/30R) during the Airport's Runway Incursion Mitigation (RIM) Study. The Airport had 164,291 operations in 2022, which is below runway capacity. Airport traffic peaked in 2019 (pre-

COVID) with 207,111 operations, also below SJC's calculated ASV. Annual aircraft operations numbers for the past four years are provided below.

Annual Aircraft Operations

- 2019: 207,111
- 2020: 115,952
- 2021: 133,289
- 2022: 164,291

Additional factors that contribute to aircraft delay and are outside of the Airport's control include wake turbulence, weather (wind conditions, VFR/IFR), and the Bay Area's complex airspace system (SJC/SFO/OAK). An additional source of capacity/delay relates to the Airport's design and landlocked footprint. The Airport's parallel runways (12R/30L & 12L/30R) meet the FAA's minimum separation standards of 700 feet from centerline to centerline, which results in limitations on simultaneous arrival and departure operations (FAA AC150/5300-13B).

SJC closed Runway 11/29 in 2022, after the conclusion of the 7-year FAA grant funded safety-based RIM Study. Main findings concluded that Runway 11/29 contributed to Runway Incursions and the Airport's two published hotspots were adjacent to Runway 11/29. To read more about the detailed analysis included in SJC's RIM Study:

www.flysanjose.com/rim.

The Airport is currently researching and planning for future Advanced Air Mobility operations, including eVTOL. SJC recently participated in a study with the American Association of Airport Executives (AAAE) on Air Mobility & eVTOL operations. You can access the research here:

https://aaae.org/ACT/ACT_Resource_Library_Pages/Research/ACT_2.0/AAM.aspx

Q&A Item 7

How does the airport expect to handle the impacts of general aviation aircraft displaced from Reid Hillview if the airport is closed?

Airport Response to Item 7:

The Reid-Hillview Airport of Santa Clara County is a general aviation airport owned and operated by Santa Clara County. The closure of Reid-Hillview Airport would be determined by the County of Santa Clara and the Federal Aviation Administration, which has regulatory authority of airports. Any potential timeline would depend on this determination.

The San José Airport owns and operates 46 hangars, 12 nested tie-downs, 6 small aircraft taxi-in tie-downs and 7 large aircraft taxi-in tie-downs. Details about these hangars and tie-downs, including agreements and waits list policies, are available on the Airport's website at:

<https://www.flysanjose.com/business/sjc-general-aviation/hangar>.

The San José Airport also has two fixed base operators: Atlantic Aviation and Signature Flight Support. These operators provide fuel, transient parking, hangar space, catering, ground transportation, and maintenance services to general aviation aircraft. Details about these operators are available at:

<https://www.flysanjose.com/business/sjc-general-aviation/fbo>.

The San José City Council received a presentation by Santa Clara County on August 20, 2019 about the status and plans for Reid-Hillview Airport. During this meeting, the City of San José raised several concerns about any potential closure of the Red-Hillview. Details from this meeting are available at:

<https://sanjose.legistar.com/LegislationDetail.aspx?ID=4079642&GUID=93C02C36-028F-4E31-B6A1-9BE6C209D84C&Options=&Search=>

Q&A Item 8

When will the city respect the airport and stop approving buildings in downtown that intrude into the departure airspace of the airport? Would you care to quantify the impact that this has on the airport as far as long haul/international flying? (ie. JetBlue needs to depart 15,000 lbs. lighter taking off southeast than taking off northwest due to downtown buildings being obstacles).

Airport Response:

Downtown building heights have been extensively analyzed in detail during both the Downtown Airspace & Development Capacity Study (DADCS) and the Downtown San Jose Construction Crane Study. To read the detailed analysis from both studies, visit www.flysanjose.com/downtownheightlimits.

Q&A Item 9

Our terminal building is a monstrosity - cold in the morning, hot in the afternoon - concessions closed - no moving sidewalks with long (over a mile) walks - temporary gates (Southwest - when is that project going to start) - etc. When/how will it be updated?

Airport Response:

Temperature settings in our terminals are set between 68-74 degrees. When inside temperatures fall outside of this range the hot or chill water valves in our air handlers will open to regulate the building temperatures as needed. Due to constant fluctuations in outside temperatures and building occupancy, our systems are constantly regulating temperatures to make the most comfortable environment for our passengers.

The primary reason why many concession locations at the Airport are closed or have limited hours of operation has to do with the ongoing labor shortages that our city and the nation are dealing with. Our food and beverage and retail programs were designed to serve between 15 and 16 million passengers. Currently, SJC passenger levels are just over 11 million. Therefore, not all concession locations need to be open to provide our current level of passengers with the services they are looking for. Airport personnel provides our concessionaires with ongoing support to help them address the challenges they face due to the labor shortages, including assistance with hosting and running a job fair on site at the Airport.

Due to space limitations within the Terminal concourse, the installation of moving walkways, combined with the space requirements for accessibility mobility, will greatly impact the corridor circulation space and impede emergency egress requirements.