

AIRPORT

The mission of the Airport is to connect, serve and inspire.

AIRPORT

The City operates [Mineta San José International Airport](#) (Airport), which provides non-stop air service to 29 U.S. destinations, including Atlanta, Boston, Chicago, New York, and four Hawaiian islands (Hawaii, Kauai, Maui, and Oahu). Additionally, it provides non-stop service to several international locations including Beijing, Cabo San Lucas, Guadalajara, Tokyo, and most recently London (May 2016), Vancouver (May 2016), Frankfurt (July 2016), and Shanghai (September 2016) for a total of 35 non-stop destinations served.

The Airport does not receive general fund dollars; Airport operational revenues come from rents, concession fees, parking, and landing fees. In 2015-16, operating revenues totaled \$142 million, an increase of 49 percent from 10 years ago.* The Airport's operating budget totaled \$63 million.** As of June 30, 2016, total outstanding debt was \$1.4 billion, and total debt service for the fiscal year was \$97.6 million. These were more than double and four times the amounts from 10 years ago, respectively, due to the Airport's modernization and renovation that began in 2005.***

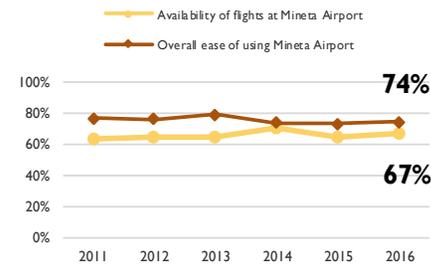
The Airport had 187 authorized positions in 2015-16, less than half as many as in 2007-08. Of the 200 positions eliminated due to budget cuts, 78 were from outsourcing custodial and curbside management services.

*The Airport reclassified certain revenues from operating to non-operating for 2011-2016.

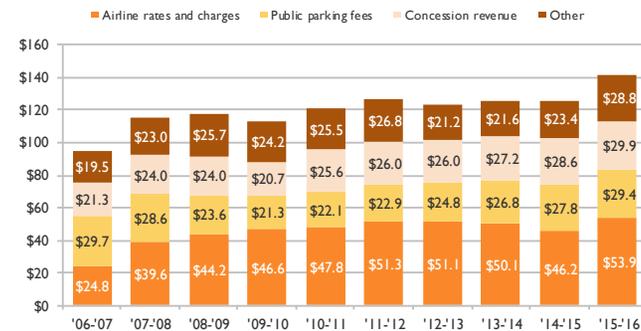
**Operating expenditures do not include police and fire services at the Airport, debt service, capital project expenditures or reserves. Since 2010-11, the Airport has reduced the cost of police and fire services by 19 percent, from \$14.2 to \$11.5 million.

***Total debt service in 2015-16 was partly paid by passenger facility charges (\$24.8 million), customer facility charges (\$19.9 million), and unspent bond proceeds (\$11.1 million) that were available for payment of debt service; a net debt service of \$41.8 million is paid by Airport operating revenues.

RESIDENT SURVEY
% of San Jose residents rating services as good or excellent

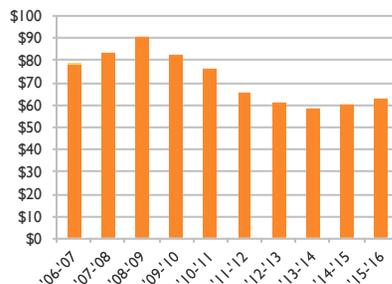


Airport Operating Revenues (\$millions)

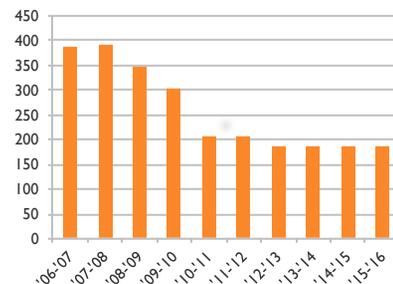


Note: Does not include passenger facility charges and other non-operating revenues.
Sources: Airport Comprehensive Annual Financial Reports, 2006-07 through 2015-16

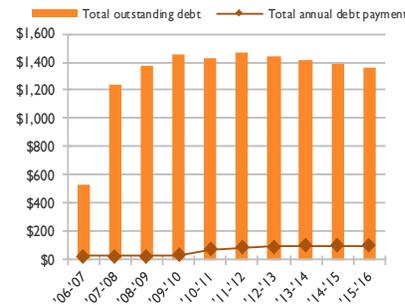
Airport Operating Budget (\$millions)



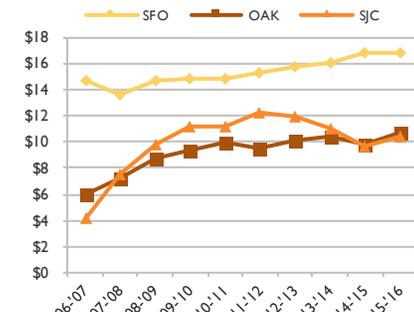
Airport Authorized Positions



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 2015-16, the Airport served over 10 million airline passengers, down 4 percent from 10 years ago but up 7 percent from last year. There were 96,640 passenger airline takeoffs and landings, or 264 per day. The total number of passengers in the region was greater in 2015-16 than in any of the prior 10 years; the Airport's market share was 14 percent, down 22 percent from 2006-07.

In 2015-16, the airline's cost per enplanement (CPE) was \$10.48, an increase of 9 percent since last year, but a 15 percent reduction since five years ago. CPE was 152 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 2015-16, the Airport handled 116.4 million pounds of cargo, freight, and mail — over 10 million pounds more than last year, but 38% less than it handled 10 years ago. Regionally, the Airport's market share of cargo and freight increased by 6 percent from last year, but has dropped 23 percent from 10 years ago. According to the department, San José's noise curfew has limited cargo, freight, and mail capacity.

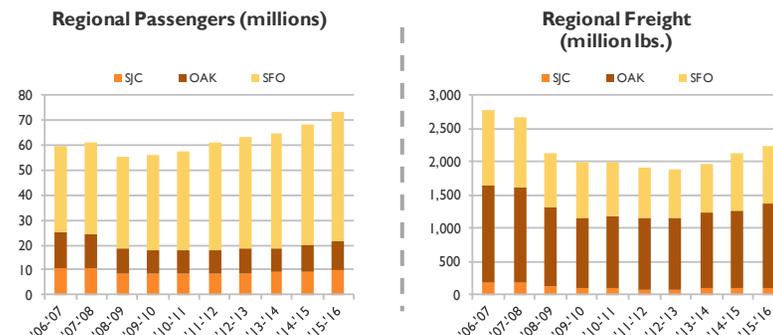
The Airport received 8,061 noise complaints in 2015-16, 332 of which concerned flights subject to the curfew program between 11:30 pm and 6:30 am. According to the department, the noise complaints increased from the past year because of an overall increase in flights, the Federal Aviation Administration's implementation of new flight paths resulting in planes flying over new areas whose residents previously heard little to no aircraft noise, and focus in the media that has resulted in increased public awareness.

Regional Comparisons, 2015-16

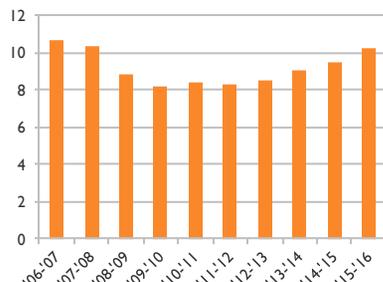
	SJC	OAK*	SFO**
Airlines	12	13	58
Destinations	35	50	130
Domestic	29	42	78
International	6	8	52
Passengers (millions)	10.2	11.6	51.4
Passenger Flights/Day	264	273	1,158
On-Time Arrival Percentage***	83%	80%	76%

Sources: * Oakland International Airport Airline Route Map and staff; ** Comparative Traffic Report FY 15-16 and SFO Fact Sheet FY 15-16; *** Airline On-Time Statistics U.S. Bureau of Transportation Statistics

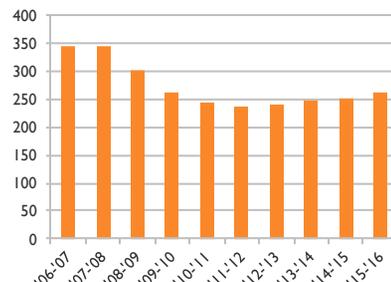
Market Shares



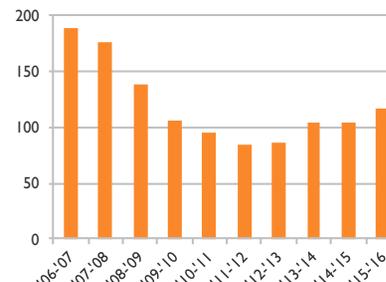
Annual Airport Passengers (millions)



Passenger Flights Per Day (Takeoffs and Landings)



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



Environmental Noise Complaints

