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Ballot Language

'To provide for San Diego's long-term air transportation needs, shall the Airport Authority and government officials work to obtain approximately 3,000 of 23,000 acres at MCAS Miramar by 2020 for a commercial airport, provided necessary traffic and freeway improvements are made, military readiness is maintained without expense to the military for modifying or relocating operations, no local taxes are used on the airport, overall noise impacts are reduced, and necessary Lindbergh Field improvements are completed?'

Transportation (TGIF) Committee Preliminary Recommendation

Airport Ballot Measure

August 11, 2006

Introduction

This committee began its work on August 26, 2004 and has met consistently once a month or more frequently since.¹ After a thorough assessment of the issues surrounding the question of finding a more suitable site for the San Diego International Airport (SDIA), the committee prepared a set of Findings and Principles (see attached) for the consideration of the Association Board of Directors. After being amended, they were formally adopted at the February 17, 2006 meeting of the Board. Using the Principles as criteria for an assessment, the Association publicly issued two interim evaluations (or mid-term report cards) on the Authority's site selection process in April and June of 2006.

This committee has performed extensive due diligence which involved numerous interviews (see attached) with advocates on both sides of the issue; presentations from consultants hired by the Airport Authority; and analysis of various documents and reports. A number of Authority meetings were attended and a SDCTA representative² has served on the Citizen Advisory Committee since its formation.

Now that the Authority has adopted language for the November 2006 ballot, the TGIF members are prepared to recommend formal action for the Association to take on this critical regional issue.

¹ Committee Members: Harvey Goodfriend (Chair), Kim Elliot, John Casey, Brian Gray, James Hall, George Hawkins, Gordon Lutes, Jeff Marston, Jack Monger, Donna Nenow, John O'Neill, David Sandoval, Deanna Spehn and Jon Schmid.

² Lisa Briggs and Brian Gray served on the Citizen Advisory Committee.

Conclusions

In applying the SDCTA Airport Relocation Principles our final conclusions are:

Principle #1: Maximize use of all existing airports

We recognize that the Airport Authority has operational control only over SDIA at Lindbergh Field; however, there has not been a sufficient proactive effort to collaborate with regional airport operators to maximize use of all existing airports for cargo and general aviation prior to the Authority deciding that remaining at Lindbergh Field is not a viable option. The region has five airports capable of supplementing capacity at Lindbergh. Although the Authority does not have jurisdiction over other airports it appears that a thorough analysis from a regional transportation perspective has not been conducted.

Principle 2: Optimize Lindbergh Field

While SDIA's current draft Master Plan makes substantial improvements to accommodate needs through 2015 and perhaps beyond, insufficient importance was given to alternative strategies and evolving technology that would increase operational capacity in the future. Lindbergh was not considered viable as a long-term solution based upon the assumed need to accommodate 45 million passengers annually³. We question this assumption (see discussion of economic impact, Principle 6). A non-parallel runway and other improvements should be explored further since it is unlikely that MCAS Miramar will be available for use as a civilian airport, given the current federal law prohibiting such use, and Secretary of the Navy Donald C. Winter's letter dated February 2006 regarding MCAS Miramar's role in national defense. We are aware that there are limitations at Lindbergh, but we believe that expansion opportunities were too easily dismissed and not fully explored.

Principle 6: Economic impact

There is no evidence that an economic "crisis" will occur if the region continues to rely upon SDIA at Lindbergh Field in the coming decades. The assumptions in the Authority's economic study has been challenged by respected local economists, and described as "fatally flawed."⁴ The Airport Economic Analysis released in draft form by the Authority in May 2006 projected demand by assuming no change in economic conditions and did not consider likely future scenarios. The two key components of this demand, air cargo and incoming visitors, are not sufficient to justify the relocation of SDIA to a new site and the construction of a new airport, all support facilities and extensive transportation improvements. First, the regional economy continues to move away from manufacturing in favor of professional services, making air cargo much less of a factor than in the past. Second, it is not clear that the region is willing or able to bear the cost of accommodating the 1.6 million new visitors per year predicted by the study, nor

³ Decision Document: Activity levels expected over the planning period were developed from the aviation activity forecast completed in 2004. The conceptual site layouts were developed to accommodate 30 million passengers annually, with provision for sufficient additional space to allow for future expansion, represented by a Planning Activity Level equivalent to a tripling of current demand to 45 million passengers annually.

⁴ Letter dated May 27, 2006 from Dr. Richard Carson, Professor and Chair of the Economics Department at the University of California, San Diego to the Airport Authority. The committee met with Dr. Carson and Dr. Alan Gin, Professor of Economics at the University of San Diego to discuss the economic report prepared by Hamilton, Rabinovitz & Alschuler, Inc.

has it been demonstrated that there are plans to build the required number of new hotel rooms and convention facilities to accommodate that growth in tourists/visitors.

Since the Authority has disavowed military fixed wing joint-use and the Marines have clearly stated that rotary wing joint-use is also not possible, it is clear that in order for the Miramar site to be viable as a civilian international airport, the military must leave Miramar if SDIA is to be located at Miramar. The Authority has not adequately considered the cost of losing a source of counter-cyclical defense spending which has insulated the region from the business cycle. It is not at all clear that building a \$7 billion dollar airport at Miramar is the most cost-effective solution available.

Principle 3: Disclose external infrastructure costs

We believe that new local taxes will be required to finance infrastructure costs associated with the development of a new airport for the following reasons: Transportation infrastructure not dedicated solely to the airport has not been historically eligible for significant FAA funding and cannot be paid for by the Authority.

A new airport site does not appear on the San Diego Association of Government (SANDAG) 2030 Regional Transportation Plan (RTP), and is not included in the TransNet funding plan. It takes a two-thirds vote of the SANDAG Board to divert funds from infrastructure projects, and the 2030 RTP projects have already been committed to the public. Moreover, there is a \$25 billion gap between the funding committed to transportation infrastructure, and the needs in this region over the next 40 years, without factoring in a new airport. Any such diversion of TransNet funds would adversely impact congestion relief in the region.

Principle 4: Provide voters with an airport-financing plan

Our primary concern is the cost of infrastructure external to the airport footprint. There is not complete information about what it will cost, how it will be paid for, and what funds will be available. We conclude that some form of additional regional taxation will be required.

Principle 5: The viability of joint use

The Marines have clearly and convincingly made the case that any type of joint-use at MCAS Miramar is *not* possible. The Authority itself has rejected the idea of joint fixed-wing military use combined with an international civilian airport serving 33 million passengers per year. Given the central role MCAS Miramar plays in the military's national defense mission, it is unlikely that the Marines will leave of their own accord. Since any joint use is seen as an impediment to their ability to "train as they fight," approving a commercial airport at Miramar is the equivalent of asking the Marines to leave. Even if there were another viable alternative military base, plans for the Airport Authority to compensate the military for the immense cost of relocating are unrealistic.

Furthermore, MCAS Miramar has been through five rounds of BRAC, and it has been determined that MCAS Miramar is a national strategic asset for the long-term needs of the United States military. The Authority has failed to recognize that Miramar is an air **station** and part of a comprehensive network, and not simply a military airport.

Summary of Findings

1. By insisting on a site template of 3,000 acre to accommodate two 12,000-foot runways, the Authority predestined the outcome of their efforts.
2. The assumption that the region will be able to sustain regular non-stop international service is extremely unlikely.
3. The Authority should have investigated lower-cost options for meeting future air transportation demand and optimized the existing non-military infrastructure.
4. The Authority has failed to accurately assess the economic impact of the Marines' departure from MCAS Miramar.
5. There will be no economic "crisis" if the region does not build a new airport at Miramar.
6. There has been no serious consideration of the local infrastructure improvements that would be required to accommodate the impact of a new airport.
7. At least two of the studies (economic and military) performed by the Authority's consultants upon which the Authority's site selection was based were seriously flawed.
8. The ballot measure language presented to voters by the Authority is misleading because it fails to recognize that any type of joint-use at MCAS Miramar is *not* possible and does not let voters know that in supporting the ballot measure they may be sending a message that the Marines should leave the Miramar base.

Recommendation

TGIF recommends that SDCTA oppose the proposition on the November ballot designating Miramar as the future site of the SDIA.

The Association will be meeting with principal stakeholders⁵ on August 23, 2006 to hear presentations in response to this preliminary recommendation paper and will accept written responses from all interested parties through August 21, 2006⁶.

The SDCTA Board of Directors has not adopted the Transportation (TGIF) Committee's recommendation nor has it taken a position on the measure at this time. The Board is scheduled to take action on the measure at its regularly scheduled September 15 meeting. A supermajority (60%) vote is required for the Board to take a position on any ballot measure.

⁵ The United States Marine Corps, San Diego County Regional Airport Authority, ASAP 21 and the San Diego Military Advisory Council have been invited to make presentations. Written responses will be accepted from all other interested parties.

⁶ Written responses should be sent to SDCTA by mail, 110 West C Street, Suite 714, San Diego, CA 92101; fax (619) 234-7403; or by email staff@sdcta.org by 4 p.m. Monday, August 21, 2006.