

## **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 nonstop air service to 26 U.S. destinations, including Atlanta, Boston, Chicago, New York, and four Hawaiian islands (Hawaii, Kauai, Maui, and Oahu). The Airport added Tokyo as a destination in 2013, and also serves Cabo San Lucas and Guadalajara in Mexico.

The Airport does not receive general fund dollars; Airport operational revenues come from rents, concession fees, parking, and landing fees. In 2012-13, operating revenues totaled \$123.1 million, an increase of 37 percent over the past 10 years.\* Operating expenditures totaling \$53.0 million in 2012-13 were 8 percent less than last year and 33 percent less than five years ago.\*\* However, total outstanding debt as of June 30, 2013 was \$1.4 billion and total debt service for the fiscal year was \$90.4 million, nearly three and five times more than the amounts from 10 years ago, respectively, due to the Airport's modernization and renovation begun in 2005.\*\*\*

Airport authorized positions declined to 187 in 2012-13, less than half as many as in 2007-08. Of the 200 positions eliminated due to budget cuts, 78 were from outsourcing custodial and curbside management services.

\*The Airport reclassified certain revenues from operating to nonoperating for 2011-2013.

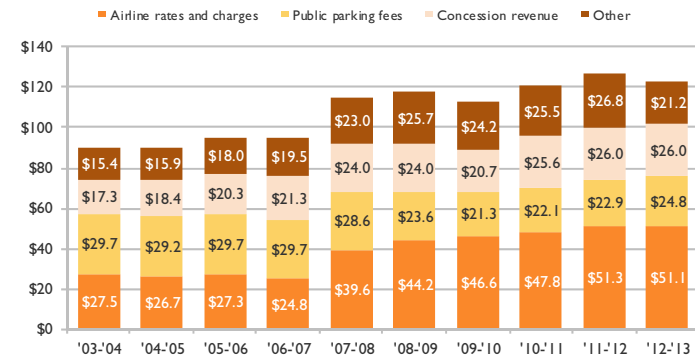
\*\*Operating expenditures do not include police and fire services at the Airport, debt service, capital project expenditures, or reserves. Since 2010-11, the Airport has reduced the cost of police and fire services by 51 percent, from \$14.2 to \$7.0 million.

\*\*\*Total debt service in 2012-13 was partly paid by passenger facility charges (\$22.1 million), customer facility charges (\$13.4 million), and unspent bond proceeds (\$5.8 million) that were available for payment of debt service, resulting in a net debt service of \$49.1 million paid by Airport operating revenues.

### THE NATIONAL CITIZEN SURVEY™

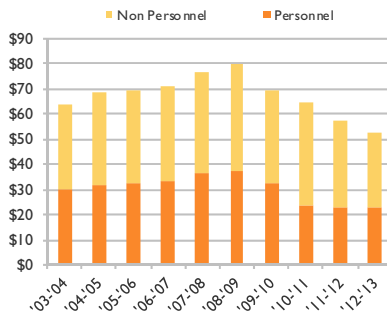
**79%** of San José residents surveyed rated the overall ease of using the Airport as "excellent" or "good"  
**65%** rated the availability of flights at the Airport as "excellent" or "good"

### Airport Operating Revenues (\$millions)

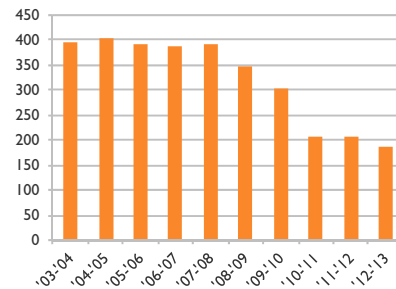


Note: Does not include passenger facility charges and other non-operating revenues  
 Sources: Airport Comprehensive Annual Financial Reports, 2003-04 through 2012-13

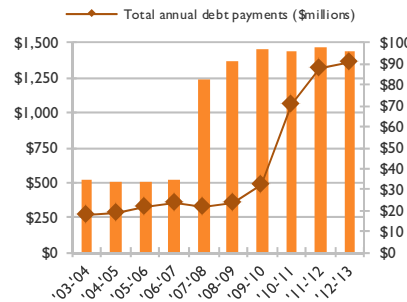
### Airport Operating Expenditures (\$millions)



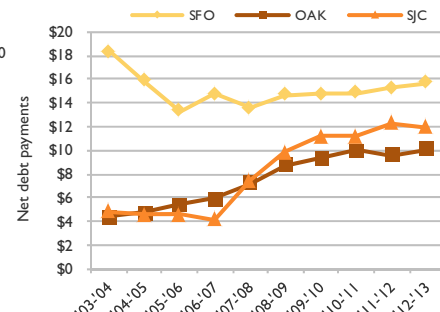
### Airport Authorized Positions



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



### Regional Cost per Enplanement\*



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

In 2012-13, the Airport served 8.5 million airline passengers, down 20 percent from 10 years ago. There were 87,508 passenger flights (takeoffs and landings), or 240 per day. While the total number of passengers in the region was greater in 2012-13 than in any of the prior 10 years, the Airport's market share declined to 13 percent from 19 percent in 2003-04. According to the department, the reduction in airline traffic at the Airport over the last several years was probably related to nationwide airline capacity cuts at medium and smaller hub airports (in response to economic recession, fuel price spikes, etc.) and the market share war at SFO after Virgin America started base operations there in August 2007.

In 2012-13, the airline's cost per enplanement (CPE) was \$11.94, which was 3 percent less than 2011-12 but 146 percent more than 10 years ago. 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) combined with a decrease in the number of passengers has led to a higher CPE.

In 2012-13, the Airport handled 86.4 million pounds of cargo, freight, and mail, down 64 percent from 10 years ago. Regionally, the Airport's market share of cargo and freight is under 5 percent. According to the department, San José's traffic and noise curfew have limited cargo, freight, and mail capacity.

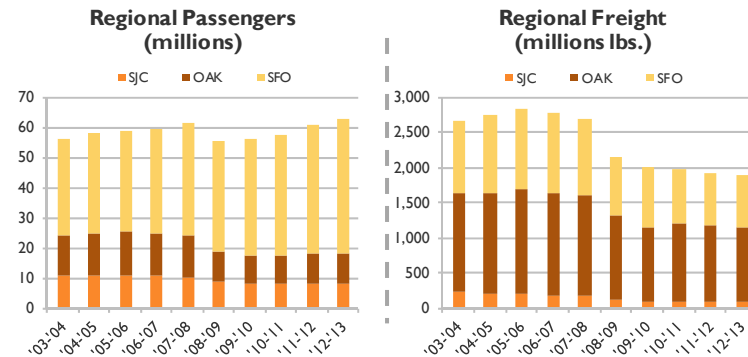
The Airport received 834 noise complaints in 2012-13, 41 of which concerned flights between 11:30 pm and 6:30 am (curfew hours). According to the department, nearly two-thirds of the total complaints were made by three individuals, with the remainder by 146 other individuals.

Regional Comparisons, 2012-13

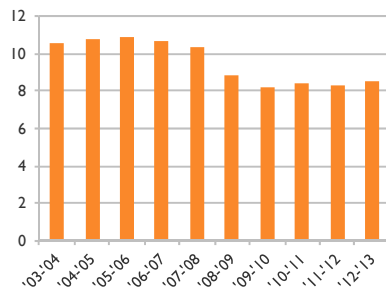
	SJC	OAK	SFO
Airlines	15	13	44
Destinations	29	39	107
Domestic	26	35	76
International	3	4	31
Passengers (millions)	8.5	10.0	44.6
Passenger Flights/Day	240	261	1,110
On-Time Arrival Percentage	84%	84%	71%

Sources: Oakland: Airport Airlines and Cities Served & staff.  
San Francisco: Fact Sheet & Analysis of Scheduled Airline Traffic

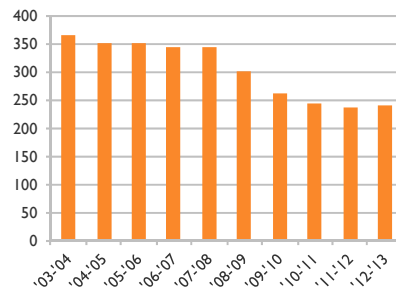
Market Shares



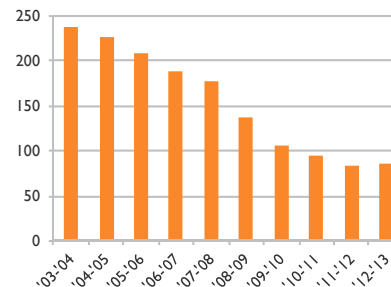
Annual Airport Passengers (millions)



Passenger Flights Per Day (Takeoffs and Landings)



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



Environmental Noise Complaints

