

## **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 the Mineta San José International Airport (Airport), which provides non-stop air service to 27 U.S. cities, including New York, Chicago, Boston, and Hawaii. The airport currently serves two international destinations and will add Tokyo in 2013.

The Airport does not receive general fund dollars; Airport operational revenues come from rents, concession fees, parking, passenger facility charges, and landing fees. In 2011-12, operating revenues totaled \$137.1 million, an increase of 7 percent over the past year, and 19 percent over the past five years\*. According to the department, the increase in revenues can be attributed to a one-time sale of 14 shuttle buses to SFO, changes in car rental fees from a per transaction to a per day charge, and increases in terminal rental fees paid by airlines.

Operating expenditures have decreased by 11 percent, totaling \$57.7 million\*\*. However, total outstanding debt as of June 30, 2012, was \$1.5 billion, and debt service for the fiscal year was \$66.2 million, both of which were up from five years ago, due to the Airport's newly completed \$1.3 billion modernization program.

The Airport made significant changes to police and fire services in 2011-12.\*\*  
 \*Federal grant funding saved the department nearly \$500,000 and allowed it to keep fire services at the same level; restructuring police staffing reduced costs by \$5 million. The Airport reported no negative effects on public safety and expects these savings to grow in the next fiscal year.

\*Operating revenues do not include Passenger Facility Charges (\$16.8 million) or grants.

\*\*Operating expenditures do not include police and fire services at the Airport, debt service, capital project expenditures, or reserves. As of 2011-12, overhead is no longer included in operating expenditures.

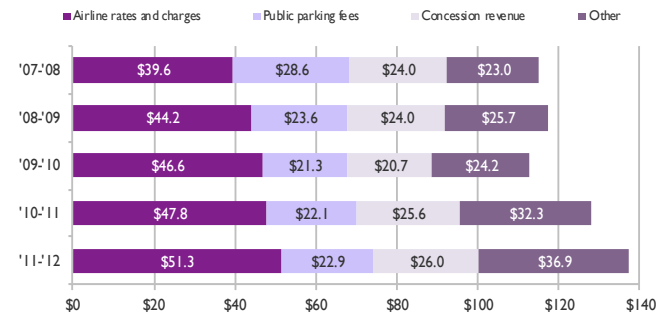
\*\*\*Police and fire expenses are considered general fund transfers.

### THE NATIONAL CITIZEN SURVEY™

**76%** of San José residents surveyed rated the overall ease of using the Airport as "excellent" or "good"

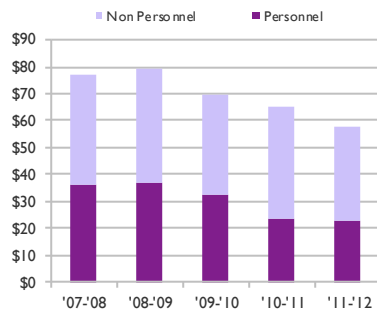
**65%** rated the availability of flights at the Airport as "excellent" or "good"

### Airport Operating Revenues\* (\$millions)



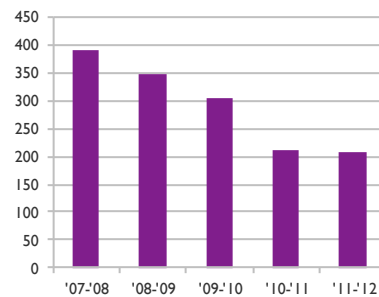
\*Does not include passenger facility charges and other non-operating revenues  
 Sources: Airport Comprehensive Annual Financial Reports, 2007-08 through 2011-12

### Airport Operating Expenditures (\$millions)



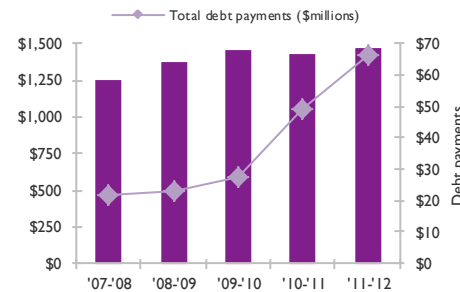
In 2011-12, the City changed its method of allocating overhead for the department.

### Airport Authorized Positions



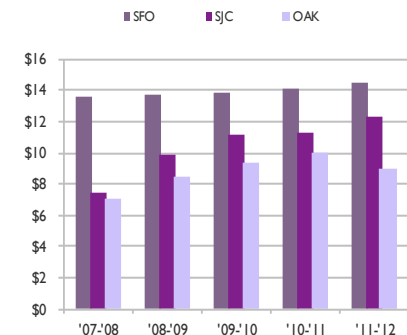
\*Of the 93 positions eliminated due to budget cuts, 54 were a result of outsourcing custodial services.

### Outstanding Debt and Debt Payments\* (\$millions)



\*Excludes commercial paper

### Regional Cost per Enplanement



In 2011-12, the Airport served 8.3 million airline passengers, down 20 percent from five years ago. There were 86,478 passenger flights (takeoffs and landings) in 2011-12 or 237 per day. While the number of total passengers in the region has rebounded back to 2007-08 levels, the Airport's market share has declined in the past five years to 14 percent in 2011-12. San Francisco's market share is 71 percent and Oakland's is 16 percent. According to the department, limited east coast and international flights, and the prolonged economic downturn contribute to both declines.

In 2011-12, the airline's cost per enplanement (CPE) was \$12.29, which has increased nearly 65 percent over the past five years.\* An increase in airline rates and charges (as a result of the modernization program) combined with a decrease in the number of passengers has led to a higher CPE. By comparison, the CPE for San Francisco has increased by 7 percent in the same period to \$14.54 and by 29 percent to \$9.04 in Oakland.

In 2011-12, the Airport handled 83.8 million pounds of cargo, freight, and mail, down more than 50 percent from five years ago. Regionally, the Airport's market share of cargo and freight is just under 5 percent, compared to 40 and 56 percent for San Francisco and Oakland respectively. The department reports that traffic and noise curfew have put major limitations on cargo, freight, and mail capacity.

Noise complaints have decreased over the past five years but more than doubled in the past year to 856. However, 30 percent of calls were made by two individuals in two months. Excluding these calls, there was still an 80 percent increase in complaints, despite a small decrease in the number of total aircraft operations.

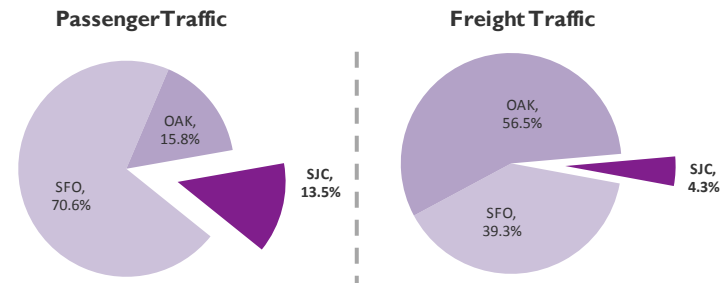
\*The CPE (industry standard) is based on charges and rates paid by airlines divided by the number of boarded passengers.

**Regional Comparisons, 2011-12**

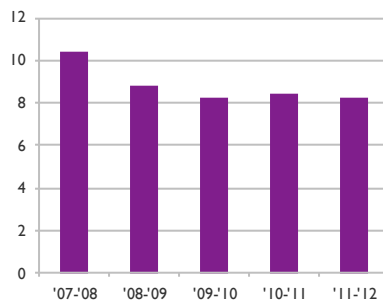
	<b>SJC</b>	<b>OAK</b>	<b>SFO</b>
Airlines	12	12	50
Destinations	29	40	105
Domestic	27	36	74
International	2	4	31
Passengers	8,256,223	9,643,555	43,050,723
Passenger Flights/Day (Takeoffs and landings)	237	262	520
On-Time Percentage	88%	87%	73%

Sources: Oakland, San Francisco, and San José Airports.

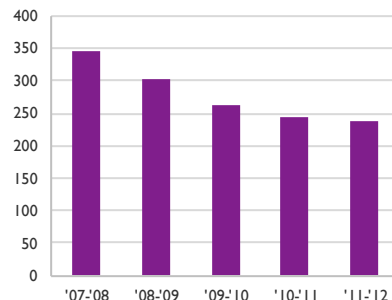
**Market Shares**



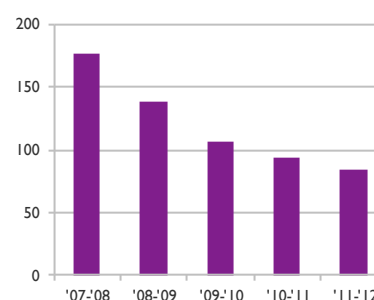
**Annual Airport Passengers (millions)**



**Passenger Flights Per Day (Takeoffs and Landings)**



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



**Environmental Noise Complaints**

