[MS-0398.031.002 006]

ZHA
INCORPORATED

December 15, 1993

Board of Directors
San Diego International
Airport Foundation
One Market Place, 33rd Floor
San Diego, CA 92101

Re: Relocation of Lindbergh Field to Miramar NAS

Dear Board Members:

ZHA is the General Consultant at the Orlando International Airport. One of our roles is to assist the Greater Orlando Aviation Authority (GOAA) in the development of its strategic plan and create a vision for the future. We have guided Orlando in more than $1.4 billion in development of the old McCoy Air Force Base to create one of the premier airports in the world. We are currently embarked on a $758 million expansion, which will complete the North Terminal Complex with 100 gates. We have also recently completed a concept plan for a $2 billion, 100-gate South Terminal Complex, which will be initiated at the turn of the Century. Our team has been in continuous service to GOAA in the development of airports since 1976 to help them conceive the vision, implement the plan, and achieve success.

The City of Orlando spent many years analyzing the possibilities of developing McCoy Air Force Base as the potential site for a new international airport. With McCoy, the City received two 12,000 foot parallel runways in a similar configuration as exists at Miramar. In 1981, a 48-gate new Midfield Terminal Complex was opened at a cost of just under $300 million, servicing just over 6 million passengers. Orlando had started the economic engine for the community. Passenger volumes increased in excess of 10% per year. In 1991, Orlando completed its first expansion of the new facility, adding an additional 32-aircraft gates, 80-aircraft gates now handle in excess of 16 million passengers. New expansion plans previously mentioned will complete the North Terminal Complex for a total of 100 aircraft-gates, capable of handling 30 million passengers per year in 1998.

Thus, in just 17 years, passenger activity increased from 6 million to an anticipated 30 million passengers per year. Jobs related to the airport now amount to more than 10,500 and 59,800 jobs indirectly. Wages and salaries total $1,326,700,000. With each wide-bodied aircraft landing in Orlando on a daily basis, $150

million in commerce is brought to the community each year. Orlando International Airport (MCO) now has nonstop service to more than 80 key cities in the world. MCO is one of the world's top 10 destinations and one of the top 5 convention destinations in the nation. The total annual impact to Orlando is $5.4 billion.

Orlando was fortunate to have a variety of air carriers serving its market, with no single air carrier dominating the market and virtually no hub activities. Being primarily an origination and destination market (O&D), the ability to finance its expansion was easy. Wall Street has found substantial value in Orlando's market.

You have asked us to analyze the cost and benefits to relocating Lindbergh Field to Miramar. The similarities between Orlando and the San Diego opportunity are closely paralleled. With our analysis of some of the existing characteristics of passenger activity at Lindbergh Field and our review of Miramar with 24,000 acres of land and an existing runway system capable of supporting annual levels approaching 20 million passengers with taxiway improvements, the opportunity exists to cost effectively develop a first-class international airport for San Diego.

The key component today in developing airport infrastructure is to create an attractive, aesthetically pleasing, premier gateway to your community at a cost that keeps the service, operation, maintenance and bond coverage expenses competitive in the U.S. and world market. The range of costs of airports today is between $4.00 and $18.00 per passenger. The new Denver Airport will cost approximately $14.50 per passenger. In Orlando, we have achieved, with the development of its premier facility, an average cost of $7.00 per passenger.

Our preliminary analysis of Miramar and the relocation of all Lindbergh Field activity, suggests a premier facility can be developed at the cost of $5.75 per passenger; well below most other major airports in the nation. An annual budget of $100 million could be supported from a combined revenue of rates and charges from airline leases, concessions revenues, parking charges, rent-a-car revenues, land leases, landing fees, and Passenger Facility Charges (PFCs). A first phase terminal facility with 52 aircraft gates and 1,800,000 square feet would accommodate annual passenger traffic approaching 20 million. Such a development includes airfield and roadway improvements to ensure good access to the existing roadway network. With Miramar's capability to incorporate rail service, a first-class multimodal facility can be developed to service the San Diego marketplace. Such a multi-modal approach with a new terminal complex provides for an opportunity and enhanced Federal participation with the ISTEA legislation.

24,000 acres is sufficient land to provide adequate space for expansion of this facility well into the 21st Century, eliminating the need to ever relocate. This single point is so important in airport development today. Many key cities in the United States facing the prospect of having to locate their major international airports to new locations, as Denver has just done, require such high costs. With Miramar, 40% of the cost for airfield and apron are already provided, an adequate fuel farm, ample maintenance facilities, existing hangar and support buildings, all provide a real economic advantage to keeping the cost of a new facility very competitive in today's world aviation market.

Noise has always been a concern to surrounding communities at any airport facility. Orlando had two citizen organizations with strenuous objections to airport noise in their neighborhoods. During the planning and development process, literally hundred of hours of interface with these organizations occurred to create a very successful air space management program administered by the FAA (air traffic control) to manage noise impact to the surrounding communities within acceptable ranges. We have examined the noise studies completed on Miramar. Commercial use will reduce noise impact from current military. With good participation from a representative neighborhood group, an air traffic management program can be adopted by FAA to ensure noise reduction for western communities can continue as the airport grows.

Orlando also has had to deal with landfill issues on old military property as exist at Miramar. In addition, with surrounding wetlands, MCO has managed wild life to have no adverse effect on airport operations. Miramar's landfill will require similar analysis and in our opinion managed to have no adverse effect.

You may be aware BRAC Commission decided to close the Orlando Navy Training Center about six months ago. As the Executive Vice Chair to the NTC Reuse Commission, chaired by the Mayor of Orlando, we are currently dealing with the impact of the Navy leaving Orlando. The issues and problems created by such a negative economic impact to any community is a challenge. With strong leadership from both the business and political communities, recovery and success can be enjoyed by the community. In Orlando, McCoy AFB departure was considered a fatal loss; however, with the development into Orlando International Airport, the community has benefited with more jobs and economic prosperity than existed with the Air Force.

The Orlando community is proud of its airport facilities; it serves as the catalyst for economic prosperity in the community. Miramar could provide such an opportunity for San Diego. You have studied this decision intensely; we would suggest it is time to move forward with an implementation plan. Miramar, from our analysis, makes good sense for San Diego.

We have offered to be in San Diego in January to share the Orlando experience and discuss San Diego's opportunity at Miramar. Please let us know if such a trip would be beneficial to you.

Sincerely,

R.W. Zipperly

RWZ:mmk

CONGRESSIONAL

Randy "Duke" Cunningham
117 Cannon Bldg.
Washington, D.C. 20515

Bob Filner
504 Cannon Bldg.
Washington, D.C. 20515

Duncan Hunter
133 Cannon Bldg.
Washington, D.C. 20515

Ron Packard
2162 Rayburn Bldg.
Washington, D.C. 20515

Lynn Schenk
315 Cannon Bldg.
Washington, D.C. 20515

MAYOR

Mayor Susan Golding
202 C Street
San Diego, CA 92101

CITY COUNCILMEMBERS

Harry Mathis
Ron Roberts
Christine Kehoe
George Stevens
Barbara Warden
Valerie Stallings
Judy McCarty
Juan Vargas

City Councilmembers are all at this address:

202 C Street
San Diego, CA 92101

COUNTY BOARD OF SUPERVISORS

Supervisor Brian Bilbray

Supervisor Dianne Jacob

Supervisor Pam Slater

Supervisor Leon Williams

Supervisor John MacDonald

County Board of Supervisors are all at this address:

1600 Pacific Highway
San Diego, CA 92101

SANDAG

Mayor Bud Lewis
City of Carlsbad
1200 Carlsbad Village Dr
Carlsbad, CA 92008

Councilmember Leonard Moore
City of Chula Vista
276 Fourth Avenue, P.O. Box 1087
Chula Vista, CA 91912

Mayor Elliot Parks
City of Del Mar
1050 Camino Del Mar
Del Mar, CA 92014

SANDAG (continued)

Deputy Mayor Harriett Stockwell
City of El Cajon
200 East Main Street
El Cajon, CA 92020

Councilmember Maura Wiegand
City of Encinitas
505 South Vulcan Avenue
Encinitas, CA 92024

Mayor Jerry Harmon
City of Escondido
201 North Broadway
Escondido, CA 92025

Mayor Mike Bixler
City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, CA 91932

Mayor Art Madrid
City of La Mesa
8130 Allison Avenue, P.O. Box 937
La Mesa, CA 91941

Mayor Brian Cochran
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Councilmember Rosalie Zarate
City of National City
1243 National City Boulevard
National City, CA 91950

Mayor Dick Lyon
City of Oceanside
321 North Hill Street
Oceanside, CA 92054

Mayor Don Higginson
City of Poway
13325 Civic Center Drive, P.O. 789
Poway, CA 92064

Councilmember Judy McCarty
City of San Diego
202 C Street
San Diego, CA 92101

Supervisor Chairman Brian Bilbray
County of San Diego
1600 Pacific Highway
San Diego, CA 92101

Mayor Lee Thibadeau
City of San Marcos
105 West Richmar
San Marcos, CA 92069

Mayor Jack Dale
City of Santee
10765 Woodside Avenue
Santee, CA 92071

Councilmember Marion Dodson
City of Solana Beach
380 Stevens, Suite 305
Solana Beach, CA 92075

Mayor Gloria E. McClellan
City of Vista
600 Eucalyptus Avenue, P.O. 1988
Vista, CA 92085