

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 27 U.S. destinations, including Atlanta, Boston, Chicago, New York, and four Hawaiian islands (Hawaii, Kauai, Maui, and Oahu). The Airport added Beijing as a destination in 2015, and also serves Cabo San Lucas, Guadalajara, and Tokyo.

The Airport does not receive general fund dollars; Airport operational revenues come from rents, concession fees, parking, and landing fees. In 2014-15, operating revenues totaled \$126 million, an increase of 32 percent from 10 years ago.* Operating expenditures totaling \$56 million in 2014-15, were 4 percent more than last year but 14 percent less than five years ago.** However, total outstanding debt as of June 30, 2015 was \$1.4 billion and total debt service for the fiscal year was \$98.2 million, nearly three and four times more than the amounts from 10 years ago, respectively, due to the Airport's modernization and renovation begun in 2005.***

The Airport had 187 authorized positions in 2014-15, 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 (airport staff that manage or monitor curb traffic among other duties) services.

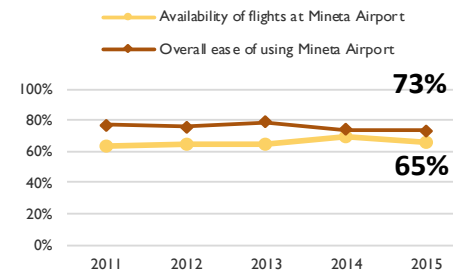
*The Airport reclassified certain revenues from operating to non-operating for 2011-2015.

**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 35 percent, from \$14.2 to \$9.2 million.

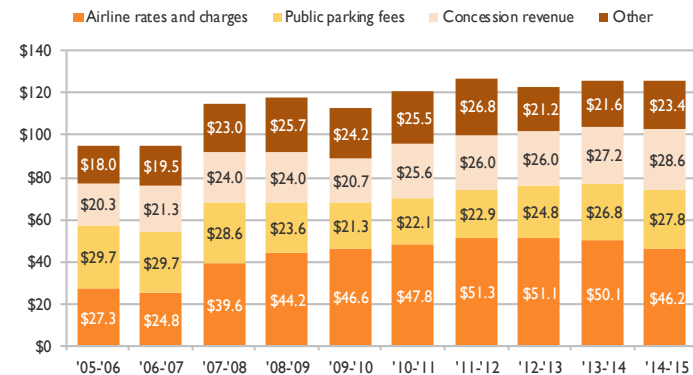
***Total debt service in 2014-15 was partly paid by passenger facility charges (\$25.2 million), customer facility charges (\$17.4 million), and unspent bond proceeds (\$11.1 million) that were available for payment of debt service, resulting in a net debt service of \$44.5 million paid by Airport operating revenues.

NATIONAL CITIZEN SURVEY™

% of San Jose residents rating services as good or excellent

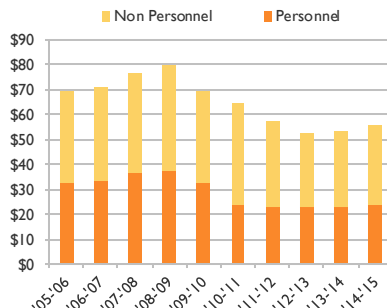


Airport Operating Revenues (\$millions)

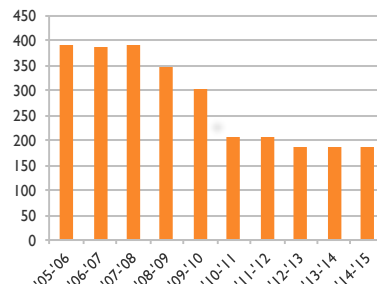


Note: Does not include passenger facility charges and other non-operating revenues. Sources: Airport Comprehensive Annual Financial Reports, 2004-05 through 2014-15

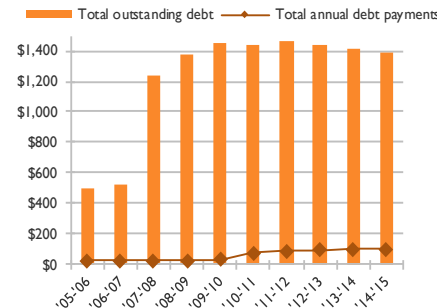
Airport Operating Expenditures (\$millions)



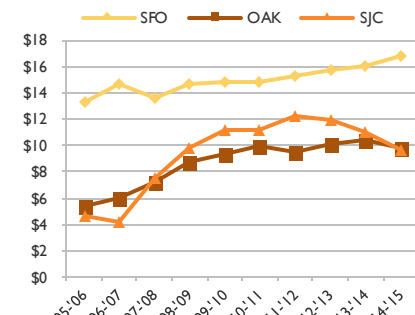
Airport Authorized Positions



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.

City of San José – Annual Report on City Services 2014-15

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In 2014-15, the Airport served nearly 10 million airline passengers, down 12 percent from 10 years ago but up 5 percent from last year. There were 92,458 passenger airline takeoffs and landings, or 253 per day. The total number of passengers in the region was greater in 2014-15 than in any of the prior 10 years, and the Airport's market share was 14 percent, its highest point since 2010-11 but down from 25 percent in 2005-06.

In 2014-15, the airline's cost per enplanement (CPE) was \$9.60, which was 13 percent less than 2013-14, principally due to increased enplaned passengers. CPE was 109 percent more than 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) combined with a decrease in the number of passengers.

In 2014-15, the Airport handled 104 million pounds of cargo, freight, and mail, half as much as it handled 10 years ago but slightly higher than last year. Regionally, the Airport's market share of cargo and freight fell by 8 percent from last year and dropped 33 percent from 10 years ago. According to the department, San José's traffic and noise curfew have limited cargo, freight, and mail capacity.

The Airport received 2,978 noise complaints in 2014-15, 133 of which concerned flights subject to the curfew program between 11:30 pm and 6:30 am. According to the department, the noise complaints doubled from the past year, because the Federal Aviation Administration has implemented new flight paths resulting in planes flying over new areas whose residents previously heard little to no aircraft noise.

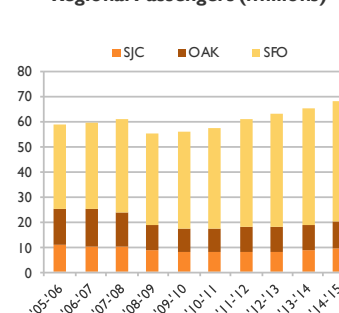
Regional Comparisons, 2014-15

	SJC	OAK*	SFO**
Airlines	15	13	49
Destinations	31	50	115
Domestic	27	42	78
International	4	8	37
Passengers (millions)	9.6	10.8	48.2
Passenger Flights/Day	253	260	1,130
On-Time Arrival Percentage***	80%	78%	72%

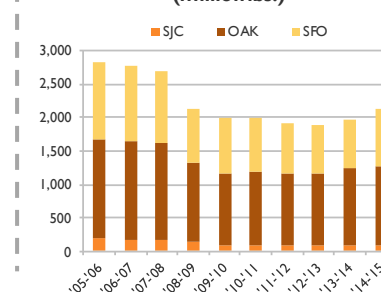
Sources: * Oakland International Airport Airline Route Map and staff; ** Comparative Traffic Report FY14-15 and SFO Fact Sheet FY14-15; *** Airline On-Time Statistics U.S. Bureau of Transportation Statistics

Market Shares

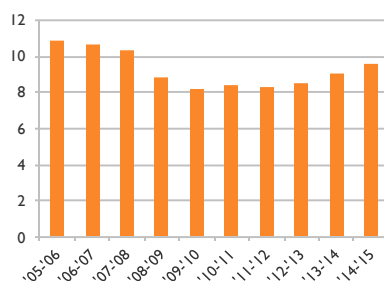
Regional Passengers (millions)



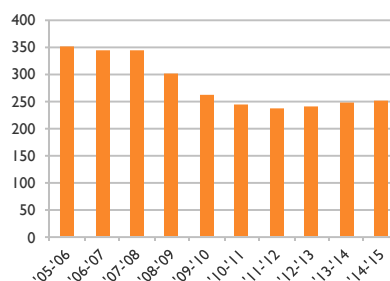
Regional Freight (million lbs.)



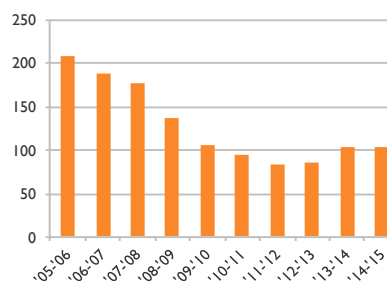
Annual Airport Passengers (millions)



Passenger Flights Per Day (Takeoffs and Landings)



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



Environmental Noise Complaints

