

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 2013-14, operating revenues totaled \$125.7 million, an increase of 39 percent over 10 years ago.* Operating expenditures totaling \$53.8 million in 2013-14 were 1 percent more than last year and 23 percent less than five years ago.** However, total outstanding debt as of June 30, 2014 was \$1.4 billion and total debt service for the fiscal year was \$97.9 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.***

The Airport had 187 authorized positions in 2013-14, 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 2011-2014.

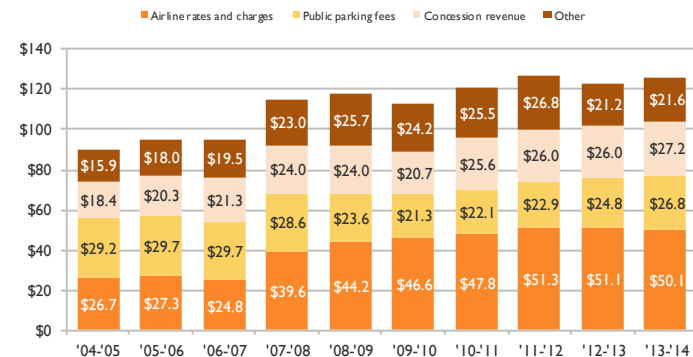
**Operating expenditures do not include police and fire services at the Airport, debt service, capital project expenditures, or reserves. Since 2010-11, the Airport has reduced the cost of police and fire services by 49 percent, from \$14.2 to \$7.2 million.

***Total debt service in 2013-14 was partly paid by passenger facility charges (\$25.7 million), customer facility charges (\$15.5 million), and unspent bond proceeds (\$11.1 million) that were available for payment of debt service, resulting in a net debt service of \$45.6 million paid by Airport operating revenues.

THE NATIONAL CITIZEN SURVEY™

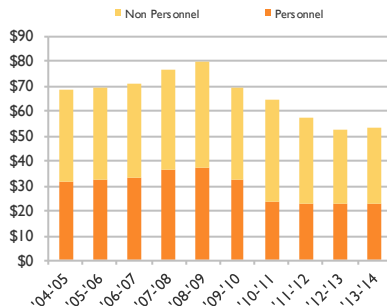
74% of San José residents surveyed rated the overall ease of using the Airport as "excellent" or "good"
70% rated the availability of flights at the Airport as "excellent" or "good"

Airport Operating Revenues (\$millions)

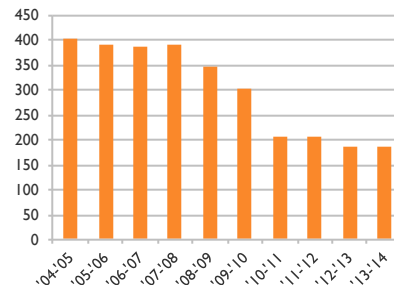


Note: Does not include passenger facility charges and other non-operating revenues
 Sources: Airport Comprehensive Annual Financial Reports, 2004-05 through 2013-14

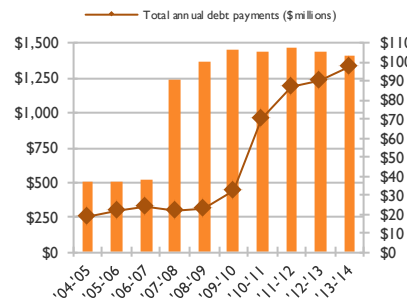
Airport Operating Expenditures (\$millions)



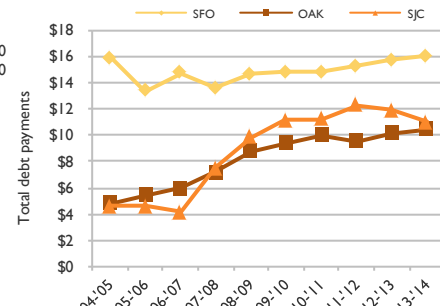
Airport Authorized Positions



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 2013-14, the Airport served 9.1 million airline passengers, down 15 percent from 10 years ago but up 7 percent from last year. There were 91,056 passenger airline takeoffs and landings, or 249 per day. The total number of passengers in the region was greater in 2013-14 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 19 percent in 2005-06.

In 2013-14, the airline's cost per enplanement (CPE) was \$10.98, which was 8 percent less than 2012-13 principally due to increased enplaned passengers. CPE was 138 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 2013-14, the Airport handled 103.5 million pounds of cargo, freight, and mail, down 54 percent from 10 years ago but up 20 percent from last year. Regionally, the Airport's market share of cargo and freight rose to 5 percent, its highest point since 2008-09. According to the department, San José's traffic and noise curfew have limited cargo, freight, and mail capacity.

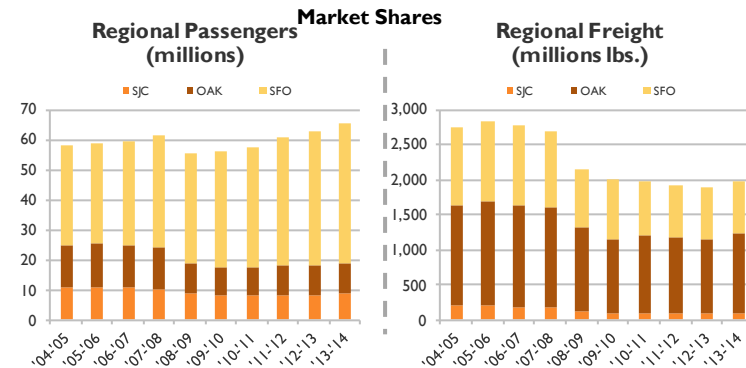
The Airport received 1,549 noise complaints in 2013-14, 53 of which concerned flights subject to the curfew program between 11:30 pm and 6:30 am. According to the department, 909 or 59 percent of the total complaints were made by 1 individual.

Regional Comparisons, 2013-14

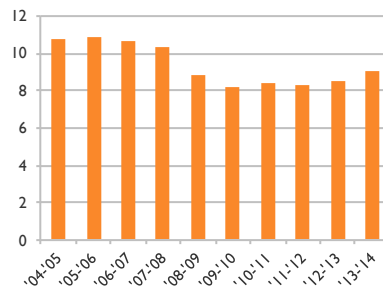
	SJC	OAK	SFO
Airlines	14*	13	48
Destinations	29	41	114
Domestic	26	36	78
International	3	5	36
Passengers (millions)	9.1	9.9	46.2
Passenger Flights/Day	249	250	1,135
On-Time Arrival Percentage	77%	74%	70%

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

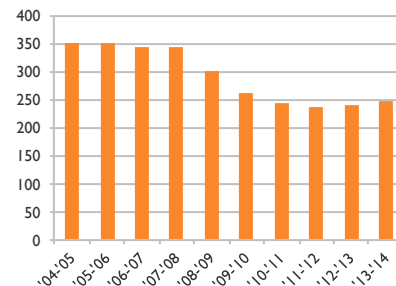
*In May 2014, Virgin America halted service from the Airport to Los Angeles.



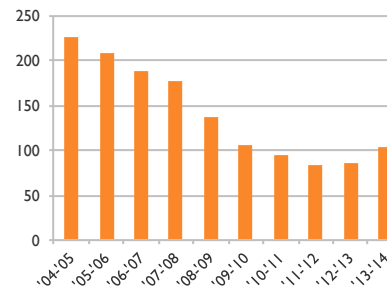
Annual Airport Passengers (millions)



Passenger Flights Per Day (Takeoffs and Landings)



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



Environmental Noise Complaints

