

AIRPORT

The mission of the Airport is to meet the air transportation needs of Silicon Valley residents and businesses in a safe, efficient, and cost-effective manner.

AIRPORT

The City operates [Mineta San José International Airport](#) (Airport), which provides non-stop air service to 32 U.S. destinations, including Newark, Baltimore/Washington, Chicago, New York, and four Hawaiian islands (Hawaii, Kauai, Maui, and Oahu). Additionally, it provides non-stop service to several international locations including Beijing, Cabo San Lucas, Guadalajara, Tokyo, London, Vancouver, and most recently Frankfurt (July 2016), and Shanghai (September 2016) for a total of 40 non-stop destinations served.

The Airport does not receive General Fund dollars; Airport operational revenues include rents, concession fees, parking, and landing fees. In 2016-17, operating revenues totaled \$152.9 million, the highest total in the past ten years. The Airport's operating budget, excluding debt service, totaled \$63 million.* As of June 30, 2017, total outstanding debt was \$1.3 billion, and total debt service for the fiscal year was \$97.4 million. Debt service has quadrupled from 10 years ago; this is a result of debt incurred during the Airport's major modernization and renovation that began in 2005.** The bonds issued in 2007 were restructured and refunded in 2017.

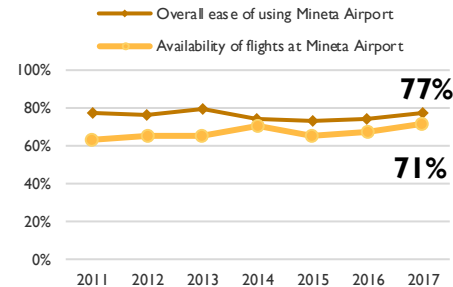
The Airport had 204 authorized positions in 2016-17, about half as many as in 2007-08. Of the nearly 200 positions eliminated in past years, about 80 were from outsourcing custodial and curbside management services.

*Operating expenditures do not include police and fire services at the Airport, debt service, capital project expenditures or reserves. Since 2010-11, the Airport has reduced the cost of police and fire services by 14 percent, from \$14.2 to \$12.2 million.

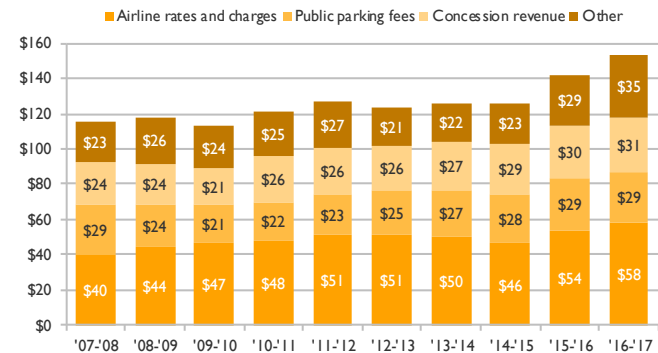
**Total debt service in 2016-17 was partly paid by passenger facility charges (\$24.8 million), customer facility charges (\$18.0 million), and unspent bond proceeds (\$4.3 million) that were available for payment of debt service; a net debt service of \$50.3 million is paid by Airport operating revenues. See the November 2017 audit — [Airport Financial Projections: Balancing ongoing Debt-Service Obligations with Increasing Operational Needs](#)

RESIDENT SURVEY

% of San José residents rating services as "excellent" or "good"

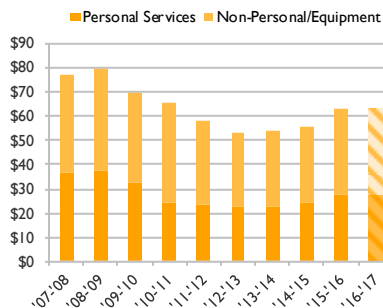


Airport Operating Revenues (\$millions)

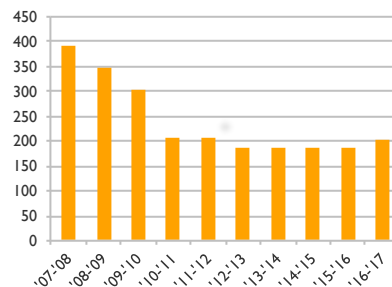


Note: Does not include passenger facility charges and other non-operating revenues. The Airport reclassified certain revenues from operating to non-operating beginning in 2010-11. Sources: Airport Comprehensive Annual Financial Reports, 2007-08 through 2016-17.

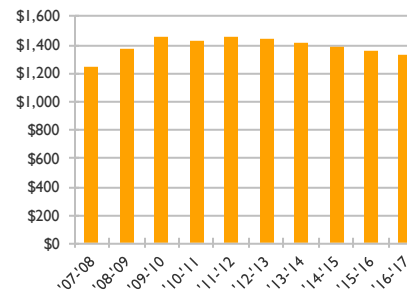
Airport Operating Expenditures (\$millions)



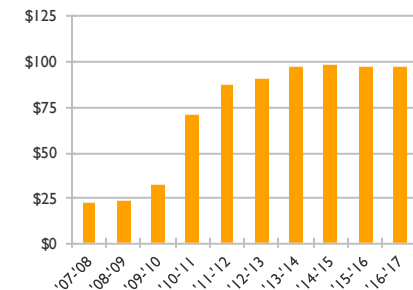
Airport Authorized Positions



Outstanding Debt (\$millions)



Annual Debt Payments (\$millions)



Note: 2016-17 is adopted budget data. All other years are actual expenses

In 2016-17, the Airport served over 11.5 million airline passengers, up 8 percent from 10 years ago and up 13 percent from last year. There were 110,336 passenger airline takeoffs and landings, or 302 per day. The total number of passengers in the region was greater in 2016-17 than in any of the prior 10 years; the Airport’s market share was 15 percent, just down from the 18 percent held 10 years ago.

In 2016-17, the airline’s cost per enplanement (CPE) was \$10.01, a decrease of 4 percent since last year, and a 19 percent reduction since five years ago. CPE has increased from 10 years ago, because of an increase in airline rates and charges (as a result of a change in the Airline Operating Agreement effective 2007-08 and the modernization and renovation), and inflation.

In 2016-17, the Airport handled 121.9 million pounds of cargo, freight, and mail — up from 116 million a year ago, but still down by a third from a decade ago. Regionally, cargo and freight are down nearly 20 percent from a decade ago. The Airport has about 5 percent of the regional market share for cargo and freight. According to the department, San José’s noise curfew has limited cargo, freight, and mail capacity.

The Airport received 154,937 noise complaints in 2016-17,* 847 of which concerned flights subject to the curfew program between 11:30 pm and 6:30 am. According to the department, noise complaints increased from the previous year primarily due to south flow operations and new air traffic control technology. Based on community response, the formation of an Ad Hoc Advisory Committee on South Flow Arrivals was approved by City Council on October 3, 2017.

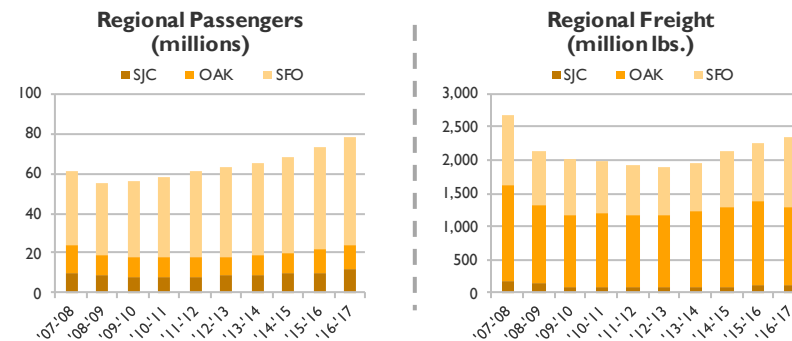
*Due to the influx in noise complaints this year, the department had to change counting methodology. This resulted in some duplicate entries being counted towards the total noise complaint number.

Regional Comparisons, 2016-17

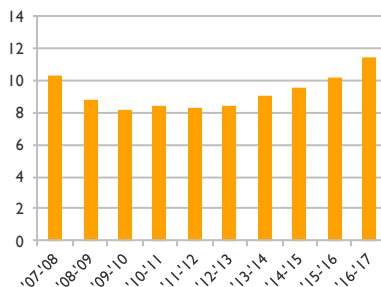
	SJC	OAK	SFO
Passenger Airlines	14	14	58
Destinations	40	68	136
Domestic	32	56	83
International	8	12	53
Passengers (millions)	11.5	12.6	54.0
Passenger Flights/Day	302	286	1191
On-Time Arrival Percentage	80%	77%	69%

Sources: Oakland International Airport Airline Information and staff; Comparative Traffic Report FY 16-17 and SFO Fact Sheet FY 16-17; Airline On-Time Statistics U.S. Bureau of Transportation Statistics.

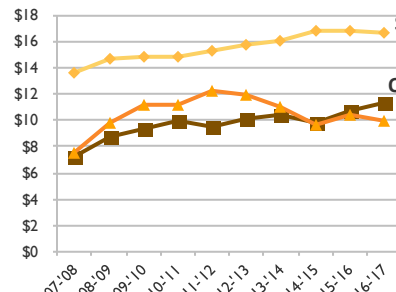
Market Shares



Annual Airport Passengers (millions)

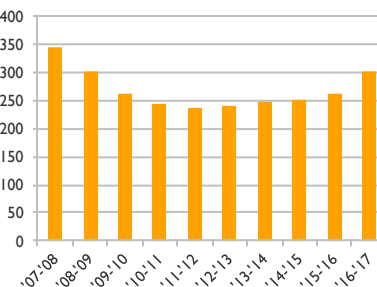


Airline Cost per Enplanement Comparison



Note: The CPE (industry standard) is based on rates and charges paid by airlines divided by the number of boarded

Passenger Flights Per Day (Takeoffs and Landings)



Air Cargo, Freight, and Mail (million lbs.)

