

Airport Passenger Facility Charge Fund**Fund 529****PURPOSE OF THE FUND:**

Moneys deposited in this fund shall be used for eligible capital projects approved by the Federal Aviation Administration (FAA) for the use of Passenger Facility Charge funds (PFC's). Those projects, by statute: preserve or enhance the safety, capacity, or security of the national air transportation system; reduce airport noise or mitigate airport noise impacts; or enhance competition among air carriers. Passenger facility charges, which are derived from a fee charged to departing passengers, are collected and deposited directly into the Airport Passenger Facility Charge Fund. The revenues are to be used solely for projects that meet the above criteria, are part of a collaborative decision with the airlines that utilize the Airport facilities, and must be approved by the FAA.

AUTHORITY FOR THE FUND:

San José Municipal Code section 4.80.060. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Passenger facility charges, collected by the air carriers and remitted to the Airport on a monthly basis
- Investment/Interest Income

FUND RESTRICTIONS:

While the use of moneys within this fund is not subject to Proposition 218, certain moneys in this fund may be restricted by other policies and guidelines, which are described below.

Federal regulations prohibit the use and/or transfer of airport funds to any other funds for non-airport related costs and/or projects. Also, interest income in this fund can only be used for FAA-approved projects.

LEAD RESPONSIBILITY:

Airport Department

FINANCIAL INFORMATION AND LOCATION:**Comprehensive Annual Financial Report (CAFR) Designation:**

Proprietary Fund-Enterprise

Budget Location:

Adopted Capital Budget and Capital Improvement Program (Airport Capital Program)

Funding Sources Resolution and Appropriation Ordinance Location:

Section 9.07