



City of San Antonio

Agenda Memorandum

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In Control: City Council B Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Russell J. Handy

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing and update on the San Antonio International Airport

SUMMARY:

A briefing on the San Antonio International Airport (SAT) including an update on efforts to increase air service to San Antonio, and the proposed strategic plan for the airport system to ensure it supports and encourages economic development for the region.

BACKGROUND INFORMATION:

The San Antonio International Airport is an important component to the overall growth of the San Antonio economy and its surrounding communities. Over the last seven consecutive years, the airport has experienced steady passenger growth. In 2016, a record-breaking 8.6 million passengers traveled to and from San Antonio International Airport. At the current rate of growth, this number is projected to increase to nearly 10 million by 2025, and over 12 million by 2035. The Master Plan process will provide the information necessary to inform and guide future airport development.

This briefing will provide an update on current air service initiatives, discuss the newly reconstituted and expanded Air Service Task Force, review efforts to improve the customer experience for airport travelers and provide a status on current master planning and development efforts.

Air Service

Increased and enhanced air service is a top priority for the City of San Antonio. In the last year, the Aviation

department recruited staff with career knowledge and experience in air service expansion and increased airline engagement with nearly 50 meetings in the past ten months. The city also engaged Seabury Consulting to support the development of a five-year air service development strategic plan which focuses on key target markets and carriers. In the past year, additional air service announcements included: new nonstop service to Toronto with Air Canada beginning May 1; added non-stop service to Kansas City and additional frequency to Houston Hobby with Southwest Airlines; and Frontier's added service to Chicago O'Hare beginning in April.

Air Service Task Force (ASTF)

This briefing will include a discussion on the newly reconstituted ASTF. Jenna Saucedo-Herrera, the President and CEO of the San Antonio Economic Development Foundation will co-chair the ASTF. The ASTF, informed by the five-year air service development strategic plan, will share pertinent market intelligence in order to develop the best business case possible when advocating new service to airlines. Target markets include the US, Mexico, Central and South America. This newly expanded ASTF is instrumental to the continuing evolution of our strategic air service development plan and efforts to bring the targeted markets to fruition.

Customer Experience

San Antonio International Airport has a globally recognized reputation for outstanding customer service. As a city, we've made significant capital investments in projects including a new Consolidated Rental Car Facility (CONRAC) which is expected to be fully operational by December of 2017. Despite ongoing construction, SAT tied for third place for the 2016 Airport Service Quality (ASQ) Award for airports in North America (with Austin-Bergstrom, Dallas Love Field, Edmonton, Halifax and Winnipeg). This briefing will provide an update on current efforts to enhance the customer experience of the traveling public and will discuss ongoing efforts to brand SAT to be more reflective of our community's history and culture.

Planning For Airport Development

In 1984, Terminal A opened for business at SAT. Terminal B opened concurrent with the completion of the most recent Airport Master Plan Update in 2010. This plan addressed requirements to improve airfield facilities and maintain terminal capacity with existing terminal renovations in the next five to seven years, and identified potential future projects through 2030 to address the forecasted needs of the community. The planned expansion was envisioned to be of a similar scale and architecture to SAT's current facilities. In 2014, we completed a \$35 million renovation which provided new finishes, furniture and lighting in the Terminal, but deferred some critical long-term infrastructure work.

The FAA recommends airports update their Master Plan every five to seven years, but requires detailed planning to integrate projects eligible for federal funds. The Master Plan process provides the opportunity for the City and stakeholders, including elected officials, business and industry organizations, airport tenants and community and transportation leaders, to provide input into the framework needed to guide future airport development. The process will evaluate the changing needs of the community and aviation industry and incorporate new federal regulations for airfield projects to identifying potential capital improvements needed to address the rapidly changing ground transportation industry. Through a master planning process, the Airport will formulate the strategy to inform future development that will yield a cost-effective method to satisfy aviation demand and the broader needs of the community.

ISSUE:

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ALTERNATIVES:

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FISCAL IMPACT:

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RECOMMENDATION:

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