

San Diego County Regional Airport Authority

FY 2026 ADOPTED BUDGET & FY 2027 APPROVED CONCEPTUAL BUDGET

San Diego, California



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Introductory Letter & Executive Summary



August 22, 2025

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Dear Airport Authority Board Members:

Establishing the budget is a systematic and deliberative process reflecting the Airport Authority Board's continuous leadership and direction as expressed through the San Diego County Regional Airport Authority's (SDCRAA, or Airport Authority) Strategic Plan. This year, the Airport Authority looks to record levels of passenger traffic and the addition of new Airlines at San Diego International Airport (SAN). At the same time, we continue to manage the construction of the New Terminal 1 Program (The New T1).

Amid the rapid changes and uncertainty of the economy, the Airport Authority remains committed to continuing the execution of our Strategic Plan. This Plan guides the Airport Authority to create an exceptional airport experience for our community and the world. It does so by aligning leadership and staff in their efforts to plan and build an enduring, resilient enterprise through effective management of financial, social, and environmental risks, opportunities, and obligations. Staff continue exploring creative methods to advance execution while cost-effectively utilizing resources.

Submitted herein is the Airport Authority's adopted Operating and Capital Budget for the Fiscal Year 2026 and approved Conceptual Budget for Fiscal Year 2027. The budget is the culmination of an extensive, collaborative effort, which included workshops with members of the Airport Authority Board and staff that evaluated the organization's operating and capital improvement needs and obligations. Multi-year budgeting aims to facilitate the integration of strategic and financial planning and resource allocation. Last year, the Airport Authority Board approved the Fiscal Year 2026 Conceptual Budget, which was revised through this year's budget process. Passenger activity has returned to historic levels, and as the Airport Authority looked deeply at the organization's needs and business prospects, we incorporated revenue and expense assumptions accordingly. After completing the Airport Authority's budget preparation and evaluation process, a revised Fiscal Year 2026 Budget was presented and

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discussed with the Airport Authority Board at the May 15, 2025, Budget Workshop and at the June 5, 2025, formal adoption. In addition, the Fiscal Year 2027 Conceptual Budget was approved and will be revised to reflect any changes in initiatives, the aviation industry, and economic and geopolitical events next year.

The budget ensures adherence to the master and subordinate bond indenture requirements governing the Airport Authority's outstanding indebtedness and considers its obligations under state and federal law. It supports operating San Diego International Airport as a world-class facility while maintaining the fiscal conservatism necessary to remain financially strong. In addition to supporting the Airport Authority's financial and operational requirements, the budget, to the extent prudent and practicable, also addresses the organization's responsibilities related to meeting the long-term aviation needs of the region:

- ➔ Studying, planning, and implementing capital improvements to meet SAN's current and future facility requirements, including the New Terminal 1 (see **Capital Program**).
- ➔ Serving as the region's Airport Land Use Commission (ALUC), a responsibility that includes developing comprehensive land use plans for the public-use and military airports in San Diego County.
- ➔ Strategically directing the allocation of resources to enable the Airport Authority to operate SAN in a manner that exceeds customer expectations while simultaneously executing its legislative mandates and regulatory requirements.

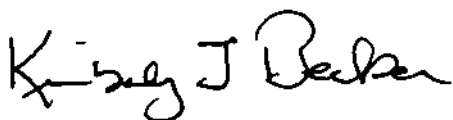
The Fiscal Year 2026 Budget and Conceptual Fiscal Year 2027 Operating budget ("Budget") of \$530.4 million and \$548.8 million, respectively, marks the Airport Authority's 23rd fiscal year operating budget. The Fiscal Year 2026 and Conceptual Fiscal Year 2027 total Revenue budgets are \$742.9 million and \$728.3 million, respectively.

The Capital Program comprises: 1) The New Terminal 1 (New T1), and 2) The Capital Improvement Program (CIP). Collectively, these programs address SAN's current and future facility requirements and are budgeted at approximately \$4.5 billion.

Additional details are provided in the **Executive Summary**.

Maintaining the Airport Authority's strong and resilient financial position is essential; this budget accomplishes that initiative. Accordingly, every effort has been made to ensure that the Fiscal Year 2026 Budget and the Fiscal Year 2027 Conceptual Budget reflect the resources required to execute the Airport Authority's Strategic Plan initiatives as supported and directed by the Airport Authority Board.

Respectfully submitted,



Kimberly J. Becker

President | Chief Executive Officer



Scott M. Brickner, CPA

Vice President | Chief Financial Officer

Executive Summary

Strategic Plan

Our Strategic Plan is a blueprint that defines our initiatives and actions, which will advance the organization's purpose of creating an exceptional airport experience for our community and the world.

1. It gives clear directions to reach our destination.
2. Helps prioritize so we can do the right things at the right time.
3. Creates a clear plan and allows the team to track progress.

Our current strategic plan will extend at least through the completion of the first phase of the New Terminal 1 (New T1).

The Fiscal Year 2026 (FY 2026) and Fiscal Year 2027 (FY 2027) Conceptual Budgets reflect our aligned efforts based on four overarching Focus Areas: Advance Airport Development, Transform the Customer Experience, Optimize Ongoing Business, and Cultivating Our Culture. Corresponding Strategic Plan initiatives are listed below each Focus Area below:

Advance Airport Development

- ➔ Align facilities to meet demand, both international and domestic.
- ➔ Develop strategic workforce plans and associated hiring strategies to prepare for the New T1 activation.
- ➔ Evaluate multiple funding methods for the Capital Program (New T1 and CIP).
- ➔ Use technology to advance airport development.

Transform the Customer Experience

- ➔ Define and deliver a seamless, unique, consistent airport and product experience.
- ➔ Develop a future regional airport transportation plan that embraces technological advances.
- ➔ Enhance the arts and cultural program through strategic community partnerships.
- ➔ Raise awareness of significant projects.
- ➔ Invest/participate in innovation that improves efficiency or enhances revenue.
- ➔ Use technology to transform the customer experience.

Optimize Ongoing Business

- ➔ Attract domestic and international airlines and passengers.
- ➔ Implement the Sustainability Management Program.
- ➔ Partner with state and federal wildlife agencies to address growth and protect the least tern habitat.
- ➔ Execute regional engagement and education plan to communicate SAN's role in economic growth.
- ➔ Continue to focus on programs to reduce noise impacts.
- ➔ Ensure the Plan of Finance is flexible, nimble, and able to proactively address future changes.
- ➔ Evaluate contracts and partnerships for opportunities to improve revenue and expense profile.
- ➔ Institute business planning and strategic marketing process that evaluates return on investment.
- ➔ Manage ongoing business effectively through change.

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- Use technology to optimize ongoing business.

Cultivating Our Culture

- Create an effective succession and transition plan for ongoing leadership changes.
- Develop leaders to be better coaches who enable independent decision-making.
- Train and develop business-driven, agile, and collaborative capabilities.
- Attract a new generation of employees and leaders.
- Develop compensation and benefits programs for a multi-generational workforce that recognizes individual strategic contributions.

Additional details are provided in the section titled ***Airport Authority Overview***.

Passenger Satisfaction

At San Diego International Airport (SAN), passenger satisfaction is a top priority, and this is written into our Purpose Statement: creating an exceptional airport experience for our community and the world.

The Airport Authority launched an Airports Council International (ACI) Airport Service Quality survey in 2023 to gain insights into Terminal 2 passengers' travel behaviors and preferences, gathering valuable information to help improve the SAN customer experience. Based on ACI requirements, 350 passengers are surveyed per quarter, answering questions about modes of travel to/from the airport, experience with services at the airport, and interest in future amenities, among other topics.

Economic and Operational Trends Affecting the Budget

Economic and industry trends drive passenger traffic and airline operations at SAN, directly impacting our operating environment and airport finances. Therefore, the enplaned passenger projections used in preparing this Budget were determined by evaluating Federal Aviation Administration (FAA) forecasts, recent operational trends, and airline schedules and service announcements.

US economic indicators indicate a slowdown in Calendar Year (CY) 2025 compared to CY 2024. The drivers include trade uncertainty, slowed consumer spending, and persistent inflation. We continually monitor global, national, and local economic trends to evaluate potential impacts on Airport activity, revenues, and expenses. The current Bloomberg consensus estimate for CY 2025 US GDP growth is 1.80% (see *Figure 61 in Supplemental Data*).

The air trade area for SAN includes San Diego County, portions of neighboring Orange, Imperial, and Riverside Counties, and Baja California, Mexico. The Census Bureau estimates the population of San Diego County to be 3.27 million as of July 2023. The county is the second largest in California in terms of population, and the City of San Diego ranks as the second-largest city in the state. The majority of the county's population is concentrated in its western portion, adjacent to the ocean.

San Diego County enjoyed a relatively stable economic climate. The US Bureau of Labor Statistics notes that the county's average unemployment rate for May 2025 was 4.2%, compared to 4.9% for the State of California.

Based on experience, future airline traffic at SAN will likely continue to be affected by various forces and events. These include local, national, and international economic policies, geopolitical events, world health emergencies, federal regulatory and legislative actions, the financial health of the airline industry, fuel prices, and natural

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disasters. The Airport Authority cannot accurately predict these factors' long-term operational and financial effects on air travel. As a result, any long-term forecast the Airport Authority makes may vary materially from the actual results.

Given these uncertainties, it is beneficial for an airport to be served by a diverse carrier base that includes both legacy carriers and low-cost carriers. SAN is an origin-and-destination airport where no single carrier dominates and where multiple low-cost carriers serve the market. In CY 2024, air service was provided by 23 passenger airlines. Southwest Airlines, the largest carrier, served 31.4% of the passengers who traveled through SAN (see *Figure 1*); its lead in market share is expected to continue.

In CY 2024, ultra low-cost carriers accounted for 8.2% of seat capacity and 7.6% of enplaned passengers. Their presence in certain markets stimulates pricing competition among all carriers, typically stimulating demand through lower fares.

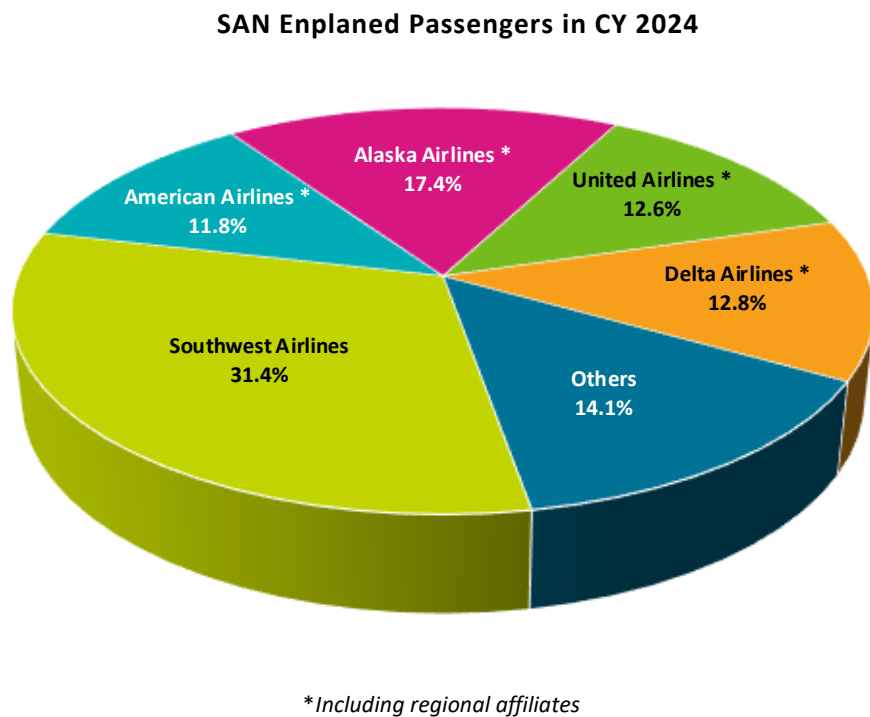
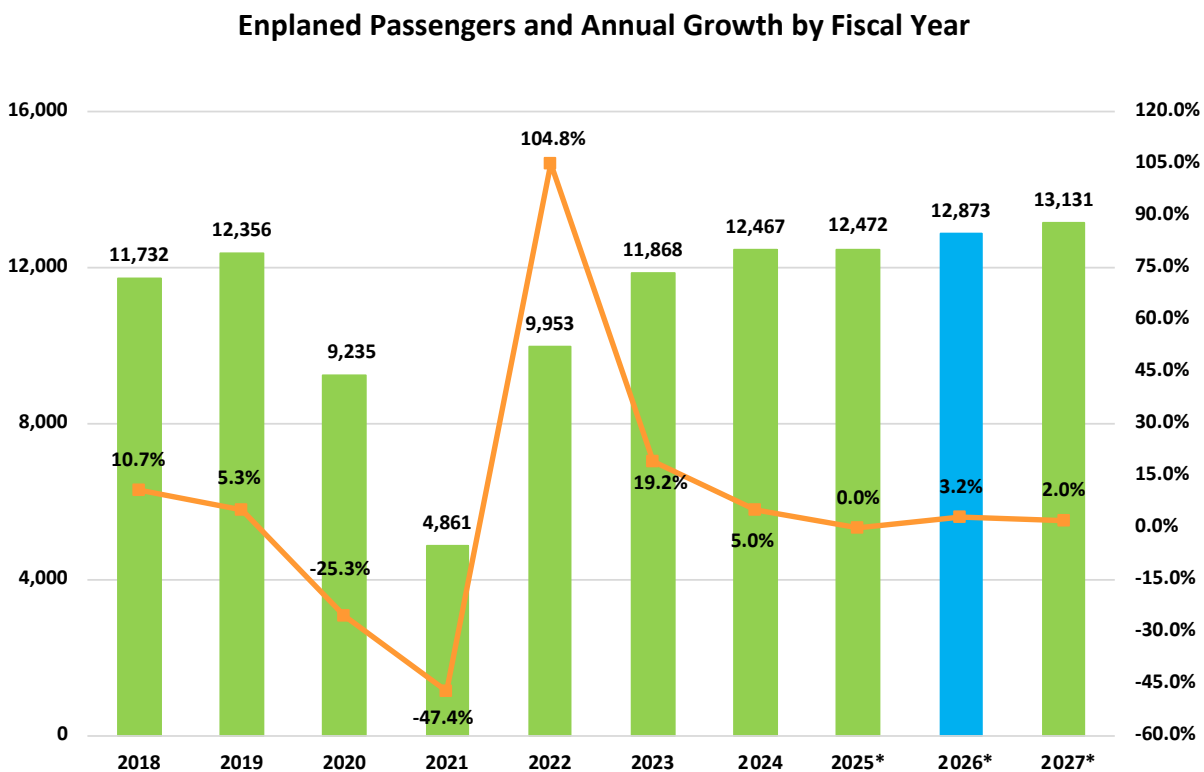


Figure 1 – SAN Enplaned Passengers by Carrier

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In FY 2025, the airport saw the addition/resumption of nonstop service to Amsterdam, Netherlands, Panama City, Panama, and seven (7) additional domestic non-stop flight destinations, including Cincinnati, OH; Jacksonville, FL; Norfolk, VA; Raleigh-Durham, NC; and Pittsburgh, PA. In FY 2025, SAN offered nonstop service to 75 domestic and 11 international destinations (including seasonal service). The Airport Authority's Air Service Development team continues to pursue recovery of and expand international and domestic opportunities.

The aforementioned economic and industry factors are reflected in the FY 2026 Budget and the FY 2027 Conceptual Budget, which are predicated on the current trend of passenger enplanements, as shown in *Figure 2*. In FY 2026, enplaned passenger traffic at SAN is projected to increase to 12.9 million. Likewise, enplaned passengers are projected to increase by 2.0% to 13.1 million in the FY 2027 Conceptual Budget.



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 2 – Enplaned Passenger and Annual Growth

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Budget Process

The Airport Authority operates on a July 1 through June 30 Fiscal Year. The annual budget cycle includes the preparation of two budgets: one for adoption by the Airport Authority Board for the upcoming fiscal year, and a conceptual budget for the subsequent fiscal year, which the Airport Authority Board approves but does not formally adopt. The budgeting process typically begins in October, with senior management collaborating with the Airport Authority Board to review the progress of the Strategic Plan, discuss strategy and policy, and update initiatives aimed at enhancing business and operational performance. From October to January, the management team engages in cross-functional discussions to make key decisions and to align divisional requirements and action plans with Strategic Plan initiatives. The Airport Authority Board is consulted frequently to gather input and direction throughout this period. Strategic planning workshops and detailed briefings on the proposed Operating and Capital Program Budgets are held with the Airport Authority Board as needed.

In January, the budget staff reviews financial results for the first six months of the fiscal year. In February and March, departments submit budget requests reflecting their needs to execute Strategic Plan initiatives. Meetings are conducted with each division's leadership to review their budget requests and assess the cost/benefit impact.

The next phase of the budgeting process is the creation of the Revenue Budget, which consists of Airline Revenue and Non-Airline Revenue. The Finance team first forecasts enplanements and landed weight in collaboration with Air Service Development. These forecasts are crucial for determining other revenue streams. Additionally, Finance reviews the current revenue trends and works with the Revenue Generation Department to project future trends in non-airline revenue. The expense budget, amortization, and debt service allocations are then incorporated into the Airline Rates, Fees and Charges model to calculate Airline Revenue. To complete the process, the Finance team reviews revenue and expense projections to ensure that the total budget supports a strong financial position.

From April to June, proposed operational and capital program budgets are distributed to the Airport Authority Board. During this period, a Board Budget Workshop, which is open to the public for comment, is held to review the budgets for input and guidance. The Airport Authority Board adopts the Budget as a whole, with the option to amend it throughout the year with Airport Authority Board approval.

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| Calendar Period | Action |
|---------------------------|---|
| October – February | <p>Review, update and formulate Authority strategies, goals and initiatives.</p> <p>Strategic Budget Workshops held with the Board, as appropriate.</p> <p>Cross-functional meetings to balance divisional operating requirements with strategies, goals and initiatives.</p> |
| February – March | <p>Departments draft objectives consistent with overall Authority strategies, goals and initiatives.</p> <p>Divisions update operating and capital budget plans and needs.</p> <p>Finance & Risk Management staff reviews prior year's conceptual budget and prepares initial version of revenue budget and subsequent year's conceptual revenue budget.</p> <p>Departments develop and submit budget.</p> <p>Finance & Risk Management staff consolidates results and evaluates major variances between the approved conceptual budget and the preliminary budget proposal.</p> <p>Budget meetings with divisions and CFO to review and discuss staffing and expense requests.</p> <p>Proposed staffing levels and proposed expenditures are reviewed and evaluated, and changes are made to requests in formulating the budget.</p> |
| March – April | <p>Budget meetings with President/CEO to review and discuss staffing and expense requests.</p> <p>Analysis prepared showing the major variance from the last adopted budget and approved conceptual budget to the preliminary budget proposal.</p> |
| April – June | <p>Final draft of the budget, and subsequent year's conceptual budget, is reviewed with CEO.</p> <p>Meeting held with airlines to present operating and capital budgets and resulting proposed airline rates and charges.</p> <p>Proposed operational and capital program budgets are distributed to Authority Board for review and direction.</p> <p>Budget workshop held with the Authority Board to review proposed budgets and provide input and guidance.</p> <p>Formal budget document is submitted to Authority Board for adoption.</p> <p>Formal budget is adopted and subsequent year conceptual budget is approved by the Authority Board.</p> |

Figure 3 – SDCRAA Budget Calendar

Executive Summary

Financial Plan

The financial plan includes the FY 2026 Budget and the FY 2027 Conceptual Budget, which is influenced by several key factors. These include, the Authority's Purpose and Strategic Plan, Capital Program, the Airline Operating Lease Agreement (AOLA), and the master and subordinate bond indentures. Additionally, various grant opportunities through the Federal Aviation Administration (FAA) and other government agencies play a role. The Airport Authority signed a 10-year agreement with its airline partners, effective July 1, 2019, through June 30, 2029. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their airport use. Additional details are provided on page 19.

The Airport Authority derives its operating revenue from airline and non-airline revenue. The airline agreement discussed later in this narrative section provides further details on rates and charges. Non-airline operating revenue budgeted numbers were based on analysis of current agreements, recent trends, projected future events, enplanement growth, and historic revenue patterns.

Non-operating revenue of the Airport Authority is comprised of interest income, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and grant reimbursements).

The Airport Authority's debt management policy is designed to ensure compliance with the master and subordinate bond indentures, which dictate the terms of the Airport Authority's outstanding debt and establishes various reserves, as described in the Fund Balance and Debt Service sections of the Budget book.

Detailed descriptions are provided in the section titled ***Overview of Financial Policies and Guidelines.***

Executive Summary

Budget Summary

The following table summarizes the forecasted revenue and expenses of the FY 2026 Budget and FY 2027 Conceptual Budget before depreciation, bond principal repayment, and capital equipment outlay.

| <i>(In Thousands)</i> | FY 2024 Actuals | FY 2025 Budget | FY 2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY 2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Budget | % Change |
|---|--------------------|-------------------|-------------------------------|--|-----------------|---------------------------------|--|-----------------|
| Operating Revenue | | | | | | | | |
| Airline Revenue | | | | | | | | |
| Landing Fees | \$ 53,873 | \$ 62,874 | \$ 59,429 | \$ (3,445) | -5.5% | \$ 61,219 | \$ 1,790 | 3.0% |
| Aircraft Parking Fees | 13,612 | 15,718 | 14,857 | (861) | -5.5% | 15,305 | 447 | 3.0% |
| Building Rentals | 145,169 | 156,370 | 190,137 | 33,767 | 21.6% | 200,036 | 9,899 | 5.2% |
| Common Use Fees | 10,094 | 10,507 | 16,920 | 6,413 | 61.0% | 18,968 | 2,048 | 12.1% |
| Other Aviation Revenue | (1,528) | (1,454) | (2,248) | (793) | 54.5% | (2,269) | (22) | 1.0% |
| Total Airline Revenue | 221,220 | 244,015 | 279,095 | 35,080 | 14.4% | 293,257 | 14,163 | 5.1% |
| Non-Airline Revenue | | | | | | | | |
| Terminal Rent Non-Airline | 2,730 | 2,745 | 3,031 | 286 | 10.4% | 3,128 | 97 | 3.2% |
| Terminal Concessions | 34,616 | 33,281 | 40,977 | 7,696 | 23.1% | 42,976 | 1,999 | 4.9% |
| Rental Car License Fees | 41,640 | 44,019 | 41,352 | (2,667) | -6.1% | 42,363 | 1,011 | 2.4% |
| License Fees - Other | 9,818 | 9,364 | 10,853 | 1,489 | 15.9% | 11,078 | 225 | 2.1% |
| Parking Revenue | 50,797 | 63,006 | 62,658 | (347) | -0.6% | 68,606 | 5,947 | 9.5% |
| Ground Transportation Permits and Citations | 21,687 | 20,603 | 25,549 | 4,945 | 24.0% | 28,706 | 3,157 | 12.4% |
| Ground Rentals | 26,408 | 26,741 | 27,686 | 945 | 3.5% | 27,987 | 302 | 1.1% |
| Grant Reimbursements | 254 | - | - | - | 0.0% | - | - | 0.0% |
| Other Operating Revenue | 2,969 | 1,861 | 2,179 | 318 | 17.1% | 2,265 | 86 | 4.0% |
| Total Non-Airline Revenue | 190,918 | 201,620 | 214,284 | 12,664 | 6.3% | 227,108 | 12,824 | 6.0% |
| Total Operating Revenue | 412,138 | 445,634 | 493,379 | 47,745 | 10.7% | 520,366 | 26,987 | 5.5% |
| Operating Expenses | | | | | | | | |
| Personnel Costs | 58,497 | 70,531 | 76,759 | 6,227 | 8.8% | 82,080 | 5,321 | 6.9% |
| Contractual Services | 52,445 | 59,897 | 66,694 | 6,797 | 11.3% | 68,468 | 1,775 | 2.7% |
| Safety and Security | 36,778 | 39,828 | 45,761 | 5,933 | 14.9% | 47,975 | 2,214 | 4.8% |
| Space Rental | 11,037 | 11,024 | 11,073 | 48 | 0.4% | 11,082 | 10 | 0.1% |
| Utilities | 19,518 | 23,433 | 24,536 | 1,103 | 4.7% | 27,180 | 2,644 | 10.8% |
| Maintenance | 14,125 | 16,242 | 18,805 | 2,564 | 15.8% | 19,845 | 1,040 | 5.5% |
| Operating Equipment & Systems | 544 | 441 | 1,023 | 582 | 131.9% | 736 | (287) | -28.0% |
| Operating Supplies | 651 | 823 | 1,200 | 377 | 45.7% | 1,146 | (54) | -4.5% |
| Insurance | 2,314 | 2,568 | 3,183 | 616 | 24.0% | 3,311 | 127 | 4.0% |
| Employee Development | 731 | 1,007 | 1,199 | 191 | 19.0% | 1,107 | (92) | -7.7% |
| Business Development | 2,280 | 3,908 | 5,214 | 1,306 | 33.4% | 5,719 | 505 | 9.7% |
| Equipment Rentals and Repairs | 3,702 | 4,623 | 5,975 | 1,352 | 29.2% | 6,082 | 107 | 1.8% |
| Tenant Improvements | 1,246 | 1,178 | 1,186 | 7 | 0.6% | 1,233 | 47 | 4.0% |
| Total Operating Expenses before Depreciation & Amortization | 203,869 | 235,505 | 254,845 | 19,340 | 8.2% | 267,706 | 12,861 | 5.0% |
| Income from Operations before Depreciation & Amortization | 208,269 | 210,129 | 238,534 | 28,405 | 13.5% | 252,660 | 14,126 | 5.9% |
| Non-Operating Revenue/(Expenses) | | | | | | | | |
| Passenger Facility Charges | 49,200 | 49,120 | 50,959 | 1,839 | 3.7% | 51,978 | 1,019 | 2.0% |
| Customer Facility Charges | 35,913 | 35,438 | 36,693 | 1,254 | 3.5% | 37,426 | 734 | 2.0% |
| QHP Revenue | 19,520 | 20,028 | 14,400 | (5,628) | -28.1% | 11,491 | (2,909) | -20.2% |
| QHP Expense | (21,365) | (23,028) | (18,000) | 5,028 | -21.8% | (15,000) | 3,000 | -16.7% |
| Interest Income | 66,647 | 89,258 | 92,749 | 3,492 | 3.9% | 65,287 | (27,462) | -29.6% |
| Interest Expense | (190,800) | (192,959) | (236,230) | (43,271) | 22.4% | 243,900 | 480,130 | -203.2% |
| Bond Amortization Costs | 25,867 | 25,125 | 24,473 | (652) | -2.6% | 23,803 | (670) | -2.7% |
| Other Non Operating Revenue/(Expense) | 54,169 | (250) | (250) | - | 0.0% | (250) | - | 0.0% |
| Total Non-Operating Revenue/(Expenses), Net | 39,149 | 2,732 | (35,207) | (37,938) | -1388.7% | 418,636 | 453,842 | -1289.1% |
| Income/ (Loss) before Capital Grant Contributions and Federal Relief | 247,418 | 212,861 | 203,327 | (9,534) | -4.5% | 671,296 | 467,968 | 230.2% |
| Capital Grant Contributions | 128,361 | 44,160 | 54,756 | 10,596 | 24.0% | 41,731 | (13,025) | -23.8% |
| Net Income/ (Loss) before Federal Relief | 375,779 | 257,021 | 258,084 | 1,063 | 0.4% | 713,027 | 454,943 | 176.3% |
| Federal Relief | - | - | - | - | 0.0% | - | - | 0.0% |
| Net Income/ (Loss) before Depreciation, Principal & Capital Outlay | \$ 375,779 | \$ 257,021 | \$ 258,084 | \$ 1,063 | 0.4% | \$ 713,027 | \$ 454,943 | 176.3% |

(Table excludes GASB non-cash entries)

Executive Summary

Total Operating revenues for FY 2026 are budgeted at \$493.4 million, an increase of \$47.7 million (10.7%) over the FY 2025 Budget. This revenue reflects two sources: 1) Airline revenue of \$279.1 million and 2) Non-Airline revenue of \$214.3 million. Airline revenue primarily comes from landing fees, aircraft parking fees, building rentals, common-use fees, and other aviation related sources. Non-Airline revenue includes public parking and ground transportation fees, terminal and other concessions, rental car fees, ground rents, and other operating revenues. FY 2027, operating revenues are budgeted at \$520.4 million, an increase of \$27.0 million (5.5%). Of this, \$293.3 million is from Airline revenue and \$227.1 million is from Non-Airline revenue.

Total FY 2026 Airline revenue includes an increase of \$35.1 million (14.4%) compared to the FY 2025 Budget. This increase is driven primarily by an increase of \$17.7 million in operating and maintenance expenses with the additional square footage from the opening of Phase 1 of New T1, including utilities and contracted services, and an increase of \$78.6 million in debt service, partially offset by passenger facility charges (PFCs) of \$56.5 million.

Total FY 2027 Airline revenue is budgeted to increase by \$14.2 million (5.1%) compared to FY 2026. This increase is mainly due to a \$10.9M increase in operating and maintenance expenses related to a full year of increased campus size with the opening of Phase 1 of New T1. Also \$16.9M of increased debt service expenses as new debt comes online.

Total FY 2026 Non-Airline revenue projects a net increase of \$12.7 million (6.3%) from the FY 2025 Budget. The increases are primarily driven by: 1) a \$7.7 million increase in concessions revenue, reflecting a revenue budget based on a percentage of gross sales; 2) a \$4.9 million increase in ground transportation permits and citations due to increased passenger activity and increased transportation network company (TNC) rates; 3) a \$1.5 million increase in in-flight and ground handling license fee revenue, driven by higher activity levels from increased enplanements and expanded services; and 4) a \$0.9 million increase in ground rentals revenue attributable to rising consumer price index (CPI) adjustments. This increase is partially offset by a \$2.7 million decrease (6.1%) in rental car license fees reflecting revenue based on gross sales, in line with the industry wide lower pricing trends.

Total FY 2027 Non-Airline revenue is budgeted to increase by \$12.8 million (6.0%) compared to FY 2026. The increase is driven by an increase of \$5.9 million in parking revenue due to increased utilization of the New T1 parking plaza, \$3.2 million increase in ground transportation revenue, \$2.0 million increase in concessions revenue, and an increase of \$1.0 million in rental car license revenue.

The divisional and departmental operating expense budgets of \$254.8 million, which address the Airport Authority's overall strategies, initiatives, and mandated obligations, reflect an increase of \$26.8 million (11.7%) in the FY 2026 operating expense Budget from the FY 2025 Budget. In addition, FY 2027 operating expenses are projected to increase by \$12.9 million (5.0%) over the FY 2026 Budget.

The FY 2026 Operating Expense increase of \$26.8 million (11.7%) is driven by several factors. First, salaries and wages, including overtime and benefits, are projected to increase by \$6.2 million (8.8%) over the FY 2025 Budget, reflecting increases due to pay-for-performance adjustments, contracted wage increases, and staffing level growth with the addition of 29 new positions for support for the New T1 operations and conversion of some contracted or limited duration employees to full-time. Additionally, higher capitalized labor expenses have contributed to a net increase of \$5.9 million (9.4%) in personnel expenses for the FY 2026 Budget compared to FY 2025.

In FY 2026, Contractual Services is budgeted to increase \$6.8 million (11.3%) from the FY 2025 Budget, reflecting an increase in parking, shuttle operations, and other contractual increases. FY 2026 Safety and Security costs are budgeted to increase by \$5.9 million (14.9%) from the FY 2025 Budget, due to increases in San Diego Port District Harbor Police Department law enforcement and guard services staffing with the opening of New T1. FY 2026

Executive Summary

Utility costs are projected to increase by \$1.1 million (4.7%) due to rate increases, and Maintenance costs are expected to increase by \$2.6 million (15.8%).

FY 2027 Operating Expenses are budgeted to increase by \$12.9 million (5.0%); this increase reflects staffing level increases with the addition of 5 new positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. In addition, the increase in non-personnel expenses is primarily driven by utilities, contractual services, and safety and security costs. These increases are largely due to a full year of operations of the New T1.

FY 2026 Non-Operating revenue/(expense) is projected to decrease by \$37.9 million (1388.7%) from the FY 2025 Budget, primarily reflecting an increase of \$3.5 million in interest income offset by a \$43.3 million decrease in interest expense due to Bonds issuance. Other increases include increased Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and capital grant contributions.

FY 2027 Non-Operating revenue/(expense) is budgeted to increase by \$453.8 million versus the FY 2026 Budget, mainly due to higher interest expenses from new Bonds issuance and lower interest income due to draw down of cash from the 2023 Bonds to fund construction of New T1.

Projected Fund Balance

The Airport Authority Fund Balance is generally defined as the difference between its assets and liabilities. The Airport Authority's fund balance statement projects that FY 2026 cash and investments will increase by \$512.9 million to \$2,577.0 million versus the FY 2025 Projected balance of \$2,064.1 million. This increase of 24.8% from the FY 2025 Projected balance reflects the Series 2025 bond issuance. FY 2027 cash and investments are projected to decrease by \$517.9 million (20.1%) to \$2,059.0 million, mainly reflecting capital expenditures for Phase 1B of the New T1 project.

Capital Program

The Airport Authority maintains a five-year Capital Program that is intended to address critical improvements and asset preservation of SAN. Capital Expenditures are defined as anything with a useful life of more than one year and a cost greater than \$5,000. The Airport Authority's current Capital Program includes projects started before FY 2026, as well as new projects to be undertaken at SAN between FY 2026 and FY 2030, including the New Terminal 1 (New T1), at an estimated total cost of approximately \$4,522.8 million (see additional information in Replacement of Terminal 1 (New T1) section below).

Potential capital projects are developed and evaluated based on both their compatibility with the Strategic Plan, as well as their consistency with the following criteria:

- ➔ Safety
- ➔ Security
- ➔ Regulatory
- ➔ Capacity
- ➔ Customer Service
- ➔ Cost Containment
- ➔ Revenue Enhancement

Funding sources for projects in the Capital Program include the Federal Aviation Administration's Airport Improvement Program (AIP), Transportation Security Administration (TSA) reimbursable agreements, Passenger

Executive Summary

Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport operating revenues, Airport revenue bonds, Special Facility Bonds and short-term borrowing using a revolving line of credit.

Sources of Funds

In thousands

| | |
|-------------------------------|--------------------|
| Airport Revenue Bonds | \$3,490,718 |
| Airport Cash | 557,656 |
| Federal Grants | 371,010 |
| Major Maintenance Fund | 84,786 |
| Other | 18,491 |
| Passenger Facility Charges | 185 |
| Total Sources of Funds | \$4,522,847 |

Uses of Funds by Location

In thousands

| | |
|---------------------------|--------------------|
| Terminal | \$3,308,395 |
| Landside & Ancillary | 560,927 |
| Airside | 465,873 |
| Administrative | 187,654 |
| Total Use of Funds | \$4,522,847 |

The projected FY 2026 Capital Program expenditures total \$638.3 million, and the projected FY 2027 expenditures are \$608.9 million. The section titled **Capital Program** discusses these expenditures and provides detailed descriptions.

Replacement of Terminal 1 (New T1)

While we pride ourselves on providing first-class passenger experience, we acknowledge that is not always possible in the 55-year-old Terminal 1. That is why the Airport Authority is continuing progress with the New T1 program which will replace Terminal 1 with a larger, more efficient facility that enhances the airport experience. The New T1 project includes airfield enhancements, significant improvements to roadways serving the airport, and a designated transit station area on airport property that will allow the airport to connect to a regional transportation solution that our regional partners will ultimately identify.

The New T1 program will optimize the 661-acre airport site to accommodate increasing demand while maintaining high passenger satisfaction levels. Construction began in the second half of 2021—the first phase is scheduled to open on September 23, 2025, and the project is scheduled to be completed in early 2028.

Executive Summary

Airline Operating Lease Agreement (AOLA)

The Airport Authority has Airline Operating Lease Agreements (AOLA) with passenger airlines and cargo carriers operating at SAN. The AOLAs cover rate-setting mechanisms for the airfield and terminal facilities at SAN. The term commenced on July 1, 2019, and terminates on June 30, 2029.

The agreement establishes the following fees for signatory airlines:

| | Unit | FY 2026 Budget | FY 2027 Conceptual Budget |
|---|--------------------|-------------------|---------------------------------|
| Landing Fee | 1,000 lbs | \$4.68 | \$3.93 |
| Aircraft Parking Position Rental Rate | per space | \$217,831 | \$224,431 |
| Aircraft Parking Position Turn Fee | per turn | \$166.56 | \$168.25 |
| Aircraft Parking Position Overnight Fee | per overnight | \$499.69 | \$504.74 |
| Terminal Rental Rate | sq ft. | \$275.73 | \$268.16 |
| Joint Use Fee (90%) | per enplanement | \$10.40 | \$11.32 |
| Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS) | per airline | \$1,253,728 | \$1,391,287 |
| Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS) | per airline | \$298,507 | \$331,259 |
| Common Use Fee | per enplanement | \$1.42 | \$1.44 |
| Federal Inspection Services (FIS) Fee | per available seat | \$10.00 | \$10.00 |

Non-signatory airlines will pay a 120% premium on the above rates except for FIS fees.

Figure 4 – Airline Rates, Fees, and Charges

Based on the fees above, the airline cost per enplaned passenger is projected to be \$20.94 for FY 2026 and \$21.61 for FY 2027 Conceptual Budget.

The section titled **Budget Overview: Revenue** provides additional details about the agreement and rates, fees, and charges.

The agreement has no provisions that grant the airlines direct approval rights over capital projects, except for specific transportation projects exceeding a total of \$350 million, as defined in the AOLA. It also allows flexibility to meet the demands of varying airline activity and capacity for new entrant carriers. The terms of the agreement financially support the execution of the New T1.

Outstanding Debt

As of June 30, 2025, the Airport Authority's outstanding long-term debt will consist of \$2,741.3 million of subordinate airport revenue bonds (Series 2017, 2019, 2020, and 2021 Bonds), \$1,059.8 million of senior bonds (Series 2023 Bonds), and \$261.9 million of 2014 Series senior special facility revenue bonds. The Airport Authority issued \$784.5 million of bonds in July 2025. The Airport Authority does not have a legal debt limit. The master bond indenture requires the Airport Authority to establish certain reserves and to maintain net revenues (after the payment of operation and maintenance expenses) equal to at least 1.25 times annual senior lien debt service

Executive Summary

and subordinate net revenues at 1.10 times annual subordinate lien debt service. The Airport Authority Board-approved debt policy calls for a minimum aggregate of 1.40 times. The Airport Authority Board-approved target includes PFCs used to pay debt service and any federal relief used to pay the debt as Net Revenues, rather than deducting these items from debt service (the revenue method).

In July 2021, the Airport Authority and Bank of America NA agreed to a \$200.0M Subordinate Revolving Credit Agreement. This agreement was renewed with a Revised and Restated Agreement on July 18, 2024. There is currently no outstanding Revolving Credit balance.

Further discussion of the Airport Authority's debt is provided in the Debt Service section of this document. Debt service coverage (consisting of operating revenue minus operating expenses divided by principal and interest requirements for the fiscal year) is displayed in *Figure 5*. For FY 2026, debt service coverage on revenue method aggregate debt is projected to be 2.04 times and 1.93 times for FY 2027.

The following table shows debt service coverage on aggregate, senior, and subordinate lien debt. The subordinate lien debt includes Series 2017, 2019, 2020, and 2021 Bonds.

| | FY 2024 Actuals | FY 2025 Budget | FY 2026 Budget | FY 2027 Conceptual Budget |
|--|--------------------|-------------------|-------------------|---------------------------------|
| Aggregate Debt Service Coverage - Revenue Method (x) | 2.53 | 2.82 | 2.04 | 1.93 |
| Senior Lien Debt Service Coverage (x) | 81.01 | 65.15 | 28.50 | 45.74 |
| Subordinate Lien Debt Service Coverage (x) | 2.58 | 2.90 | 2.68 | 2.48 |

Figure 5 – Debt Service Coverage

Twentieth Consecutive Award of the GFOA Distinguished Budget Presentation Award

The Airport Authority received its twentieth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual Budget for the fiscal year beginning July 1, 2024. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments in preparing budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

A governmental unit must publish a budget document that meets program criteria, such as a policy document, an operations guide, a financial plan, and a communications device, to receive this award.

This award is valid for one year only. However, we believe our current Budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**San Diego County Regional Airport Authority
California**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morill

Executive Director

Airport Authority Overview



Airport Authority Overview

Board of Directors

Gil Cabrera, Airport Authority Board Chair

James Sly, Vice Chair

Lidia S. Martinez

Steve Vaus

Esther C. Sanchez

Rafael Perez

Whitney Benzian

Monica Montgomery Steppe

Marni von Wilpert

Ex-Officio Members

Col. R. Erik Herrmann

Ann Fox

Michele Perrault

Airport Authority Overview

Executive Management Team

Kimberly Becker

PRESIDENT / CHIEF EXECUTIVE OFFICER

Amy Gonzalez

GENERAL COUNSEL

Lee Parravano

CHIEF AUDITOR

Scott Brickner

VICE PRESIDENT / CHIEF FINANCIAL OFFICER

Finance Division

Hampton Brown

VICE PRESIDENT / CHIEF REVENUE OFFICER

Revenue Division

Rick Francis

VICE PRESIDENT / CHIEF OPERATIONS OFFICER

Operations Division

Angela Shafer-Payne

VICE PRESIDENT / CHIEF DEVELOPMENT OFFICER

Development Division

Airport Authority Overview

Director Staff

Monty Bell

DIRECTOR

Human Resources

Jessica Bishop

DIRECTOR

Information & Technology Services

Bob Bolton

DIRECTOR

Airport Design & Construction

Michelle Brega

SENIOR DIRECTOR

External Relations

Andre Bruckner

DIRECTOR

Business Intelligence

Maya Dayan

DIRECTOR

Capital Financial Planning & Airline Relations

John Dillon

DIRECTOR

Finance & Risk Management

Jon Graves

DIRECTOR

Customer Experience

Matt Harris

DIRECTOR

Government Relations & Strategy

Sjohnna Knack

DIRECTOR

Planning, Noise, & Environment

Stephen Mosca

DIRECTOR

Facilities Management

Mark Nichols

DIRECTOR

Landside Business Development

Amiel Porta

DIRECTOR

Airside & Terminal Operations

Brendan Reed

SENIOR DIRECTOR

Operational Readiness, Activation, & Transition

Elizabeth Stewart

DIRECTOR

Accounting

Jana Vargas

DIRECTOR

Procurement

Clint Welch

DIRECTOR

Aviation Security & Public Safety

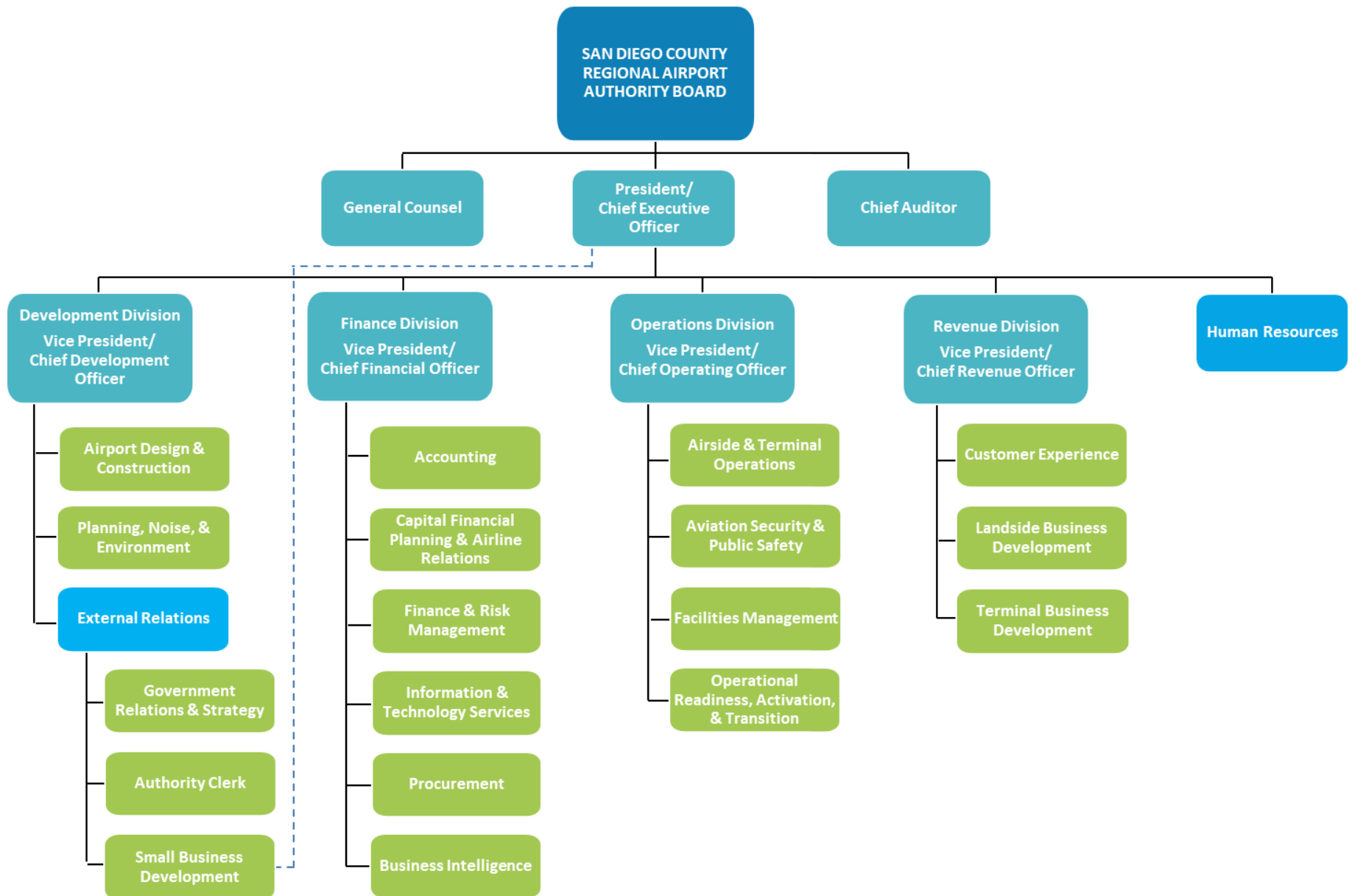
Deanna Zachrisson

DIRECTOR

Terminal Business Development

Airport Authority Overview

SDCRAA Organizational Structure



Airport Authority Overview

Purpose, Culture & Leadership Mindsets

In fiscal year 2023, the Executive Leadership team and Authority Senior leaders collaboratively developed a vision for the future. After an extensive period of collaboration, they crafted our Purpose Statement. This process involved input from all levels of staff. Following the creation of the Purpose Statement, the team also formulated a Culture Statement and our Leadership Mindsets. Let us look at these three statements:

Purpose Statement Creating an exceptional airport experience for our community and the world.

Culture Statement At SDCRAA, we build trust and a sense of belonging by empowering our teams to grow.

Leadership Mindset We embrace inclusivity, believe in the best in people, actively listen, collaborate, show empathy, and make thoughtful decisions.

Organizational Strategies and Initiatives

Regarding organizational strategies and initiatives, the Airport Authority has made significant progress in executing its strategic plan, reaffirming its long-term goals. Originally set to expire in FY 2022, the plan was extended due to the pandemic and the construction of the New T1. In FY 2023, the Executive Leadership Team and Airport Authority Senior Leaders collaborated to refresh the Strategic Plan and update strategic initiatives. The following four focus areas, along with their associated initiatives, serve as guiding principles for allocating scarce and restricted resources to SAN programs during the annual budget process.

Advance Airport Development

Address the future air service needs of our region through the development of facilities that support the Airport Authority's Capital Program, including the New T1.

Initiatives:

- Align facilities to meet demand, both international and domestic.
- Develop strategic workforce plans and associated hiring strategy in preparation for the New T1 activation.
- Evaluate multiple funding methods for the Capital Program (New T1 and CIP).
- Use technology to advance airport development.

Airport Authority Overview

Transform the Customer Experience

Implement innovative technologies, programs, and services that provide an exceptional airport experience for our customers.

Initiatives:

- Define and deliver a seamless, unique, consistent airport and product experience.
- Develop a future regional airport transportation plan that embraces technological advances.
- Solicit champions to tell our story.
- Enhance the arts and cultural program through strategic community partnerships.
- Raise awareness of significant projects.
- Invest/participate in innovation that improves efficiency or enhances revenue.
- Use technology to transform the customer experience.

Optimize Ongoing Business

Identify, invest, and integrate programs that will allow the airport to operate efficiently, and proactively address the future needs of the airport.

Initiatives:

- Attract domestic and international airlines and passengers.
- Implement the Sustainability Management Program.
- Implement a sustainable 20-year capital plan.
- Partner with state and federal wildlife agencies to address growth and protect the least tern habitat.
- Execute regional engagement and education plan to communicate SAN's role in economic growth.
- Continue to focus on programs to reduce noise impacts.
- Ensure the Plan of Finance is flexible, nimble, and able to proactively address future changes.
- Evaluate contracts and partnerships for opportunities to improve revenue and expense profile.
- Institute business planning and strategic marketing process that evaluates return on investment.
- Manage ongoing business effectively through change.
- Use technology to optimize ongoing business.

Airport Authority Overview

Cultivating Our Culture

Together we build trust and a sense of belonging by empowering our teams to grow.

Initiatives:

- Create an effective succession and transition plan for ongoing leadership changes.
- Develop leaders to be better coaches who enable independent decision-making.
- Train and develop business-driven, agile, and collaborative capabilities.
- Attract a new generation of employees and leaders.
- Develop compensation and benefits programs for a multi-generational workforce that recognizes individual strategic contributions.
- Use technology to cultivate our culture.

These focus areas are guiding department goal setting efforts and guiding our budgeting process for the upcoming fiscal cycle.

Overview of Financial Policies & Guidelines



Financial Policies and Guidelines

Overview

The Airport Authority operates as an Enterprise Fund and prepares its budget on the accrual basis of accounting. The Airport Authority's annual audited financial statements are also prepared on the accrual basis. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Airport Authority has a single fund with multiple revenue sources and operates as a separate and independent, local government entity.

The Airport Authority's budget process actively incorporates various financial policies and guidelines articulated by the Board and Executive Staff. The budget process and outcome are performance-based and focused on strategic focus areas, initiatives, and key operating financial indicators. The adopted budget gives the Airport Authority the legal basis for which to expend funds. The operating and capital budgets are discrete documents; however, there are certain expenses within the operating budget that support the capital budget. The incremental effect on the operating budget of capital projects is projected and taken into consideration when the operating budgets and forecasts are developed.

All Airport Authority codes and policies can be accessed on the Airport Authority website at:

<https://www.san.org/airport-authority/codes-policies>

Balanced Budget: The Airport Authority will prepare a budget on an annual basis. The Airport Authority's definition of a balanced budget is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds. A balanced budget is an integral part of maintaining the Airport Authority's financial position. Strategies employed to attain this balance include cost reductions, personnel, and service efficiencies, developing and diversifying non-airline revenues and increasing fees to match program expenses.

Revenue: The Airport Authority will seek to maintain a diversified revenue stream with the goal of keeping airline rates and charges as reasonable as possible. The Airport Authority will establish, fix, prescribe and collect rates, fees, rentals, and charges in connection with the Airport System so that during each fiscal year net revenues (generally defined as operating revenue less operating expenses) equal at least 140% of aggregate annual debt service on outstanding bonds.

Interim Financial Reporting: The Airport Authority has established, and will continue to maintain, a standard of generally accepted accounting practices. The Airport Authority Board receives quarterly reports comparing actual versus budgeted revenue and expense activity.

Debt Management: Debt enables the funding for the Airport Authority to build projects that will subsequently be repaid from future revenues. The term "debt" is used in the policy to describe numerous types of financial obligations of the Airport Authority, which may include bonds, subordinate obligations, special facility obligations and other financings of the Airport Authority. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent fiscal management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Airport Authority's access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity.

On May 6, 2010, the Airport Authority adopted a "Debt Issuance and Management Policy" to govern the debt issuance and management policies and practices of the Airport Authority. The policy is reviewed and updated annually by the Board. The policy stipulates that the Airport Authority's debt issuance and management objectives be to:

Financial Policies and Guidelines

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing bond covenant.
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost.
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Airport Authority.
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described in the policy.
- Provide the required secondary market disclosure to the rating agencies, institutional and retail investors via appropriate repositories.
- Comply with all federal and state laws and regulations, as well as bond indenture, tax compliance and reimbursement agreement covenants.
- Protect the assets and funds entrusted to the Airport Authority.

The Airport Authority reviews its outstanding debt, at least annually, for determining refinancing or restructuring opportunities, commensurate with applicable tax laws, to lessen its debt service costs. In order to consider refunding of an issue for economic purposes, a present value analysis must be prepared and minimum threshold for savings must be met. The Airport Authority will only issue long-term debt if it meets the required covenants of the outstanding bond indenture including the additional bonds test and reserve requirements.

When the Airport Authority finances capital projects by issuing long-term debt, it will pay back the bonds within a period not to exceed the estimated useful life of the project. The Airport Authority will not use long-term debt for current operations. The Airport Authority will maintain good communications with the bond rating agencies regarding its financial condition and will follow a policy of full disclosure in every financial report and offering prospectus. For Senior Lien Airport Revenue Bonds, it will strive to maintain ratings from at least two of the leading rating agencies and at a minimum seeks to maintain a rating in the highest category of “A” (e.g., A1 and A+).

On September 6, 2007, the Airport Authority adopted a “Policy Regarding the Use and Management of Derivative Products.” A derivative is a financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values. Derivative products can be an important interest rate management tool that, when used properly, can increase the Airport Authority’s financial flexibility, provide opportunities for interest rate savings, alter the pattern of debt service payments, create variable rate exposure, change variable rate payments to fixed rate and otherwise limit or hedge variable rate payments.

This Derivatives Policy was constructed by Airport Authority staff and its financial advisor after obtaining and evaluating the policies of more than 25 major issuers, including airports and counties throughout the country. In addition, sources such as the Government Finance Officers Association, the national trade association for governmental entities and the credit rating agencies, who have written reports on the evaluation of credit risks associated with derivative products, were consulted.

The adopted policy provides for the following:

- Allows the Airport Authority to use derivatives to increase its financing flexibility.
- Ensures that derivatives are used appropriately and not for speculative purposes.
- Provides detailed and conservative criteria regarding qualifications of firms making swap payments (counterparties) or providing financial guarantees, including collateral requirements and exposure limits, to

Financial Policies and Guidelines

ensure that the Airport Authority maintains maximum flexibility and security when negotiating a specific derivative agreement.

- Provides detailed monitoring and evaluation on an ongoing basis to identify all actual and potential risks associated with outstanding and anticipated derivative agreements.
- Requires Board approval of each agreement based upon guidelines provided for in the policy.
- Enhances price transparency by requiring derivative products to be competitively bid (unless the Board approves an alternative method).
- Allows the Board the flexibility to change the policy in the future in response to market conditions, new products, or other factors.

To date, the Airport Authority has not entered into any derivative contracts associated with its current bond issues.

Liquidity/Reserves: The Airport Authority will maintain prudent unrestricted reserves as a backstop necessary to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Airport Authority’s budgeting and capital planning process.

The Airport Authority’s unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year (see Figure 49 in Performance Indicators).

(in thousands)

| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY2024 | FY 2025 Projected |
|---|------------|------------|------------|------------|------------|------------|----------------------|
| Unrestricted & Undesignated Cash and Available Funds | \$ 292,336 | \$ 386,267 | \$ 322,300 | \$ 390,719 | \$ 517,197 | \$ 321,973 | \$ 449,521 |
| Unrestricted & Designated for Specific Capital Projects & Other Commitments | \$ 26,209 | \$ 11,686 | \$ 22,494 | \$ 16,190 | \$ 16,004 | \$ 104,858 | \$ 46,092 |
| O&M and R&R Reserves | \$ 62,912 | \$ 63,145 | \$ 62,380 | \$ 65,948 | \$ 69,675 | \$ 76,270 | \$ 84,496 |
| Total Unrestricted & Available Funds per Board Policy | \$ 381,457 | \$ 461,098 | \$ 407,175 | \$ 472,857 | \$ 602,876 | \$ 503,101 | \$ 580,109 |
| Operating Expenses | \$ 166,376 | \$ 152,679 | \$ 139,602 | \$ 156,925 | \$ 178,214 | \$ 189,266 | \$ 205,756 |
| Days Cash on Hand | 837 | 1,102 | 1,065 | 1,100 | 1,235 | 970 | 1,029 |

Figure 6 – FY 2019 to FY 2025 Projected and Historical Liquidity

Budgetary Control: The Finance Committee of the Board oversees the financial performance and condition of the Airport Authority and reviews the operating and capital budget and financial plan, and major financial policies or actions of the Airport Authority. Board policy stipulates that the Finance Committee shall meet at least quarterly each year; however, the practice has been monthly reviews of the Airport Authority’s financial performance by both the Finance Committee and the full Board.

Investments: The Airport Authority invests public funds in a manner that will provide the highest level of security while meeting the daily cash needs of the Airport Authority. The investment policies and practices of the Airport Authority are based upon prudent money management precepts and conform to all state and local statutes governing the investment of public funds.

Financial Policies and Guidelines

The Airport Authority's Investment policy is reviewed annually and adopted by the Board. This annual review is performed to ensure the Airport Authority Board has continued oversight and approval of the policies, rules, and performance regarding the investment of Airport Authority funds. The policy adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§ 16429.1 and 53600 et seq. ("Code"). In addition, the Board delegates the Airport Authority to invest and manage the funds of the Airport Authority to the Airport Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. The existence of an approved investment policy demonstrates that the Airport Authority Board and staff are fiducially responsible, thereby promoting the trust and confidence of the public that it serves.

Capital Program: The capital program provides for the orderly development of the Airport Authority. Each year the President/Chief Executive Officer (CEO) submits to the Airport Authority Board a development program of desirable capital improvement projects that are within the Airport Authority's financial funding capability. The President/CEO identifies each capital improvement project as to its need. Factors to be considered may include, but are not necessarily limited to public need, useful life, and return on investment, maintenance and operating costs, construction costs, possible alternatives, and sources of funding.

Overview of Projected Fund Balance



Overview of Projected Fund Balance

The Airport Authority Fund Balance is generally defined as the difference between its assets and liabilities. The Airport Authority's fund balance statement projects that FY 2026 cash and investments will increase by \$512.9 million to \$2,576.9 million versus the FY 2025 Projected balance of \$2,064.1 million. This increase of 24.8% from the FY 2025 Projected balance is mostly due to the issuance of Series 2025 New T1 bonds. FY 2026 cash and investments are projected to decrease by (\$517.9 million) (20.1%) to \$2,059.0 million, mainly due to draw down of bond funds to pay for the New T1 project.

(Table excludes GASB non-cash entries)

| (in thousands) | FY 2024 Actual | FY 2025 Budget | FY 2025 Projected | FY 2026 Budget | FY 2027 Conceptual Budget |
|---|--------------------|--------------------|----------------------|--------------------|---------------------------------|
| Beginning Fund Balance: | \$2,338,975 | \$2,538,315 | \$2,606,505 | \$2,064,116 | \$2,576,973 |
| Source of Funds | | | | | |
| Operating Revenue: | | | | | |
| Receipts from customers | 411,999 | 448,998 | 437,349 | 493,379 | 520,366 |
| Total Operating Revenue | 411,999 | 448,998 | 437,349 | 493,379 | 520,366 |
| Non-Operating Revenue & Other Financing: | | | | | |
| Federal Grants received (excluding Quieter Home Program) | 82,398 | 44,160 | 36,487 | 54,256 | 57,209 |
| Passenger Facility Charges Receipts | 48,679 | 49,120 | 49,466 | 50,959 | 51,978 |
| Customer Facility Charges Receipts | 35,479 | 35,438 | 35,895 | 36,693 | 37,426 |
| Bond Proceeds | 1,054,956 | - | - | 886,082 | - |
| Principal Payments received on Notes Receivable | 4,927 | 2,732 | 2,732 | 2,833 | 2,933 |
| Interest Received from Notes Receivable & Investments | 81,763 | 89,378 | 97,878 | 93,028 | 65,492 |
| Other Funding Sources | 3,682 | 3,436 | 4,317 | 11,560 | 1,411 |
| Total Non-Operating Revenue | 1,311,885 | 224,264 | 226,775 | 1,135,410 | 216,450 |
| Total Revenues | 1,723,884 | 673,262 | 664,124 | 1,628,789 | 736,816 |
| Use of Funds | | | | | |
| Operating Expenses: | | | | | |
| Payments to Suppliers & Employees | (190,736) | (213,107) | (205,756) | (237,388) | (249,409) |
| Pension contribution | | | | | |
| Total Operating Expenses | (190,736) | (213,107) | (205,756) | (237,388) | (249,409) |
| Non-Operating Expenses: | | | | | |
| Capital Expenditures | (73,802) | (138,510) | (154,608) | (87,788) | (89,318) |
| Capital Expenditures Financed from Bond Proceeds | (747,380) | (712,792) | (540,871) | (461,481) | (445,762) |
| Capital Expenditures Financed from other Sources | (82,398) | (44,160) | (36,487) | (54,256) | (57,209) |
| Capital Expenditures Financed from Major Maintenance Fund | (8,487) | (26,439) | (5,581) | (32,972) | (39,449) |
| Debt Refunding | (110,535) | - | - | - | (79,660) |
| Quieter Home Program, net and Joint Studies | (2,812) | (3,126) | (2,694) | (3,500) | (3,509) |
| Customer Facility Charges (CFC) Expenditures | (10,958) | (14,551) | (15,043) | (17,768) | (18,508) |
| Principal on Bonds and Variable rate debt paid | (43,385) | (38,915) | (38,915) | (34,500) | (36,240) |
| Interest and Debt Fees Paid (excl PFC funding) | (78,890) | (85,560) | (86,490) | (125,450) | (188,147) |
| Capitalized Interest Debt Service Payment | (106,094) | (119,904) | (119,191) | (59,951) | (46,667) |
| Payment of capital lease | (877) | (877) | (878) | (877) | (877) |
| Total Non-Operating Expenses | (1,265,617) | (1,184,834) | (1,000,758) | (878,545) | (1,005,346) |
| Total Expenses | (1,456,353) | (1,397,941) | (1,206,513) | (1,115,933) | (1,254,755) |
| Excess (Deficit) of Source over Use of Funds | 267,531 | (724,679) | (542,389) | 512,857 | (517,939) |
| Ending Fund Balance | \$2,606,505 | \$1,813,635 | \$2,064,116 | \$2,576,973 | \$2,059,034 |
| Unrestricted Cash and Investments | \$426,428 | \$490,957 | \$495,613 | \$580,075 | \$576,400 |
| Total Bonds Reserves | 1,768,872 | 844,300 | 1,060,161 | 1,405,532 | 894,549 |
| Total Other Restricted Funds | 411,206 | 478,378 | 508,342 | 591,366 | 588,085 |
| Ending Fund Balance | \$2,606,505 | \$1,813,635 | \$2,064,116 | \$2,576,973 | \$2,059,034 |

Financial Projections



Financial Projections

Based on the actual results experienced by the Airport Authority during FY 2024 and the budgets for FY 2025, FY 2026 and FY 2027, the following table shows projections for FY 2028.

Achievements of these projections are dependent upon the occurrence of a variety of future events, many of which are beyond the Airport Authority's control. Therefore, variations are to be expected and may be material.

| <i>(In Thousands)</i> | FY 2024 Actuals | FY 2025 Budget | FY 2026 Budget | FY 2027 Conceptual Budget | FY 2028 Projected |
|---|----------------------------|---------------------------|---------------------------|--|------------------------------|
| Total Airline Revenue | 221,220 | 244,015 | 279,095 | 293,257 | 352,025 |
| Total Non-Airline Revenue | 190,918 | 201,620 | 214,284 | 227,108 | 231,973 |
| Total Operating Revenue | 412,138 | 445,634 | 493,379 | 520,366 | 583,998 |
| Total Operating Expenses before Depreciation & Amortization | 203,869 | 228,050 | 254,845 | 267,706 | 283,366 |
| Income from Operations before Depreciation & Amortization | 208,269 | 217,584 | 238,534 | 252,660 | 300,632 |
| Non-Operating Revenue/(Expenses) | | | | | |
| Passenger Facility Charges | 49,200 | 49,120 | 50,959 | 51,978 | 51,221 |
| Customer Facility Charges | 35,913 | 35,438 | 36,693 | 37,426 | 38,325 |
| Quieter Home Program (Net) & Joint Studies | (1,845) | (3,000) | (3,600) | (3,509) | (3,240) |
| Interest Income | 66,647 | 89,258 | 92,749 | 65,287 | 36,944 |
| Interest Expense | (190,800) | (192,959) | (236,230) | (243,900) | (241,747) |
| Bond Amortization Costs | 25,867 | 25,125 | 24,473 | 23,803 | 23,803 |
| Other Non Operating Revenue/(Expense) | 54,169 | (250) | (250) | (250) | (250) |
| Total Non-Operating Revenue/(Expenses), Net | 39,149 | 2,732 | (35,207) | (69,164) | (94,944) |
| Income/ (Loss) before Capital Grant Contributions and Federal Relief | 247,418 | 220,316 | 203,327 | 183,496 | 205,688 |
| Capital Grant Contributions | 128,361 | 44,160 | 54,756 | 41,731 | 9,588 |
| Net Income/ (Loss) before Federal Relief | 375,779 | 264,476 | 258,084 | 225,228 | 215,276 |
| Federal Relief | - | - | - | - | - |
| Net Income/ (Loss) before Depreciation, Principal & Capital Outlay | \$ 375,779 | \$ 264,476 | \$ 258,084 | \$ 225,228 | \$ 215,276 |

(Table excludes GASB non-cash entries)

Financial Projections

| | Unit | FY 2024 Actuals | FY 2025 Budget | FY 2026 Budget | FY 2027 Conceptual Budget |
|--|--------------------|-------------------|----------------|----------------|---------------------------|
| Landing Fee | 1,000 lbs | \$3.73 | \$4.38 | \$4.68 | \$3.93 |
| Aircraft Parking Position Rental Rate | per space | \$154,286 | \$217,411 | \$217,831 | \$224,431 |
| Aircraft Parking Position Turn Fee | per turn | \$158.46 | \$180.74 | \$166.56 | \$168.25 |
| Aircraft Parking Position Overnight Fee | per overnight | \$475.39 | \$542.23 | \$499.69 | \$504.74 |
| Terminal Rental Rate | sq ft. | \$285.91 | \$303.35 | \$275.73 | \$268.16 |
| Joint Use Fee (90%) | per enplanement | \$6.37 | \$6.82 | \$10.40 | \$11.32 |
| Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS) | per airline | \$766,254 | \$803,264 | \$1,253,728 | \$1,391,287 |
| Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS) | per airline | \$176,882 | \$189,449 | \$298,507 | \$331,259 |
| Common Use Fee | per enplanement | \$1.18 | \$1.21 | \$1.42 | \$1.44 |
| Federal Inspection Services (FIS) Fee | per available seat | \$10.00 | \$10.00 | \$10.00 | \$10.00 |
| Cost Per Enplanement | | \$17.11 | \$18.79 | \$20.94 | \$21.61 |
| Debt Service Coverage | | 2.53 | 2.82 | 2.04 | 1.93 |
| Enplanements * | | 12,467 | 12,472 | 12,873 | 13,131 |
| % Increase in Enplanements versus prior year | | 5.0% ¹ | 0.0% | 3.2% | 2.0% |

Non-signatory airlines will pay 120% premium on the above rates except for FIS fees

* In thousands

¹ Comparison to prior year actuals

Figure 7 – FY 2024 Actuals to FY 2027 Conceptual Budget

Budget Overview: Revenue



Revenue Overview

FY 2026 Revenue Budget – FY 2027 Conceptual Revenue Budget

| <i>(in thousands)</i> | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Proposed vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Budget | % Change |
|---|-------------------|-------------------|------------------------------|--|--------------|--------------------------------|--|---------------|
| Operating Revenue | | | | | | | | |
| Airline Revenue | | | | | | | | |
| Landing Fees | \$ 53,873 | \$ 62,874 | \$ 59,429 | \$ (3,445) | -5.5% | \$ 61,219 | \$ 1,790 | 3.0% |
| Aircraft Parking Fees | 13,612 | 15,718 | 14,857 | (861) | -5.5% | 15,305 | 447 | 3.0% |
| Building Rentals | 145,169 | 156,370 | 190,137 | 33,767 | 21.6% | 200,036 | 9,899 | 5.2% |
| Common Use Fees | 10,094 | 10,507 | 16,920 | 6,413 | 61.0% | 18,968 | 2,048 | 12.1% |
| Other Aviation Revenue | (1,528) | (1,454) | (2,248) | (793) | 54.5% | (2,269) | (22) | 1.0% |
| Total Airline Revenue | 221,220 | 244,015 | 279,095 | 35,080 | 14.4% | 293,257 | 14,163 | 5.1% |
| Non-Airline Revenue | | | | | | | | |
| Terminal Rent Non-Airline | 2,730 | 2,745 | 3,031 | 286 | 10.4% | 3,128 | 97 | 3.2% |
| Terminal Concessions | 34,616 | 33,281 | 40,977 | 7,696 | 23.1% | 42,976 | 1,999 | 4.9% |
| Rental Car License Fees | 41,640 | 44,019 | 41,352 | (2,667) | -6.1% | 42,363 | 1,011 | 2.4% |
| License Fees - Other | 9,818 | 9,364 | 10,853 | 1,489 | 15.9% | 11,078 | 225 | 2.1% |
| Parking Revenue | 50,797 | 63,006 | 62,658 | (347) | -0.6% | 68,606 | 5,947 | 9.5% |
| Ground Transportation Permits and Citations | 21,687 | 20,603 | 25,549 | 4,945 | 24.0% | 28,706 | 3,157 | 12.4% |
| Ground Rentals | 26,408 | 26,741 | 27,686 | 945 | 3.5% | 27,987 | 302 | 1.1% |
| Grant Reimbursements | 254 | - | - | - | 0.0% | - | - | 0.0% |
| Other Operating Revenue | 2,969 | 1,861 | 2,179 | 318 | 17.1% | 2,265 | 86 | 4.0% |
| Total Non-Airline Revenue | 190,918 | 201,620 | 214,284 | 12,664 | 6.3% | 227,108 | 12,824 | 6.0% |
| Total Operating Revenue | 412,138 | 445,634 | 493,379 | 47,745 | 10.7% | 520,366 | 26,987 | 5.5% |
| Interest Income | 66,647 | 89,258 | 92,749 | 3,492 | 3.9% | 65,287 | (27,462) | -29.6% |
| Non-Operating Revenue | | | | | | | | |
| Passenger Facility Charges | 49,200 | 49,120 | 50,959 | 1,839 | 3.7% | 51,978 | 1,019 | 2.0% |
| Customer Facility Charges | 35,913 | 35,438 | 36,693 | 1,254 | 3.5% | 37,426 | 734 | 2.0% |
| Quieter Home Program | 19,520 | 20,028 | 14,400 | (5,628) | -28.1% | 11,491 | (2,909) | -20.2% |
| Capital Grant Contributions | 128,361 | 44,160 | 54,756 | 10,596 | 24.0% | 41,731 | (13,025) | -23.8% |
| Other Non Operating Revenue | 54,179 | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Revenue | 287,171 | 148,747 | 156,808 | 8,061 | 5.4% | 142,627 | (14,181) | -9.0% |
| Total Revenue | \$ 765,957 | \$ 683,638 | \$ 742,936 | \$ 59,298 | 8.7% | \$ 728,280 | \$ (14,656) | -2.0% |

(Table excludes GASB non-cash entries)

Revenue Overview

FY 2026 Revenue Budget Increase vs FY 2025 Budget

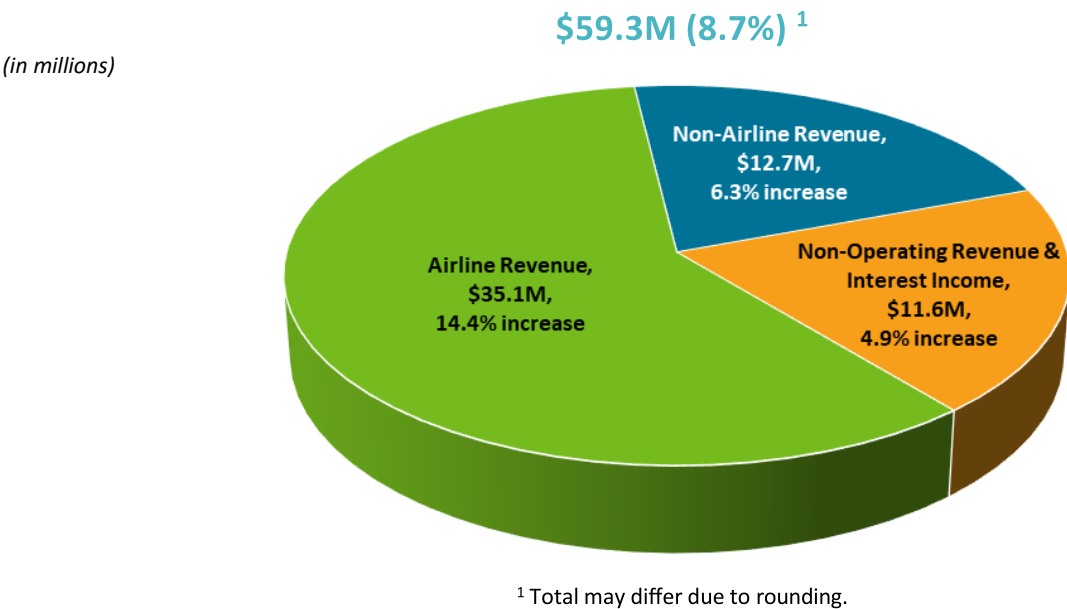


Figure 8 – FY 2026 Revenue Variance

FY 2027 Revenue Budget Decrease vs FY 2026 Budget

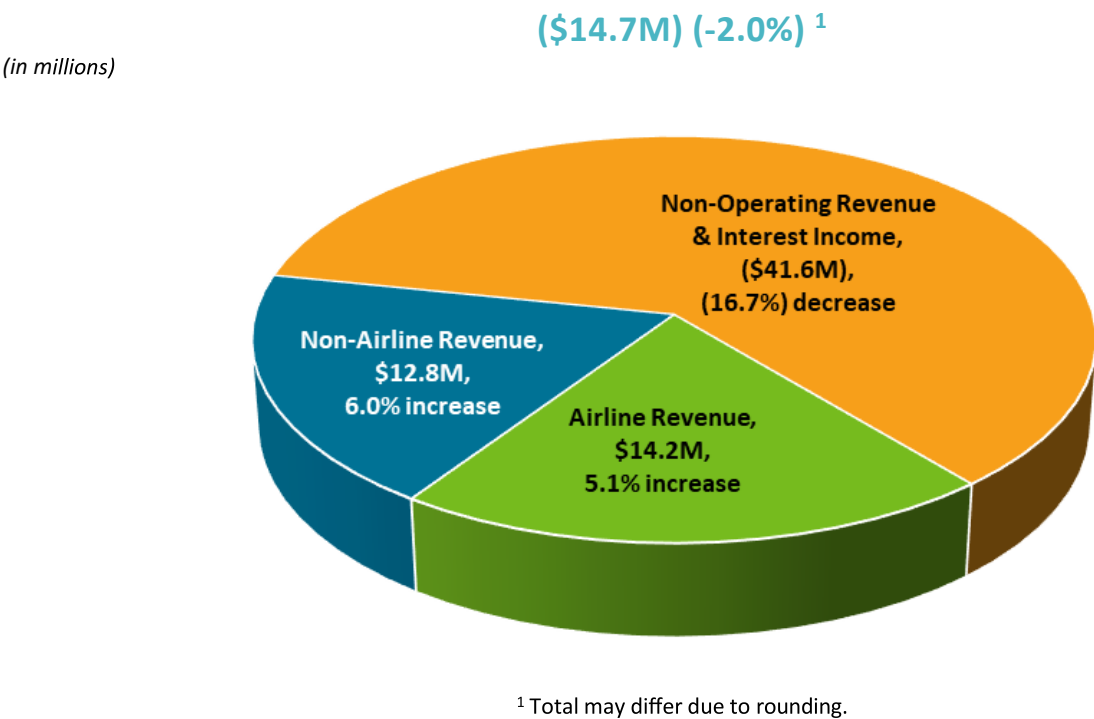


Figure 9 – FY 2027 Revenue Variance

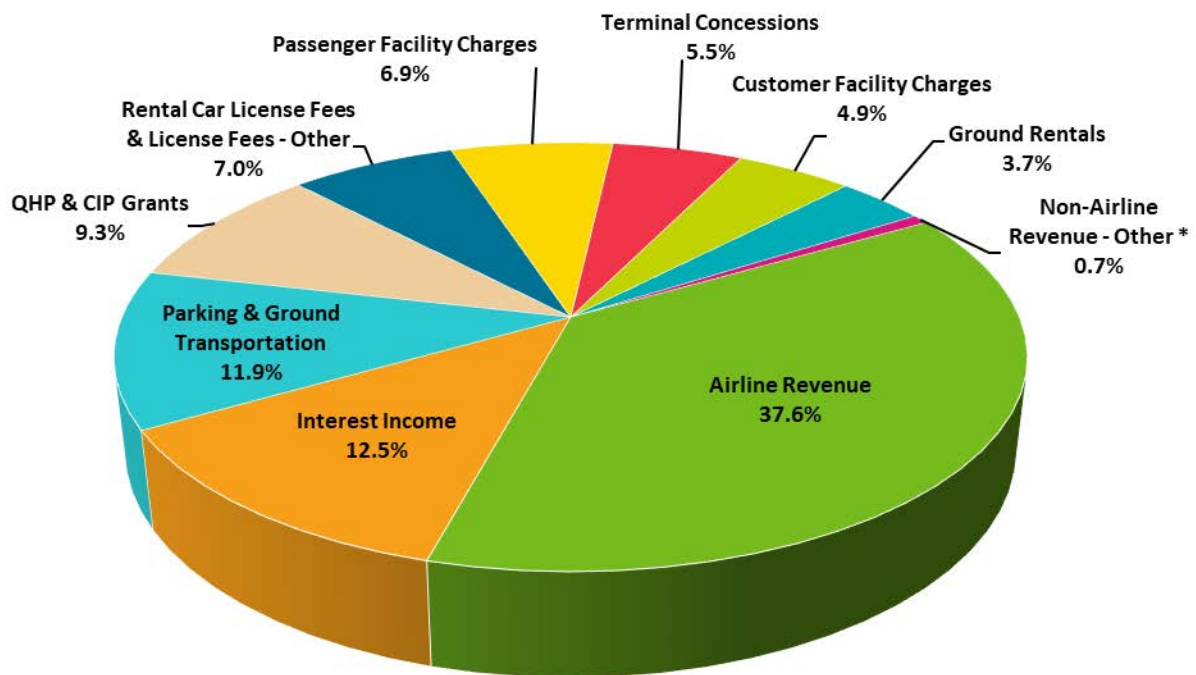
Revenue Overview

FY 2026 Revenue Budget by Major Sources

(in thousands)

| Revenue by Major Sources | FY 2026 Budget |
|--|------------------|
| Airline Revenue | 279,095 |
| Interest Income | 92,749 |
| Parking & Ground Transportation | 88,207 |
| QHP & CIP Grants | 69,156 |
| Rental Car License Fees & License Fees - Other | 52,205 |
| Passenger Facility Charges | 50,959 |
| Terminal Concessions | 40,977 |
| Customer Facility Charges | 36,693 |
| Ground Rentals | 27,686 |
| Non-Airline Revenue - Other * | 5,209 |
| Total Revenue ¹ | \$742,936 |

¹ Total may differ due to rounding



*Non-Airline Revenue – Other includes finger printing fees, utilities reimbursements, service charges, equipment rentals, terminal rent non-airline, and miscellaneous other revenue

Figure 10 – FY 2026 Revenue Budget by Sources

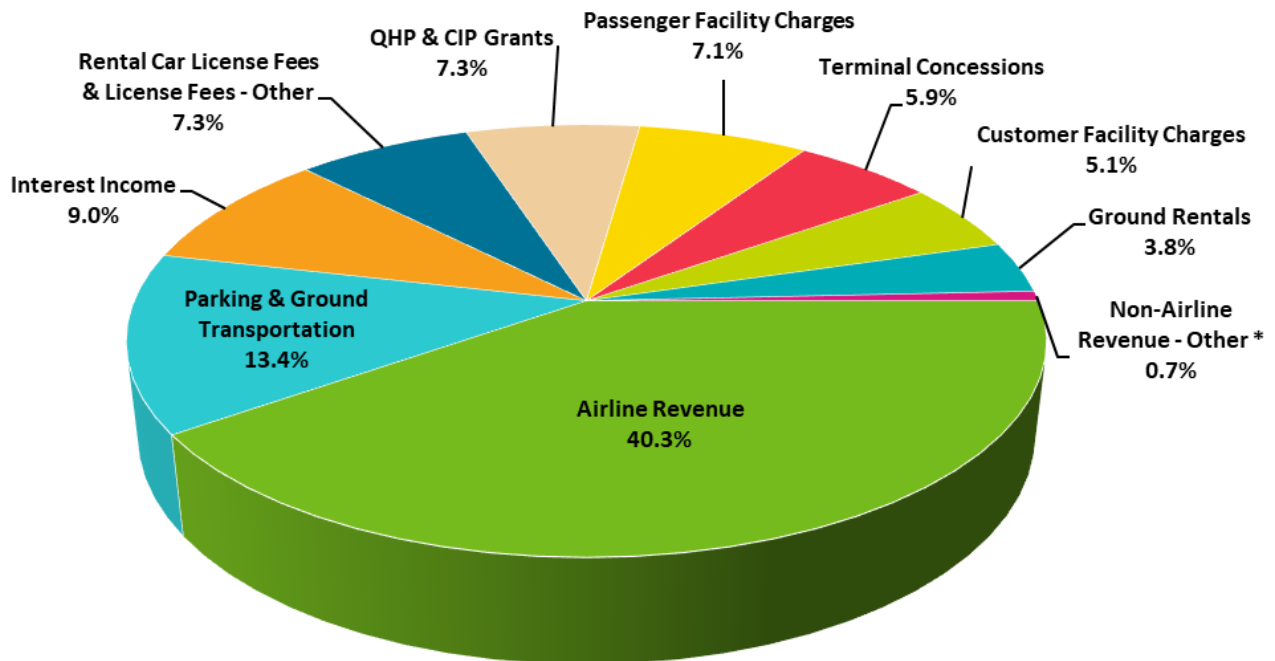
Revenue Overview

FY 2027 Revenue Budget by Major Sources

(in thousands)

| Revenue by Major Sources | FY 2027 Conceptual Budget |
|--|------------------------------|
| Airline Revenue | 293,257 |
| Parking & Ground Transportation | 97,311 |
| Interest Income | 65,287 |
| Rental Car License Fees & License Fees - Other | 53,440 |
| QHP & CIP Grants | 53,223 |
| Passenger Facility Charges | 51,978 |
| Terminal Concessions | 42,976 |
| Customer Facility Charges | 37,426 |
| Ground Rentals | 27,987 |
| Non-Airline Revenue - Other * | 5,395 |
| Total Revenue ¹ | \$728,280 |

¹ Total may differ due to rounding



*Non-Airline Revenue – Other includes finger printing fees, utilities reimbursements, service charges, equipment rentals, terminal rent non-airline, and miscellaneous other revenue

Figure 11 – FY 2027 Revenue Budget by Sources

Revenue Overview

Overview

Operating and Non-Operating revenues for FY 2026 are projected to be \$742.9M, an increase of \$59.3M (8.7%) above the FY 2025 Budget. FY 2027 Conceptual Operating and Non-Operating revenues are budgeted to decrease by (\$14.7M) (-2.0%) over the FY 2026 Budget.

Airline Operating Revenue

The Authority signed a 10-year Airline Operating and Lease Agreements (AOLA) with passenger airlines and cargo carriers operating at SAN. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport. The AOLA term commenced on July 1, 2019 and terminates on June 30, 2029, unless terminated earlier pursuant to the terms.

Pursuant to the AOLA, the landing fees at SAN are established based on a residual rate-setting methodology, and the terminal rental rates are established based on a compensatory rate-setting methodology.

The AOLA includes signatory and non-signatory rate structures. Air carriers that signed a non-signatory agreement are charged a 20% premium on all signatory rates, fees, and charges, except for FIS fee.

Landing Fees

Landing Fees are revenues from passenger and cargo carriers for commercial aircraft landings at the Airport. The fee is set to recover 80% of the direct and allocated costs of the airfield, including maintenance and operation expenses, airfield security costs, debt service and amortization of capital investments, major maintenance fees (MMF), and coverage charges. The remaining 20% of airfield cost is recovered from aircraft parking fees (see the following section on Aircraft Parking and Turn Fees).

In FY 2026, landing fee revenues are projected to decrease to \$59.4M, (\$3.4M) (-5.5%) below the FY 2025 Budget due to lower net airfield debt service resulting from increased Passenger Facility Charges (PFC) offset. Estimated landed weight for FY 2026 is projected to increase to 15,224 (million-pound units), a 6.4% increase from 14,309 (million pound units) in the FY 2025 Budget.

The FY 2026 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to be \$3.88, an 11.4% decrease from the FY 2025 Budget.

In FY 2027, landing fee revenues are projected to increase by \$1.8M (3.0%) to \$61.2M over the FY 2026 Budget. The increase in fees is due to increased airfield costs.

The FY 2027 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$3.93, a 1.3% increase over the FY 2026 budgeted landing fee, reflecting a combination of increased net airfield costs, and a 1.9% increase in projected landed weight to 15,516 (million-pound units).

Aircraft Parking and Turn Fees

Aircraft parking fees are projected to recover 20% of the direct and allocated costs of the airfield, including maintenance and operation expenses, airfield security, debt service, amortization of capital investments, Major Maintenance Fund (MMF), and coverage charges. This charge is assessed based on the number of aircraft parking positions assigned to each air carrier at the terminal gates and in remote positions, and the number of turns made on Common Use gates. Aircraft parking positions are a scarce resource at SAN. This cost recovery method rewards carriers who efficiently use their gates and schedule flights with departures outside the morning peak period.

Revenue Overview

In FY 2026, aircraft parking and turn fees are projected to generate revenues of \$14.9M, a (\$0.9M) (-5.5%) decrease over the FY 2025 Budget due to decreased airfield debt service as a result of increased PFC offset. FY 2026 aircraft position rental signatory rate is \$217,830.74 annually per space, aircraft parking position signatory turn fee is \$166.56 per turn, and aircraft parking position signatory overnight fee is \$499.69 per overnight stay.

In FY 2027, aircraft parking and turn fees are projected to increase by \$0.4M (3.0%) over the FY 2026 Budget due to increases in net airfield costs.

Building Rentals

Building Rental revenue reflects recovery of terminal building costs, including terminal security, allocated to airline occupied facilities, debt service, amortization of capital investments, Major Maintenance Funds (MMF), joint use fees, and coverage charges (If required).

In FY 2026, Budget Building Rentals revenues are projected to increase to \$190.1M, an increase of \$33.8M (21.6%) over the FY 2025 Budget. FY 2026 Building Rentals revenues reflect increases in terminal operations expenses and debt service. The FY 2026 signatory terminal rental rate is \$275.73 per square foot, and the joint use fee is \$10.40 per enplanement.

In FY 2027, Building Rentals revenue is projected to increase by \$9.9M (5.2%) over the FY 2026 Budget due to higher operating and maintenance expenses and debt service. The FY 2027 terminal rental signatory rate is projected to decrease to \$268.16 per square foot, and the joint use fee is \$11.32 per enplanement.

Common Use Fees

Common Use Fees include terminal rent of Common Use premises, Common Use systems, operating and maintenance expenses, debt service, and amortization of capital investments. Airlines located in common use equipped terminals will pay these fees.

FY 2026 Common Use Fee revenue is projected to be \$16.9M, an increase of \$6.4M (61.0%) to FY 2025 Budget. The increase in FY 2026 Common Use Fee revenue is due to the increase in expenses and expanded square footage with the opening of New T1. FY 2026 Common Use signatory fee is \$1.42 per enplanement.

In FY 2027, the Common Use Fee revenue is projected to increase by \$2.0M (12.1%) over the FY 2026 Budget due to the increases in expenses and an effective expansion of square footage as a result of New T1 being open for the full fiscal year. The FY 2027 Common Use signatory fee is \$1.44 per enplanement.

Other Aviation Revenue

Other Aviation Revenue includes Air Service Incentive Program credits and Fuel Franchise Fees.

Fuel Franchise Fees include fees on fuel delivered to aircraft by the Fixed Base Operator (FBO) and by the airline fuel consortium to airlines that are not members of the fuel consortium.

In FY 2026, Other Aviation Revenue is projected to be (\$2.2M), a decrease of (\$0.8M) (-54.5%) from the FY 2025 Budget due to the Air Service Incentive Program. The Air Service Incentive Program provides operating credits to airlines that are new to serving SAN or who are serving previously unserved markets with non-stop service from SAN. The credits are reflected as a reduction in revenue.

In FY 2027, Other Aviation revenue is projected to stay relatively flat over the FY 2026 Budget.

Revenue Overview

Non-Airline Operating Revenue

The Non-Airline Operating revenue budget was derived by analyzing current agreements, recent trends, projected future events, and historic revenue patterns, considering the projected FY 2026 enplaned passenger traffic.

The FY 2026 Budget assumes 12.9M enplaned passengers, a 3.2% increase over the FY 2025 Budget enplanements of 12.5M and a 1.9% increase over the FY 2025 year-end projected enplanements of 12.6M. FY 2027 enplanements are projected to grow to 13.1M, a 2.0% increase over the FY 2026 Budget enplanements.

Terminal Rent Non-Airline

Terminal Rent Non-Airline includes revenue from non-airline tenants, including government tenants and tenants providing security contracting services to government tenants.

In FY 2026, Terminal Rent Non-Airline revenue is projected to be \$3.0M, a 10.4% increase over the FY 2025 Budget of \$2.7M.

In FY 2027, Terminal Rent Non-Airline revenue is projected to increase by \$0.1M (3.2%) over the FY 2026 Budget.

Terminal Concessions

Terminal Concession revenue is generated from food/beverage and retail (including Duty Free) concessions operating under exclusive agreements within the Concession Development Program (CDP). The retail and food/beverage services offered at SAN provide a world-class shopping and dining experience for the millions of passengers who use SAN each year.

Concession revenue is based on percentage rent charged on food, beverage and merchandise sales and fixed rent for concessionaire storage/support space. Cost Recovery revenue is also generated through reimbursement of marketing costs, operations/maintenance costs, and the costs to operate the Receiving and Distribution Center (RDC).

Other Concession revenue includes advertising, Common Use lounge service, vending services, bank ATMs, money exchange services, baggage cart rentals, and advertising.

The FY 2026 Budget for Terminal Concessions is \$41.0M, an increase of \$7.7M (23.1%) over the FY 2025 Budget, reflecting revenue based on gross sales. The increase is a result of increased passenger enplanements and additional concessions due to the opening of New T1.

FY 2027 Terminal Concession revenues are budgeted at \$43.0M, an increase of \$2.0M (4.9%) over the FY 2026 Budget due to an increase in projected enplanements and higher sales per enplaned passenger (SEP) with full year of New T1 concessions.

Rental Car License Fee

Rental Car License Fee revenue includes fees received from rental car companies that conduct business at the Airport and cost recovery of operations/maintenance costs of the Rental Car Center (RCC). The agreement calls for rental car companies to pay the Airport Authority a fee equaling 10% of gross sales or their minimum annual guarantee (MAG), whichever is higher.

In FY 2026, rental car license fees are projected at \$41.4M, a decrease of (\$2.7M) (-6.1%) from the FY 2025 Budget, reflecting revenue based on gross sales. The decrease is in line with the industry wide recent pricing trends.

Revenue Overview

FY 2027 revenues are projected at \$42.4M, an increase of \$1.0M (2.4%) in line with the projected increase in passenger enplanements.

License Fees – Other

License Fees – Other revenue is derived from in-flight catering services and ground handling operators.

Estimated in-flight catering and ground handling revenue is based on a percentage of the companies' gross sales per their agreements with the Airport Authority.

FY 2026 revenues are budgeted at \$10.9M, an increase of \$1.5M (15.9%) from the FY 2025 Budget due to increased enplanements and expanded services provided.

In FY 2027, license fee revenues are projected to increase by \$0.2M (2.1%) to \$11.1M due to higher enplanements.

Parking

Parking revenue is generated from Airport parking lots in front of the terminals, valet services and employee parking.

The FY 2026 revenue is budgeted at \$62.7M, a decrease of (\$0.3M) (-0.6%) from the FY 2025 Budget driven by FY 2025 actuals running under budget due to lower utilization of the New T1 parking plaza than budgeted.

The FY 2027 Budget is \$68.6M, a projected increase of \$5.9M (9.5%), driven by improved utilization of the New T1 parking plaza, increases in pre-book parking revenue, and higher enplanements.

Ground Transportation Trip Fees and Citations

Ground Transportation revenue includes the taxis, shuttles, transportation network companies (TNC) and courtesy trip fees along with fees for permits issued to limousines and commercial drivers operating at the airport. Citation revenue is generated from parking citations issued by the Airport Traffic Officers (ATOs) on the Airport terminal roadways.

FY 2026 is budgeted at \$25.5M, an increase of \$4.9M (24.0%) over the FY 2025 Budget. This is mainly driven by higher enplanements and Transportation Network Company (TNC) rate increases from \$4.25 in FY 2025 to \$4.50 in FY 2026, along with rate standardization for all other transportation modes.

FY 2027 is budgeted at \$28.7M, an increase of \$3.2M (12.4%) over the FY 2026 Budget.

Ground Rentals

Ground Rental fixed revenue consists of fixed rent received for RCC lease rent, leased cargo facilities, fixed base operations, and ancillary leases of various aviation and non-aviation uses.

FY 2026 revenue is budgeted at \$27.7M, an increase of \$0.9M (3.5%) over the FY 2025 Budget primarily due to CPI increase and cost recovery.

In FY 2027, revenues are budgeted at \$28.0M, an increase of \$0.3M (1.1%), primarily due to anticipated CPI increase assumptions.

Revenue Overview

Grant Reimbursements (Operating)

The Airport Authority has historically received Grant Reimbursement revenue pursuant to an agreement with TSA to offset the cost of providing Law Enforcement Officers (LEO) at various TSA checkpoints and throughout the Airport.

In FY 2026 and FY 2027, there is no Grant Reimbursements revenue expected as the reimbursement funding authorization was discontinued by Congress effective April 2024.

Other Operating Revenues

Other Operating revenues primarily include revenues to process employee fingerprints for new tenants and any associated contractors or vendors who conduct business at the Airport. In addition, this category includes various miscellaneous revenues that do not fall into a specific category and are usually a one-time occurrence.

In FY 2026, these revenues are budgeted at \$2.2M, with an increase of \$0.3M (17.1%) over the FY 2025 Budget due to new tenants at New T1.

In FY 2027, other operating revenue is projected to stay relatively flat over FY 2026 Budget.

Interest Income

Interest Income revenue is derived from interest earned by the Airport Authority on discretionary funds and reserves established under the master trust indenture. This revenue also includes interest earned on notes paid by the Port District to the Airport Authority.

In FY 2026, interest income is budgeted at \$92.7M, a projected increase of \$3.5M (3.9%) from the FY 2025 Budget, driven by higher bond reserve fund balances resulting from the 2025 Bond.

FY 2027 interest income revenues are projected to decrease by (\$27.5M) (-29.6%) from the FY 2026 Budget as bond funds draw down and interest rates are projected to decrease .

Non-Operating Revenue

Passenger Facility Charges (PFC)

PFC revenue is comprised of a \$4.50 charge (net \$4.39 to the Airport after deduction of \$0.11 for the airline processing fee) paid by each ticketed passenger that boards an airplane at the Airport. The FY 2026 and FY 2027 Budget is based on the projected number of enplaned passengers at an estimated collection rate of 89.8%. Certain types of passengers, including military, are excluded from paying the PFCs.

FY 2026 PFC revenues are budgeted at \$51.0M, an increase of \$1.8M (3.7%) from the FY 2025 Budget due to higher enplaned passengers and assumed collection rate.

FY 2027 PFC revenue is projected to increase by \$1.0M (2.0%) over the FY 2026 Budget due to an increase in enplaned passengers.

Revenue Overview

Customer Facility Charges (CFC)

CFC revenue is collected by the car rental concessionaires and remitted to the Airport Authority according to state law to support the consolidated RCC development project. In January 2018, in accordance with state statute, the collection methodology changed from \$7.50 per rental car transaction to \$9.00 per rental day (up to a maximum of five days).

For FY 2026, CFC revenues are projected at \$36.7M, an increase of \$1.3M (3.5%) over the FY 2025 Budget reflecting an increase in enplanements.

In FY 2027, CFC revenues are budgeted at \$37.4M, an increase of \$0.7M (2.0%) over the FY 2026 Budget due to higher enplanements.

Quieter Home Program

The Quieter Home Program (QHP) is a residential sound insulation program for eligible single and multi-family dwellings located within the FAA-accepted SAN 65-decibel Community Noise Equivalent Level contour. The project is eligible for a maximum Airport Improvement Program (AIP) funding of 80.0%. The American Rescue Plan Act of 2021 (H.R. 1319, Public Law 117-2) increased AIP grants in FY 2022 to 100%, thereby eliminating the local funding match requirement.

Recognized grant revenue is related to available funding under grant awards received and the level of expenditure made each year. It is anticipated that the FY 2026 QHP revenue will be \$14.4M and FY 2027 QHP revenue will be \$11.5M.

Capital Grant Contribution

Capital grant contributions are FAA grant awards from a federal program that provides funding for approved capital projects. These projects are generally eligible for a maximum AIP funding of 75%.

The FY 2026 capital grant contributions increased by \$10.6M (24.0%) to \$54.8M due to expected grants related to the development projects for NT1 terminal and roadways, Terminal 2 West (T2W) crosswalk, and Terminal 2 East (T2E) connector.

FY 2027 capital grant contributions are budgeted to decrease by (\$13.0M) (-23.8%), due to timing of grant funded capital projects.

Budget Overview: Expenses



Expense Overview

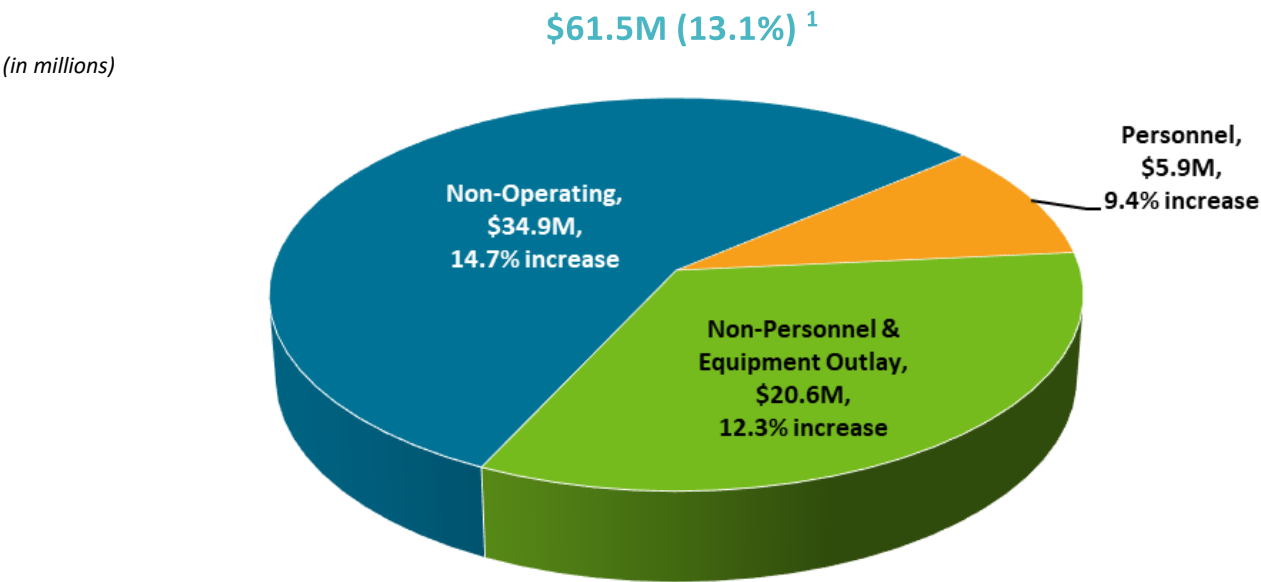
FY 2026 Expense Budget – FY 2027 Conceptual Expense Budget

| <i>(In Thousands)</i> | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|-------------------|-------------------|------------------------------|--|--------------|--------------------------------|--|-------------|
| Operating Expenses | | | | | | | | |
| Salaries | 43,482 | 48,475 | 52,167 | 3,692 | 7.6% | 55,337 | 3,169 | 6.1% |
| Benefits | 20,618 | 22,056 | 24,591 | 2,535 | 11.5% | 26,743 | 2,152 | 8.8% |
| Subtotal | 64,100 | 70,531 | 76,759 | 6,227 | 8.8% | 82,080 | 5,321 | 6.9% |
| Less: Capitalized Labor Recharge | (5,004) | (6,955) | (7,234) | (279) | 4.0% | (7,703) | (469) | 6.5% |
| Less: QHP Labor Recharge | (599) | (500) | (530) | (30) | 6.0% | (557) | (27) | 5.1% |
| Total Personnel Costs | 58,497 | 63,076 | 68,995 | 5,919 | 9.4% | 73,820 | 4,825 | 7.0% |
| Contractual Services | 52,445 | 59,897 | 66,694 | 6,797 | 11.3% | 68,468 | 1,775 | 2.7% |
| Safety and Security | 36,778 | 39,828 | 45,761 | 5,933 | 14.9% | 47,975 | 2,214 | 4.8% |
| Space Rental | 11,037 | 11,024 | 11,073 | 48 | 0.4% | 11,082 | 10 | 0.1% |
| Utilities | 19,518 | 23,433 | 24,536 | 1,103 | 4.7% | 27,180 | 2,644 | 10.8% |
| Maintenance | 14,125 | 16,242 | 18,805 | 2,564 | 15.8% | 19,845 | 1,040 | 5.5% |
| Operating Equipment & Systems | 544 | 441 | 1,023 | 582 | 131.9% | 736 | (287) | -28.0% |
| Operating Supplies | 651 | 823 | 1,200 | 377 | 45.7% | 1,146 | (54) | -4.5% |
| Insurance | 2,314 | 2,568 | 3,183 | 616 | 24.0% | 3,311 | 127 | 4.0% |
| Employee Development | 731 | 1,007 | 1,199 | 191 | 19.0% | 1,107 | (92) | -7.7% |
| Business Development | 2,280 | 3,908 | 5,214 | 1,306 | 33.4% | 5,719 | 505 | 9.7% |
| Equipment Rentals and Repairs | 3,702 | 4,623 | 5,975 | 1,352 | 29.2% | 6,082 | 107 | 1.8% |
| Tenant Improvements | 1,246 | 1,178 | 1,186 | 7 | 0.6% | 1,233 | 47 | 4.0% |
| Total Non-Personnel Costs | 145,373 | 164,974 | 185,850 | 20,876 | 12.7% | 193,886 | 8,036 | 4.3% |
| Total Operating Expenses | 203,869 | 228,050 | 254,845 | 26,795 | 11.7% | 267,706 | 12,861 | 5.0% |
| Joint Studies / Sound Attenuation | 21,365 | 23,028 | 18,000 | (5,028) | -21.8% | 15,000 | (3,000) | -16.7% |
| Debt Service | 169,330 | 214,614 | 254,578 | 39,964 | 18.6% | 265,141 | 10,563 | 4.1% |
| Legal Settlement Expense | 10 | 250 | 250 | - | 0.0% | 250 | - | 0.0% |
| Other Non-Operating Expenses | (0) | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | 190,705 | 237,892 | 272,828 | 34,936 | 14.7% | 280,391 | 7,563 | 2.8% |
| Total Expenses | 394,574 | 465,942 | 527,673 | 61,731 | 13.2% | 548,097 | 20,424 | 3.9% |
| Equipment Outlay Expenditures | 1,085 | 3,047 | 2,775 | (272) | -8.9% | 727 | (2,049) | -73.8% |
| Total Authority Expenses Incl Equip Outlay | \$ 395,659 | \$ 468,989 | \$ 530,448 | \$ 61,459 | 13.1% | \$ 548,823 | \$ 18,375 | 3.5% |

(Table excludes GASB non-cash entries)

Expense Overview

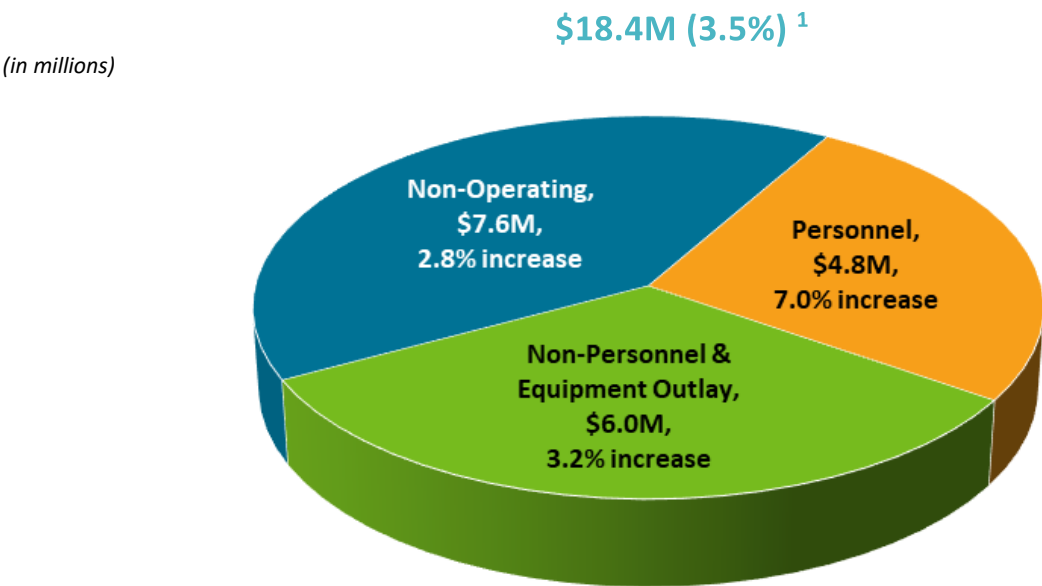
FY 2026 Expense Budget Increase vs FY 2025 Budget



¹ Total may differ due to rounding.

Figure 12 – FY 2026 Expense Variance

FY 2027 Expense Budget Increase vs FY 2026 Budget

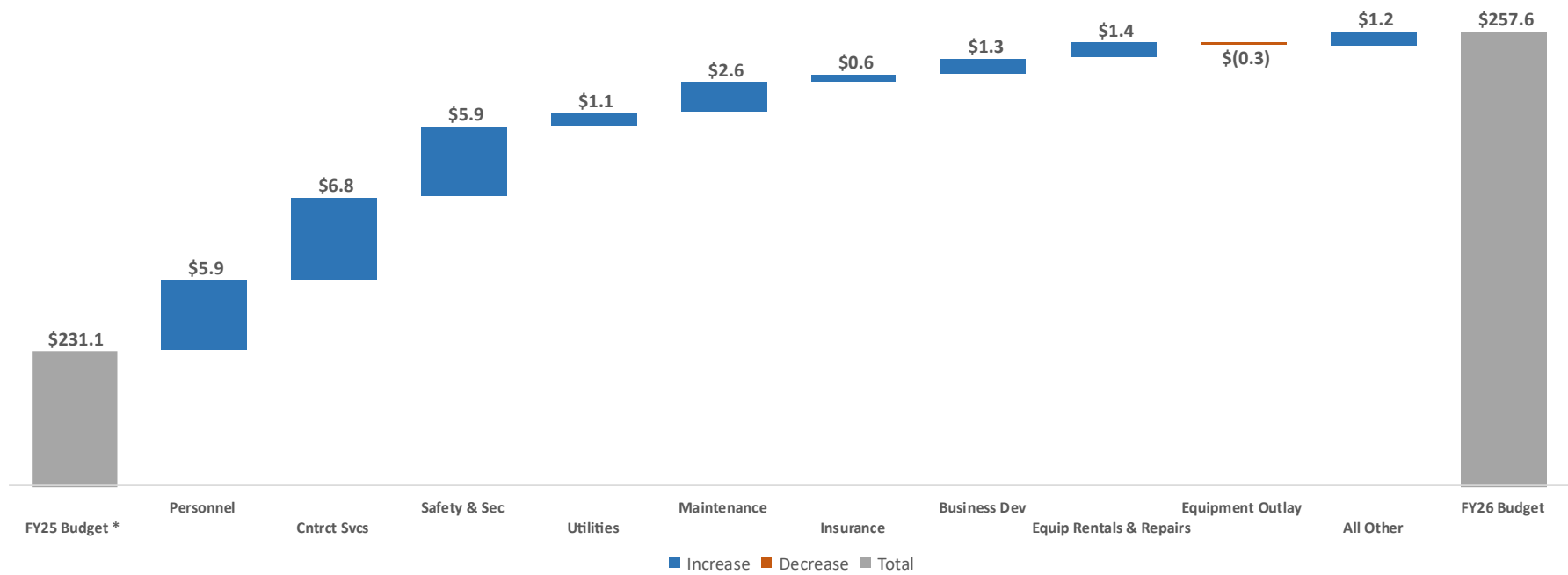


¹ Total may differ due to rounding.

Figure 13 – FY 2027 Expense Variance

Expense Overview

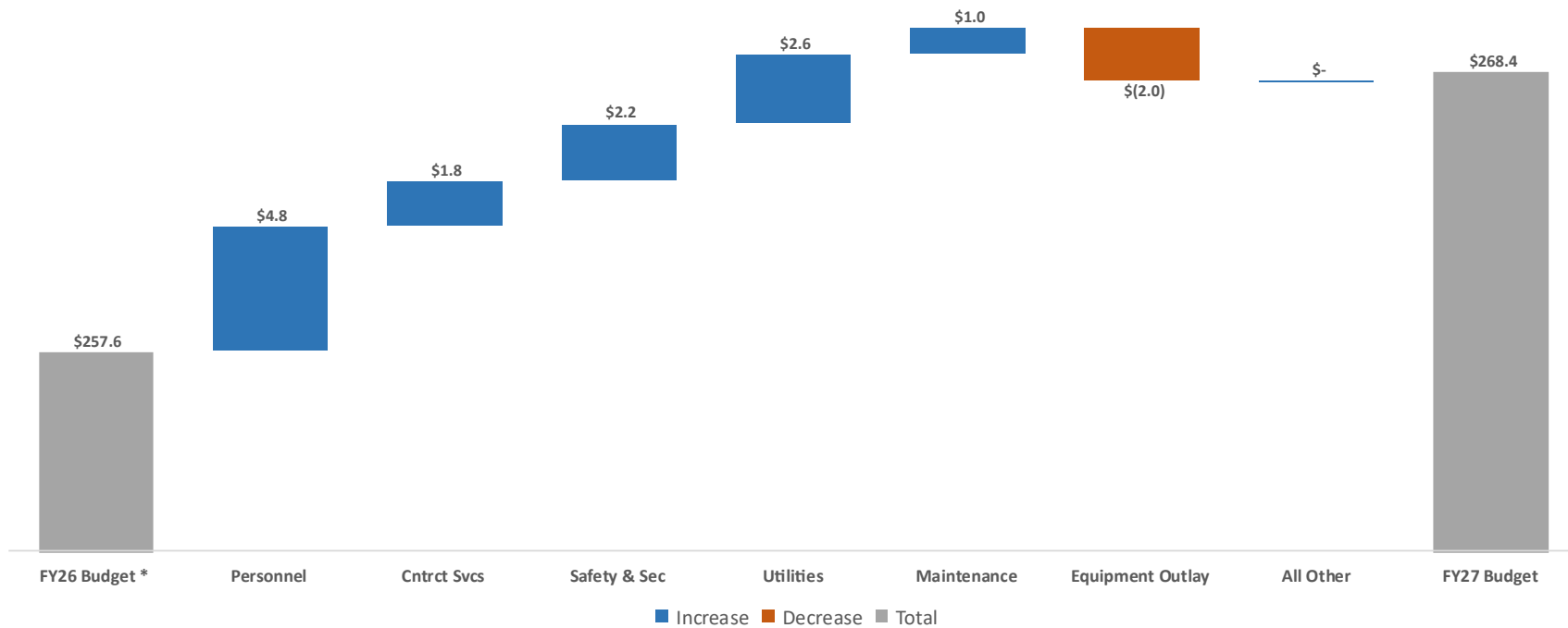
Major Drivers of FY 2026 Operating Expenses Budget (including Equipment Outlay)



(in Millions)
* Budget starting point not indicative of scale

Expense Overview

Major Drivers of FY 2027 Operating Expenses Conceptual Budget (including Equipment Outlay)



(in Millions)

* Budget starting point not indicative of scale

Expense Overview

Overview

In FY 2026, Authority total expenses, including debt service and equipment outlay, are projected to increase to \$530.4M from \$469.0M in the FY 2025 Budget. This represents an increase of \$61.5M (13.1%). The FY 2027 Conceptual Budget anticipates total expenses increasing to \$548.8M, representing an increase of \$18.4M (3.5%).

Operating Expenses

Personnel Expenses

Personnel Expenses include salary and wages, overtime and employee benefits, net of capitalized labor. Benefits include payroll taxes, retirement, health insurance, workers' compensation insurance, unemployment insurance, life insurance and short-term disability insurance.

In FY 2026, Salaries and Wages, including overtime, are projected to increase by \$3.7M (7.6%) over the FY 2025 Budget, reflecting 29 new positions, wage and salary increases required under union contract agreements, pay-for-performance increases for non-union employees and inclusion of New T1 personnel support. Employee benefits are projected to increase by \$2.5M (11.5%) from the FY 2025 Budget, primarily reflecting an increase in health insurance and retirement expenses. These combined factors, together with higher capitalized labor expenses, resulted in a net increase of \$5.9M (9.4%) in the FY 2026 Budget over the FY 2025 Budget for personnel expenses.

In FY 2027, Salaries and Wages, including overtime, are projected to increase by \$3.2M (6.1%), reflecting 5 new positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. Employee benefits expenses are projected to increase by \$2.2M (8.8%), primarily reflecting increased costs associated with retirement and health insurance benefits. These combined factors, together with higher capitalized labor expenses, are projected to result in a net increase of \$4.8M (7.0%) in FY 2027.

Non-Personnel Expenses

Contractual Services

Contractual Services expense includes various professional services such as operational, engineering, financial, legal, maintenance, and other services.

In FY 2026, Contractual Services are budgeted to have a net increase of \$6.8M (11.3%) over the FY 2025 Budget, primarily due to increases in Rental Car Center (RCC) bus, parking and shuttle operations driven by projected enplanement increases, additional custodial needs, as well as Grand Opening Events surrounding the opening of the New T1.

In FY 2027, Contractual Services are budgeted to increase by \$1.8M (2.7%), primarily due to increased janitorial needs for a full year of New T1 being open, as well as increases in Rental Car Center (RCC) bus, parking and shuttle operations driven by contractual rate increases.

Safety and Security

Safety and Security expenses include law enforcement, Aircraft Rescue and Fire Fighting (ARFF), emergency medical services, security inspection/guard services and other similar services. Law enforcement services are

Expense Overview

Safety and Security

Safety and Security expenses include law enforcement, Aircraft Rescue and Fire Fighting (ARFF), emergency medical services, security inspection/guard services and other similar services. Law enforcement services are provided under a service legal agreement with the San Diego Unified Port District. Fire, rescue, and emergency response services are provided through a contract with City of San Diego.

In FY 2026, Safety and Security costs are projected to increase by \$5.9M (14.9%) over the FY 2025 Budget. This is primarily due to increases in Port District Harbor Police Department law enforcement and an increase in guard services staffing with the additional New T1 square footage to patrol.

FY 2027 Safety and Security costs are projected to increase by \$2.2M (4.8%) over the FY 2026 Budget, reflecting contractual rate increases by the safety and security providers.

Space Rental

Space Rental expense consists of lease payments for various properties contiguous to the Airport, including the former General Dynamics, Teledyne-Ryan (TDY), Harbor Island, and RCC/ACE Shuttle Bus Lease (Port Lease).

FY 2026 Space Rental expenses are projected to increase by \$0.05M (0.4%) from the FY 2025 Budget.

FY 2027 Space Rental costs are projected to remain relatively flat over the FY 2026 Budget.

Utilities

Utilities expenses include gas, electric, water, and telecommunication costs.

FY 2026 utility costs are projected to increase by \$1.1M (4.7%) from the FY 2025 Budget primarily due to electricity rate and increased usage with additional square footage from opening of New T1.

FY 2027 utility costs are budgeted to increase by \$2.6M (10.8%) from the FY 2026 Budget due to anticipated electricity rate increase from SDG&E and increased usage.

Maintenance

Maintenance expenses include maintenance agreements, major maintenance projects, expendable stock, and other materials used to operate and maintain the Airport.

FY 2026 Maintenance expense is projected to increase by \$2.6M (15.8%) from the FY 2025 Budget primarily due to increased maintenance with the opening of New T1. The main drivers are increased HVAC system expenses, additional elevator/escalator maintenance plus an increase in the 12kV Distribution Systems.

FY 2027 Maintenance expense is projected to increase by \$1.0M (5.5%) from the FY 2026 Budget primarily due to increases in the 12kV Distribution Systems expenses, necessary electrical equipment replacement, and required biennial green oval painting.

Operating Equipment and Systems

Operating Equipment and Systems include expenses such as computers, non-capitalized furniture, and office and safety equipment.

FY 2026 Operating Equipment and Systems expenses are projected to increase by \$0.6M (131.9%) from the FY 2025 Budget due planned purchase of software.

Expense Overview

FY 2027 Operating Equipment and Systems expenses are projected to decrease by \$0.3M (-28.0%) from the FY 2026 Budget.

Operating Supplies

Operating Supplies expense includes small tools, office and operating supplies and safety equipment.

FY 2026 Operating Supplies expenses are projected to increase by \$0.4M (45.7%) from the FY 2025 budget due primarily to purchase of Common use stock in support of New T1 opening.

FY 2027 Operating Supplies expenses are projected to decrease by \$0.05M (-4.5%) from the FY 2026 Budget.

Insurance

Insurance provides financial protection for the Airport Authority's assets from property and liability losses.

FY 2026 Insurance expense is projected to increase by \$0.6M (24.0%) from the FY 2025 Budget, due to increases in premiums and increase in property values due to the completion of phase one of the New T1.

FY 2027 Insurance expense is projected to increase by \$0.1M (4.0%) over the FY 2026 Budget, due to anticipated increases in premiums and property values due to the phased completion of miscellaneous CIP projects and increased replacement costs due to inflation.

Employee Development

Employee Development includes recruiting expenses, staff training and development, book and periodical subscriptions, trade and professional organizations memberships, seminars, registration fees, travel, tuition, and other staff-related expenses (e.g., service awards and uniforms).

FY 2026 Employee Development expense is projected to increase by \$0.2M (19.0%) from the FY 2025 Budget driven primarily by recruitment.

FY 2027 Employee Development expense is projected to decrease by \$0.09M (-7.7%) from the FY 2026 Budget.

Business Development

Business Development includes marketing and promotional activity expenses related primarily to Airport Authority marketing programs and domestic and international air service development.

FY 2026 Business Development expense is projected to increase by \$1.3M (33.4%) from the FY 2025 Budget, primarily due to an increase in advertising costs for the parking plaza.

FY 2027 Business Development expense is projected to increase by \$0.5M (9.7%) from the FY 2026 Budget.

Equipment Rentals and Repairs

Equipment Rentals and Repairs expenses include computer licenses, tenant improvement allowances, equipment leasing/rentals and office equipment repair.

FY 2026 Equipment Rentals and Repairs expense is projected to increase by \$1.4M (29.2%) from the FY 2025 Budget due to increase in licenses and software renewals, especially for our network systems.

FY 2027 Equipment Rentals and Repairs expense is projected to increase by \$0.1M (1.8%) from the FY 2026 Budget.

Expense Overview

Tenant Improvements

Tenant Improvement costs include oversight of tenant improvement construction and modification of new or renovated facilities for tenants.

FY 2026 Tenant Improvements expense is projected to stay relatively flat over the FY 2025 Budget.

FY 2027 Tenant Improvements expense is projected to increase by \$0.05M (4.0%) from the FY 2026 Budget due to additional tenant improvements.

Non-Operating Expenses

Joint Studies / Sound Attenuation

The Joint-Studies/Sound Attenuation expenses are costs associated with Airport facilities studies and the Quieter Home Program (QHP).

FY 2026 Joint-Studies/Sound Attenuation expense is projected to decrease by \$5.0M (-21.8%) from the FY 2025 Budget based on anticipated work schedules tied to available levels of grant funding.

FY 2027 Joint-Studies/Sound Attenuation expense is projected to decrease by \$3.0M (-16.7%) from the FY 2026 Budget.

Debt Service

Debt Service expenditures include interest and fees on the Airport Authority's variable debt program, interest, principal on outstanding Airport revenue bond debt, and trustee fees for both variable debt and revenue bonds.

FY 2026 Debt Service costs are projected to increase by \$40.0M (18.6%) from the FY 2025 Budget due to the issuance of Series 2025 bonds to complete the New T1 funding.

FY 2027 Debt Service costs are projected to increase by \$10.6M (4.1%) from the FY 2026 Budget, primarily due to a full year of debt service for the Series 2025 bonds issued during FY 2026.

Equipment Outlay

Equipment Outlay expense includes equipment requests costing \$5,000 or more, with a useful life of at least one year.

FY 2026 Equipment Outlay expenses are projected to decrease by \$0.3M (-8.9%) from the FY 2025 Budget due to the completion of laptop refresh in FY 2025 as well as Cell Phone Lot signage budgeted in FY 2025 that is no longer needed in FY 2026.

FY 2027 Equipment Outlay expenses are projected to decrease by \$2.0M (-73.8%) from the FY 2026 Budget primarily due to the one-time FY 2026 purchases including an X-Ray machine, a new Security Gate for the Terminal 2 West stairs, and New T1 Art Cases.

Expense Overview

FY 2026 Expense Budget by Division

(in thousands)

| Divisions | FY 2026 Budget |
|---------------------------|--------------------------------|
| Debt Service | \$254,578 |
| Operations | 135,711 |
| Development | 34,204 |
| Revenue | 69,313 |
| Finance | 25,606 |
| Executive | 11,036 |
| Total ¹ | <u><u>\$530,448</u></u> |

¹ Total may differ due to rounding

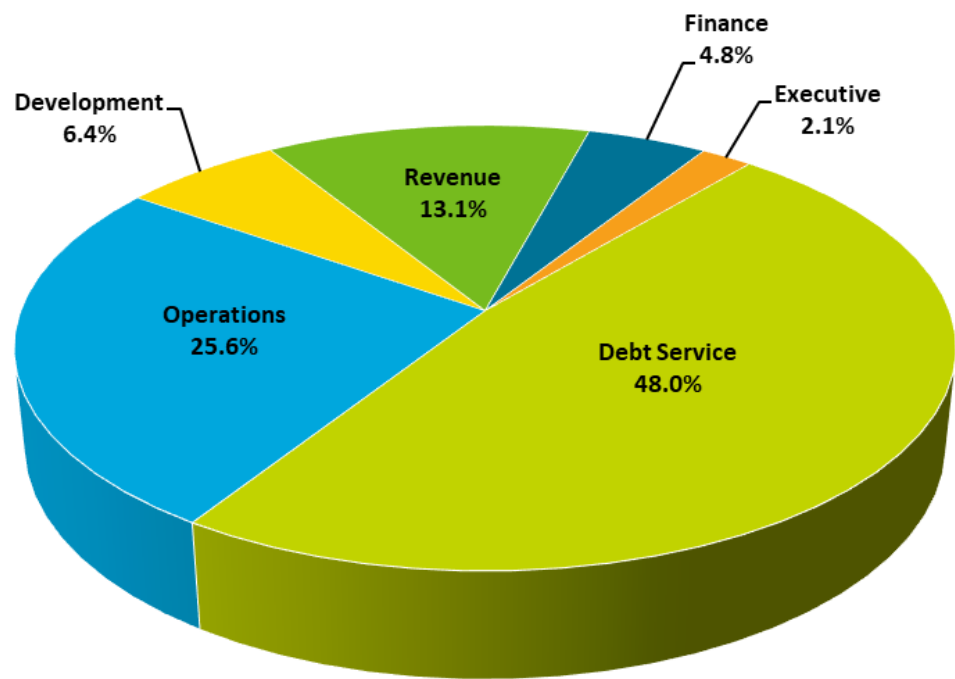


Figure 14 – FY 2026 Expense Budget by Department

Expense Overview

FY 2027 Expense Conceptual Budget by Division

(in thousands)

| Divisions | FY 2027 Conceptual Budget |
|---------------------------|------------------------------|
| Debt Service | \$265,141 |
| Operations | 142,702 |
| Development | 31,995 |
| Revenue | 69,992 |
| Finance | 27,732 |
| Executive | 11,262 |
| Total ¹ | \$548,823 |

¹ Total may differ due to rounding

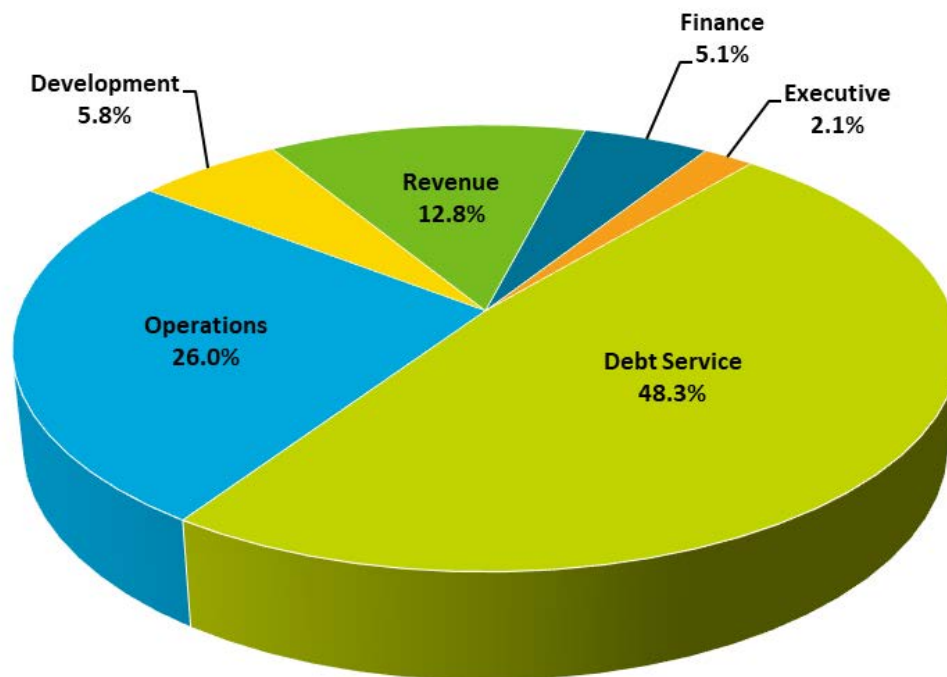


Figure 15 – FY 2027 Expense Conceptual Budget by Department

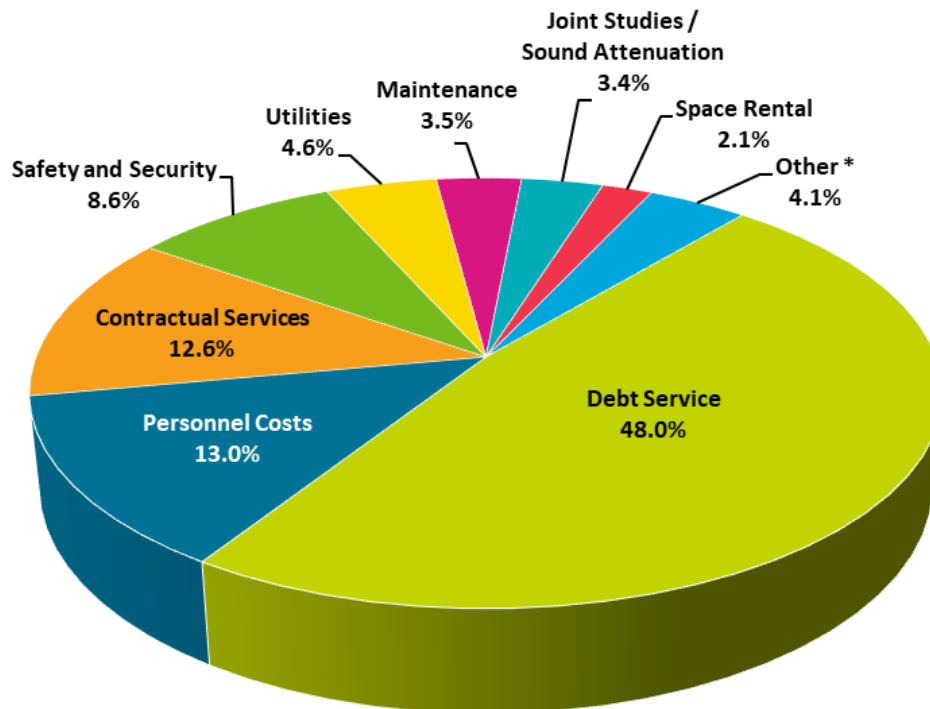
Expense Overview

FY 2026 Expense Budget by Category

(in thousands)

| Category | FY 2026 Budget |
|-----------------------------------|------------------|
| Debt Service | \$254,578 |
| Personnel Costs | 68,995 |
| Contractual Services | 66,694 |
| Safety and Security | 45,761 |
| Utilities | 24,536 |
| Maintenance | 18,805 |
| Joint Studies / Sound Attenuation | 18,000 |
| Space Rental | 11,073 |
| Other * | 22,006 |
| Total ¹ | \$530,448 |

¹ Total may differ due to rounding



*Other includes operating equipment & systems, operating supplies, employee development, business development, and equipment outlay

Figure 16 – FY 2026 Expense Budget by Category

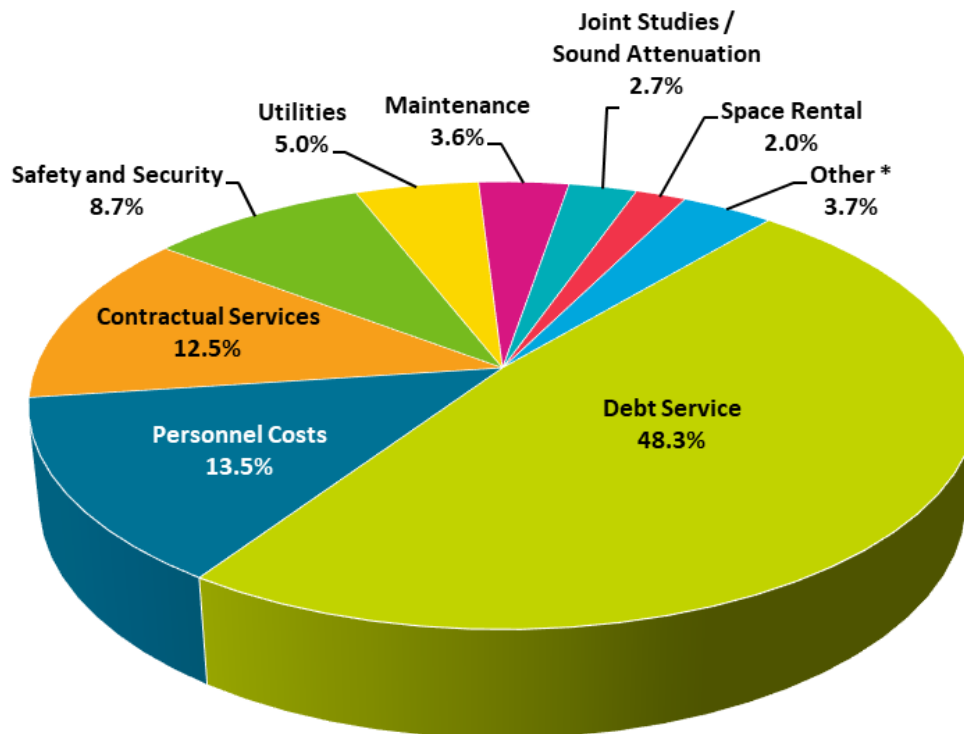
Expense Overview

FY 2027 Expense Conceptual Budget by Category

(in thousands)

| Category | FY 2027 Conceptual Budget |
|-----------------------------------|------------------------------|
| Debt Service | \$265,141 |
| Personnel Costs | 73,820 |
| Contractual Services | 68,468 |
| Safety and Security | 47,975 |
| Utilities | 27,180 |
| Maintenance | 19,845 |
| Joint Studies / Sound Attenuation | 15,000 |
| Space Rental | 11,082 |
| Other * | 20,311 |
| Total ¹ | \$548,823 |

¹ Total may differ due to rounding



*Other includes operating equipment & systems, operating supplies, employee development, business development, and equipment outlay

Figure 17 – FY 2027 Expense Conceptual Budget by Category

Expense Overview

Personnel Summary by Division

| | FY 2025 Budget | FY 2026 Budget Transfers | FY 2026 Budget New/ (Eliminated)^ | FY 2026 Budget | FY 2027 Budget New/ (Eliminated)^ | FY 2027 Conceptual Budget |
|--|-------------------|--------------------------------|---|-------------------|---|---------------------------------|
| Executive Division | | | | | | |
| Chief Auditor | 7 | - | - | 7 | - | 7 |
| Executive Office | 2 | - | - | 2 | - | 2 |
| General Counsel | 6 | - | 1 | 7 | - | 7 |
| Human Resources | 17 | (1) | - | 16 | - | 16 |
| Subtotal | 32 | (1) | 1 | 32 | - | 32 |
| Operations Division | | | | | | |
| Aviation Security & Public Safety | 105 | (5) | 5 | 105 | 3 | 108 |
| Airside & Terminal Operations | 32 | (3) | 5 | 34 | - | 34 |
| Operational Readiness, Activation, & Transition | 2 | - | - | 2 | - | 2 |
| Facilities Management | 91 | 3 | 3 | 97 | - | 97 |
| Subtotal | 230 | (5) | 13 | 238 | 3 | 241 |
| Finance Division | | | | | | |
| Capital Financial Planning and Airline Relations | 7 | - | - | 7 | - | 7 |
| Accounting | 12 | - | (1) | 11 | - | 11 |
| Information & Technology Services | 32 | - | 9 | 41 | 2 | 43 |
| Procurement | 12 | - | - | 12 | - | 12 |
| Business Intelligence | 9 | - | 1 | 10 | - | 10 |
| Finance & Risk Management | 15 | - | - | 15 | - | 15 |
| Subtotal | 87 | - | 9 | 96 | 2 | 98 |
| Development Division | | | | | | |
| Authority Clerk | 6 | 1 | - | 7 | - | 7 |
| Government Relations & Strategy | 4 | 3 | - | 7 | - | 7 |
| Airport Design & Construction | 46 | (5) | - | 41 | - | 41 |
| Planning, Noise, & Environment | 28 | - | 1 | 29 | - | 29 |
| Small Business Development | 3 | - | - | 3 | - | 3 |
| Subtotal | 87 | (1) | 1 | 87 | - | 87 |
| Revenue Division | | | | | | |
| Customer Experience | 20 | 2 | 5 | 27 | - | 27 |
| Landside Business Development | - | 6 | - | 6 | - | 6 |
| Terminal Business Development | 15 | (1) | - | 14 | - | 14 |
| Subtotal | 35 | 7 | 5 | 47 | - | 47 |
| Total Positions | 471 | - | 29 | 500 | 5 | 505 |

^ New Postions: Added 29 positions in FY26; Added 5 positions in FY27

Expense Overview

FY 2026 Personnel Budget by Division

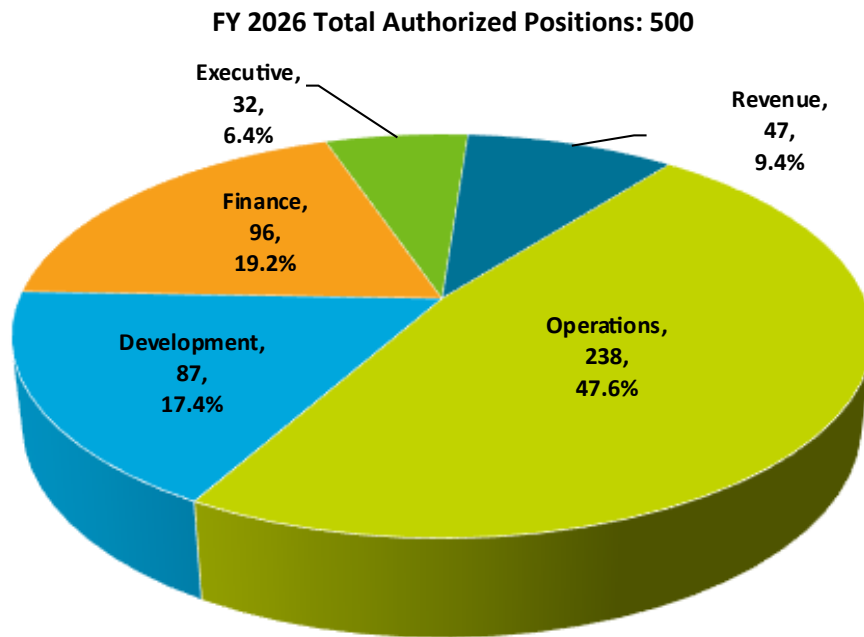


Figure 18 – FY 2026 Personnel Budget by Division

FY 2027 Personnel Conceptual Budget by Division

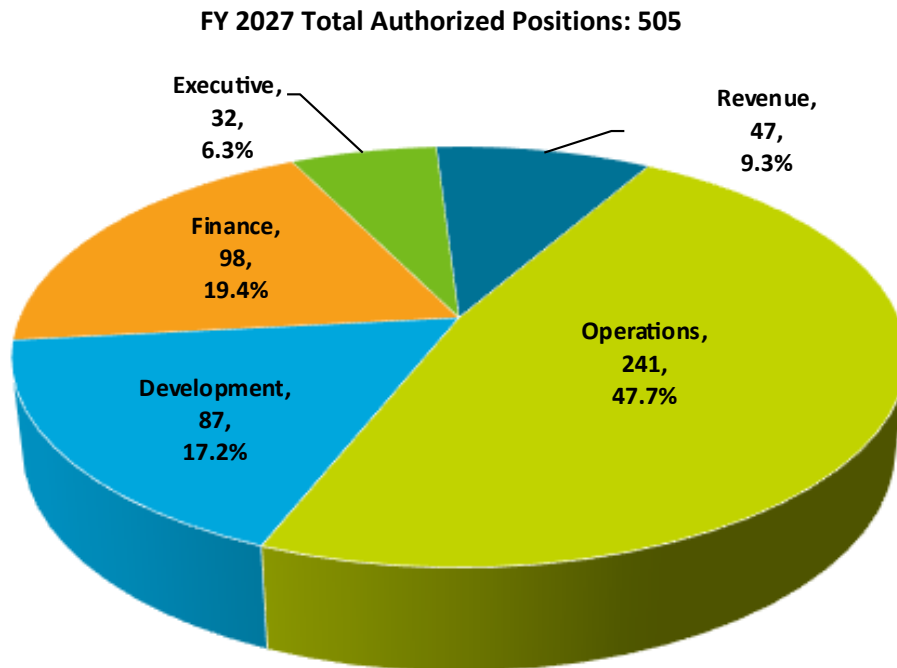


Figure 19 – FY 2027 Personnel Budget by Division

Expense Overview

FY 2026 Budget New Positions

| Division | Department | # | New Positions |
|------------------------------------|-----------------------------------|-----------|--|
| Development | Planning, Noise, & Environmental | 1 | Associate Environmental Specialist |
| Executive | General Counsel | 1 | Associate General Counsel III |
| Finance | Accounting | -1 | Administrative Assistant II |
| Finance | Information & Technology Services | 6 | Help Desk Technician |
| Finance | Information & Technology Services | 2 | I&TS Administrator |
| Finance | Information & Technology Services | 1 | Systems Support Analyst I |
| Finance | Business Intelligence | 1 | Data Scientist |
| Operations | Airside & Terminal Operations | 1 | Airside Operations Duty Manager II |
| Operations | Airside & Terminal Operations | 1 | Senior Terminal Operations Coordinator |
| Operations | Airside & Terminal Operations | 3 | Terminal Operations Coordinator |
| Operations | Aviation Security & Public Safety | 1 | Security Specialist I |
| Operations | Aviation Security & Public Safety | 1 | Security & Public Safety Analyst II |
| Operations | Facilities Management | 1 | Carpenter/Locksmith II |
| Operations | Facilities Management | 1 | Cost Analyst |
| Operations | Facilities Management | 1 | Senior Contracts Specialist |
| Operations | Landside Operations | 3 | Airport Traffic Officer |
| Revenue | Customer Experience | 1 | Customer Experience Coordinator |
| Revenue | Customer Experience | 3 | Lost & Found Attendant |
| Revenue | Customer Experience | 1 | Lost & Found Supervisor |
| Total FY 2026 New Positions | | 29 | |

Figure 20 – FY 2026 Budget New Positions

FY 2027 Budget New Positions

| Division | Department | # | New Positions |
|------------------------------------|-----------------------------------|----------|-------------------------|
| Operations | Aviation Security & Public Safety | 3 | Airport Traffic Officer |
| Finance | Information & Technology Services | 2 | Help Desk Technician |
| Total FY 2027 New Positions | | 5 | |

Figure 21 – FY 2027 Budget New Positions

Executive Division



Executive Division

Overview

The **Executive Division** provides leadership and direction to Authority staff in accomplishing the twelve-member Authority Board's strategies and initiatives. The **Authority Board** consists of nine voting members and three *ex-officio* members and is responsible for setting policies related to airport and Authority operations, airport land-use planning and the future air transportation planning needs of the region.

The nine voting Board members are appointed to staggered three-year terms by the Chair of the San Diego County Board of Supervisors, the Mayor of the City of San Diego and groups of mayors of the other cities in San Diego County. Compensation for each voting Board member is \$200 per day of service, with a maximum of eight days of service per month. The Board chair receives an additional \$500 stipend per month.

The following are descriptions of each group within the Executive Division.

The **Executive Office** is accountable to the Board of Directors to direct and manage the operations, activities and services of the airport and its related economic development activities. The CEO, as the leader of the organization, is responsible for providing strategic vision for the airport, developing key relationships in the industry, designing marketing strategies, and working closely with all stakeholders to enhance customer experience and guide the airport's overall success. Success is measured by the ability to enhance the reputation and financial position of the airport while sustaining safe, secure and efficient operations.

The Executive Office also conducts outreach to promote positive collaborative relationships with its business partners and the community; approves all contracts, deeds, leases and agreements that contractually bind the Authority; and ensures that the region's long-term airport needs are identified and addressed.

The **Office of the General Counsel** provides professional legal advice, strategic counsel and representation to the Authority's Board and the various divisions and departments of the Authority. The Office of the General Counsel represents the Authority in all litigation and legal matters. It assists in the preparation and review of Authority leases, contracts, legal documents, ordinances and resolutions, Authority bonds and other instruments and approves as to legal form all such legal documents and instruments. The Office of the General Counsel advises the Board and management regarding compliance with applicable laws, codes, policies, regulations and requirements.

Further, the Office of the General Counsel selects and manages all outside legal counsel and advises with the objective of limiting liability and exposure to claims and lawsuits. The General Counsel reports directly to the Authority Board.

The **Office of the Chief Auditor** provides professional internal auditing services to promote full accountability, efficiency and effectiveness of services by the Authority to the traveling public and the airlines. The Office of the Chief Auditor reports to the Audit Committee of the Board. It performs audits in accordance with current professional standards and provides recommendations to enhance the Authority's internal controls. As authorized by the Board, the Office of the Chief Auditor administers the Authority Ethics Program and confidential Hotline Reporting System.

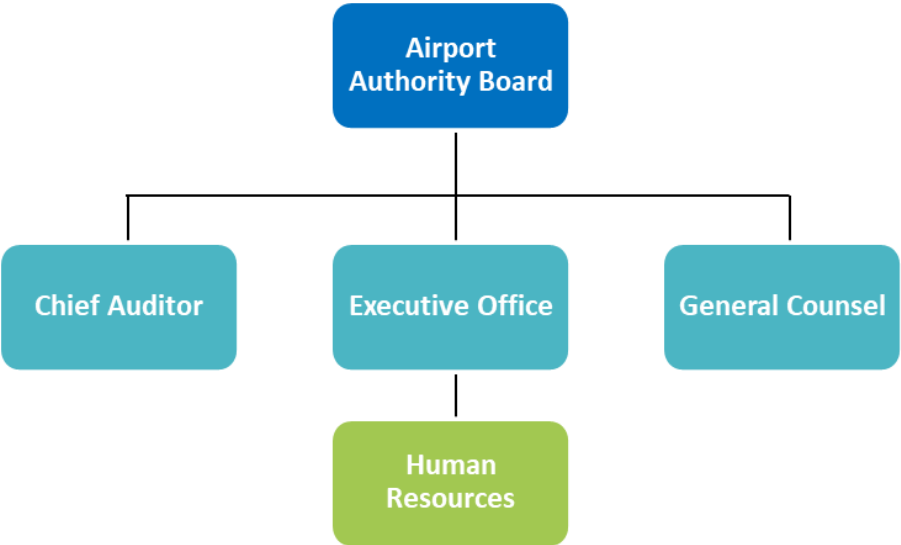
The Office of the Chief Auditor also assists management in maintaining the financial and operational integrity of the Authority, and analyzes and assesses the Authority's financial data, operations and programs for compliance with applicable laws, policies, procedures and mandates.

Executive Division

The **Human Resources (HR)** department delivers strategic talent and workforce planning that supports effective business decisions, strengthens organizational capabilities, and nurtures a workplace where everyone feels valued and connected. The department oversees talent acquisition, performance management, learning and development, compensation and benefits, employee and labor relations, HR technology and data, safety, and organizational development. Through these integrated services, HR fosters employee engagement and development, and a culture of belonging.

Executive Division

FY 2026 – FY 2027 Organizational Structure



Division Personnel Summary

| | FY 2025 Budget | FY 2026 Budget Transfers | FY 2026 Budget New/ (Eliminated) | FY 2026 Budget | FY 2027 Budget New/ (Eliminated) | FY 2027 Conceptual Budget |
|------------------------------|-------------------|--------------------------------|--|----------------|--|---------------------------------|
| Executive Division | | | | | | |
| Chief Auditor | 7 | - | - | 7 | - | 7 |
| Executive Office | 2 | - | - | 2 | - | 2 |
| General Counsel | 6 | - | 1 | 7 | - | 7 |
| Human Resources ¹ | 17 | (1) | - | 16 | - | 16 |
| Subtotal | 32 | (1) | 1 | 32 | - | 32 |

¹ 1 position transferred to Authority Clerk

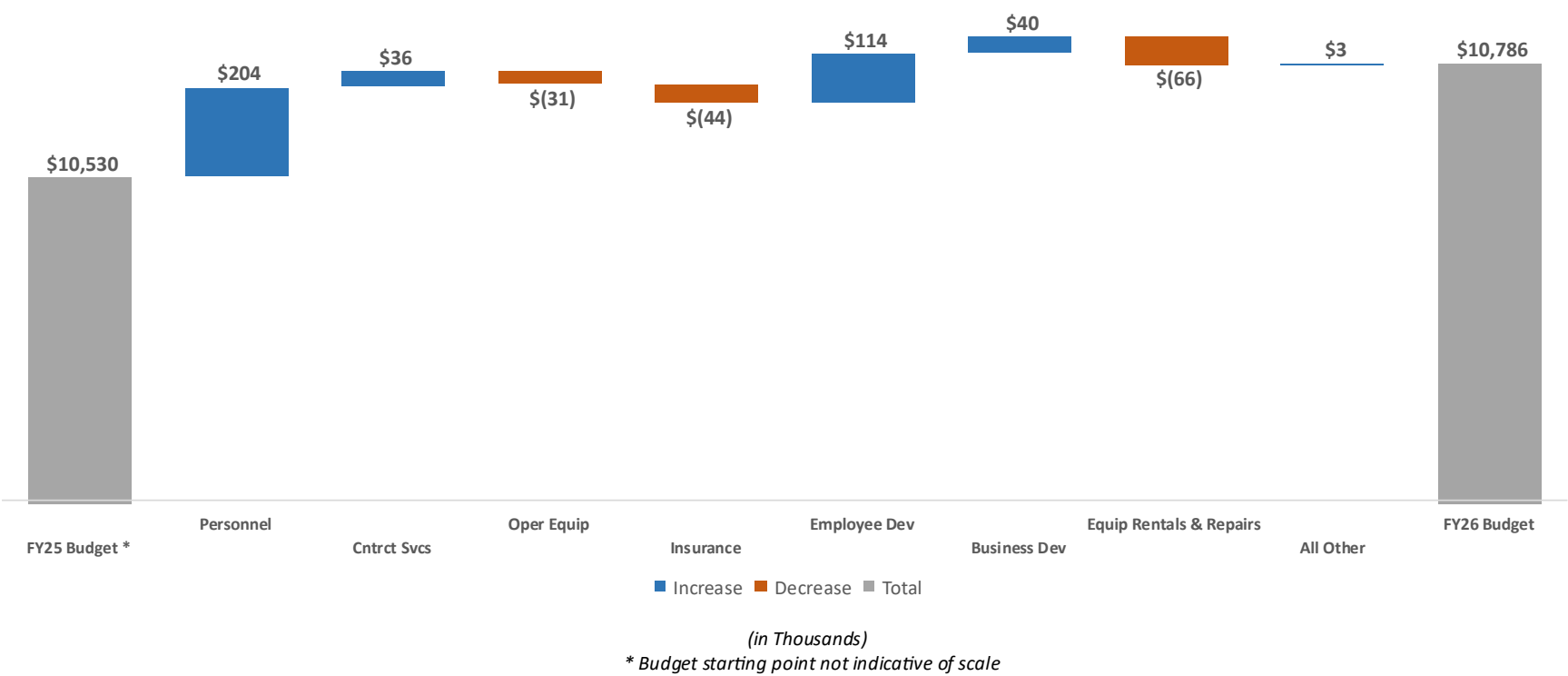
Executive Division

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| | (In Thousands) | | | | | | | |
|---|-------------------|------------------|------------------------------|--|-------------|--------------------------------|--|--------------|
| | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
| Operating Expenses | | | | | | | | |
| Salaries | 4,361 | 5,222 | 5,335 | 113 | 2.2% | 5,537 | 203 | 3.8% |
| Benefits | 1,990 | 2,030 | 2,121 | 91 | 4.5% | 2,239 | 117 | 5.5% |
| Subtotal | 6,351 | 7,252 | 7,456 | 204 | 2.8% | 7,776 | 320 | 4.3% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 6,351 | 7,252 | 7,456 | 204 | 2.8% | 7,776 | 320 | 4.3% |
| Contractual Services | 1,030 | 2,071 | 2,107 | 36 | 1.7% | 2,125 | 18 | 0.9% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | 0 | - | (0) | -100.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 41 | 35 | 4 | (31) | -88.9% | 8 | 4 | 97.4% |
| Operating Supplies | 14 | 13 | 17 | 3 | 25.0% | 17 | - | 0.0% |
| Insurance | 15 | 45 | 1 | (44) | -96.9% | 1 | - | 0.0% |
| Employee Development | 196 | 325 | 439 | 114 | 35.1% | 329 | (110) | -25.1% |
| Business Development | 271 | 350 | 390 | 40 | 11.4% | 381 | (9) | -2.3% |
| Equipment Rentals and Repairs | 351 | 438 | 373 | (66) | -15.0% | 375 | 3 | 0.7% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 1,918 | 3,278 | 3,330 | 52 | 1.6% | 3,236 | (95) | -2.8% |
| Total Operating Expenses | 8,270 | 10,530 | 10,786 | 256 | 2.4% | 11,012 | 225 | 2.1% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | 10 | 250 | 250 | - | 0.0% | 250 | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | 10 | 250 | 250 | - | 0.0% | 250 | - | 0.0% |
| Total Expenses | 8,280 | 10,780 | 11,036 | 256 | 2.4% | 11,262 | 225 | 2.0% |
| Equipment Outlay Expenditures | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | 8,280 | 10,780 | 11,036 | 256 | 2.4% | 11,262 | 225 | 2.0% |

Executive Division

Major Drivers of FY 2025 Budget & FY 2026 Budget



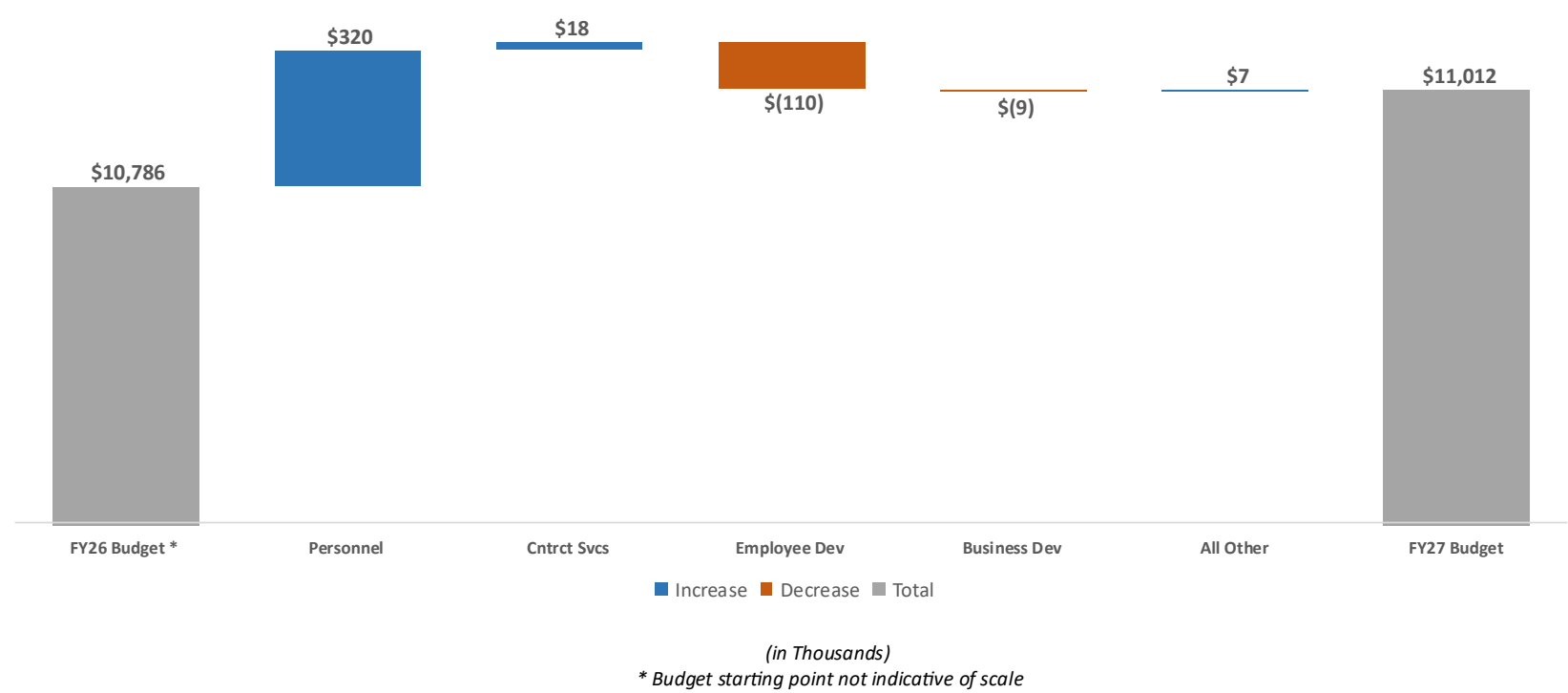
Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 1 position transfer out and 1 new position.

Employee Development: \$114K increase in recruiting

Equipment Rentals & Repairs: (\$66K) decrease in software due to completion of RFP in FY25

Executive Division

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Employee Development: (\$110K) decrease in recruiting

Executive Division

FY 2026 Expense Budget by Department

(in thousands)

| Departments | FY 2026 Budget |
|---------------------------|------------------------|
| Human Resources | \$4,056 |
| General Counsel | 4,066 |
| Chief Auditor | 1,529 |
| Executive Office | 1,386 |
| Total ¹ | <u>\$11,036</u> |

¹ Total may differ due to rounding

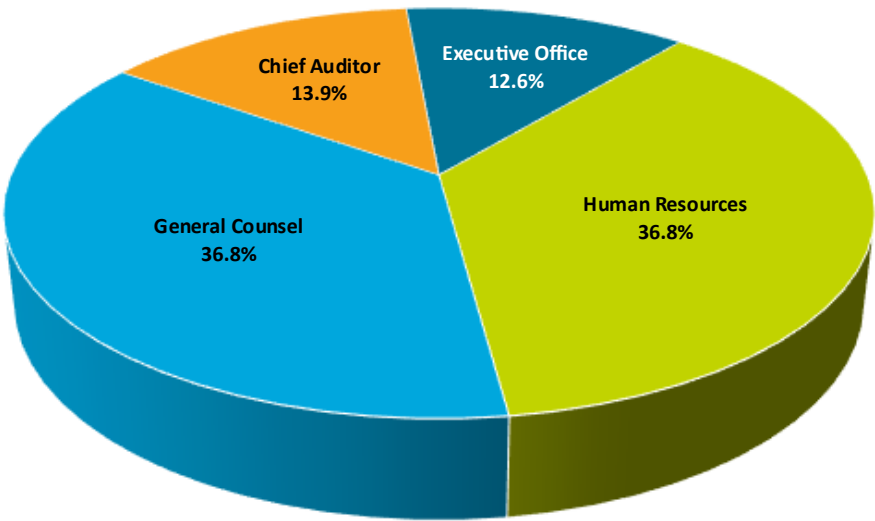


Figure 22 – FY 2026 Expense Budget by Department

Executive Division

FY 2027 Expense Conceptual Budget by Department

(in thousands)

| Departments | FY 2027 Conceptual Budget |
|---------------------------|---------------------------|
| Human Resources | \$4,090 |
| General Counsel | 4,156 |
| Chief Auditor | 1,600 |
| Executive Office | 1,414 |
| Total ¹ | \$11,262 |

¹ Total may differ due to rounding

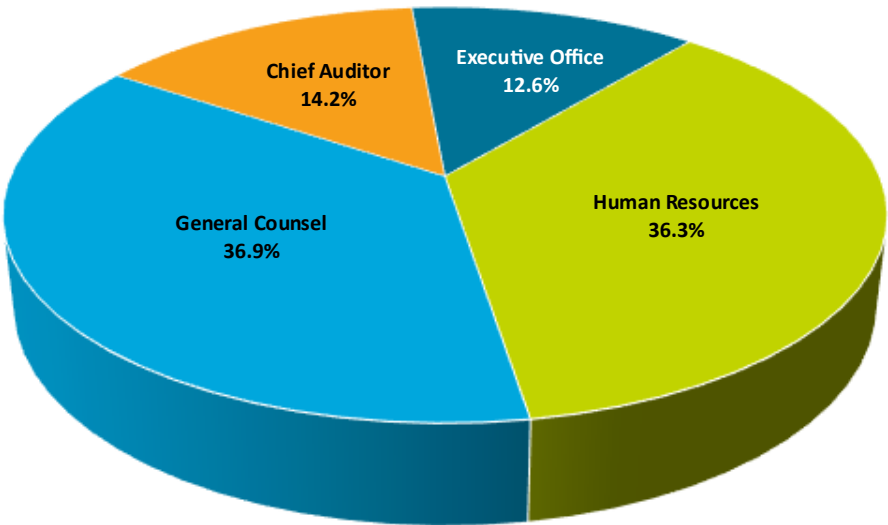


Figure 23 – FY 2027 Expense Conceptual Budget by Department

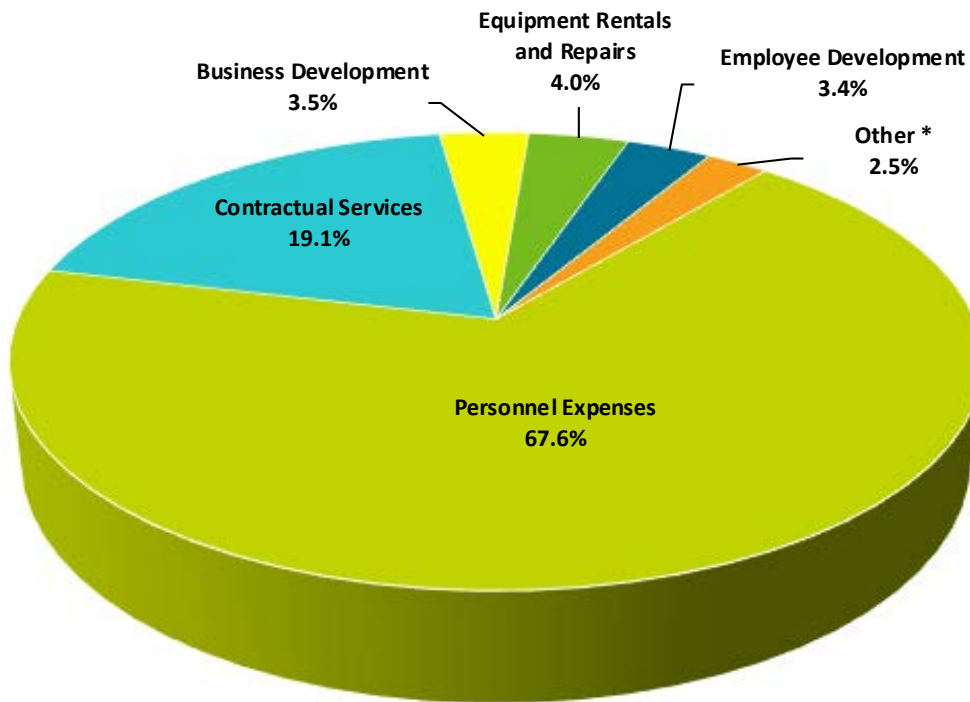
Executive Division

FY 2026 Expense Budget by Category

(in thousands)

| Category | FY 2026 Budget |
|-------------------------------|------------------------|
| Personnel Expenses | \$7,456 |
| Contractual Services | 2,107 |
| Business Development | 390 |
| Equipment Rentals and Repairs | 439 |
| Employee Development | 373 |
| Other * | 272 |
| Total ¹ | <u>\$11,036</u> |

¹Total may differ due to rounding



*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 24 – FY 2026 Expense Budget by Department

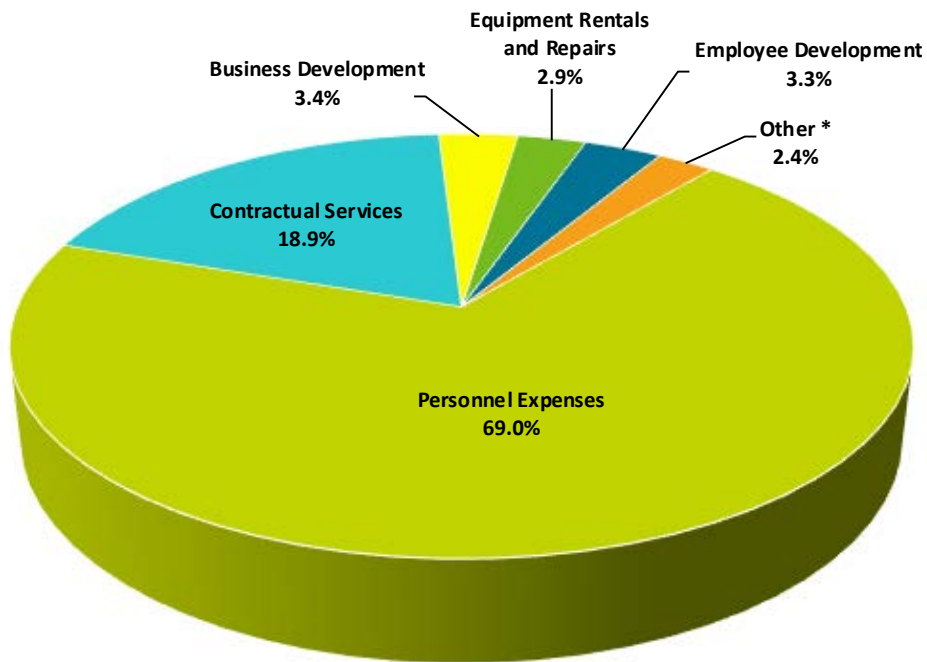
Executive Division

FY 2027 Expense Conceptual Budget by Category

(in thousands)

| Category | FY 2027 Conceptual Budget |
|-------------------------------|------------------------------|
| Personnel Expenses | \$7,776 |
| Contractual Services | 2,125 |
| Business Development | 381 |
| Equipment Rentals and Repairs | 329 |
| Employee Development | 375 |
| Other * | 276 |
| Total ¹ | <u>\$11,262</u> |

¹Total may differ due to rounding

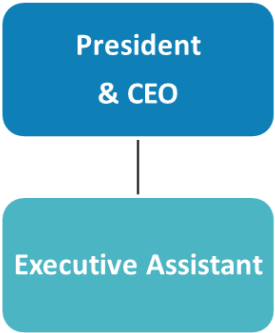


*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 25 – FY 2027 Expense Conceptual Budget by Department

Executive Division – Executive Office

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

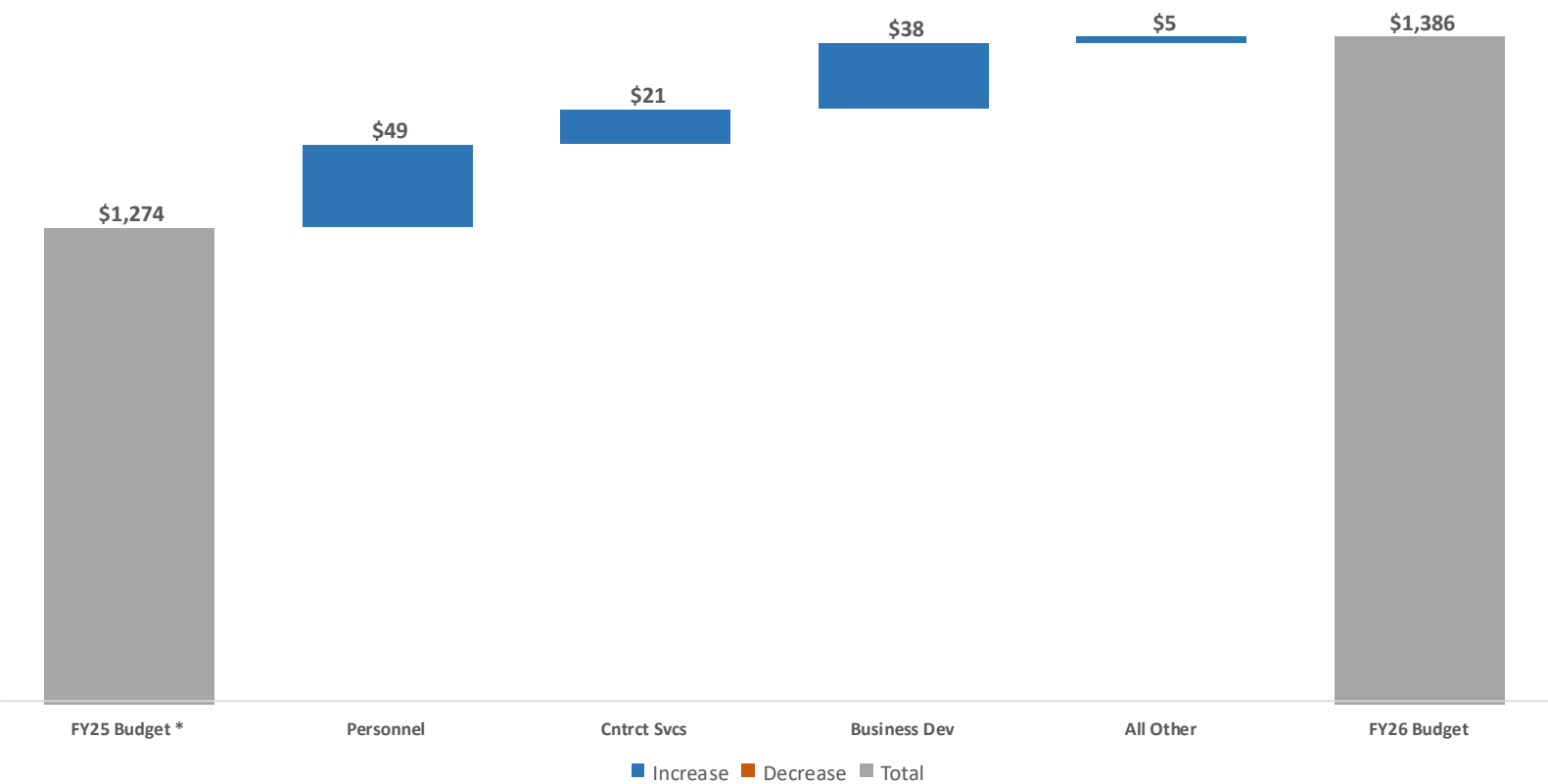
Executive Division – Executive Office

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|--------------|--------------|-----------------|----------------------------|--------------|-------------------|----------------------------------|--------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 653 | 719 | 749 | 30 | 4.2% | 779 | 30 | 4.0% |
| Benefits | 285 | 228 | 247 | 18 | 7.9% | 254 | 8 | 3.1% |
| Subtotal | 938 | 947 | 996 | 49 | 5.1% | 1,033 | 38 | 3.8% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 938 | 947 | 996 | 49 | 5.1% | 1,033 | 38 | 3.8% |
| Contractual Services | 12 | 43 | 64 | 21 | 47.7% | 66 | 2 | 3.9% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Supplies | 3 | 1 | 1 | 0 | 30.0% | 1 | - | 0.0% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 33 | 34 | 39 | 5 | 13.4% | 37 | (2) | -5.2% |
| Business Development | 187 | 249 | 286 | 38 | 15.3% | 277 | (10) | -3.3% |
| Equipment Rentals and Repairs | - | 0 | 0 | - | 0.0% | 0 | - | 0.0% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 235 | 327 | 390 | 63 | 19.4% | 381 | (9) | -2.3% |
| Total Operating Expenses | 1,173 | 1,274 | 1,386 | 112 | 8.8% | 1,414 | 29 | 2.1% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 1,173 | 1,274 | 1,386 | 112 | 8.8% | 1,414 | 29 | 2.1% |
| Equipment Outlay Expenditures | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | 1,173 | 1,274 | 1,386 | 112 | 8.8% | 1,414 | 29 | 2.1% |

Executive Division – Executive Office

Major Drivers of FY 2025 Budget & FY 2026 Budget



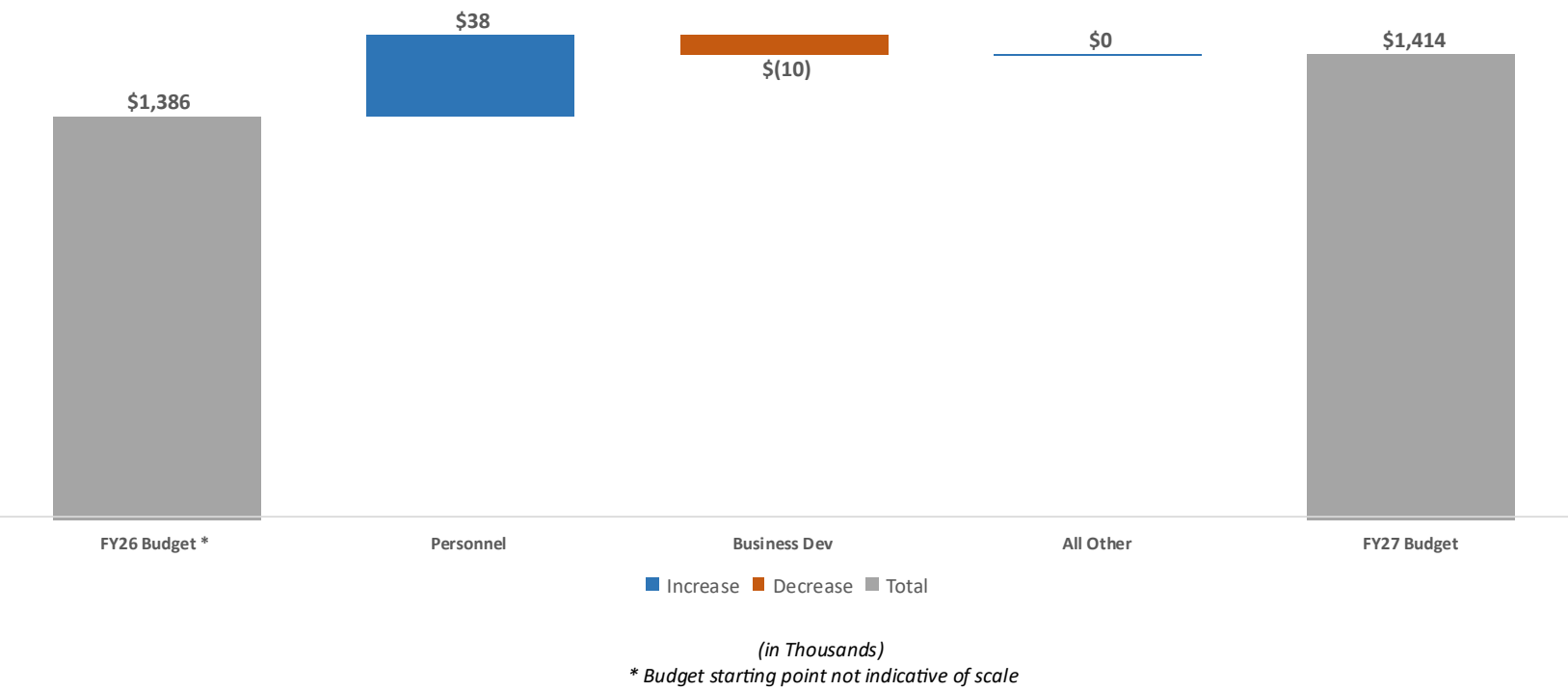
(in Thousands)

* Budget starting point not indicative of scale

Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff
Contractual Services: \$21K increase in facilitators for additional leadership retreat
Business Development: \$38K increase in venue fees for additional leadership retreat

Executive Division – Executive Office

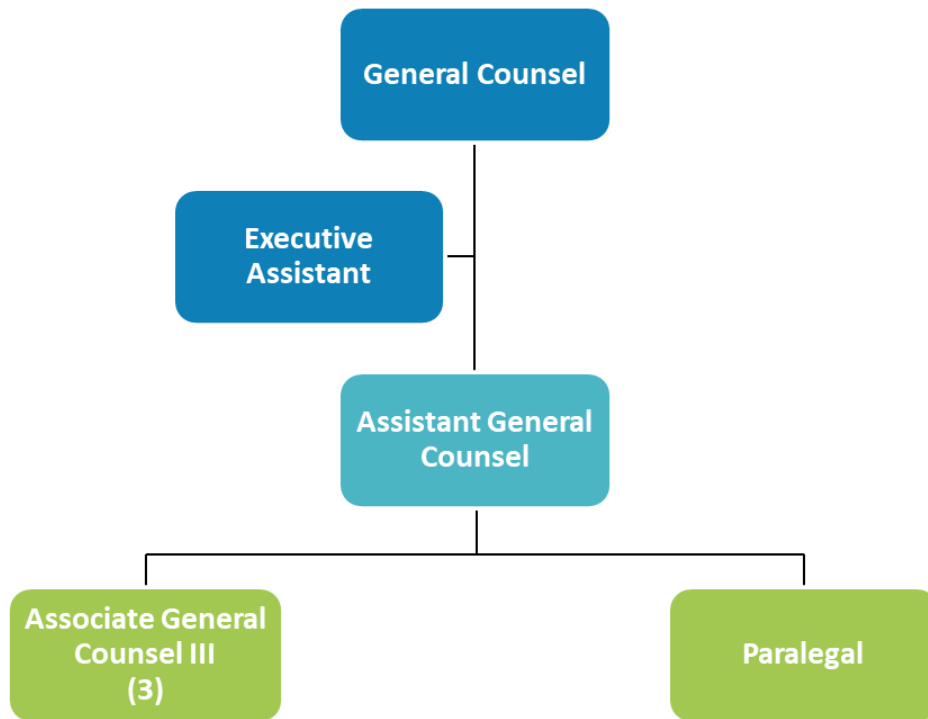
Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

Executive Division – General Counsel

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

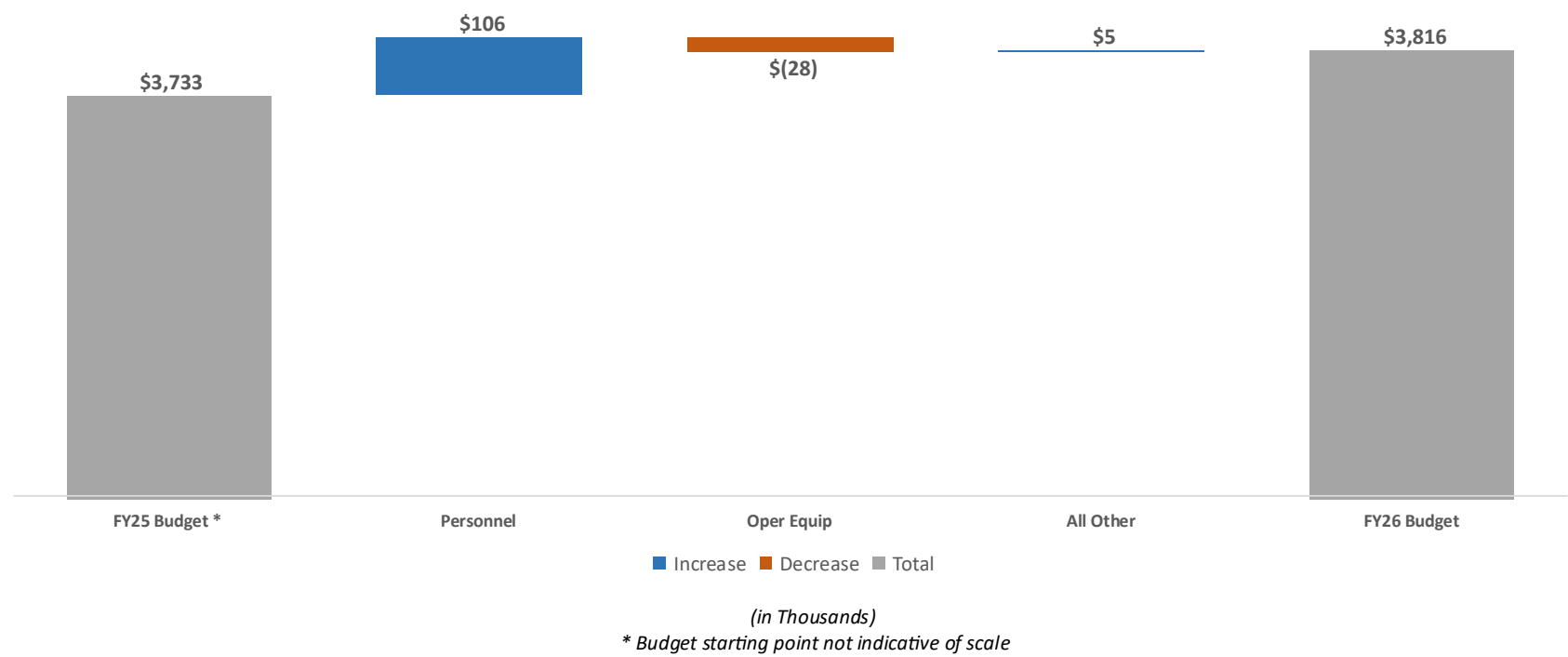
Executive Division – General Counsel

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|--------------|--------------|-----------------|----------------------------|--------------|-------------------|----------------------------------|-------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 1,259 | 1,563 | 1,629 | 66 | 4.2% | 1,693 | 63 | 3.9% |
| Benefits | 561 | 571 | 611 | 40 | 7.0% | 637 | 26 | 4.3% |
| Subtotal | 1,820 | 2,134 | 2,240 | 106 | 5.0% | 2,329 | 89 | 4.0% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 1,820 | 2,134 | 2,240 | 106 | 5.0% | 2,329 | 89 | 4.0% |
| Contractual Services | 609 | 1,500 | 1,500 | - | 0.0% | 1,500 | - | 0.0% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 31 | 28 | - | (28) | -100.0% | - | - | 0.0% |
| Operating Supplies | 0 | 1 | 1 | - | 0.0% | 1 | - | 0.0% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 51 | 61 | 65 | 4 | 6.5% | 67 | 1 | 2.3% |
| Business Development | 17 | 9 | 10 | 1 | 8.2% | 10 | 0 | 1.9% |
| Equipment Rentals and Repairs | 0 | - | - | - | 0.0% | - | - | 0.0% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 709 | 1,599 | 1,576 | (23) | -1.5% | 1,577 | 2 | 0.1% |
| Total Operating Expenses | 2,530 | 3,733 | 3,816 | 82 | 2.2% | 3,906 | 91 | 2.4% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | 10 | 250 | 250 | - | 0.0% | 250 | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | 10 | 250 | 250 | - | 0.0% | 250 | - | 0.0% |
| Total Expenses | 2,540 | 3,983 | 4,066 | 82 | 2.1% | 4,156 | 91 | 2.2% |
| Equipment Outlay Expenditures | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | 2,540 | 3,983 | 4,066 | 82 | 2.1% | 4,156 | 91 | 2.2% |

Executive Division – General Counsel

Major Drivers of FY 2025 Budget & FY 2026 Budget

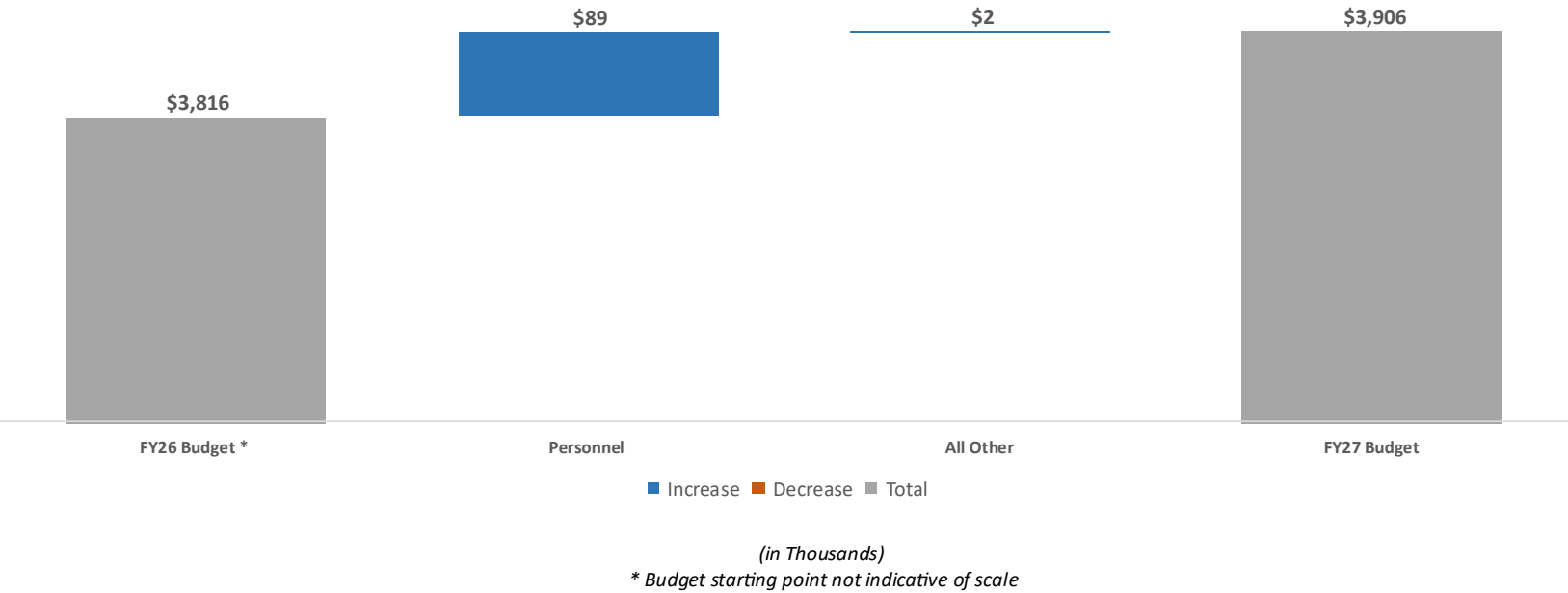


Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff. 1 new position.

Operating Equipment & Systems: (\$28K) decrease in software due to migration of software

Executive Division – General Counsel

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

Executive Division – General Counsel

FOCUS AREAS



Advance Airport Development






Optimize Ongoing Business






Transform the Customer Experience



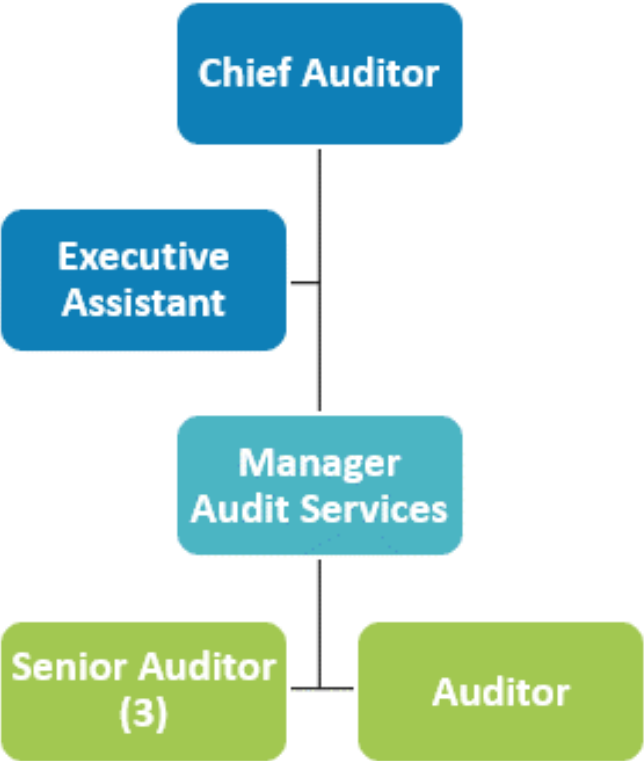
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|--|--------|--------|
| Provide effective and timely strategic advice and counsel to the Board and staff regarding existing and proposed contracts, leases, licenses, permits, entitlements to enable a successful New T1 project. |  | 100% | Met |
| Ensure all Authority activities comply with applicable federal, state and local laws and regulations to enable and protect funding. |  | 100% | Met |
| Participate locally and nationally in aviation industry groups to encourage and promote diversity in the aviation industry. |  | 100% | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|---|--------|--|
| Monitor changes in federal regulations and maintain compliance with federal grant assurances. |  | 100% | Manage ongoing business effectively through change |
| Provide effective and timely strategic advice and counsel to the Board and staff regarding existing and proposed contracts, leases, licenses, permits, entitlements. |  | 100% | Manage ongoing business effectively through change |
| Resolution of the defective pipe litigation. |  | 100% | Manage ongoing business effectively through change |

Executive Division – Chief Auditor

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

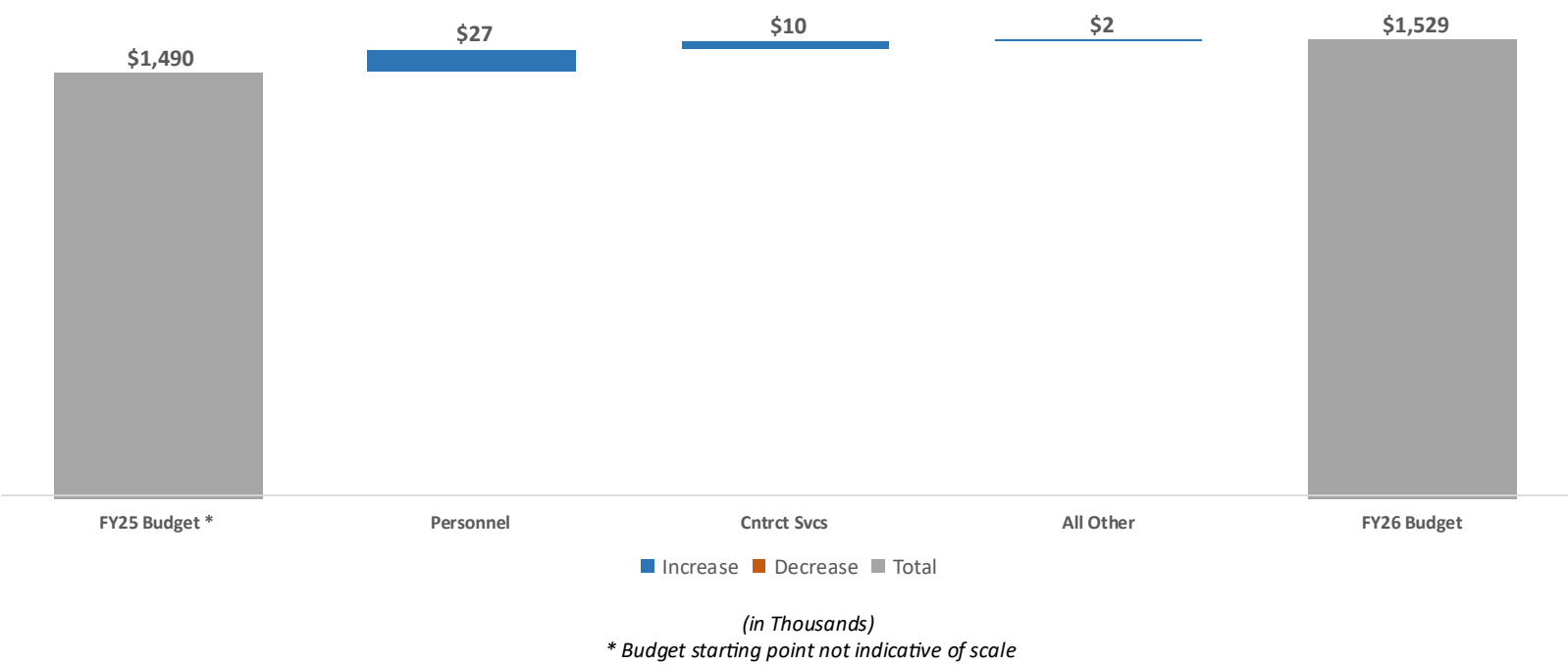
Executive Division – Chief Auditor

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| <i>(In Thousands)</i> | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|-------------|
| Operating Expenses | | | | | | | | |
| Salaries | 918 | 1,001 | 998 | (3) | -0.3% | 1,038 | 40 | 4.0% |
| Benefits | 383 | 411 | 442 | 30 | 7.3% | 471 | 29 | 6.6% |
| Subtotal | 1,302 | 1,413 | 1,440 | 27 | 1.9% | 1,509 | 69 | 4.8% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 1,302 | 1,413 | 1,440 | 27 | 1.9% | 1,509 | 69 | 4.8% |
| Contractual Services | 4 | 25 | 35 | 10 | 40.0% | 36 | 0 | 1.4% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | 0 | - | (0) | -100.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Supplies | 0 | 0 | 0 | - | 0.0% | 0 | - | 0.0% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 16 | 30 | 30 | 1 | 1.9% | 31 | 1 | 1.9% |
| Business Development | 5 | 5 | 6 | 0 | 5.5% | 6 | 0 | 4.4% |
| Equipment Rentals and Repairs | 27 | 17 | 18 | 1 | 6.9% | 19 | 1 | 7.0% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 52 | 77 | 89 | 12 | 15.4% | 91 | 3 | 2.9% |
| Total Operating Expenses | 1,354 | 1,490 | 1,529 | 39 | 2.6% | 1,600 | 72 | 4.7% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 1,354 | 1,490 | 1,529 | 39 | 2.6% | 1,600 | 72 | 4.7% |
| Equipment Outlay Expenditures | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | 1,354 | 1,490 | 1,529 | 39 | 2.6% | 1,600 | 72 | 4.7% |

Executive Division – Chief Auditor

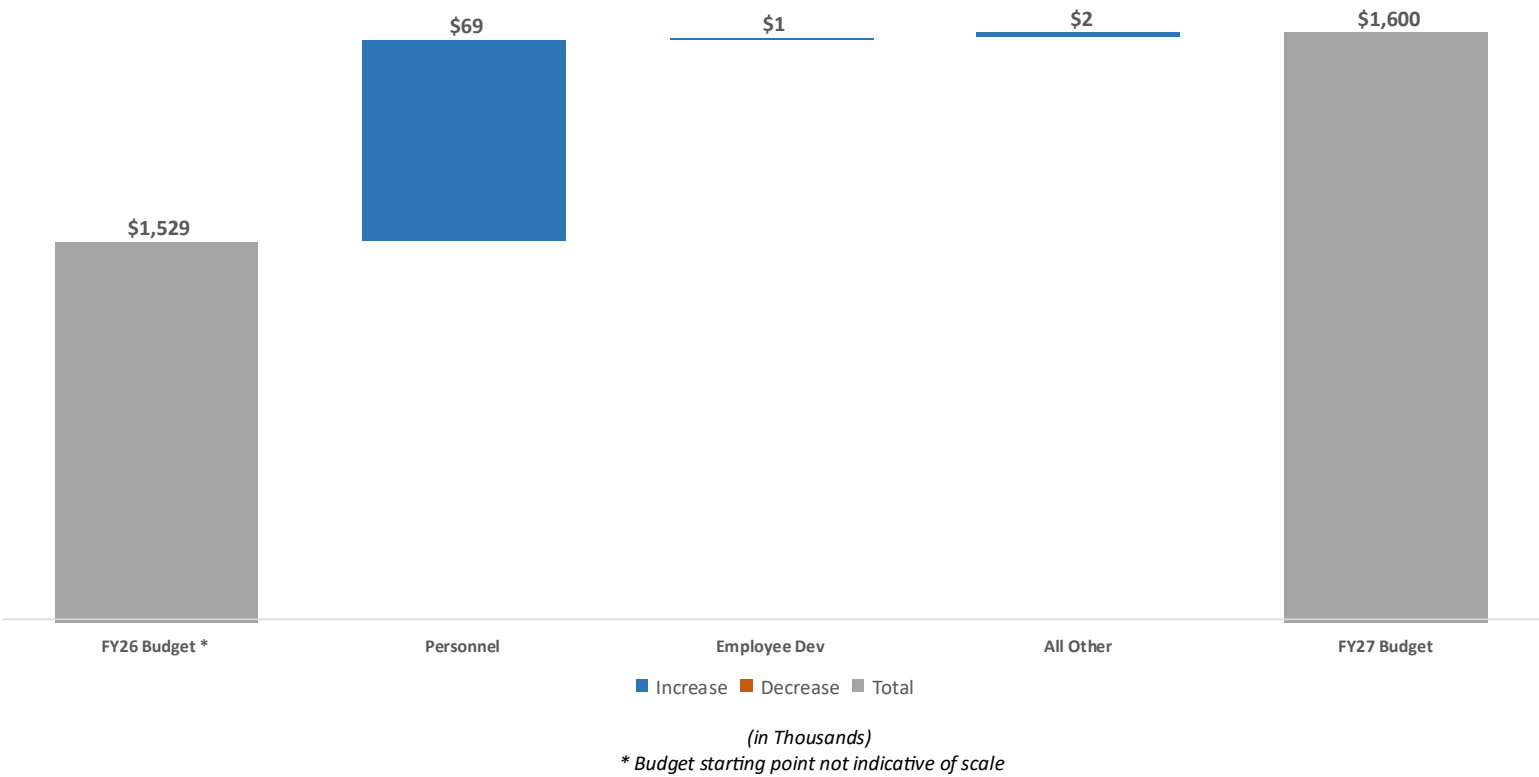
Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

Executive Division – Chief Auditor

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

Executive Division – Chief Auditor

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience





Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|--|---|
| Conduct audits and consulting engagements that focus on the key risk areas of the Authority. | | <i>Completion of Risk Assessment and Board Approved Audit Plan</i> | Met The Board approved the Audit Plan before the beginning of the fiscal year. |
| Achieve a department utilization rate greater than 76% for audit staff, excluding Paid Time Off. | | 76% | Met As of June 30, 2025, the department had a utilization rate of 77%. |
| Provide audit recommendations that improve Authority operations or reduce risk, with 95% of audit recommendations agreed to by management. | | 95% | Met As of June 30, 2025, management has agreed to 100% of the recommendations. |
| Perform audit work in efficient manner. Complete 70% of all audit and consulting engagements within budgeted time, as established in the annual Audit Plan approved by the Board. | | 73% | Met As of June 30, 2025, 75% of audit and consulting engagements were completed within budget. |
| Conduct engagements in a manner that meets the expectations of the customer. Achieve an internal customer satisfaction rating of 4.0 on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied. | | 4.0 | Met As of June 30, 2025, the department achieved an internal customer satisfaction rating of 4.8. |
| Provide training for audit staff to ensure adequate and effective audit and consulting engagements. | | <i>100% of Continuing Education Requirements</i> | Met 100% of staff met calendar year Continuing Professional Education requirements. |

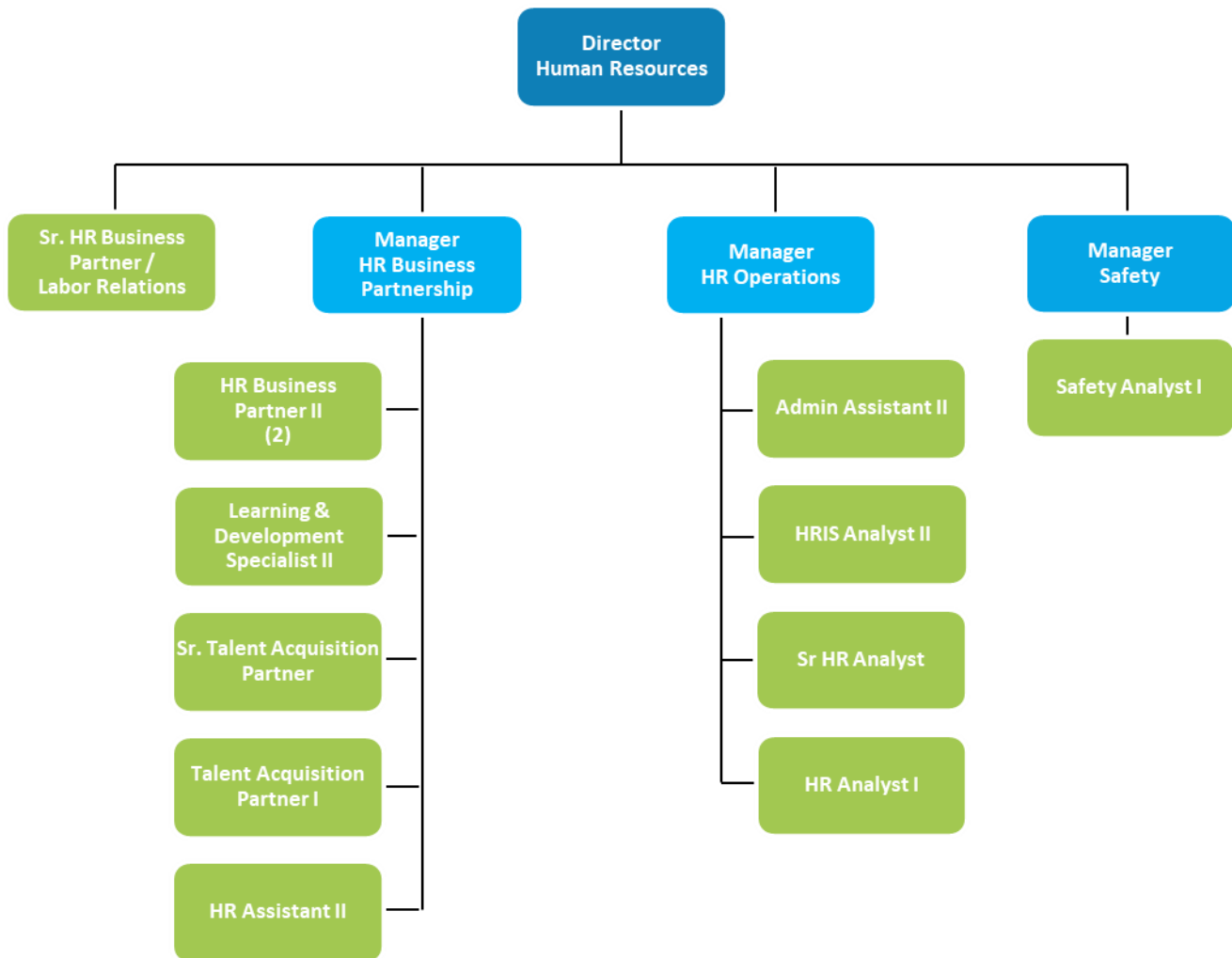
| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|--|--|
| Conduct audits and advisory engagements that focus on the key risk areas of the Authority. | | <i>Completion of Risk Assessment and Board</i> | Manage ongoing business effectively through change |

Executive Division – Chief Auditor

| | | | |
|---|---|--------------------------------|---|
| | | <i>Approved Audit Plan</i> | |
| Provide audit recommendations that improve Authority operations or reduce risk, with 95% of audit recommendations agreed to by management. |  | 95% | Manage ongoing business effectively through change |
| Conduct engagements in a manner that meets the expectations of the customer. Achieve an internal customer satisfaction rating of 4.0 on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied. |  | 4.0 | Invest/participate in innovation that improves efficiency or enhances revenue |

Executive Division – Human Resources

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

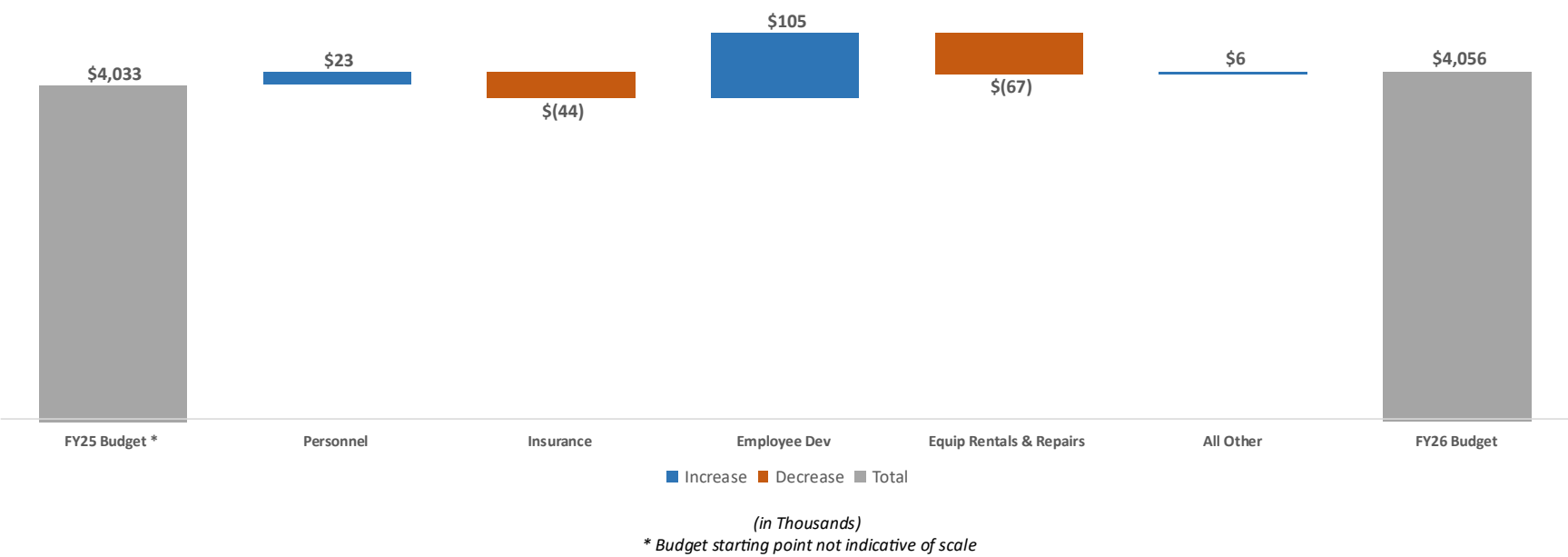
Executive Division – Human Resources

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|--------------|--------------|-----------------|----------------------------|-------------|-------------------|----------------------------------|--------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 1,530 | 1,938 | 1,958 | 20 | 1.0% | 2,027 | 70 | 3.6% |
| Benefits | 761 | 819 | 823 | 3 | 0.4% | 877 | 54 | 6.6% |
| Subtotal | 2,291 | 2,758 | 2,781 | 23 | 0.8% | 2,904 | 124 | 4.4% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 2,291 | 2,758 | 2,781 | 23 | 0.8% | 2,904 | 124 | 4.4% |
| Contractual Services | 405 | 503 | 508 | 5 | 1.0% | 523 | 15 | 3.0% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 10 | 7 | 4 | (3) | -45.1% | 8 | 4 | 97.4% |
| Operating Supplies | 10 | 12 | 15 | 3 | 26.1% | 15 | - | 0.0% |
| Insurance | 15 | 45 | 1 | (44) | -96.9% | 1 | - | 0.0% |
| Employee Development | 95 | 200 | 304 | 105 | 52.5% | 194 | (110) | -36.1% |
| Business Development | 63 | 87 | 88 | 1 | 1.2% | 88 | - | 0.0% |
| Equipment Rentals and Repairs | 324 | 422 | 355 | (67) | -15.8% | 356 | 2 | 0.4% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 922 | 1,276 | 1,276 | 0 | 0.0% | 1,186 | (90) | -7.0% |
| Total Operating Expenses | 3,213 | 4,033 | 4,056 | 23 | 0.6% | 4,090 | 34 | 0.8% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 3,213 | 4,033 | 4,056 | 23 | 0.6% | 4,090 | 34 | 0.8% |
| Equipment Outlay Expenditures | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | 3,213 | 4,033 | 4,056 | 23 | 0.6% | 4,090 | 34 | 0.8% |

Executive Division – Human Resources

Major Drivers of FY 2025 Budget & FY 2026 Budget



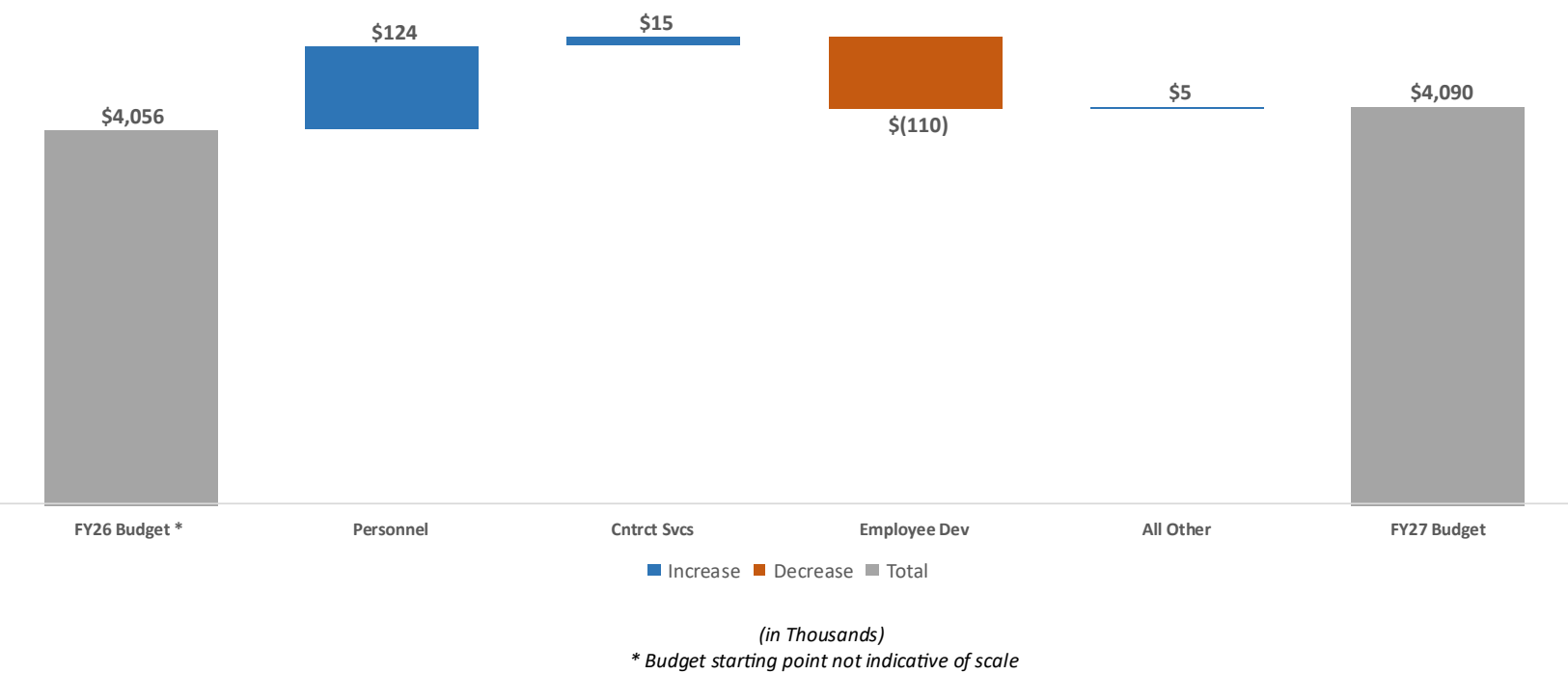
Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 1 position transfer out to Authority Clerk.

Employee Development: \$105K increase in recruiting

Equipment Rentals & Repairs: (\$67K) decrease in software due to completion of RFP in FY25

Executive Division – Human Resources

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Employee Development: (\$110K) decrease in recruiting

Executive Division – Human Resources

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|--------|--------------------|
| Collaborate with departments to develop staffing strategies for the New Terminal 1, encompassing various staffing categories (limited duration, Veteran Fellowships, Interns, Contractors, and Temporary staff) to uphold our reputation as a high-performing and effective organization that fulfills all operational requirements. | | 100% | Met |
| Establish and execute a structured succession strategy to recognize and prepare for crucial staffing gaps within the upcoming one to five years. This plan will leverage initiatives such as job shadowing, mentorship, skill enhancement, cross-training, School to SAN, Internship, and Veteran Fellowship programs. | | 100% | In Progress 90% |
| Implement leadership and career development initiatives utilizing internal and external resources, including Servant Leadership, subject matter experts, Airport Council International, SAN University, and other relevant avenues. | | 100% | In Progress 90% |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|--------|---|
| Apply for the Airport Council International (ACI) Airport Workforce Development Accreditation, following the established roadmap to strengthen the talent pipeline and engage the workforce of the future. | | 100% | Manage ongoing business effectively through change |
| Launch a revised employee engagement survey to highlight strengths for continued enhancement and identify opportunities for growth, fostering a workplace that promotes belonging and engagement. | | 100% | Develop compensation and benefits programs for a multi-generational workforce that recognize individual strategic contributions |
| Enhance the learning and development curriculum by incorporating executive coaching, live training sessions, and web-based learning to support both individual contributors and leadership roles. Leverage the Authority's new Learning & Development contracts to deliver best-in-class programs that align with organizational needs | | 100% | Develop leaders to be better coaches who enable independent decision making |

Development Division



Development Division

Overview

The **Development Division** is responsible for long-term airport facility and infrastructure planning, infrastructure design and construction, facilities compliance with current Federal, State, and local codes and regulations, compliance with legislative mandates for environmental and land-use matters, small business development, government relations and external relationships at a local, state, and federal level. The legislative compliance includes local, state, and federal environmental laws, as well as providing support for the Authority Board in reviewing land-use decisions in the areas surrounding the region's 16 airports. The division frequently coordinates with local, state, and federal regulatory agencies, regional transportation partners and the construction industry to accomplish the Authority's goals.

The **Airport Design & Construction (ADC)** department implements the Authority's Capital Improvement Program (CIP), including the design and construction of the New T1 Program and other terminal, airside, and landside improvements. In addition, the department delivers Major Maintenance Program (MMP) projects; provides technical and professional on-call services for CIP, MMP, tenant improvement and broader Authority needs including planning and implementation of the Computer Aided Drafting (CAD), and provides construction inspection, review and oversight of tenant improvement projects to meet the needs of the airlines and concessionaires operating at the airport.

The **Planning, Noise, & Environment (PNE)** department manages airport land-use compatibility, master planning, environmental compliance, sustainability initiatives, and aircraft noise programs for the Airport Authority. The department conducts all near-term and long-range planning, including preparing and maintaining the airport layout plan for San Diego International Airport. The department ensures compliance with a variety of state and federal environmental laws related to development project review, air and water quality, waste reduction, and endangered species management. It also administers all noise-related policies and programs, including the airport's departure curfew and community sound insulation efforts. Departure curfew penalties go towards funding of the sound insulation programs. Finally, the department supports the Airport Land Use Commission in ensuring compatibility between all 16 airports in San Diego County and future land-use projects within their vicinity.

The **Office of the Authority Clerk** provides guidance and ensures compliance with state and local laws and Authority codes and policies pertaining to the administration of public Board and Committee meetings, conflict of interest disclosure, and records and information management. The group is also responsible for maintaining the Authority's Codes and Policies; coordinating communications with the Board of Directors, executive and senior staff; assuring an accountability framework and policies for, and management of, records and information governance; managing compliance with the Brown Act; managing Conflict of Interest filings and other filings required by the Political Reform Act; managing AB 1234 Ethics training as required by FPPC Regulations; and managing the Authority's Lobbyist Program. The group also includes the Records and Information Management team, responsible for establishing and maintaining the Authority's records program and coordinating public records requests.

The **Government Relations & Strategy** department develops and oversees strategy and policy initiatives designed to represent and protect the Authority's interests with local, state, and federal agencies and external stakeholders. The department develops and implements the Authority's legislative program and monitors and analyzes legislative and regulatory actions at the federal, state, and local levels. It also

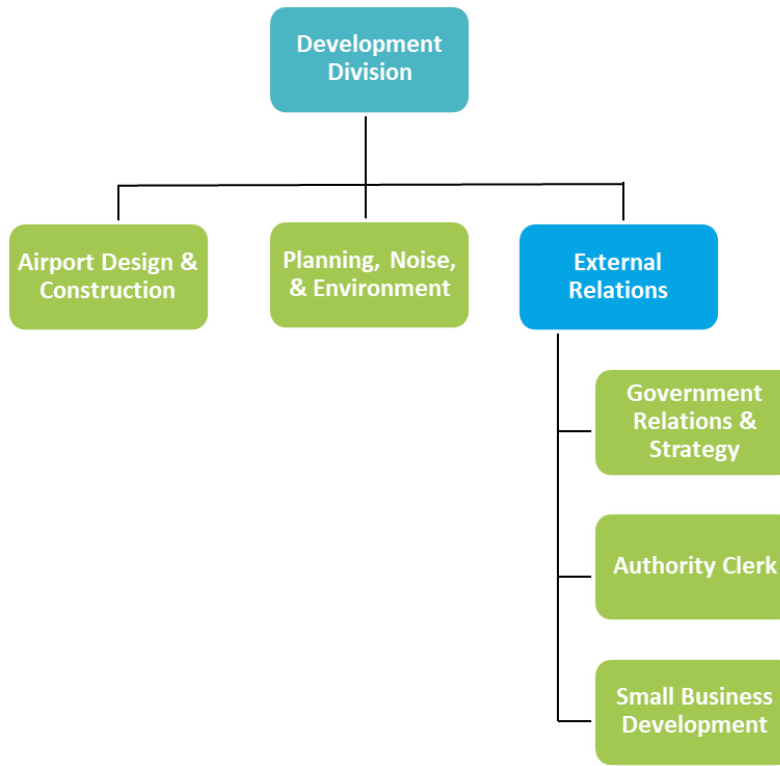
Development Division

manages relationships with representatives and provides advocacy services, in conjunction with contracted advocates in Sacramento and Washington D.C., in support of important Authority initiatives and programs. The department is also responsible for building and sustaining relationships with key external stakeholders, including the business community, labor organizations, industry groups, community planning groups, and others.

The **Small Business Development (SBD)** program was established to ensure that small, local, service-disabled veteran owned, and historically disadvantaged small businesses have every opportunity to compete for business opportunities with the Airport. SBD provides research on resources, trends, products, and service options, as well as conducts business outreach, training, and networking events. Importantly, SBD ensures that the Authority is in compliance with all regulatory requirements for federally funded projects at the Airport through monitoring and reporting.

Development Division

FY 2026 – FY 2027 Organizational Structure



Division Personnel Summary

| | FY 2025 Budget | FY 2026 Budget Transfers | FY 2026 Budget New/ (Eliminated) | FY 2026 Budget | FY 2027 Budget New/ (Eliminated) | FY 2027 Conceptual Budget |
|--|-------------------|--------------------------------|--|-------------------|--|---------------------------------|
| Development Division | | | | | | |
| Authority Clerk ¹ | 6 | 1 | - | 7 | - | 7 |
| Government Relations & Strategy ² | 4 | 3 | - | 7 | - | 7 |
| Airport Design & Construction ³ | 46 | (5) | - | 41 | - | 41 |
| Planning, Noise, & Environment | 28 | 0 | 1 | 29 | 0 | 29 |
| Small Business Development ⁴ | 3 | - | - | 3 | - | 3 |
| Subtotal | 87 | (1) | 1 | 87 | - | 87 |

¹ Department transferred from Executive Division

² 2 positions transferred from Airport Design & Construction and 1 position transferred from Communications

³ 3 positions transferred to Facilities Management and 2 positions transferred to Government Relations & Strategy

⁴ Department transferred from Revenue Division

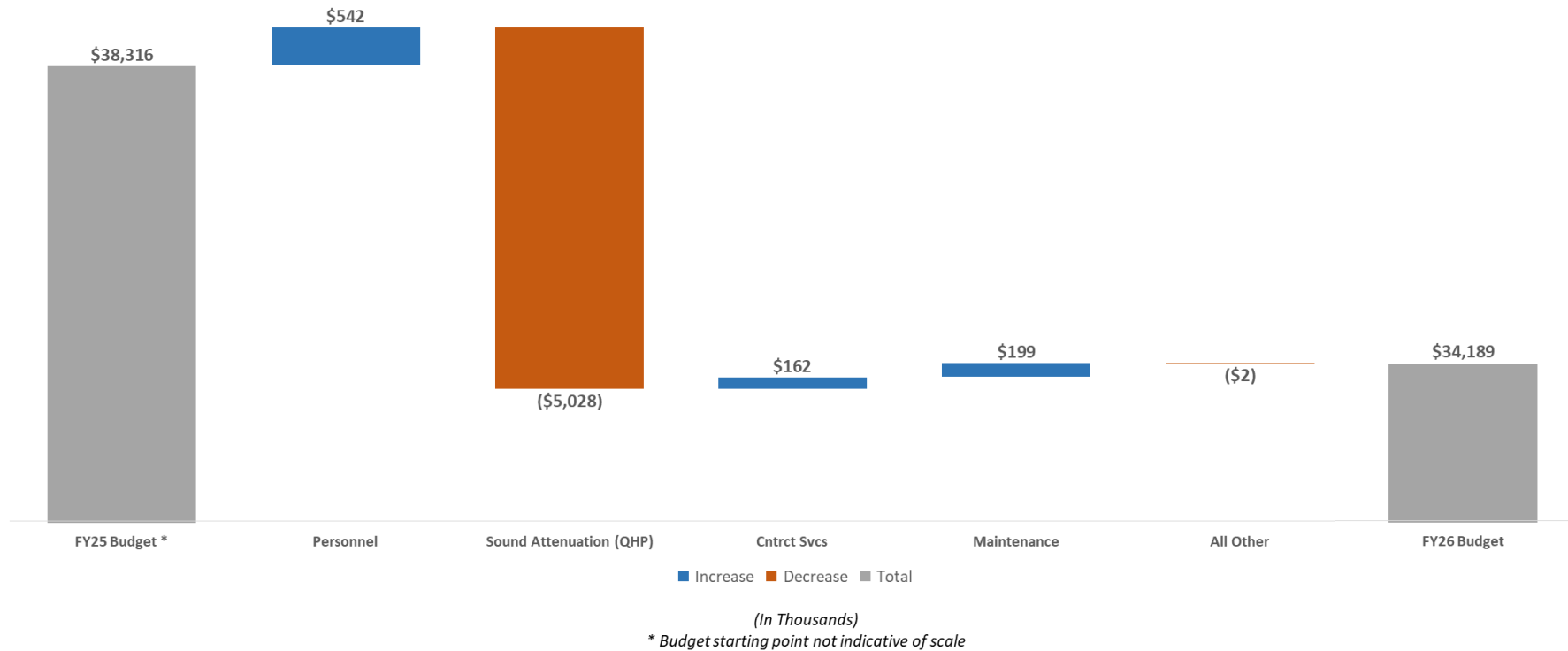
Development Division

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|--|---------------|---------------|-----------------|----------------------------|---------------|-------------------|----------------------------------|---------------|
| | | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | | |
| Salaries | | 7,737 | 9,843 | 10,212 | 369 | 3.7% | 10,619 | 407 | 4.0% |
| Benefits | | 3,733 | 4,136 | 4,473 | 337 | 8.2% | 4,782 | 309 | 6.9% |
| Subtotal | | 11,470 | 13,979 | 14,685 | 706 | 5.1% | 15,401 | 716 | 4.9% |
| Less: Capitalized Labor Recharge | | (4,792) | (6,562) | (6,696) | (134) | 2.0% | (7,025) | (329) | 4.9% |
| Less: QHP Labor Recharge | | (599) | (500) | (530) | (30) | 6.0% | (557) | (27) | 5.1% |
| Total | | 6,080 | 6,917 | 7,459 | 542 | 7.8% | 7,819 | 360 | 4.8% |
| Contractual Services | | 3,705 | 4,132 | 4,294 | 162 | 3.9% | 4,572 | 279 | 6.5% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | 12 | 12 | 12 | - | 0.0% | 13 | 1 | 8.3% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | 1,336 | 1,727 | 1,925 | 199 | 11.5% | 2,005 | 80 | 4.2% |
| Operating Equipment & Systems | | 13 | 11 | 10 | (1) | -7.1% | 16 | 5 | 53.0% |
| Operating Supplies | | 79 | 82 | 85 | 3 | 3.2% | 88 | 3 | 3.4% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 121 | 167 | 196 | 30 | 17.7% | 209 | 13 | 6.5% |
| Business Development | | 407 | 689 | 701 | 12 | 1.8% | 699 | (3) | -0.4% |
| Equipment Rentals and Repairs | | 324 | 374 | 321 | (53) | -14.2% | 341 | 21 | 6.4% |
| Tenant Improvements | | 1,246 | 1,178 | 1,186 | 7 | 0.6% | 1,233 | 47 | 4.0% |
| Total Non-Personnel Costs | | 7,243 | 8,371 | 8,729 | 359 | 4.3% | 9,175 | 446 | 5.1% |
| Total Operating Expenses | | 13,323 | 15,288 | 16,189 | 901 | 5.9% | 16,995 | 806 | 5.0% |
| Joint Studies / Sound Attenuation | | 21,365 | 23,028 | 18,000 | (5,028) | -21.8% | 15,000 | (3,000) | -16.7% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | 21,365 | 23,028 | 18,000 | (5,028) | -21.8% | 15,000 | (3,000) | -16.7% |
| Total Expenses | | 34,688 | 38,316 | 34,189 | (4,127) | -10.8% | 31,995 | (2,194) | -6.4% |
| Equipment Outlay Expenditures | | - | - | 15 | 15 | 0.0% | - | (15) | -100.0% |
| Total Expenses Incl Equip Outlay | | 34,688 | 38,316 | 34,204 | (4,112) | -10.7% | 31,995 | (2,209) | -6.5% |

Development Division

Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 1 new position and net 1 transfer out.

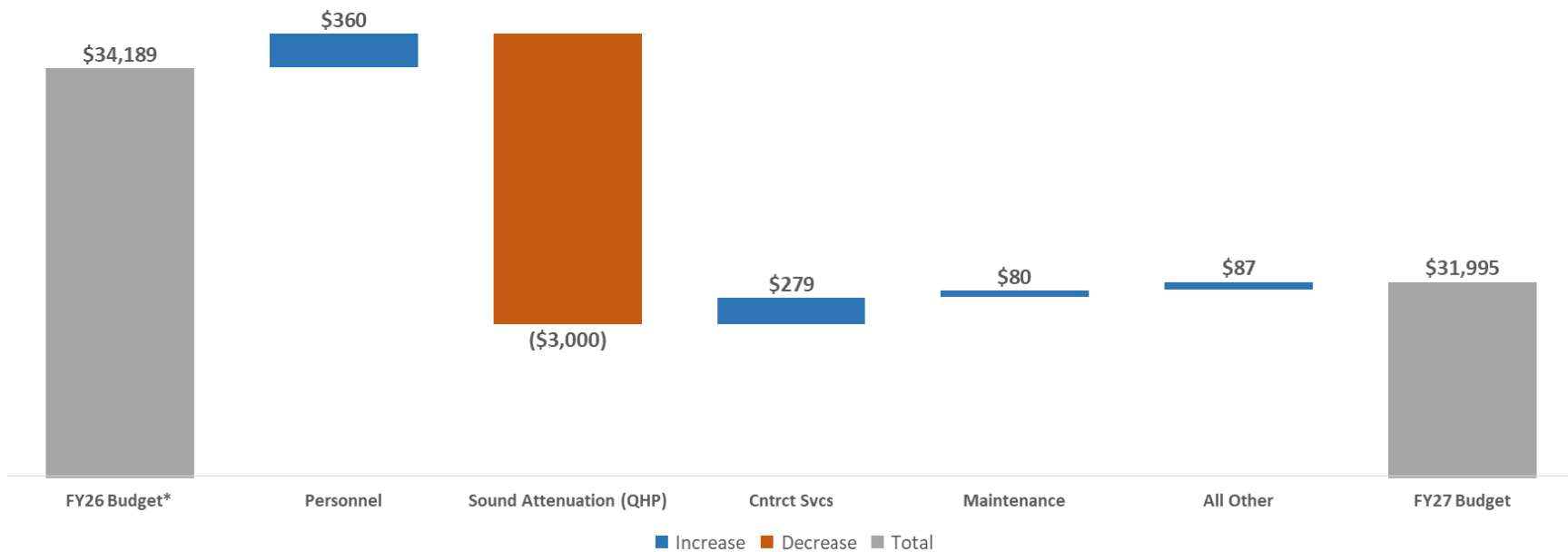
Sound Attenuation (QHP): Reduction due to lower expected grant funding for the Quieter Homes program (\$5M)

Contractual Services: Increase includes \$382K in Airport Technical Planning, \$162K in Geographic Information System Tool Maintenance, and \$110K in Air Quality & Carbon Management, offset by transfer of Geographic Information System-related spend to FMD department

Maintenance: Increase includes \$130K in Storm Drain Cleaning, and \$130K in Bird & Pest Control, partially offset by an \$80K reduction in Refuse & Hazardous Waste Disposal

Development Division

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

Sound Attenuation (QHP): Reduction due to lower expected grant funding for the Quieter Homes Program (\$3M)

Contractual Services: Increase includes \$300K in Rural/Urban Airport Land Use Compatibility Plans (ALUCP), and \$150K in Noise reports & Analysis, partially offset by a \$110K reduction in Air Quality & Carbon Management and a \$100K reduction in Airport Technical Planning

Maintenance: Increase includes \$53K in Bird & Pest Control, and \$30K in Refuse & Hazardous Waste Disposal

Development Division

FY 2026 Expense Budget by Department

(in thousands)

| Departments | FY 2026 Budget |
|---------------------------------|-----------------|
| Planning, Noise, & Environment | \$28,273 |
| Government Relations & Strategy | \$1,754 |
| Authority Clerk | \$1,180 |
| Airport Design & Construction | 2,379 |
| Small Business Development | 618 |
| Total ¹ | \$34,204 |

¹ Total may differ due to rounding

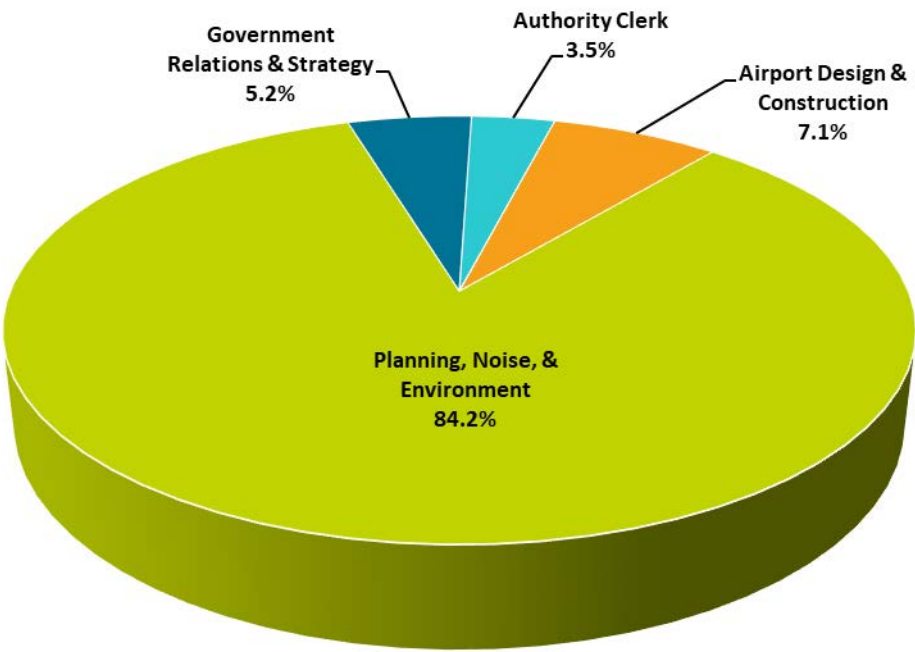


Figure 26 – FY 2026 Expense Budget by Department

Development Division

FY 2027 Expense Conceptual Budget by Department

(in thousands)

| Departments | FY 2027 Conceptual Budget |
|---------------------------------|------------------------------|
| Planning, Noise, & Environment | \$25,814 |
| Government Relations & Strategy | \$1,831 |
| Authority Clerk | \$1,233 |
| Airport Design & Construction | 2,468 |
| Small Business Development | 647 |
| Total ¹ | \$31,995 |

¹Total may differ due to rounding

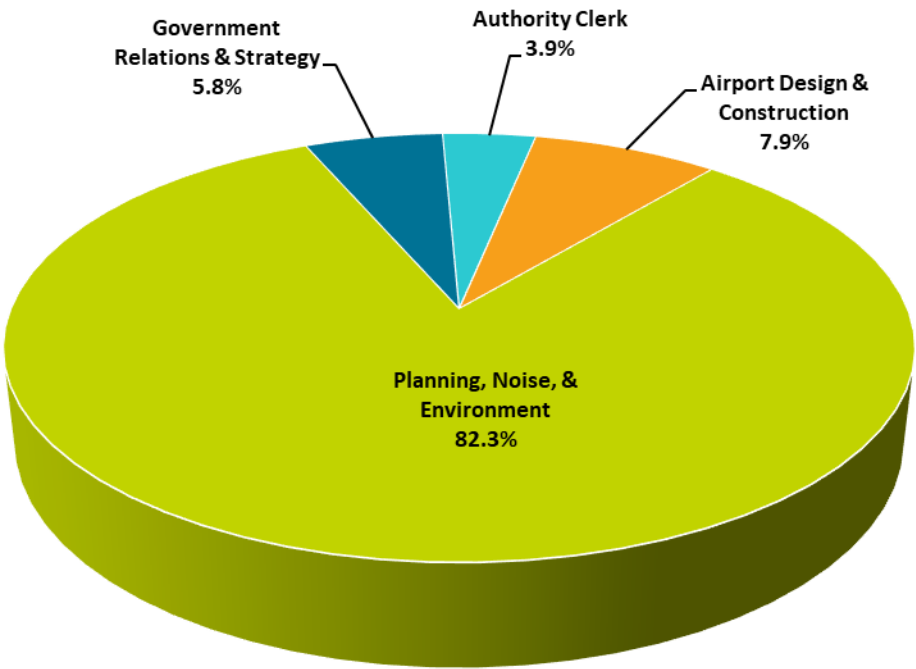


Figure 27 – FY 2027 Expense Conceptual Budget by Department

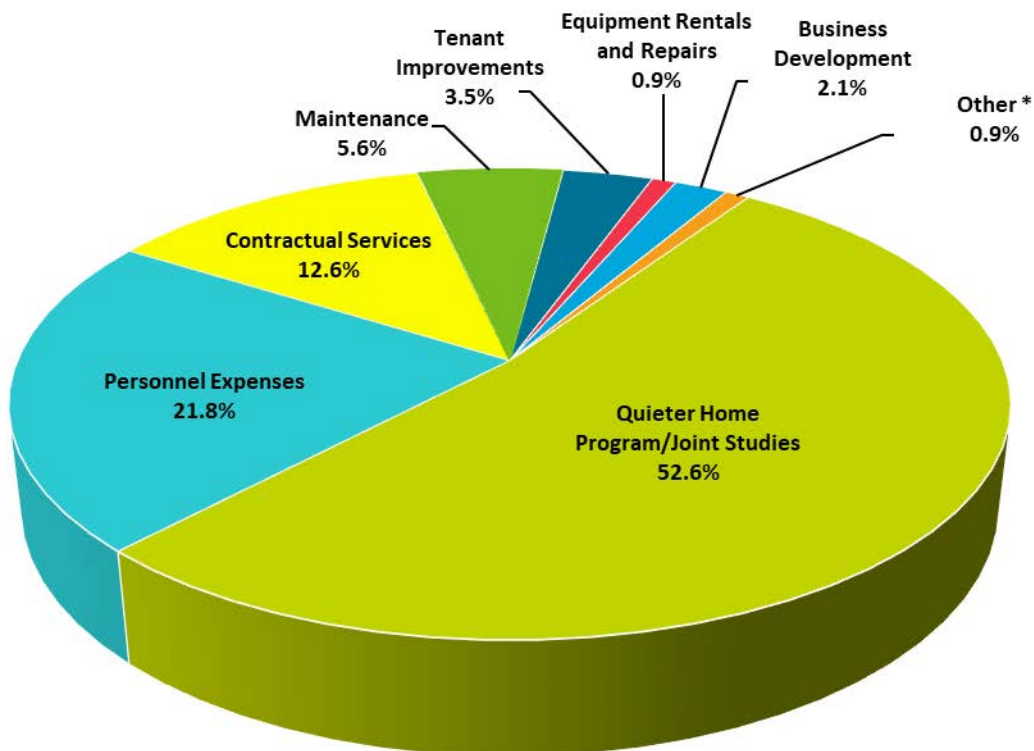
Development Division

FY 2026 Expense Budget by Category

(in thousands)

| Category | FY 2026 Budget |
|------------------------------------|-----------------|
| Quieter Home Program/Joint Studies | \$18,000 |
| Personnel Expenses | 7,459 |
| Contractual Services | 4,294 |
| Maintenance | 1,925 |
| Tenant Improvements | 1,186 |
| Equipment Rentals and Repairs | 321 |
| Business Development | 701 |
| Other * | 318 |
| Total ¹ | \$34,204 |

¹ Total may differ due to rounding



*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 28 – FY 2026 Expense Budget by Department

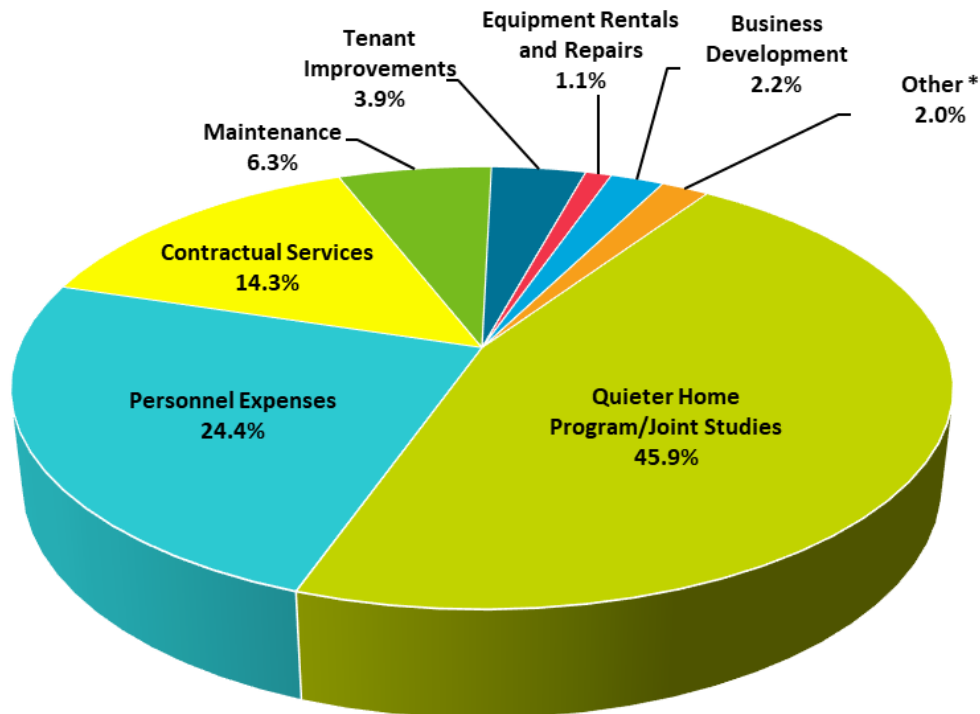
Development Division

FY 2027 Expense Conceptual Budget by Category

(in thousands)

| Category | FY 2027 Conceptual Budget |
|------------------------------------|------------------------------|
| Quieter Home Program/Joint Studies | \$14,700 |
| Personnel Expenses | 7,819 |
| Contractual Services | 4,572 |
| Maintenance | 2,005 |
| Tenant Improvements | 1,233 |
| Equipment Rentals and Repairs | 341 |
| Business Development | 699 |
| Other * | 625 |
| Total ¹ | \$31,995 |

¹ Total may differ due to rounding

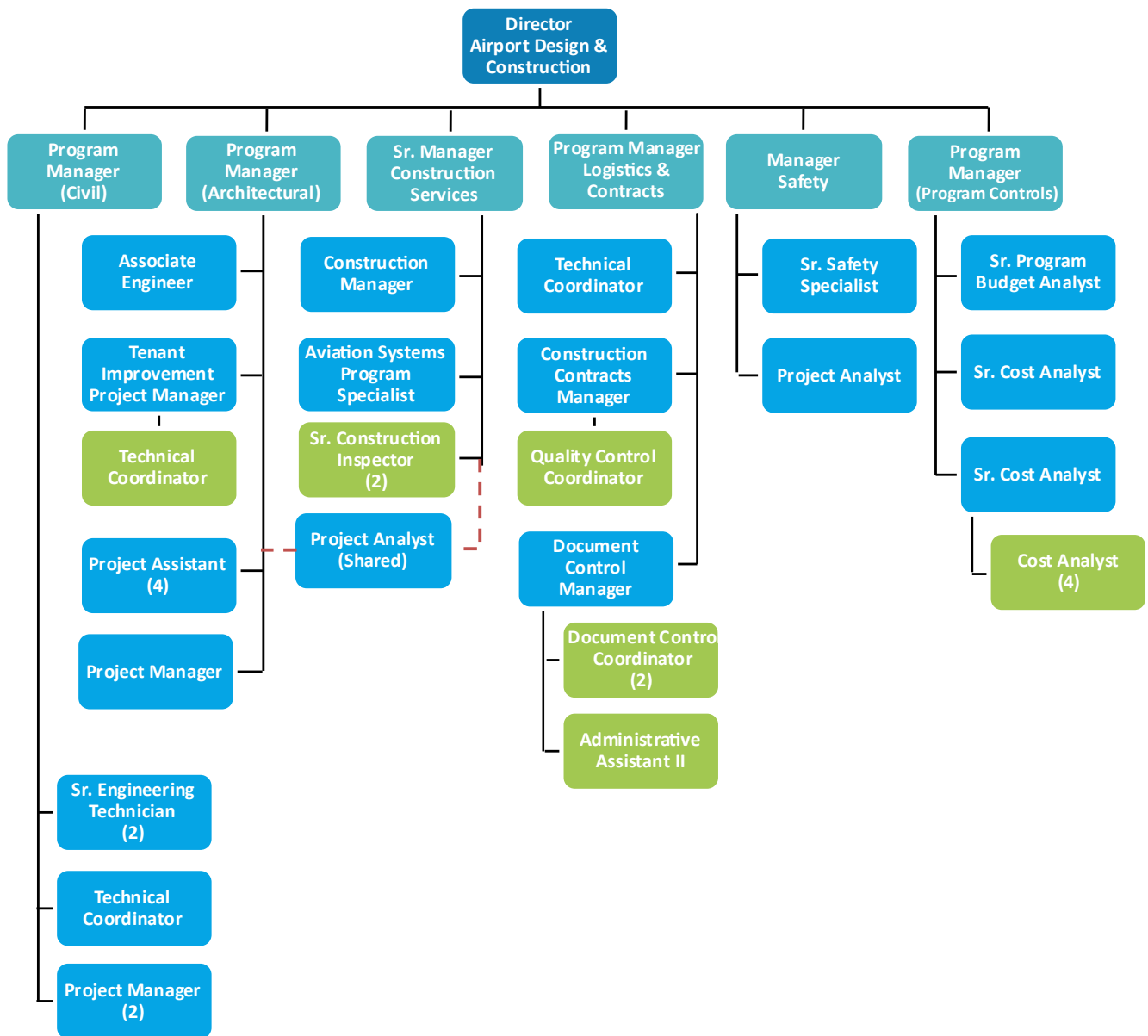


*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 29 – FY 2027 Expense Conceptual Budget by Department

Development Division – Airport Design & Construction

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

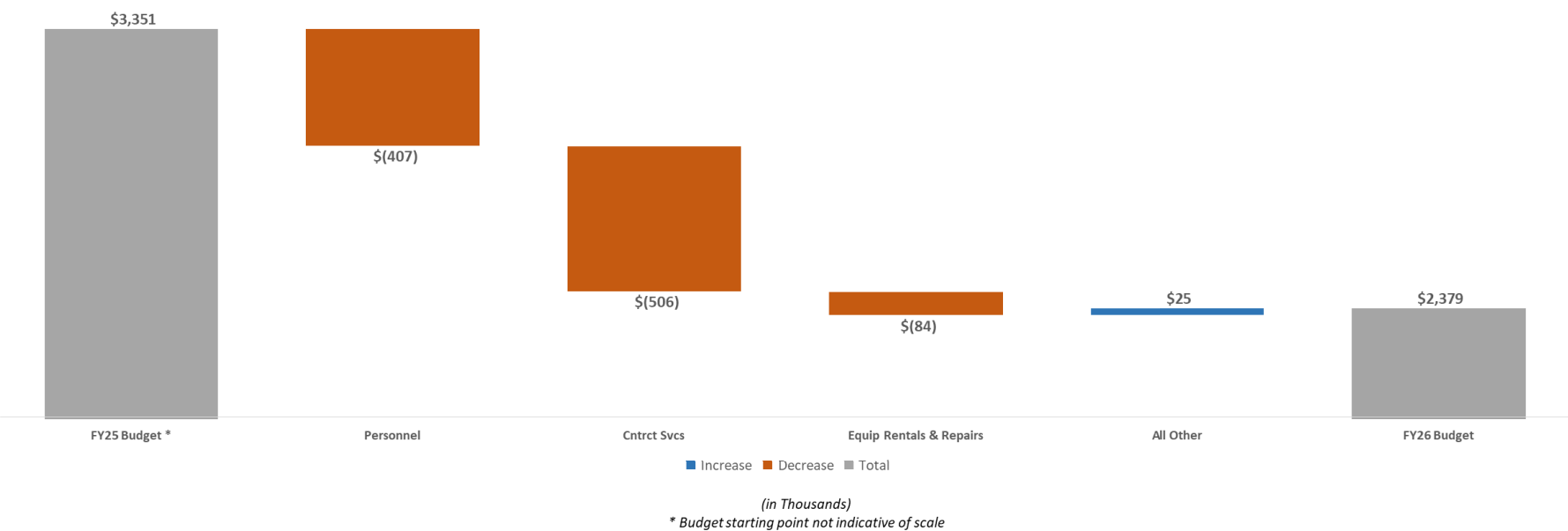
Development Division – Airport Design & Construction

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|--|--------------|--------------|-----------------|----------------------------|---------------|-------------------|----------------------------------|-------------|
| | | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | | |
| Salaries | | 3,615 | 5,306 | 4,872 | (434) | -8.2% | 5,067 | 195 | 4.0% |
| Benefits | | 1,817 | 2,223 | 2,135 | (88) | -4.0% | 2,285 | 150 | 7.0% |
| Subtotal | | 5,432 | 7,529 | 7,007 | (522) | -6.9% | 7,352 | 345 | 4.9% |
| Less: Capitalized Labor Recharge | | (4,622) | (6,212) | (6,096) | 115 | -1.9% | (6,397) | (300) | 4.9% |
| Less: QHP Labor Recharge | | (1) | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 808 | 1,318 | 911 | (407) | -30.9% | 956 | 45 | 4.9% |
| Contractual Services | | 397 | 607 | 101 | (506) | -83.4% | 105 | 4 | 4.0% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | 0 | 3 | 3 | (1) | -23.7% | 8 | 5 | 204.0% |
| Operating Supplies | | 57 | 57 | 58 | 1 | 2.5% | 60 | 2 | 3.2% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 19 | 29 | 32 | 3 | 9.2% | 30 | (2) | -6.0% |
| Business Development | | 22 | 35 | 35 | (0) | -0.3% | 36 | 2 | 4.6% |
| Equipment Rentals and Repairs | | 108 | 124 | 39 | (84) | -68.3% | 41 | 2 | 4.0% |
| Tenant Improvements | | 1,246 | 1,178 | 1,186 | 7 | 0.6% | 1,233 | 47 | 4.0% |
| Total Non-Personnel Costs | | 1,851 | 2,033 | 1,453 | (580) | -28.5% | 1,513 | 60 | 4.1% |
| Total Operating Expenses | | 2,659 | 3,351 | 2,364 | (987) | -29.5% | 2,468 | 105 | 4.4% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 2,659 | 3,351 | 2,364 | (987) | -29.5% | 2,468 | 105 | 4.4% |
| Equipment Outlay Expenditures | | - | - | 15 | 15 | 0.0% | - | (15) | -100.0% |
| Total Expenses Incl Equip Outlay | | 2,659 | 3,351 | 2,379 | (972) | -29.0% | 2,468 | 90 | 3.8% |

Development Division – Airport Design & Construction

Major Drivers of FY 2025 Budget & FY 2026 Budget



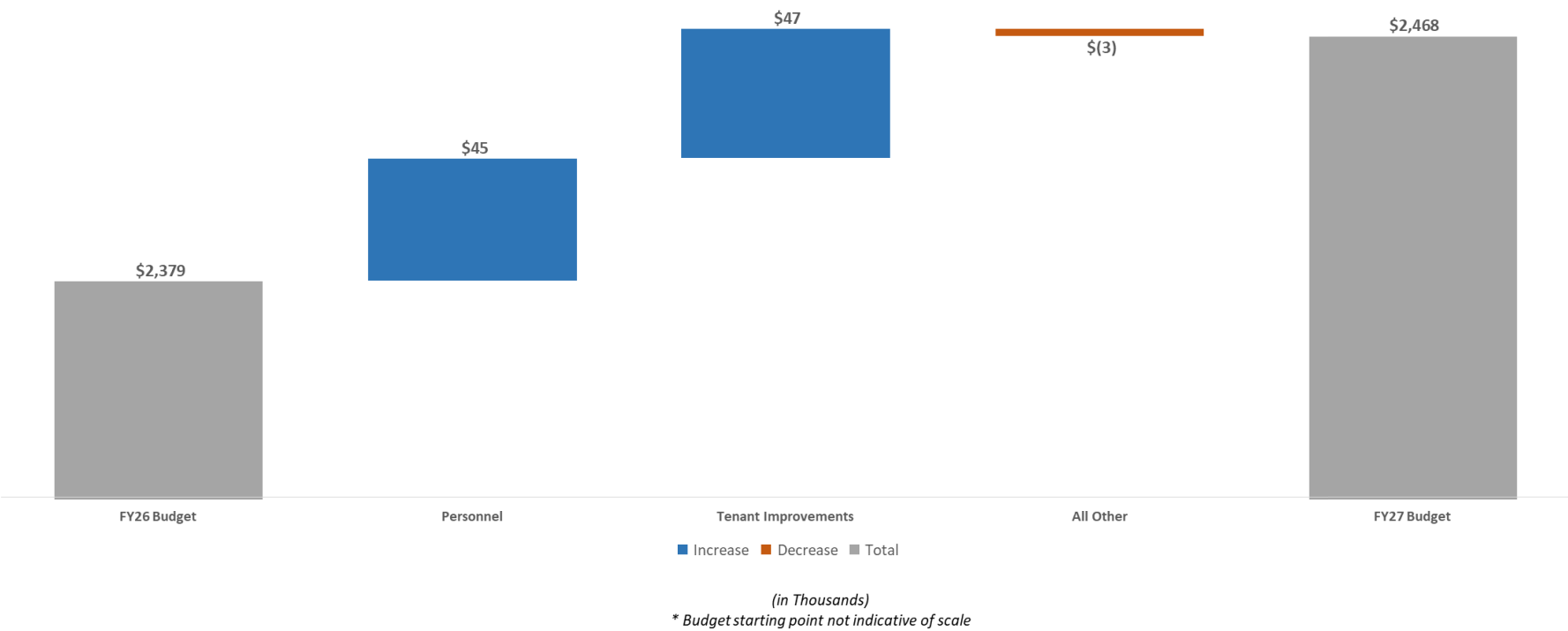
Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 3 positions transfer out to Facilities Management, 2 positions transfer out to Government Relations & Strategy.

Contractual Services: Transfer of Geographic Information System-related contract spend to the FMD department

Equipment Rentals & Repairs: Reduction in Autocad licenses (\$44K) and transfer of GIS-related software spend to the FMD department (\$36K)

Development Division – Airport Design & Construction

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff
Tenant Improvements: Increase in consultant hourly rates related to Tenant Improvement projects

Development Division – Airport Design & Construction

FOCUS AREAS



Advance Airport Development





Optimize Ongoing Business






Transform the Customer Experience



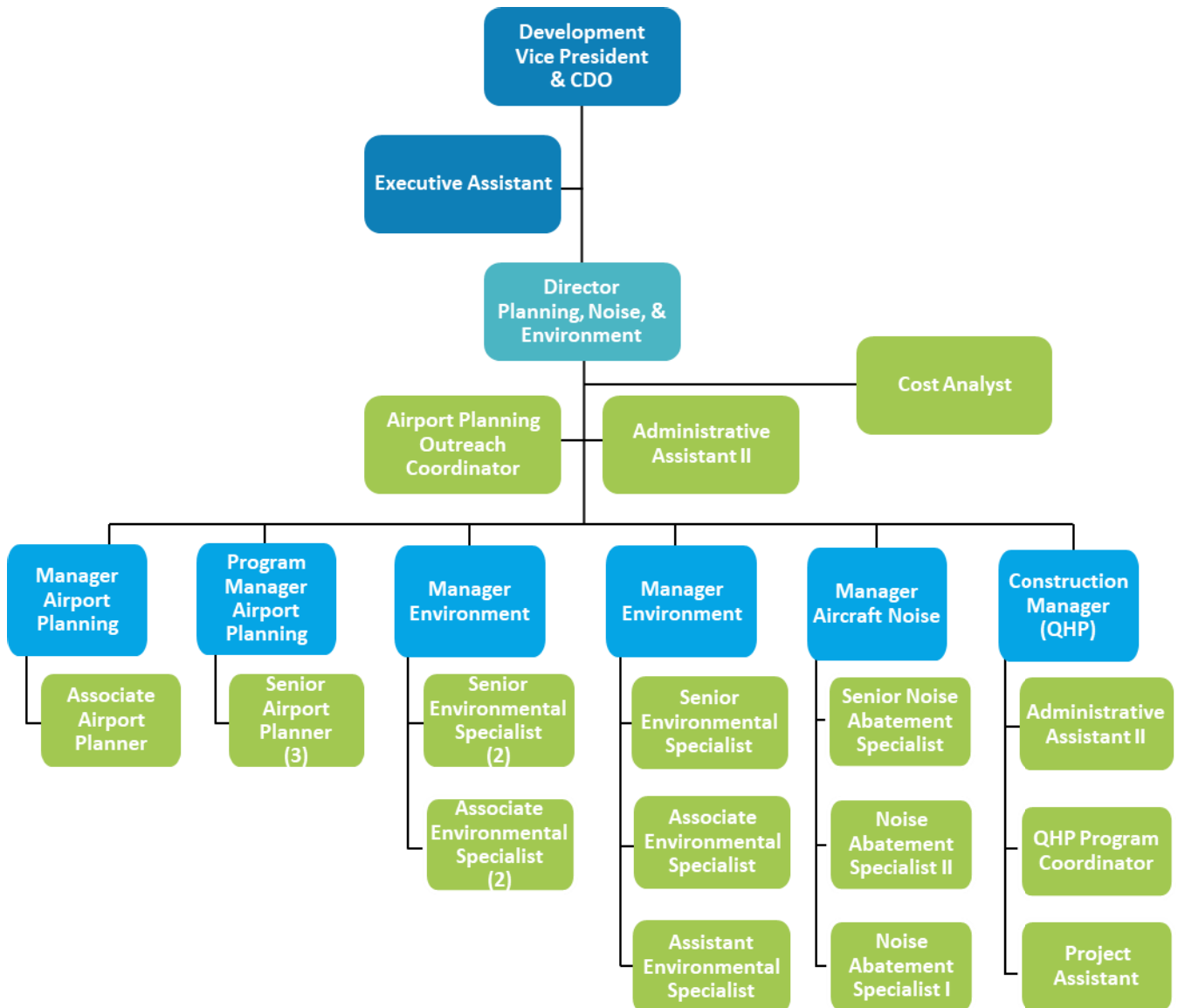
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|---|--------|-------------|
| Complete the GMP |  | 100% | Met |
| Tracking on schedule with NT1 Airside Improvements Plan (Taxiway B, Cistern, New Terminal Apron Pavement 1A and 1B) |  | 100% | In Progress |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|---|--------|--|
| Program Definition Document for T2E Renovations |  | 100% | Align facilities to meet demand, both international and domestic |
| Connector and T2E Procurement Phase |  | 100% | Align facilities to meet demand, both international and domestic |
| Manage Schedule and design of T2E & Connector |  | 100% | Align facilities to meet demand, both international and domestic |

Development Division – Planning, Noise, & Environment

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

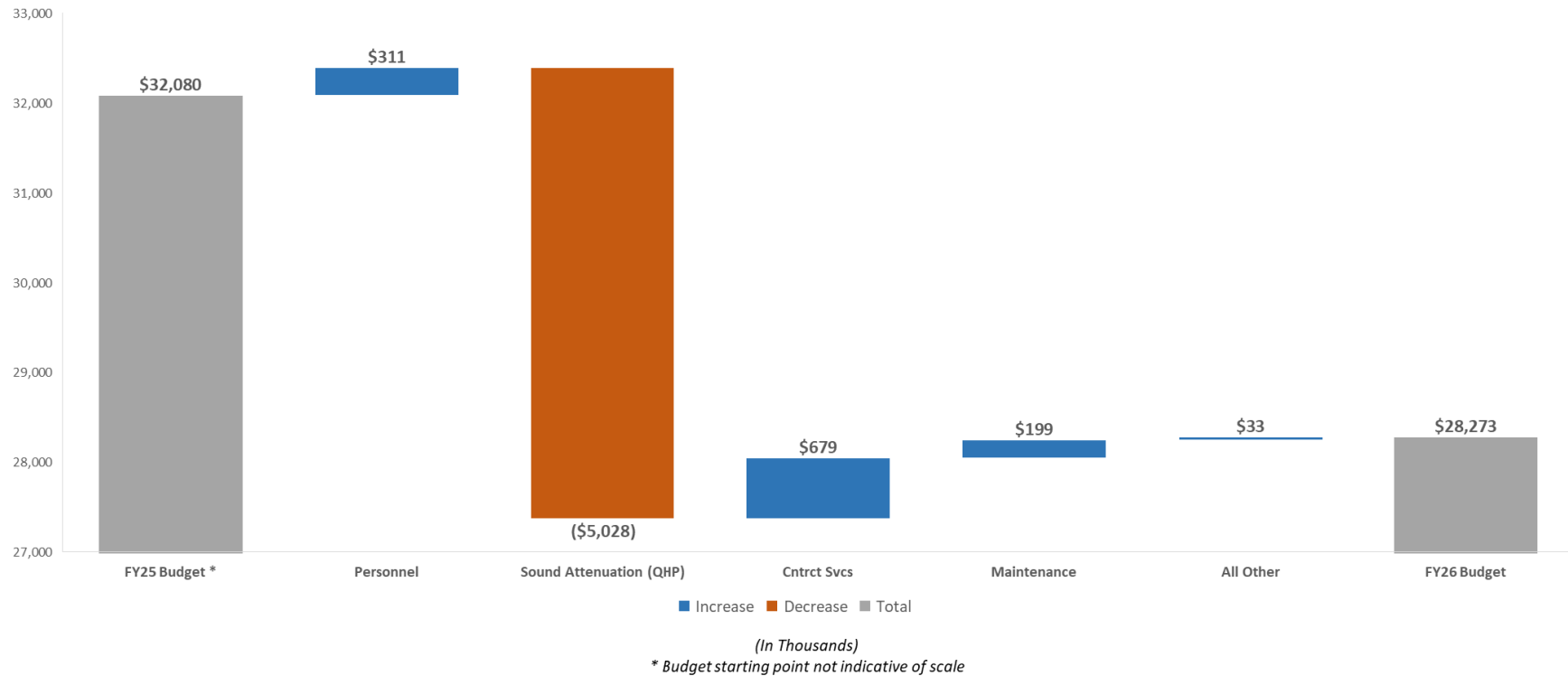
Development Division – Planning, Noise, & Environment

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|--|---------------|---------------|-----------------|----------------------------|---------------|-------------------|----------------------------------|---------------|
| | | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | | |
| Salaries | | 2,854 | 3,086 | 3,322 | 236 | 7.6% | 3,453 | 131 | 3.9% |
| Benefits | | 1,328 | 1,310 | 1,480 | 170 | 13.0% | 1,580 | 101 | 6.8% |
| Subtotal | | 4,182 | 4,396 | 4,801 | 405 | 9.2% | 5,033 | 232 | 4.8% |
| Less: Capitalized Labor Recharge | | 1 | (61) | (126) | (65) | 105.6% | (132) | (6) | 4.8% |
| Less: QHP Labor Recharge | | (597) | (500) | (530) | (30) | 6.0% | (557) | (27) | 5.1% |
| Total | | 3,586 | 3,835 | 4,145 | 311 | 8.1% | 4,344 | 199 | 4.8% |
| Contractual Services | | 2,746 | 2,945 | 3,624 | 679 | 23.1% | 3,892 | 268 | 7.4% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | 12 | 12 | 12 | - | 0.0% | 13 | 1 | 8.3% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | 1,336 | 1,727 | 1,925 | 199 | 11.5% | 2,005 | 80 | 4.2% |
| Operating Equipment & Systems | | 2 | 2 | 2 | - | 0.0% | 2 | 0 | 4.0% |
| Operating Supplies | | 14 | 23 | 23 | - | 0.0% | 24 | 1 | 4.0% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 53 | 67 | 71 | 4 | 5.9% | 78 | 7 | 9.7% |
| Business Development | | 160 | 252 | 247 | (5) | -2.0% | 226 | (21) | -8.5% |
| Equipment Rentals and Repairs | | 170 | 189 | 223 | 34 | 17.9% | 230 | 6 | 2.8% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 4,492 | 5,217 | 6,128 | 911 | 17.5% | 6,470 | 342 | 5.6% |
| Total Operating Expenses | | 8,078 | 9,052 | 10,273 | 1,221 | 13.5% | 10,814 | 541 | 5.3% |
| Joint Studies / Sound Attenuation | | 21,365 | 23,028 | 18,000 | (5,028) | -21.8% | 15,000 | (3,000) | -16.7% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | 21,365 | 23,028 | 18,000 | (5,028) | -21.8% | 15,000 | (3,000) | -16.7% |
| Total Expenses | | 29,443 | 32,080 | 28,273 | (3,807) | -11.9% | 25,814 | (2,459) | -8.7% |
| Equipment Outlay Expenditures | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | | 29,443 | 32,080 | 28,273 | (3,807) | -11.9% | 25,814 | (2,459) | -8.7% |

Development Division – Planning, Noise, & Environment

Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 1 new position.

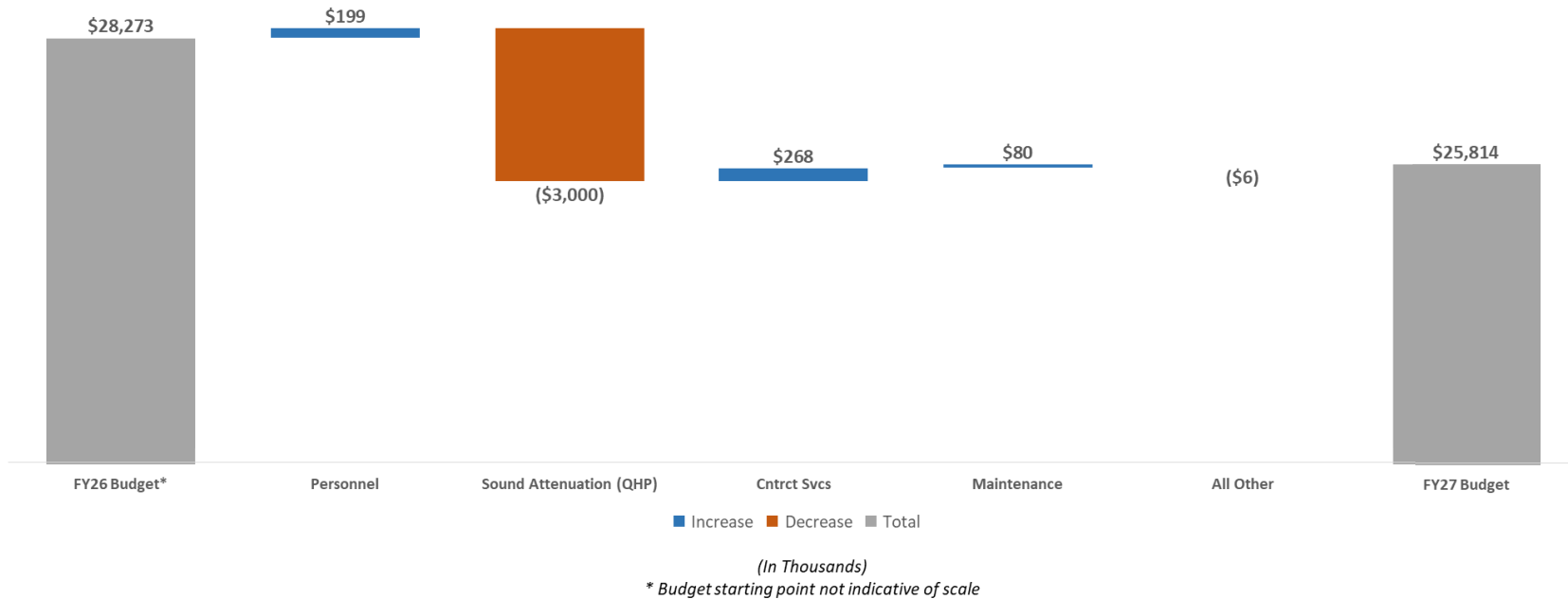
Sound Attenuation (QHP): Reduction due to lower expected grant funding for the Quieter Homes program (\$5M)

Contractual Services: Increase includes \$382K in Airport Technical Planning, \$162K in Geographic Information System Tool Maintenance, and \$110K in Air Quality & Carbon Management

Maintenance: Increase includes \$130K in Storm Drain Cleaning, and \$130K in Bird & Pest Control, partially offset by an \$80K reduction in Refuse & Hazardous Waste Disposal

Development Division – Planning, Noise, & Environment

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

Sound Attenuation (QHP): Reduction due to lower expected grant funding for the Quieter Homes Program (\$3M)

Contractual Services: Increase includes \$300K in Rural/Urban Airport Land Use Compatibility Plans (ALUCP), and \$150K in Noise reports & Analysis, partially offset by a \$110K reduction in Air Quality & Carbon Management and a \$100K reduction in Airport Technical Planning

Maintenance: Increase includes \$53K in Bird & Pest Control, and \$30K in Refuse & Hazardous Waste Disposal

Development Division – Planning, Noise, & Environment

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



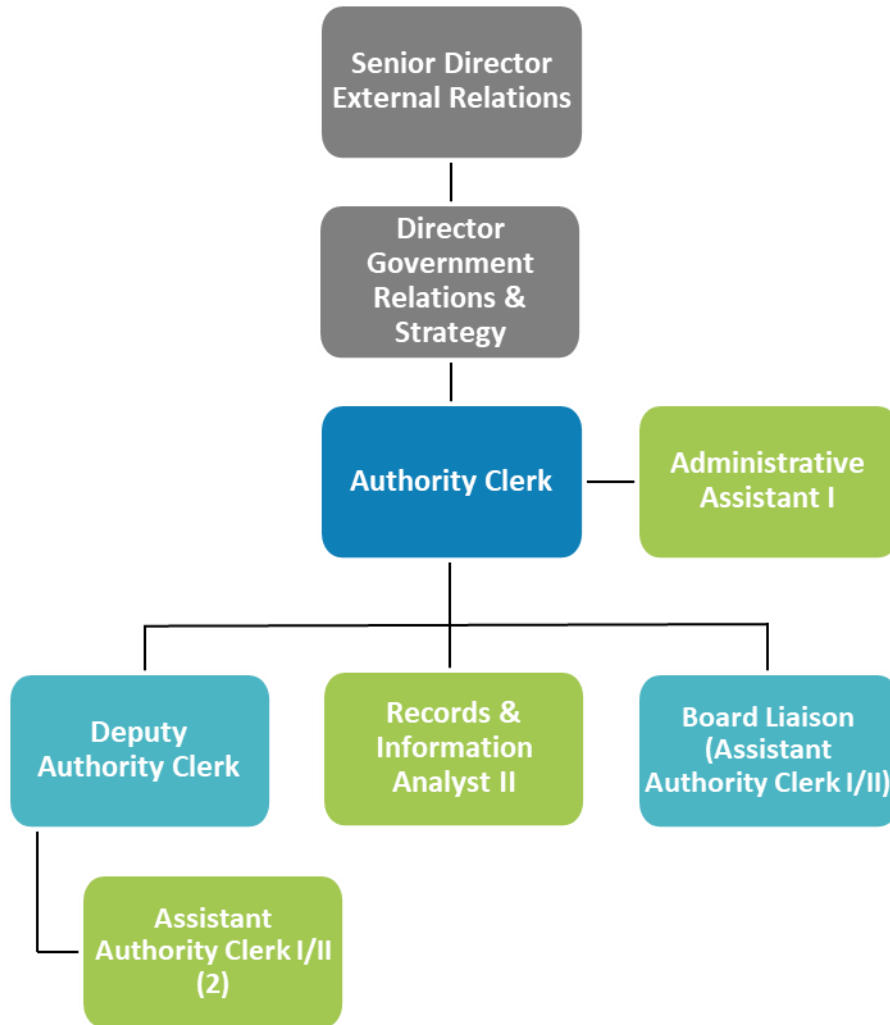
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|--|--|
| Continue progress on required “Opening Day” CEQA mitigation measures (MM) and coastal development permit (CDP) special conditions for NT1 projects | | <i>Complete “Opening Day” MM and CDP special conditions by 9/12/25</i> | Met All “Opening Day” MM and CDP special conditions Complete |
| In 2025, finish the update to the Airport Land Use Compatibility Plan (ALUCP) for San Diego International Airport and have the Commission adopt | | <i>Have ALUC Adopt</i> | Met Adopted February 2025 |
| Continued the increased pace of the community sound insulation programs by completing 400 residential homes in the Quieter Home Program | | <i>400 Homes</i> | In Progress 347 Homes Completed |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|--|--|
| Continuing progress on required Phase 1B CEQA mitigation measures (MM) and coastal development permit (CDP) special conditions for NT1 projects. Monitor MM and CDP special conditions for completion prior to the opening of Phase 1B in 2028 | | <i>Complete Phase 1B MM and CDP special conditions by 2028</i> | Manage ongoing business effectively through change |
| Begin environmental entitlement process for T2 East Renovation and Expansion. Prepare draft milestone schedule for CEQA and NEPA environmental entitlements and submit draft documents to legal counsel and FAA for review | | <i>Prepare Draft CEQA and NEPA documents for legal review</i> | Manage ongoing business effectively through change |
| Finalize Northside Airfield & Facility Advanced Planning & Improvements Study. Develop a plan for future northside development, including the consolidation of air cargo operations | | <i>Finish Study</i> | Manage ongoing business effectively through change |

Development Division – Authority Clerk

FY 2026 – FY 2027 Organizational Structure



Position in grey resides in the Government Relations & Strategy Department and is shown for structural purpose.

No personnel changes in FY 2027

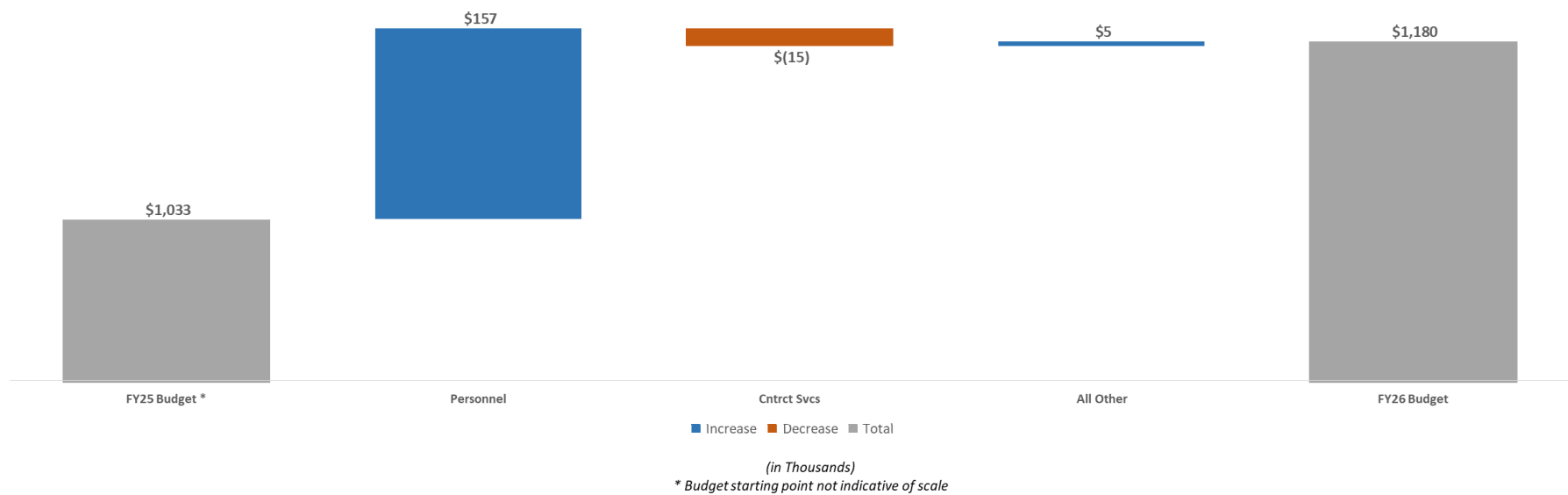
Development Division – Authority Clerk

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|--|------------|--------------|-----------------|----------------------------|--------------|-------------------|----------------------------------|-------------|
| | | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | | |
| Salaries | | 463 | 549 | 649 | 99 | 18.1% | 675 | 26 | 4.0% |
| Benefits | | 227 | 228 | 286 | 58 | 25.4% | 309 | 23 | 8.0% |
| Subtotal | | 690 | 777 | 935 | 157 | 20.2% | 983 | 49 | 5.2% |
| Less: Capitalized Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 690 | 777 | 935 | 157 | 20.2% | 983 | 49 | 5.2% |
| Contractual Services | | 102 | 155 | 140 | (15) | -9.7% | 140 | 1 | 0.6% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | 9 | 6 | 6 | - | 0.0% | 6 | 0 | 4.0% |
| Operating Supplies | | 6 | 1 | 2 | 1 | 150.0% | 2 | 0 | 4.0% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 24 | 32 | 35 | 3 | 9.3% | 37 | 1 | 3.5% |
| Business Development | | 34 | 47 | 47 | 0 | 0.6% | 49 | 2 | 4.0% |
| Equipment Rentals and Repairs | | 15 | 15 | 15 | - | 0.0% | 16 | 1 | 4.0% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 189 | 255 | 245 | (11) | -4.1% | 250 | 5 | 2.0% |
| Total Operating Expenses | | 879 | 1,033 | 1,180 | 147 | 14.2% | 1,233 | 54 | 4.6% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 879 | 1,033 | 1,180 | 147 | 14.2% | 1,233 | 54 | 4.6% |
| Equipment Outlay Expenditures | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | | 879 | 1,033 | 1,180 | 147 | 14.2% | 1,233 | 54 | 4.6% |

Development Division – Authority Clerk

Major Drivers of FY 2025 Budget & FY 2026 Budget

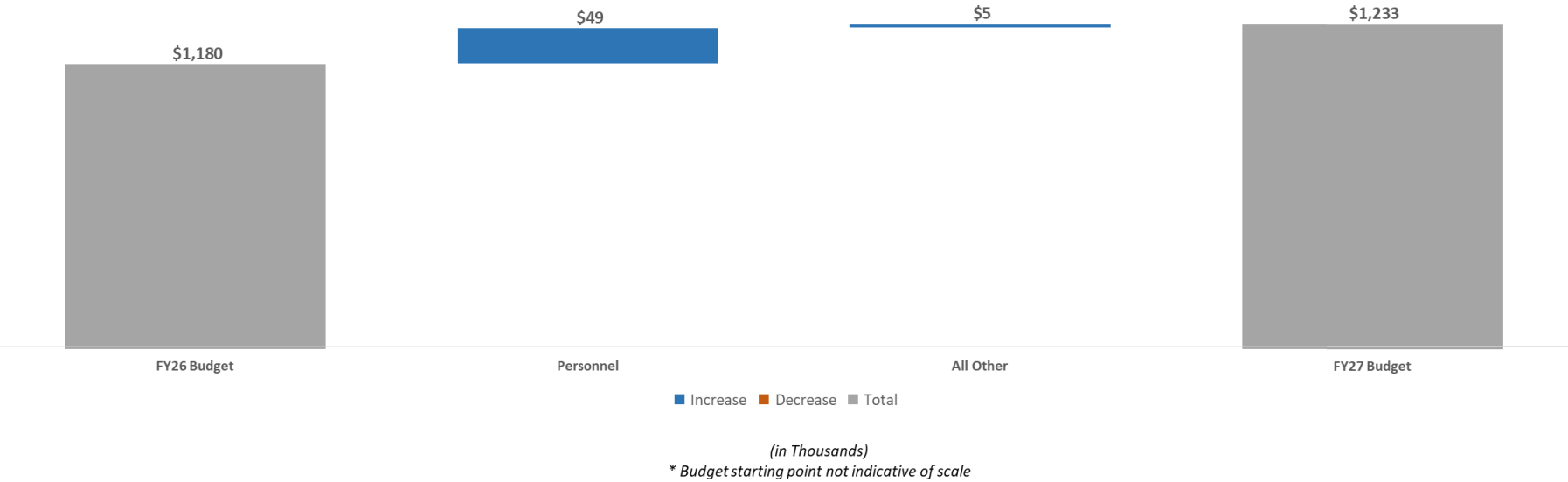


Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 1 position transfer in from Human Resources.

Contractual Services: Decrease (\$15K) due to transitioning to a new file system (Sharepoint)

Development Division – Authority Clerk

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

Development Division – Authority Clerk

FOCUS AREAS



Advance Airport
Development



Optimize
Ongoing Business



Transform the
Customer Experience



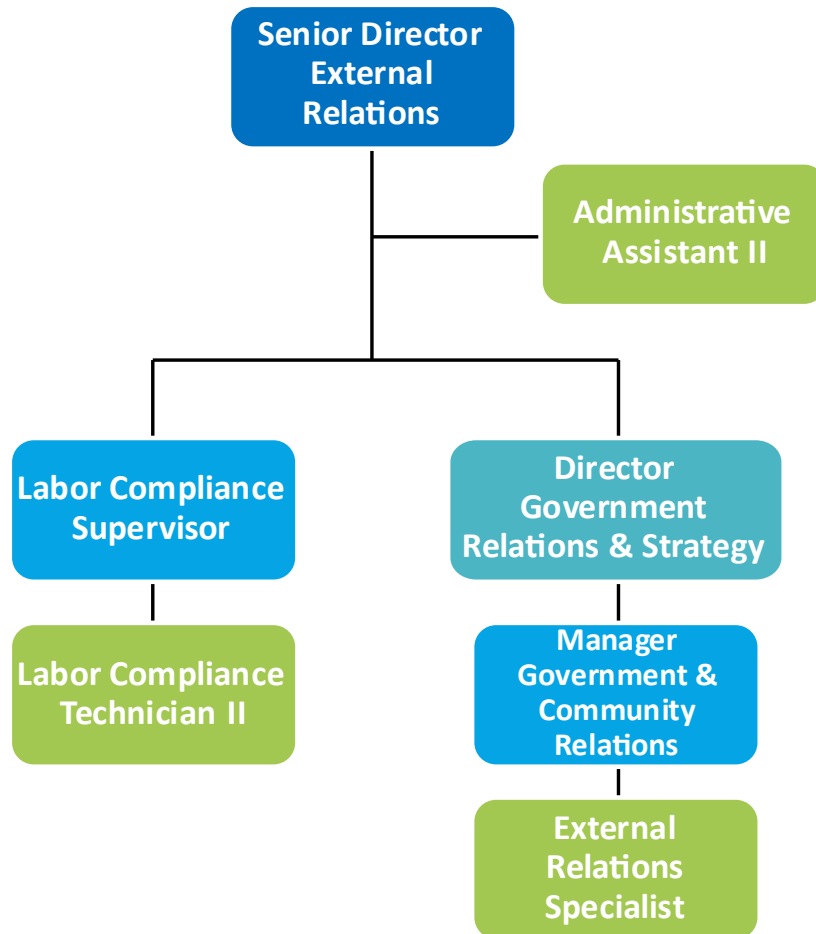
Cultivate
Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|--|---|
| Collaborate with Information & Technology Services (I&TS) to evaluate the replacement of the Authority's current ECMS. | | <i>Implementation expected by May 2025</i> | Met |
| Complete the destruction of boxes stored at the third-party file storage vendor that have met their retention. | | <i>FY2025</i> | In Progress <i>Pushed to FY2026 due to ECMS/SharePoint Transition</i> |
| Complete the electronic review and disposition of information stored and maintained in department folders in the ECMS. | | <i>100%</i> | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|-------------|---|
| Implement an electronic agenda management system | | <i>100%</i> | Use Technology to Optimize Ongoing Business |
| Deliver broad scope RIM & SharePoint training | | <i>100%</i> | Use Technology to Optimize Ongoing Business |

Development Division – Government Relations & Strategy

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

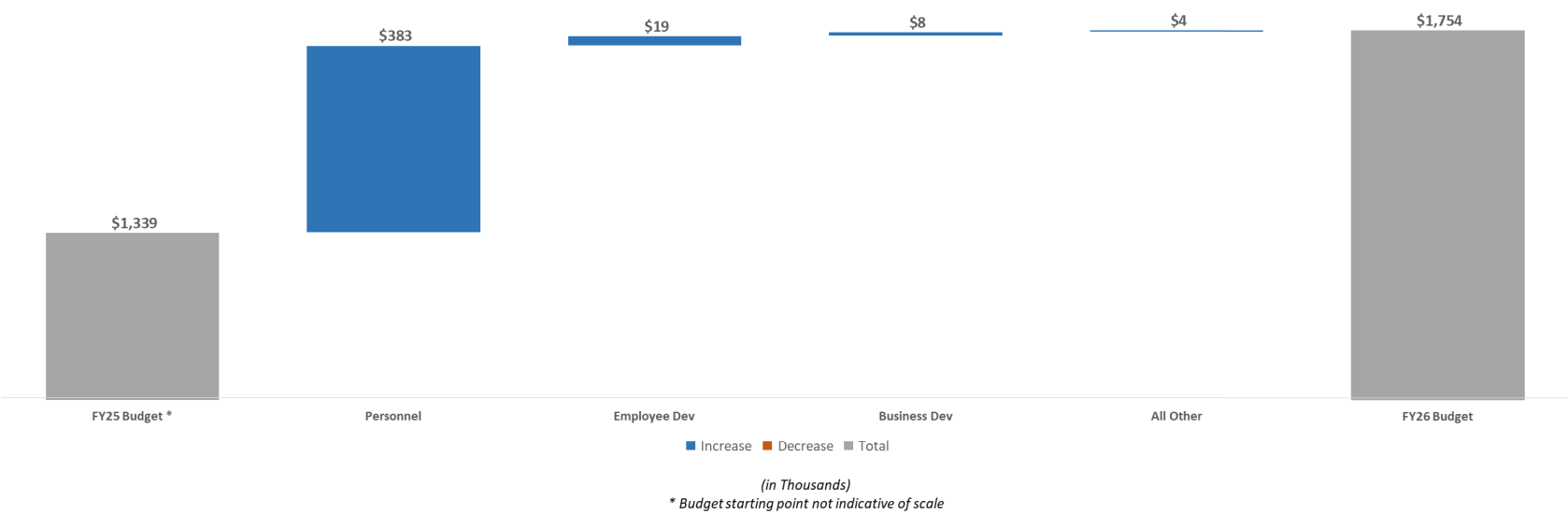
Development Division – Government Relations & Strategy

FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|--------------|--------------|-----------------|----------------------------|--------------|-------------------|----------------------------------|-------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 438 | 441 | 873 | 432 | 98.1% | 908 | 35 | 4.0% |
| Benefits | 181 | 175 | 355 | 180 | 102.5% | 373 | 18 | 5.0% |
| Subtotal | 619 | 616 | 1,228 | 612 | 99.4% | 1,281 | 53 | 4.3% |
| Less: Capitalized Labor Recharge | - | - | (229) | (229) | 0.0% | (239) | (10) | 4.3% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 619 | 616 | 999 | 383 | 62.2% | 1,042 | 43 | 4.3% |
| Contractual Services | 387 | 395 | 399 | 4 | 1.1% | 415 | 16 | 4.0% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 1 | - | - | - | 0.0% | - | - | 0.0% |
| Operating Supplies | 1 | 1 | 1 | - | 0.0% | 1 | 0 | 4.0% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 21 | 19 | 38 | 19 | 97.5% | 44 | 6 | 16.1% |
| Business Development | 161 | 308 | 316 | 8 | 2.7% | 329 | 13 | 4.0% |
| Equipment Rentals and Repairs | - | - | - | - | 0.0% | - | - | 0.0% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 571 | 723 | 754 | 31 | 4.4% | 789 | 35 | 4.6% |
| Total Operating Expenses | 1,190 | 1,339 | 1,754 | 415 | 31.0% | 1,831 | 78 | 4.4% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 1,190 | 1,339 | 1,754 | 415 | 31.0% | 1,831 | 78 | 4.4% |
| Equipment Outlay Expenditures | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | 1,190 | 1,339 | 1,754 | 415 | 31.0% | 1,831 | 78 | 4.4% |

Development Division – Government Relations & Strategy

Major Drivers of FY 2025 Budget & FY 2026 Budget



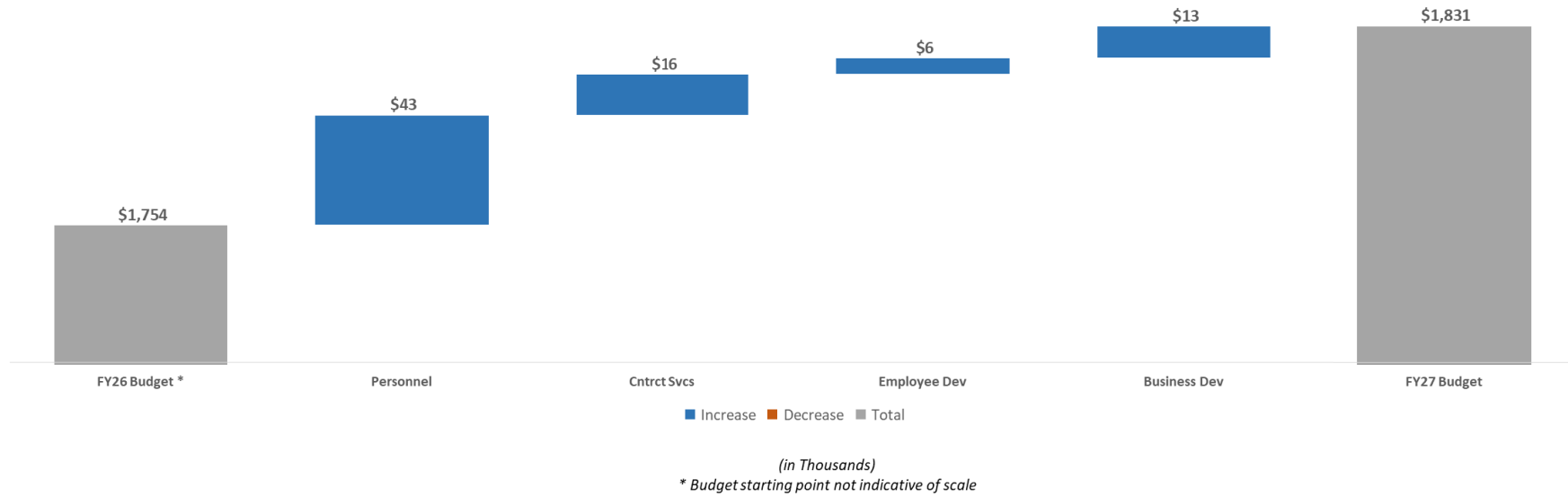
Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 2 positions transfer in from Airport Design & Construction, 1 position transfer in from Communications.

Employee Development: Addition of senior director’s conference fees and auto allowance (\$11K) and the Labor Compliance team’s conference and travel expenses (\$6K)

Business Development: Increase of travel expenses due to addition of senior director (\$6K), and general membership/activities increases related to inflation (\$2K)

Development Division – Government Relations & Strategy

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

Contractual Services: \$16K in annual contractual rate increases

Employee Development: \$3K in increases to seminars to account for inflation, and an additional \$2K for a Labor Compliance conference in FY27

Business Development: \$13K in increases to memberships, promotional activities, and travel to account for inflation from FY26 to FY27

Development Division – Government Relations & Strategy

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Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



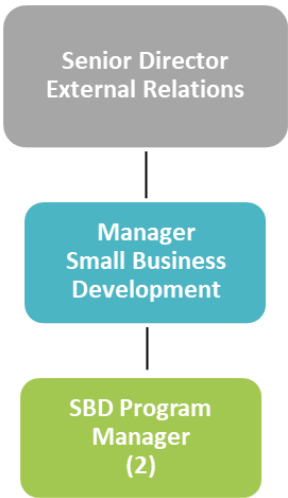
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|--|------------|
| Communicate with and obtain/maintain support from the region's elected officials and community leaders for the Airport Authority, San Diego International Airport, The New T1, and other airport improvement projects. | | <i>Support from all requested entities</i> | Met |
| Advocate for funding for the Airport Authority and its projects at the Federal and State level through various avenues. | | <i>Full advocacy for priority projects</i> | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|------------|--|---|
| Communicate with and obtain/maintain support from the region's elected officials and community leaders for the Airport Authority, San Diego International Airport and its various airport improvement projects. Complete periodic presentations to key governmental agencies regarding key projects to bolster engagement | | <i>Support from all requested entities</i> | Execute regional engagement and education plan to clearly communicate SAN's role in economic growth |
| Advocate for funding for the Airport Authority and its projects at the Federal and State level through various avenues. Engage Elected Officials and Community Leaders to be airport champions and support the ADP initiatives | | <i>Full advocacy for priority projects</i> | Execute regional engagement and education plan to clearly communicate SAN's role in economic growth |

Development Division – Small Business Development

FY 2026 – FY 2027 Organizational Structure



Position in grey resides in the Government Relations & Strategy Department and is shown for structural purpose.

No personnel changes in FY 2027

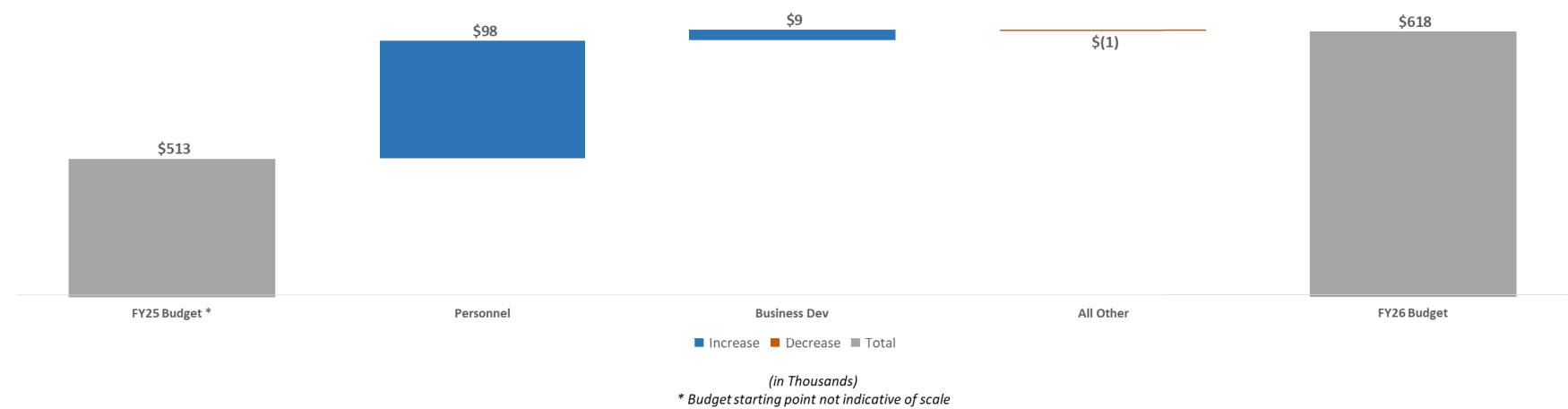
Development Division – Small Business Development

FY 2025 Budget – FY 2026 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|------------|------------|-----------------|----------------------------|--------------|-------------------|----------------------------------|-------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 368 | 461 | 496 | 35 | 7.7% | 516 | 20 | 4.0% |
| Benefits | 180 | 199 | 217 | 18 | 9.0% | 234 | 17 | 8.0% |
| Subtotal | 547 | 660 | 713 | 53 | 8.1% | 751 | 37 | 5.2% |
| Less: Capitalized Labor Recharge | (171) | (288) | (244) | 44 | -15.3% | (257) | (13) | 5.2% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 376 | 372 | 469 | 98 | 26.2% | 494 | 24 | 5.2% |
| Contractual Services | 73 | 30 | 30 | - | 0.0% | 20 | (10) | -33.3% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Supplies | 1 | 0 | 0 | - | 0.0% | 0 | 0 | 4.0% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 4 | 19 | 20 | 1 | 5.3% | 20 | 0 | 1.8% |
| Business Development | 31 | 47 | 56 | 9 | 19.1% | 58 | 2 | 4.0% |
| Equipment Rentals and Repairs | 31 | 46 | 43 | (2) | -5.5% | 55 | 12 | 28.1% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 139 | 142 | 149 | 8 | 5.3% | 154 | 5 | 3.2% |
| Total Operating Expenses | 516 | 513 | 618 | 105 | 20.5% | 647 | 29 | 4.7% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 516 | 513 | 618 | 105 | 20.5% | 647 | 29 | 4.7% |
| Equipment Outlay Expenditures | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | 516 | 513 | 618 | 105 | 20.5% | 647 | 29 | 4.7% |

Development Division – Small Business Development

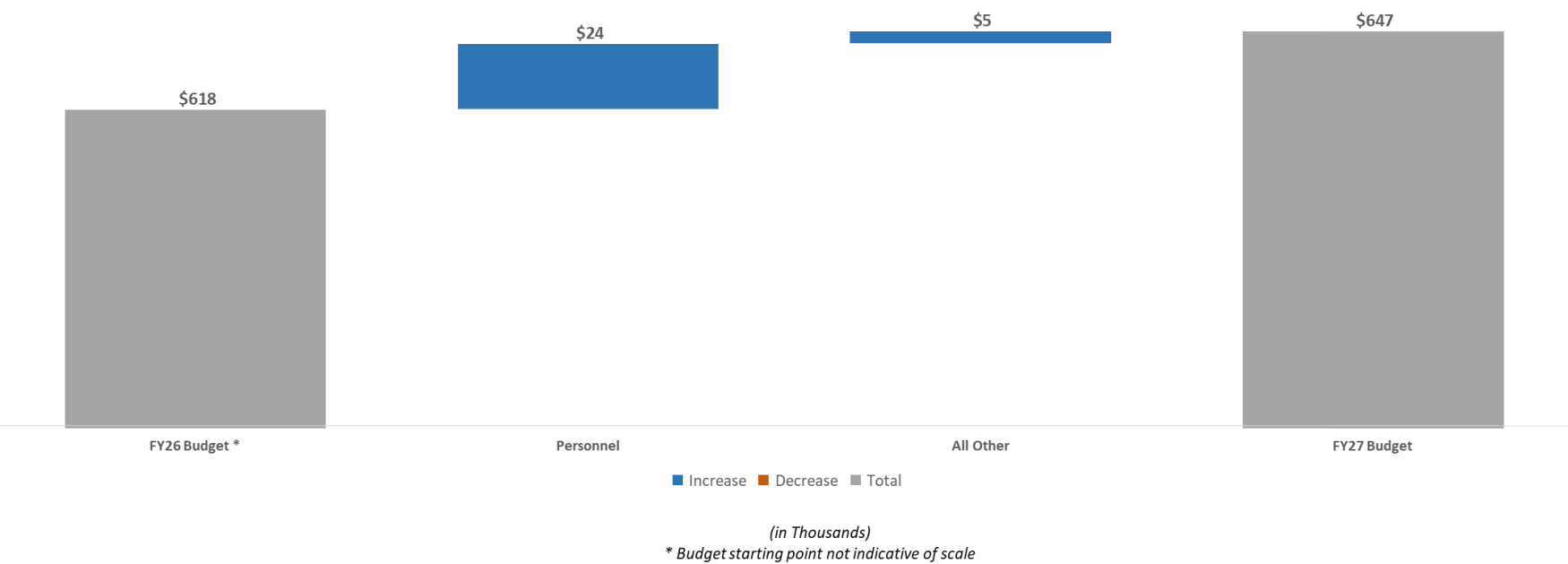
Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff
Business Development: Airport Minority Advisory Council fees increasing \$7.5K, and additional \$1.5K in funds related to outreach events

Development Division – Small Business Development

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance and Burden (Benefits & Employer Taxes) for Current Staff

Development Division – Small Business Development

FOCUS AREAS



Advance Airport
Development



Optimize
Ongoing Business



Transform the
Customer Experience



Cultivate
Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|--|------------|
| Partner with Prime Contractors to identify contract opportunities and conduct targeted opportunity awareness events for DBEs to increase participation on the New T1 (NT1) project and other federally funded projects. | | <i># of DBEs bidding on (if new bid opportunities are available in the FY), or participating in, airport construction projects</i> | Met |
| Develop and execute annual outreach plan which includes outreach to key business and community organizations as well as targeted outreach to specific skills and trades to increase DBE, Small, Local and Veteran businesses in airport construction projects. | | <i># of outreach events conducted</i> | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|--|--|
| Partner with Development Division and Prime Contractors to identify contract opportunities for DBEs to participate in federally funded construction projects*. | | <i># of DBEs bidding on (if new bid opportunities are available in the FY), or participating in, airport construction projects</i> | Raise awareness of significant projects. |
| Conduct outreach plan to attract and increase DBE, ACDBE, Small, Local and Veteran business participation in airport procurement opportunities. | | <i># of outreach events conducted</i> | Raise awareness of significant projects. |

Finance Division



Finance Division

Overview

The **Finance Division** provides airline relations management, accounting, procurement, information technology, financial planning, budgeting, risk management, financial reporting, capital funding, treasury services, and business intelligence for the organization. The division provides essential support functions for the enterprise. It ensures the successful execution of the Airport Authority's plan of finance with the goal of enhancing the financial position of the Airport Authority, increasing annual operating revenue, containing costs, and maintaining strong financial metrics that meet policy targets. In addition, the division leads technology and business intelligence initiatives and supports preparedness for economic, geopolitical, industry, cybersecurity, or other shocks that present downside risks to the business.

The **Accounting** department is responsible for maintaining, reporting, and managing all General Ledger accounts and providing cost accounting services to support the Authority's financial goals and objectives. The department is also responsible for timely and accurate reporting that complies with Generally Accepted Accounting Principles (GAAP); in-depth transaction review and strict adherence to Authority policies; consistent, organized, and systematic recordkeeping to provide detailed support of Authority financial history; and effective internal controls designed to safeguard Authority assets.

The **Capital Financial Planning & Airline Relations** department negotiates and manages airline and airfield lease and operating agreements to ensure effective utilization and management of Authority resources and partners with the Airport Design and Construction department to optimize capital financial planning, reporting, and forecasting efforts. The department leads and coordinates Authority efforts at identifying all available grant opportunities, manages FAA applications for Airport Improvement Program (AIP) grants and Passenger Facility Charges (PFCs), and oversees all federal grant awards for compliance with usage and reporting requirements.

The **Finance & Risk Management** department is responsible for developing and administering the Operating Budget, ensuring the organization remains financially sound and sustainable while adhering to best practices in financial management. The department oversees treasury management, revenue and expenditure forecasting, insurance programs, investment, cash management, PFCs and Customer Facility Charges (CFCs) revenue administration, and debt management. It provides financial advisory services to all Authority departments.

The **Information & Technology Services (I&TS)** department drives the Authority's digital strategy by managing all enterprise applications and IT infrastructure, including network, systems, and telephony. I&TS maintains strong cybersecurity practices as a core part of its operations, implementing modern safeguards to protect and future-proof the Authority's technology environment. I&TS also manages terminal technologies to deliver seamless passenger experiences through integrated systems such as flight information displays, passenger processing platforms, Wi-Fi, and smart paging solutions.

The **Procurement** department provides a competitive contracting process that promotes innovation and industry best practices while ensuring its contracting actions adhere to published Authority policies and the highest standards of integrity and ethical conduct. The department is responsible for researching product and service resources, conducting business outreach and education, and overseeing solicitations, price and contract negotiations, and contract awards in a legal, ethical, and transparent manner. The department is

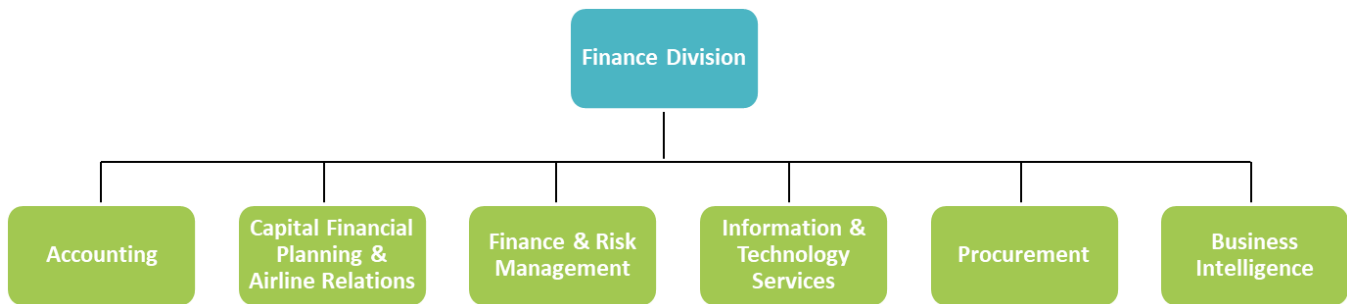
Finance Division

also responsible for managing the Procurement Card program (P-card), as well as overseeing shipping, receiving distribution, surplus, and warehouse operations.

The **Business Intelligence (BI)** department manages the Authority's data and analytics infrastructure, ensuring seamless integration, governance, and accessibility of enterprise data. The department develops and maintains the data warehouse, providing reporting, dashboards, and self-service analytics to support data-driven decision-making across all Authority departments.

Finance Division

FY 2026 – FY 2027 Organizational Structure



Division Personnel Summary

| | FY 2025 Budget | FY 2026 Budget Transfers | FY 2026 Budget New/ (Eliminated) | FY 2026 Budget | FY 2027 Budget New/ (Eliminated) | FY 2027 Conceptual Budget |
|--|-------------------|--------------------------------|--|----------------|--|---------------------------------|
| Finance Division | | | | | | |
| Capital Financial Planning and Airline Relations | 7 | - | - | 7 | - | 7 |
| Accounting | 12 | - | (1) | 11 | - | 11 |
| Information & Technology Services | 32 | - | 9 | 41 | 2 | 43 |
| Procurement | 12 | - | - | 12 | - | 12 |
| Business Intelligence ¹ | 9 | - | 1 | 10 | - | 10 |
| Finance & Risk Management | 15 | - | - | 15 | - | 15 |
| Subtotal | 87 | 0 | 9 | 96 | 2 | 98 |

¹ Department transferred from Revenue Division

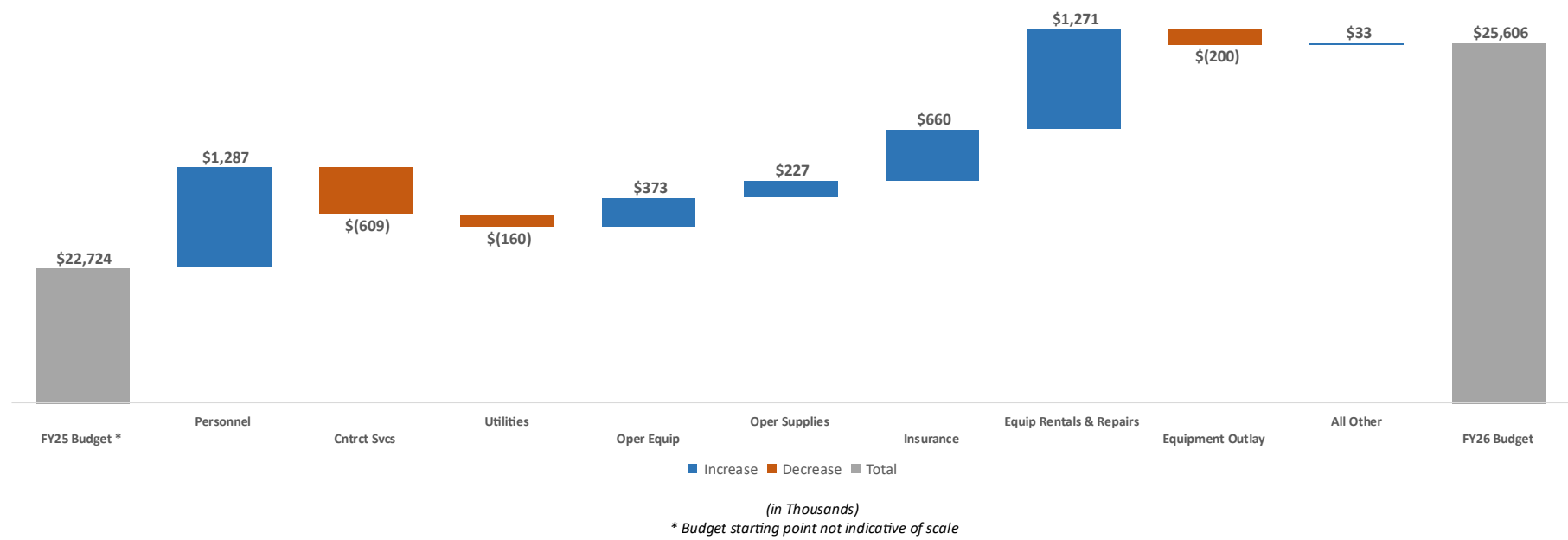
Finance Division

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|---------------|---------------|-----------------|----------------------------|--------------|-------------------|----------------------------------|--------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 8,588 | 7,415 | 8,413 | 998 | 13.5% | 9,471 | 1,058 | 12.6% |
| Benefits | 4,162 | 4,439 | 4,762 | 323 | 7.3% | 5,317 | 554 | 11.6% |
| Subtotal | 12,751 | 11,854 | 13,175 | 1,321 | 11.1% | 14,788 | 1,612 | 12.2% |
| Less: Capitalized Labor Recharge | (107) | (257) | (291) | (34) | 13.1% | (308) | (17) | 5.7% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 12,643 | 11,597 | 12,884 | 1,287 | 11.1% | 14,480 | 1,596 | 12.4% |
| Contractual Services | 4,022 | 4,146 | 3,537 | (609) | -14.7% | 3,701 | 164 | 4.6% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | 590 | 732 | 572 | (160) | -21.9% | 602 | 30 | 5.2% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 350 | 242 | 616 | 373 | 154.0% | 549 | (66) | -10.8% |
| Operating Supplies | 183 | 321 | 547 | 227 | 70.8% | 555 | 8 | 1.4% |
| Insurance | 2,299 | 2,523 | 3,182 | 660 | 26.1% | 3,309 | 127 | 4.0% |
| Employee Development | 115 | 159 | 189 | 30 | 18.7% | 191 | 2 | 1.3% |
| Business Development | 93 | 193 | 196 | 3 | 1.6% | 204 | 8 | 4.2% |
| Equipment Rentals and Repairs | 2,377 | 2,462 | 3,733 | 1,271 | 51.6% | 3,991 | 257 | 6.9% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 10,029 | 10,777 | 12,571 | 1,794 | 16.7% | 13,102 | 531 | 4.2% |
| Total Operating Expenses | 22,672 | 22,374 | 25,456 | 3,081 | 13.8% | 27,582 | 2,126 | 8.4% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | (0) | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | (0) | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 22,672 | 22,374 | 25,456 | 3,081 | 13.8% | 27,582 | 2,126 | 8.4% |
| Equipment Outlay Expenditures | - | 350 | 150 | (200) | -57.1% | 150 | - | 0.0% |
| Total Expenses Incl Equip Outlay | 22,672 | 22,724 | 25,606 | 2,881 | 12.7% | 27,732 | 2,126 | 8.3% |

Finance Division

Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Net 9 new positions.
Contractual Services: (\$609K) decrease in contractors due to transferring to full-time employees
Operating Equipment & Systems: \$373K increase due to Custom Border Patrol (CBP) equipment refresh
Insurance: \$660K increase in insurance premiums due to increase in property value
Equipment Rentals & Repairs: \$1.3M increase due to network gear maintenance and software licenses

Finance Division

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 2 new positions.
Contractual Services: \$164K increase in credit card fees due to anticipated increase in parking revenue
Equipment Rentals & Repairs: \$257K increase in Common Use kiosk maintenance and software licenses

Finance Division

FY 2026 Expense Budget by Department

(in thousands)

| Departments | FY 2026 Budget |
|--|-----------------|
| Information & Technology Services | \$12,075 |
| Finance & Risk Management | 8,888 |
| Procurement | 1,981 |
| Accounting | 2,043 |
| Capital Financial Planning and Airline Relations | 1,580 |
| Business Intelligence | 2,020 |
| Other * | (2,982) |
| Total ¹ | \$25,606 |

* Includes Vacancy Savings

¹Total may differ due to rounding

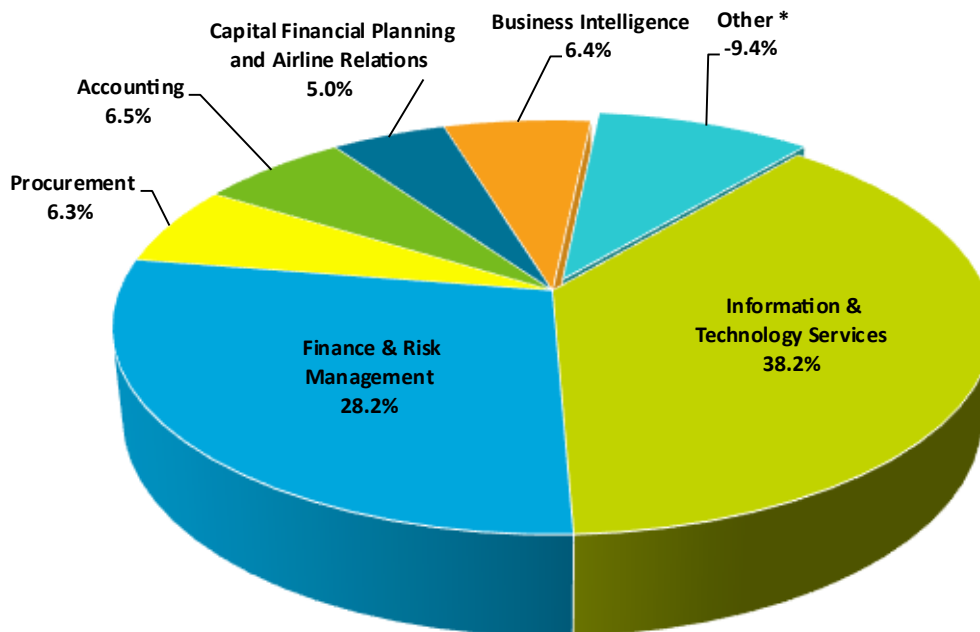


Figure 30 – FY 2026 Expense Budget by Department

Finance Division

FY 2027 Expense Conceptual Budget by Department

(in thousands)

| Departments | FY 2027 Conceptual Budget |
|--|---------------------------|
| Information & Technology Services | \$12,789 |
| Finance & Risk Management | 9,380 |
| Procurement | 2,005 |
| Accounting | 2,140 |
| Capital Financial Planning and Airline Relations | 1,451 |
| Business Intelligence | 2,143 |
| Other * | (2,176) |
| Total ¹ | <u>\$27,732</u> |

* Includes Vacancy Savings

¹ Total may differ due to rounding

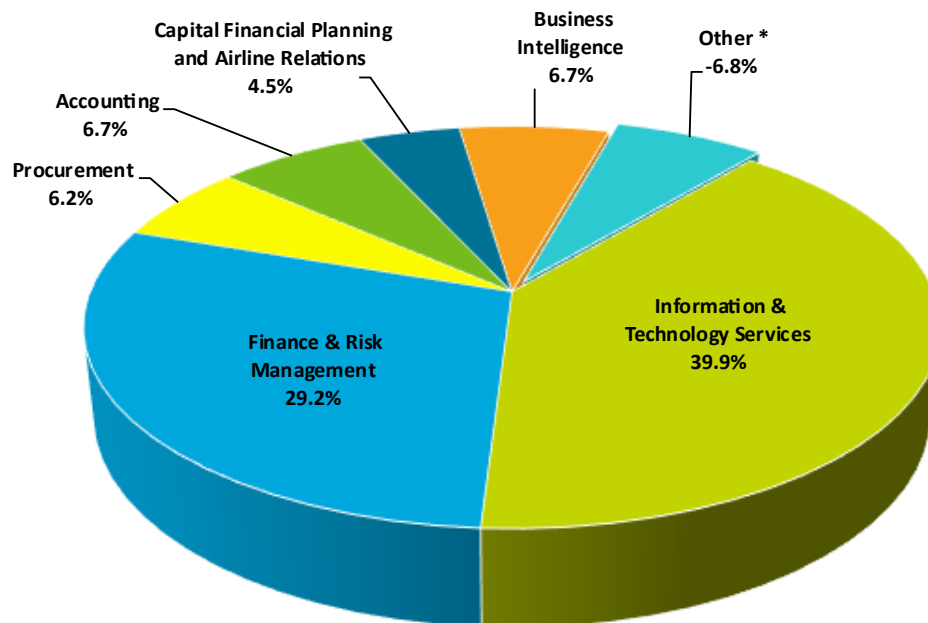


Figure 31 – FY 2027 Expense Conceptual Budget by Department

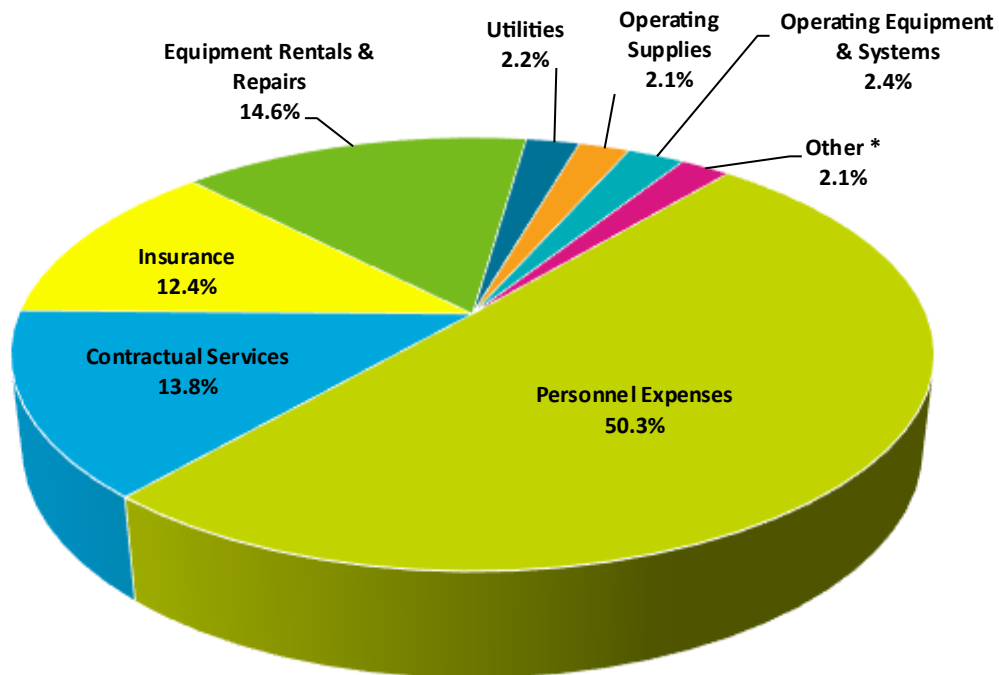
Finance Division

FY 2026 Expense Budget by Category

(in thousands)

| Category | FY 2026 Budget |
|-------------------------------|-----------------|
| Personnel Expenses | \$12,884 |
| Contractual Services | 3,537 |
| Insurance | 3,182 |
| Equipment Rentals & Repairs | 3,733 |
| Utilities | 572 |
| Operating Supplies | 547 |
| Operating Equipment & Systems | 616 |
| Other * | 535 |
| Total ¹ | \$25,606 |

¹ Total may differ due to rounding



*Other includes employee development, business development, etc.

Figure 32 – FY 2026 Expense Budget by Department

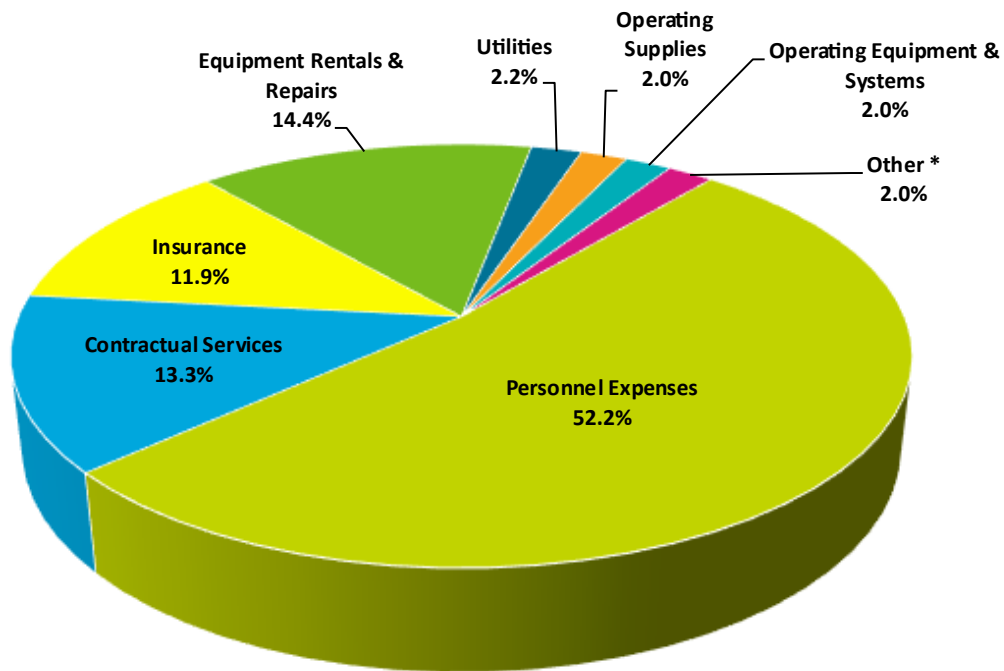
Finance Division

FY 2027 Expense Conceptual Budget by Category

(in thousands)

| Category | FY 2027 Conceptual Budget |
|-------------------------------|---------------------------|
| Personnel Expenses | \$14,480 |
| Contractual Services | 3,701 |
| Insurance | 3,309 |
| Equipment Rentals & Repairs | 3,991 |
| Utilities | 602 |
| Operating Supplies | 555 |
| Operating Equipment & Systems | 549 |
| Other * | 545 |
| Total ¹ | \$27,732 |

¹ Total may differ due to rounding

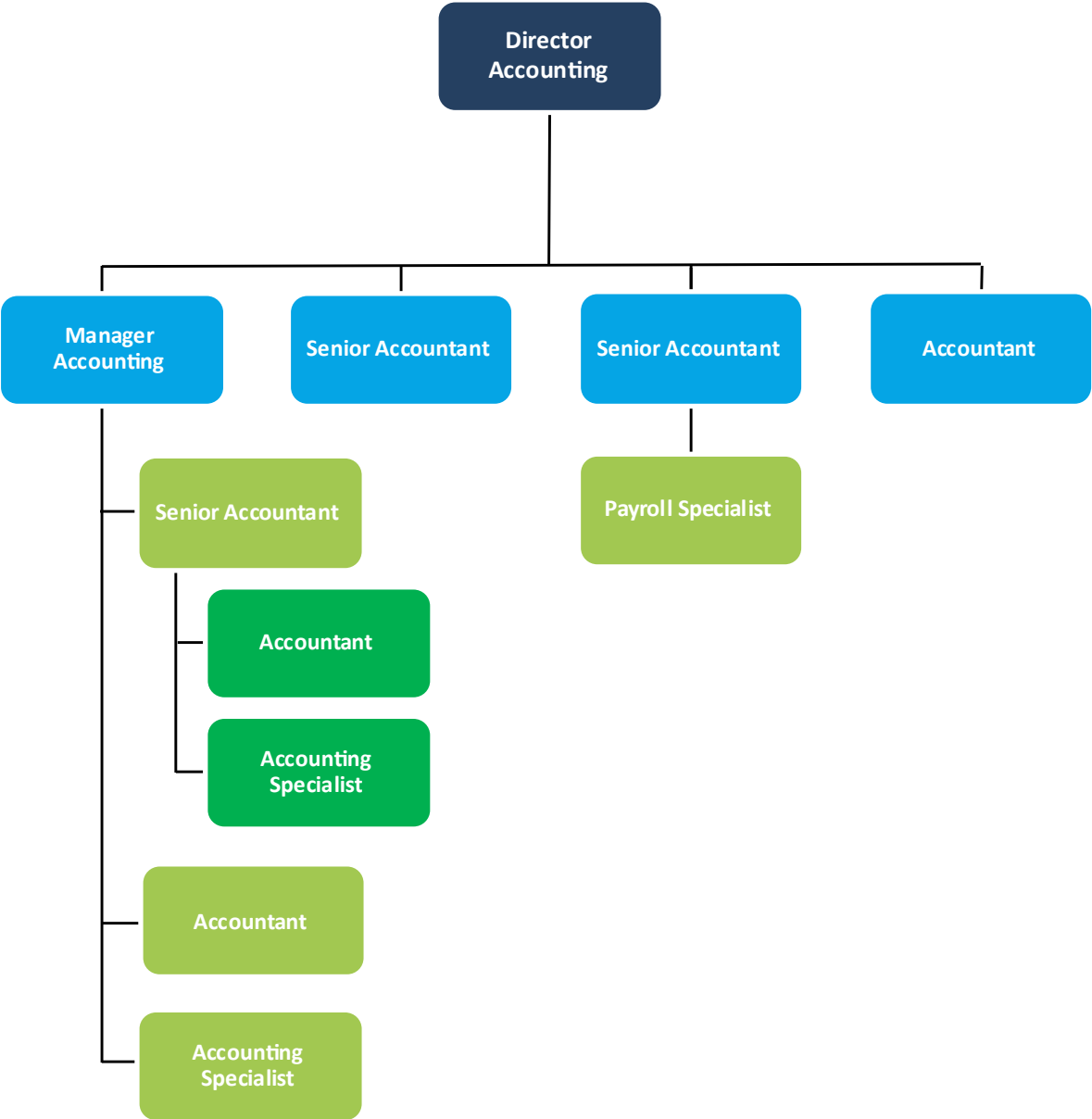


*Other includes employee development, business development, etc.

Figure 33 – FY 2027 Expense Conceptual Budget by Department

Finance Division – Accounting

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

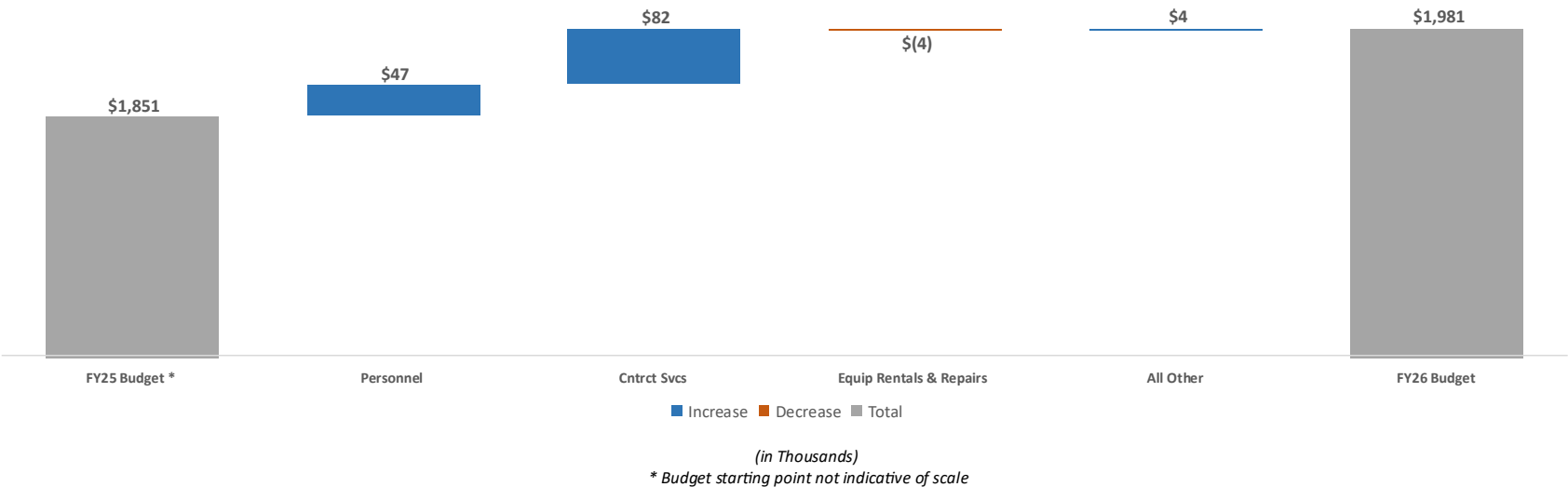
Finance Division – Accounting

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|--|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|---------------|
| Operating Expenses | | | | | | | | | |
| Salaries | | 1,065 | 1,083 | 1,091 | 8 | 0.7% | 1,135 | 44 | 4.0% |
| Benefits | | 543 | 507 | 546 | 39 | 7.7% | 590 | 44 | 8.0% |
| Subtotal | | 1,608 | 1,590 | 1,637 | 47 | 3.0% | 1,724 | 87 | 5.3% |
| Less: Capitalized Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 1,608 | 1,590 | 1,637 | 47 | 3.0% | 1,724 | 87 | 5.3% |
| Contractual Services | | 177 | 179 | 262 | 82 | 45.9% | 199 | (63) | -24.2% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | - | 2 | 2 | - | 0.0% | 2 | - | 0.0% |
| Operating Supplies | | 2 | 1 | 1 | - | 0.0% | 1 | - | 0.0% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 7 | 16 | 21 | 5 | 28.0% | 21 | - | 0.0% |
| Business Development | | (8) | 33 | 33 | - | 0.0% | 33 | - | 0.0% |
| Equipment Rentals and Repairs | | - | 30 | 26 | (4) | -13.3% | 26 | - | 0.0% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 177 | 261 | 344 | 83 | 31.8% | 281 | (63) | -18.4% |
| Total Operating Expenses | | 1,786 | 1,851 | 1,981 | 130 | 7.0% | 2,005 | 24 | 1.2% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | (0) | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | (0) | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 1,786 | 1,851 | 1,981 | 130 | 7.0% | 2,005 | 24 | 1.2% |
| Equipment Outlay Expenditures | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | | 1,786 | 1,851 | 1,981 | 130 | 7.0% | 2,005 | 24 | 1.2% |

Finance Division – Accounting

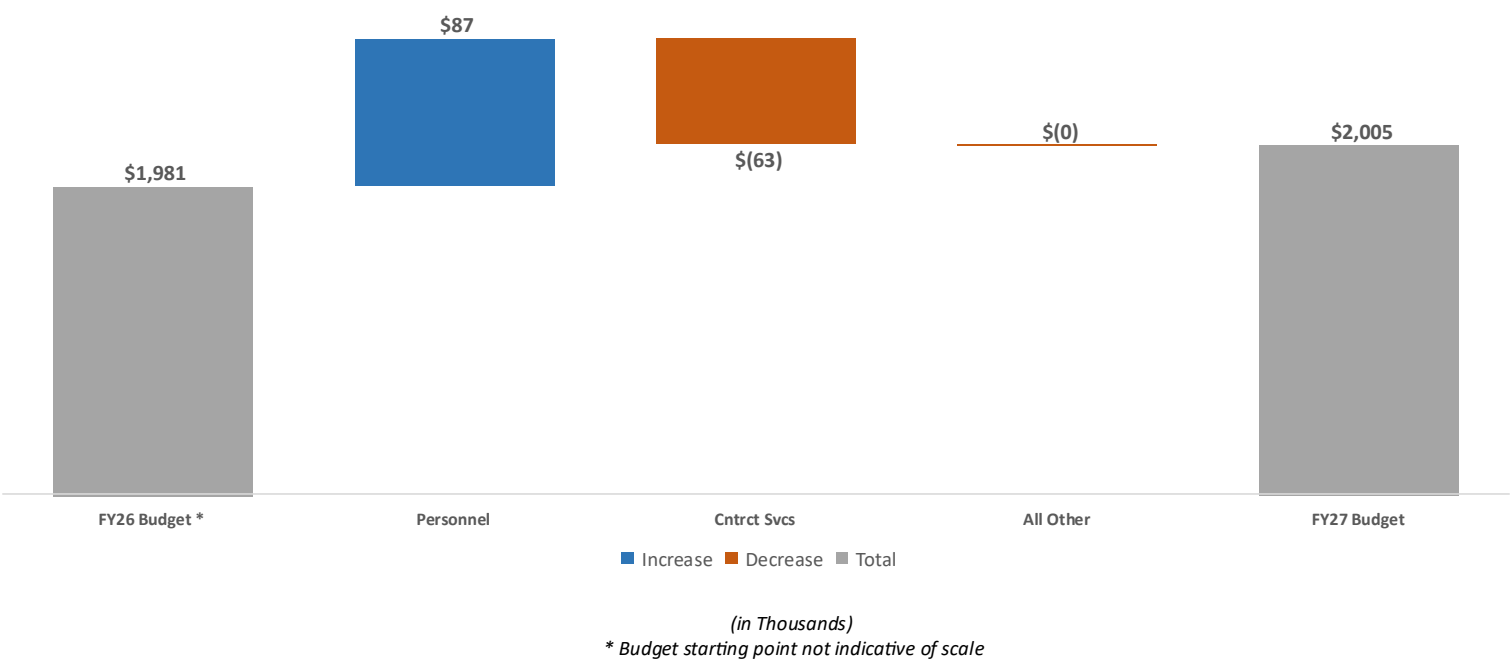
Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 1 eliminated position.
Contractual Services: \$82K increase in Audit fees, OPEB valuation, and CFC forecast reviews

Finance Division – Accounting

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Contractual Services: (\$63K) decrease in OPEB valuation and CFC forecast

Finance Division – Accounting

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



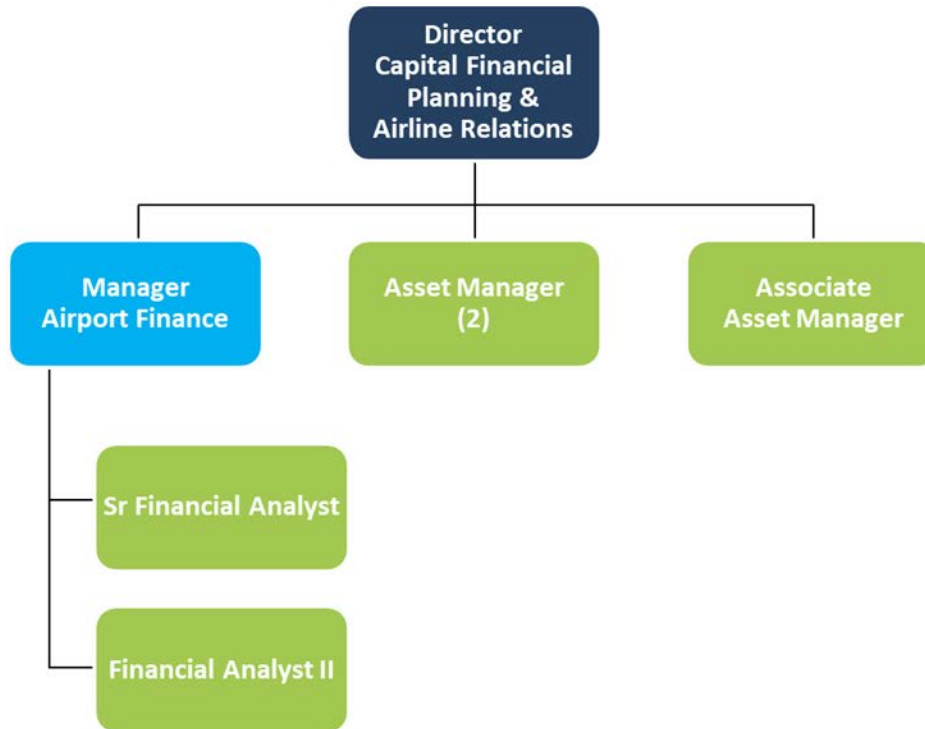
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|---------------------------|------------|
| Contribute to the Authority's strong financial standing by providing accurate and timely financial reporting and stringent internal controls that result in a clean audit with no findings for fiscal year June 30, 2024. This year's audit will involve the transition to a new audit firm. We will focus on building a strong working partnership with the auditors and quickly familiarize them with the Authority's financial information and practices to ensure a timely and thorough year end audit process. | | <i>Unmodified Opinion</i> | Met |
| Complete the implementation of the Accounts Payable Invoice Automation that will streamline and improve accuracy of the invoice processing cycle, by reducing manual data entry and integrating the approval process directly within the Authority's ERP system. | | <i>100%</i> | Met |
| Research, evaluate and when appropriate implement innovative approaches to improve efficiency and enhance data integrity of accounting processes. Areas to be assessed include alternative payroll processing options and leveraging artificial intelligence where appropriate. | | <i>Evaluate 5 areas</i> | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|------------|---------------------------|--|
| Provide accurate and timely financial reporting and rigorous internal controls that result in clean audits with no findings for fiscal years ending June 30, 2025 and June 30, 2026. Include the implementation of GASB 101, <i>Compensated Absences</i> and GASB 102, <i>Certain Risk Disclosures</i> for FY 2025, and GASB 103 <i>Financial Reporting Model Improvements</i> for FY26 | | <i>Unmodified Opinion</i> | Manage ongoing business effectively through change |
| Continually evaluate innovative approaches to enhance efficiency and improve data integrity, leveraging advancements such as business intelligence and other emerging technologies to optimize accounting processes. | | <i>Evaluate 5 areas</i> | Use Technology to Optimize Ongoing Business |
| Collaborate with Airport Design and Construction Department on the capitalization of the New T1 Parking Plaza for FY 2026 and New T1 - Phase 1 for FY27. | | <i>75%</i> | Advance Airport Development |

Finance Division – Capital Financial Planning & Airline Relations

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

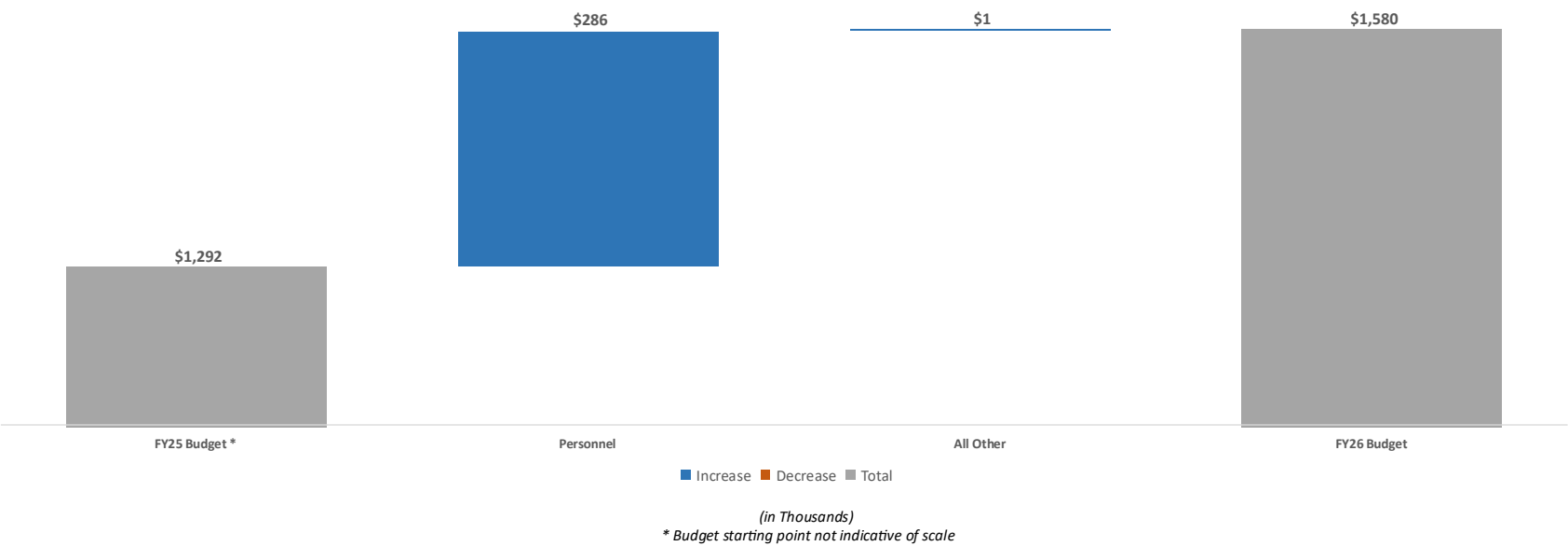
Finance Division – Capital Financial Planning & Airline Relations

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|--|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|--------------|
| Operating Expenses | | | | | | | | | |
| Salaries | | 861 | 901 | 1,077 | 176 | 19.6% | 974 | (103) | -9.6% |
| Benefits | | 392 | 366 | 476 | 110 | 30.0% | 449 | (27) | -5.7% |
| Subtotal | | 1,253 | 1,267 | 1,554 | 286 | 22.6% | 1,424 | (130) | -8.4% |
| Less: Capitalized Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 1,253 | 1,267 | 1,554 | 286 | 22.6% | 1,424 | (130) | -8.4% |
| Contractual Services | | - | - | - | - | 0.0% | - | - | 0.0% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Supplies | | 0 | 0 | 0 | - | 0.0% | 0 | - | 0.0% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 11 | 14 | 15 | 1 | 8.5% | 16 | 0 | 2.6% |
| Business Development | | 6 | 11 | 11 | 0 | 2.5% | 11 | 0 | 3.7% |
| Equipment Rentals and Repairs | | - | - | - | - | 0.0% | - | - | 0.0% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 16 | 25 | 27 | 1 | 5.8% | 27 | 1 | 3.0% |
| Total Operating Expenses | | 1,270 | 1,292 | 1,580 | 288 | 22.3% | 1,451 | (129) | -8.2% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 1,270 | 1,292 | 1,580 | 288 | 22.3% | 1,451 | (129) | -8.2% |
| Equipment Outlay Expenditures | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | | 1,270 | 1,292 | 1,580 | 288 | 22.3% | 1,451 | (129) | -8.2% |

Finance Division – Capital Financial Planning & Airline Relations

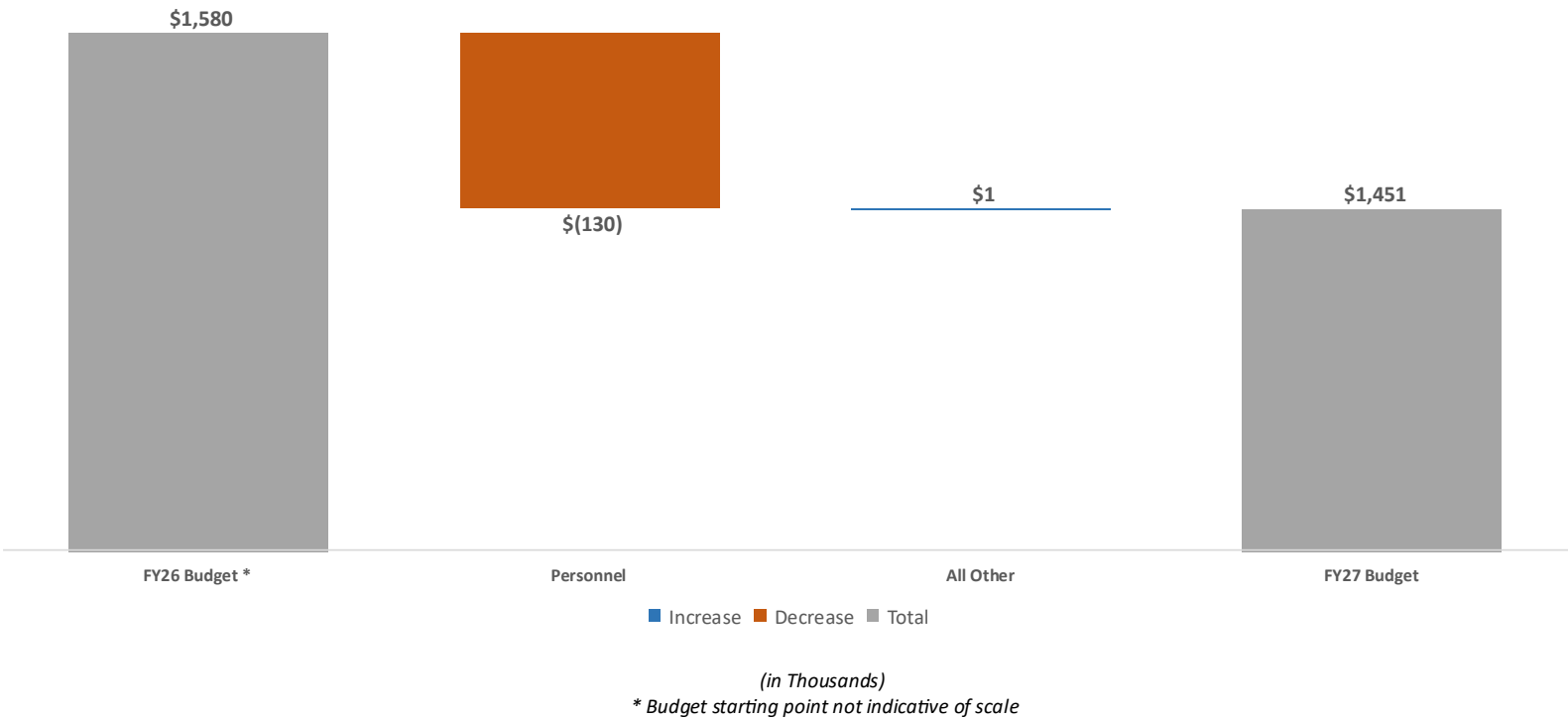
Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

Finance Division – Capital Financial Planning & Airline Relations

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

Finance Division – Capital Financial Planning & Airline Relations

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience




Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|--------|-----------------------------|
| <p>Support capital development efforts for the New Terminal 1, NT1 & Terminal 2 East connection, Terminal 2 East renovation, and airport electrical power infrastructure sustainability and resiliency by:</p> <ul style="list-style-type: none"> Continuing to develop strategies to seek grant opportunities through the Bipartisan Infrastructure Law (BIL). Evaluating new funding sources such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) loans for airports. Partnering with internal stakeholders to meet grant or other funding eligibility and application requirements. Evaluating FAA allowable costs for transit connection. Strengthening procedures to ensure compliance with changing federal grant regulatory requirements. | | 50% | Met 50% complete |
| Continue to collaborate with Operational Readiness, Activation, & Transition team (ORAT), Airport Design and Construction Department, Terminal Operations team, airlines, and other tenants to prepare for relocation of tenants to the New T1 and address tenants' space requirements, while ensuring compliance with the respective agreements. | | 50% | Met 50% complete |
| Partner with the Revenue Generation and Partnership Development (RGPD) Department on the continual implementation of the Airport Business & Revenue Management (ABRM) property management system with the overall goal to improve efficiencies as well as streamline processes in the Airline Relations Department. | | 100% | Met 100% complete |

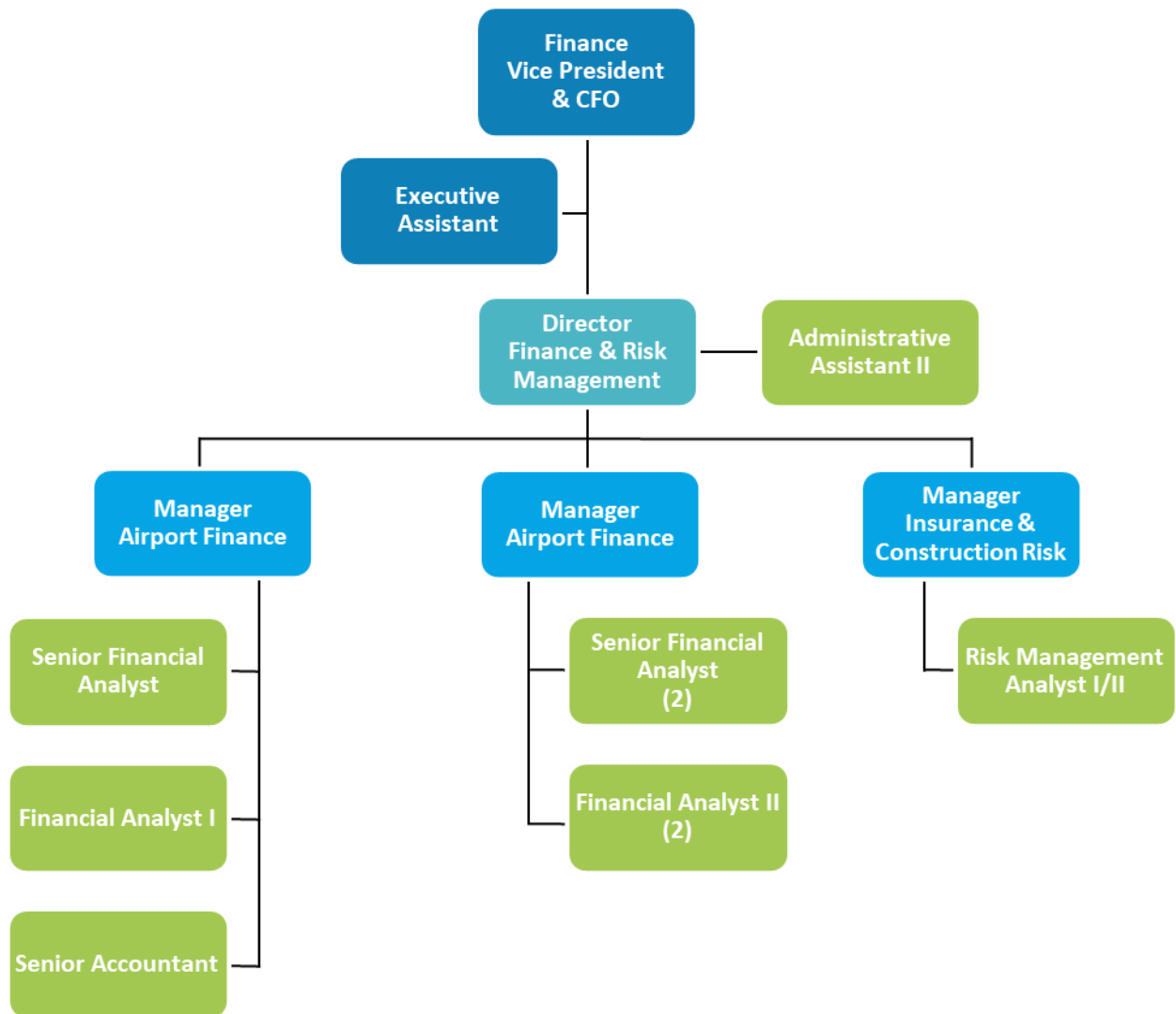
| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|-----------------------|---|
| Collaborating with internal stakeholders in seeking grant funding and enhancing procedures to meet grant eligibility and application requirements, while ensuring compliance with evolving federal grant regulatory standards. | | 80% | Evaluate multiple funding methods for the Capital Program (New T1 and CIP) |
| Obtain FAA approval for PFC application to support New T1 debt service. | | Final Agency Decision | Ensure Plan of Finance is flexible, nimble and able to proactively address future changes |

Finance Division – Capital Financial Planning & Airline Relations

| | | | |
|---|---|-----|--|
| Continue to collaborate with Operational Readiness, Activation, & Transition team (ORAT), Airport Design and Construction Department, Terminal Operations team, airlines, and other tenants to prepare for relocation of tenants to the New T1 and address tenants’ space requirements, while ensuring compliance with the respective agreements. |  | 80% | Align facilities to meet demand, both international and domestic |
|---|---|-----|--|

Finance Division – Finance & Risk Management

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

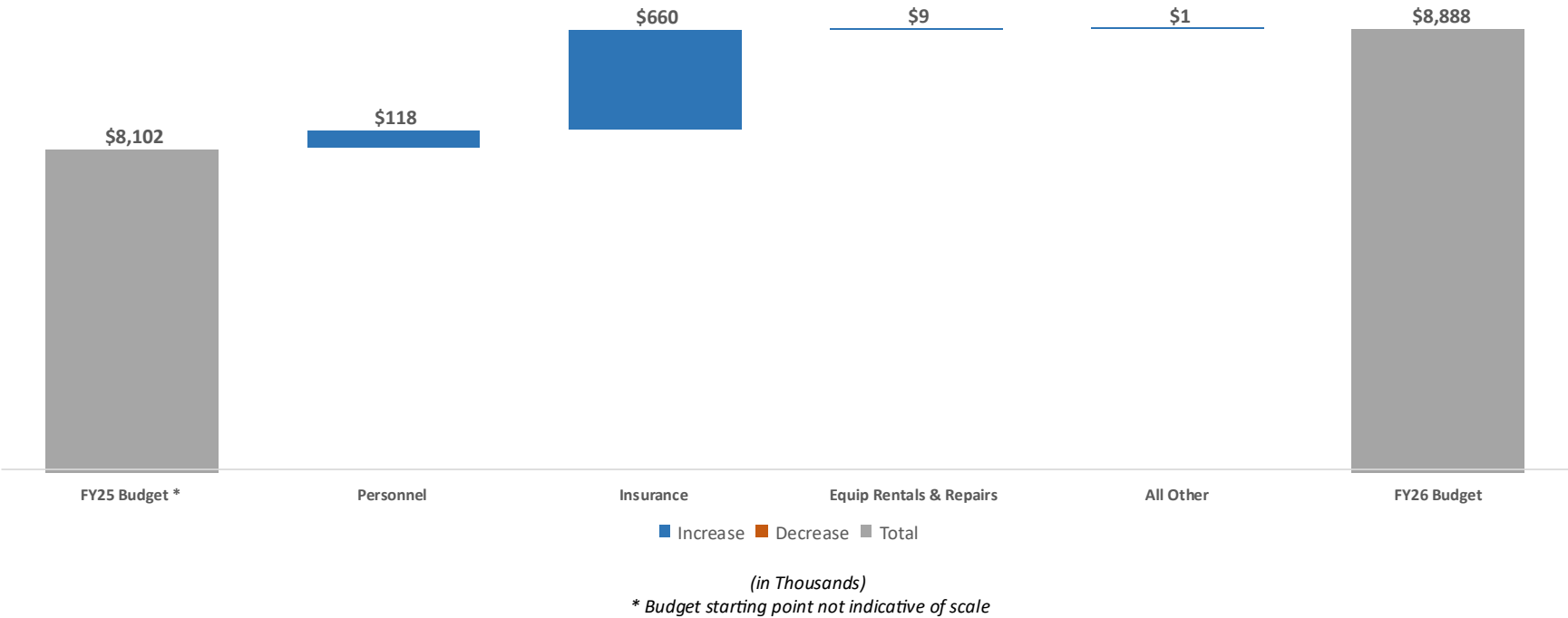
Finance Division – Finance & Risk Management

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|--|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|-------------|
| Operating Expenses | | | | | | | | | |
| Salaries | | 1,854 | 1,894 | 1,952 | 57 | 3.0% | 2,030 | 78 | 4.0% |
| Benefits | | 841 | 785 | 845 | 60 | 7.7% | 897 | 52 | 6.1% |
| Subtotal | | 2,695 | 2,679 | 2,797 | 118 | 4.4% | 2,926 | 130 | 4.6% |
| Less: Capitalized Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 2,695 | 2,679 | 2,797 | 118 | 4.4% | 2,926 | 130 | 4.6% |
| Contractual Services | | 2,069 | 2,606 | 2,602 | (5) | -0.2% | 2,828 | 227 | 8.7% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Supplies | | 3 | 3 | 3 | 0 | 7.4% | 3 | - | 0.0% |
| Insurance | | 2,299 | 2,523 | 3,182 | 660 | 26.1% | 3,309 | 127 | 4.0% |
| Employee Development | | 28 | 40 | 43 | 3 | 6.9% | 44 | 1 | 2.3% |
| Business Development | | 82 | 129 | 132 | 3 | 2.0% | 139 | 7 | 5.6% |
| Equipment Rentals and Repairs | | 126 | 122 | 130 | 9 | 7.0% | 130 | - | 0.0% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 4,607 | 5,423 | 6,092 | 669 | 12.3% | 6,454 | 362 | 5.9% |
| Total Operating Expenses | | 7,302 | 8,102 | 8,888 | 786 | 9.7% | 9,380 | 492 | 5.5% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 7,302 | 8,102 | 8,888 | 786 | 9.7% | 9,380 | 492 | 5.5% |
| Equipment Outlay Expenditures | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | | 7,302 | 8,102 | 8,888 | 786 | 9.7% | 9,380 | 492 | 5.5% |

Finance Division – Finance & Risk Management

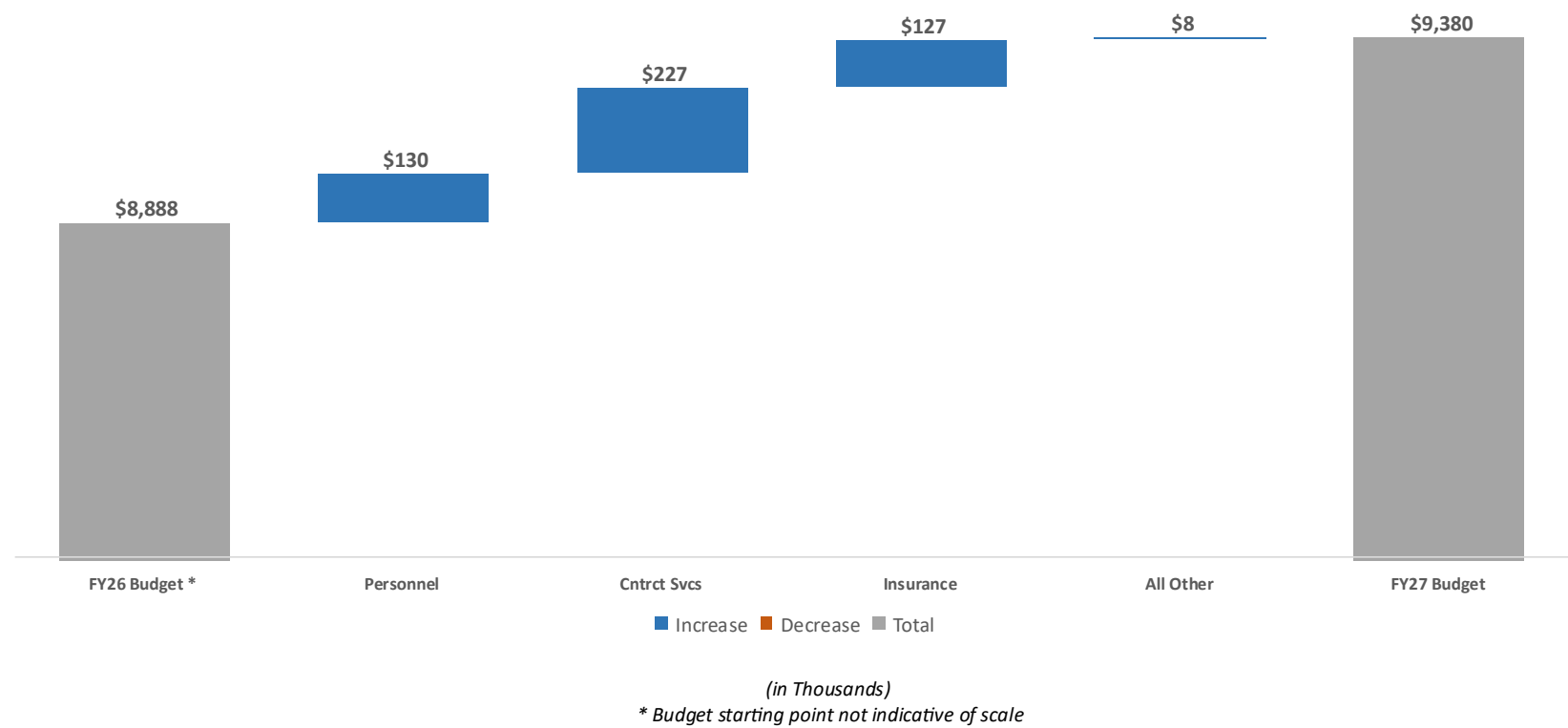
Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Insurance: \$660K increase in insurance premiums due to property value

Finance Division – Finance & Risk Management

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Contractual Services: \$227K increase in credit card fees due to anticipated increase in parking revenue
Insurance: \$127K increase in insurance premiums

Finance Division – Finance & Risk Management

FOCUS AREAS

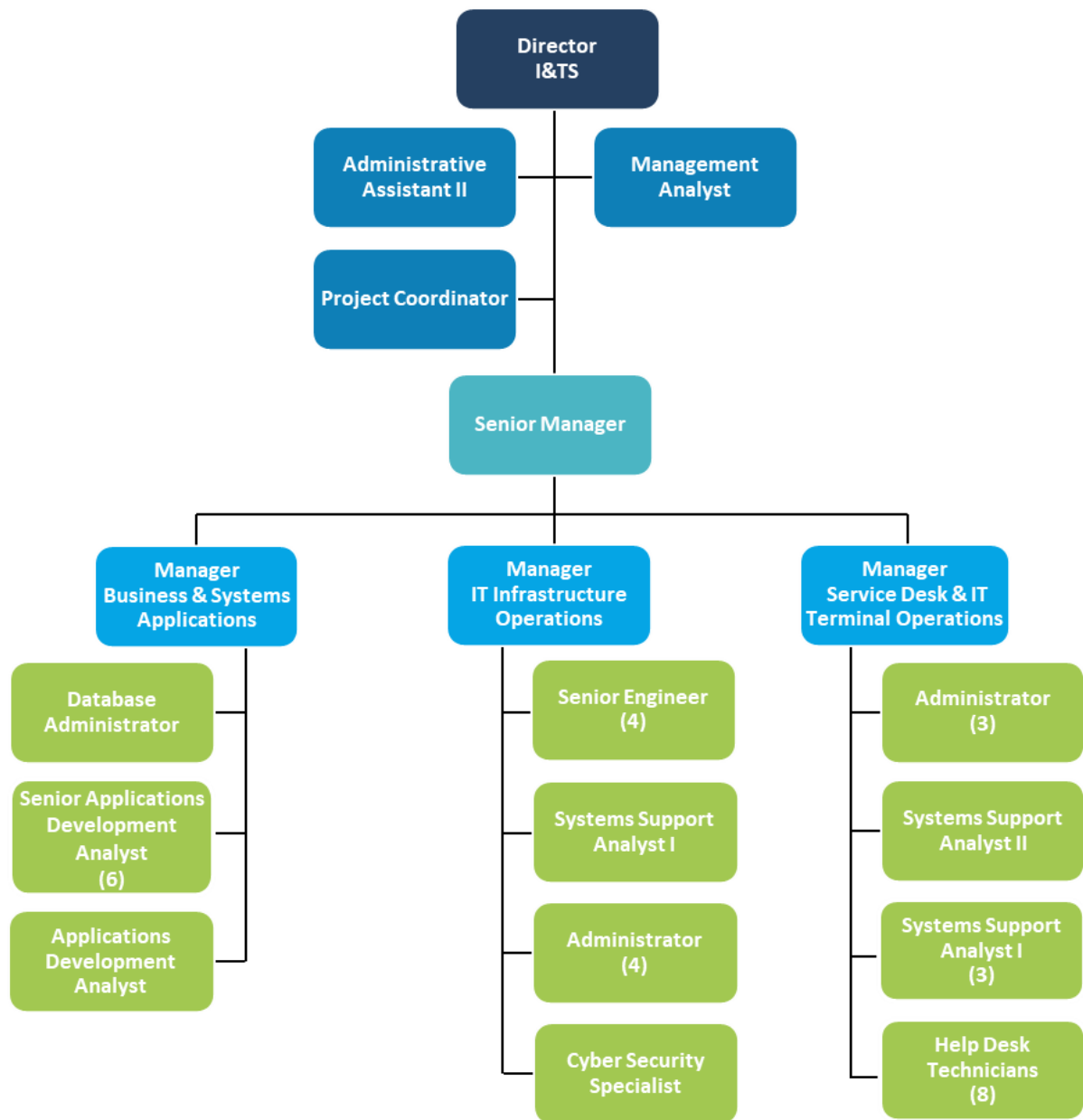


| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|--------|---|
| Compile the required documentation and update the financial models to issue debt in late FY 2025 or early FY 2026. This debt issuance will fund the final phases of the New T1 project. In addition, we will work with our financial advisors on potential refunding opportunities. | A | 100% | Met |
| Work with the Authority's insurance brokers to market and bind a new Builders Risk Policy for Phase Two of the New T1 Project. | A | 100% | In Progress <i>The project is delayed until FY26</i> |
| Finalize the lending documents for the Authority's new short-term credit facility. | A | 100% | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|--------|--|
| Issue Bonds for the New T1 Project | A | 100% | Evaluate Multiple Funding methods for the capital program. |
| Work with the Authority's insurance brokers to market and bind a new Builders Risk Policy for Phase Two of the New T1 Project. | A | 100% | Evaluate Multiple Funding methods for the capital program. |

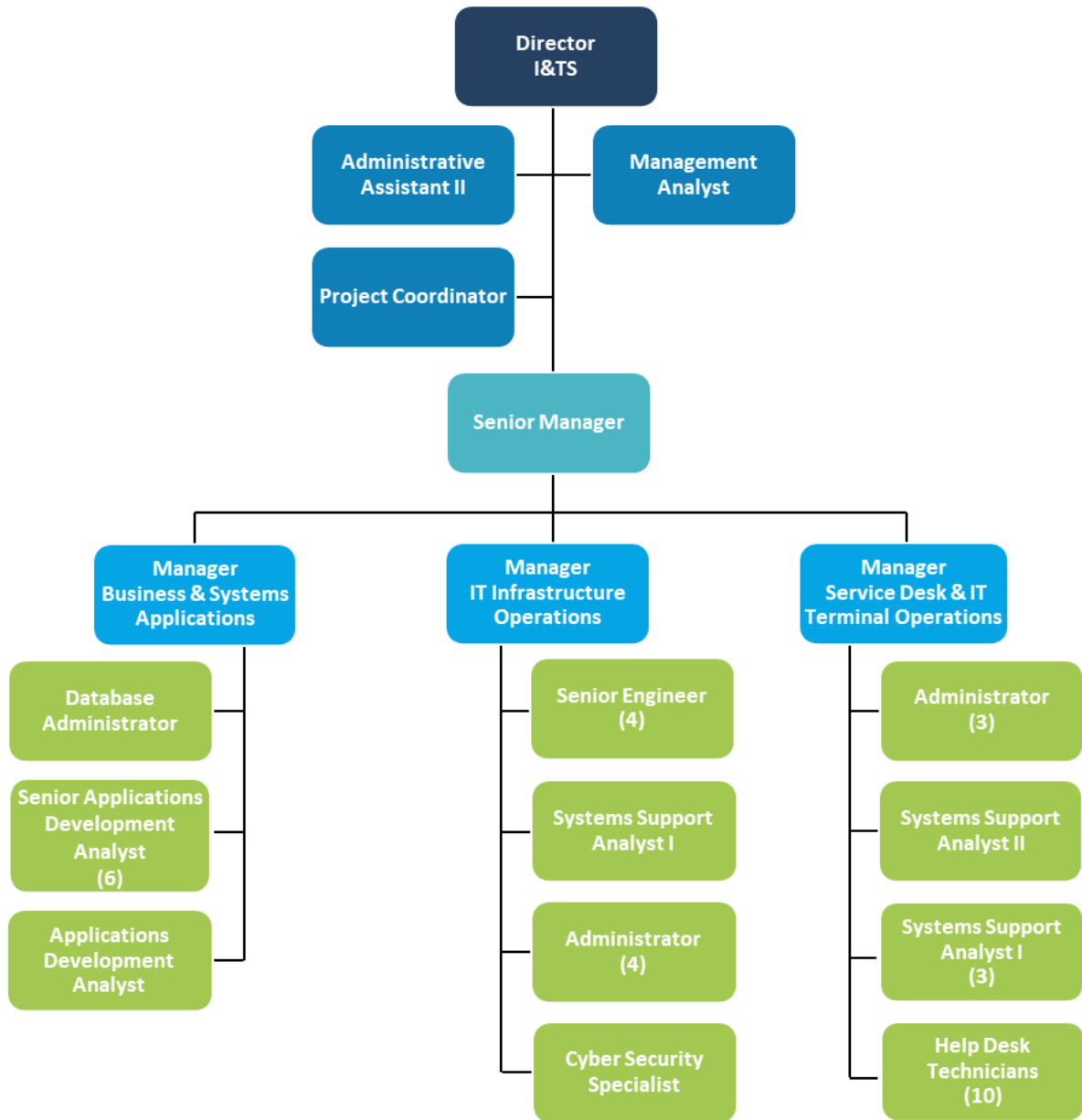
Finance Division – Information & Technology Services

FY 2026 Organizational Structure



Finance Division – Information & Technology Services

FY 2027 Organizational Structure



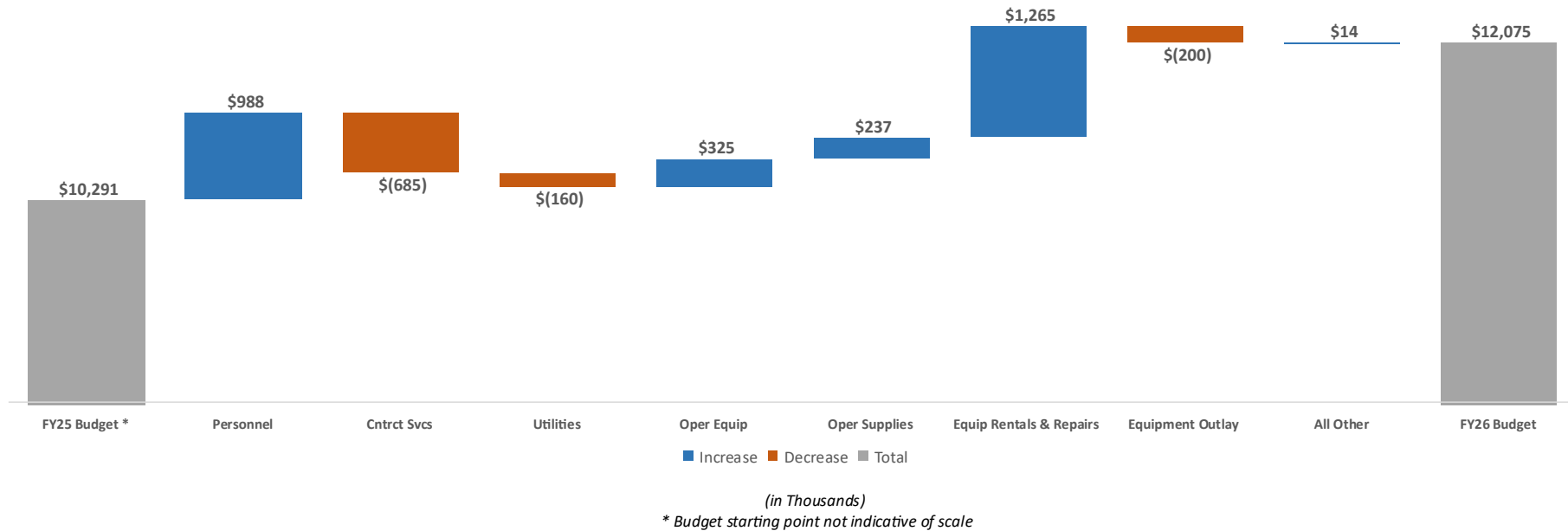
Finance Division – Information & Technology Services

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| <i>(In Thousands)</i> | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|-------------|
| Operating Expenses | | | | | | | | |
| Salaries | 2,996 | 3,919 | 4,525 | 607 | 15.5% | 4,826 | 301 | 6.7% |
| Benefits | 1,522 | 1,672 | 2,088 | 416 | 24.9% | 2,327 | 239 | 11.4% |
| Subtotal | 4,519 | 5,591 | 6,613 | 1,022 | 18.3% | 7,153 | 540 | 8.2% |
| Less: Capitalized Labor Recharge | (107) | (257) | (291) | (34) | 13.1% | (308) | (17) | 5.7% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 4,411 | 5,334 | 6,322 | 988 | 18.5% | 6,845 | 523 | 8.3% |
| Contractual Services | 1,745 | 1,311 | 625 | (685) | -52.3% | 625 | - | 0.0% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | 590 | 732 | 572 | (160) | -21.9% | 602 | 30 | 5.2% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 331 | 100 | 425 | 325 | 325.0% | 325 | (100) | -23.5% |
| Operating Supplies | 106 | 146 | 383 | 237 | 162.0% | 389 | 7 | 1.8% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 44 | 48 | 61 | 13 | 26.9% | 61 | - | 0.0% |
| Business Development | 8 | 5 | 7 | 2 | 29.4% | 7 | - | 0.0% |
| Equipment Rentals and Repairs | 2,206 | 2,265 | 3,529 | 1,265 | 55.9% | 3,784 | 255 | 7.2% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 5,029 | 4,607 | 5,602 | 996 | 21.6% | 5,794 | 192 | 3.4% |
| Total Operating Expenses | 9,440 | 9,941 | 11,925 | 1,984 | 20.0% | 12,639 | 715 | 6.0% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 9,440 | 9,941 | 11,925 | 1,984 | 20.0% | 12,639 | 715 | 6.0% |
| Equipment Outlay Expenditures | - | 350 | 150 | (200) | -57.1% | 150 | - | 0.0% |
| Total Expenses Incl Equip Outlay | 9,440 | 10,291 | 12,075 | 1,784 | 17.3% | 12,789 | 715 | 5.9% |

Finance Division – Information & Technology Services

Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 9 new positions.

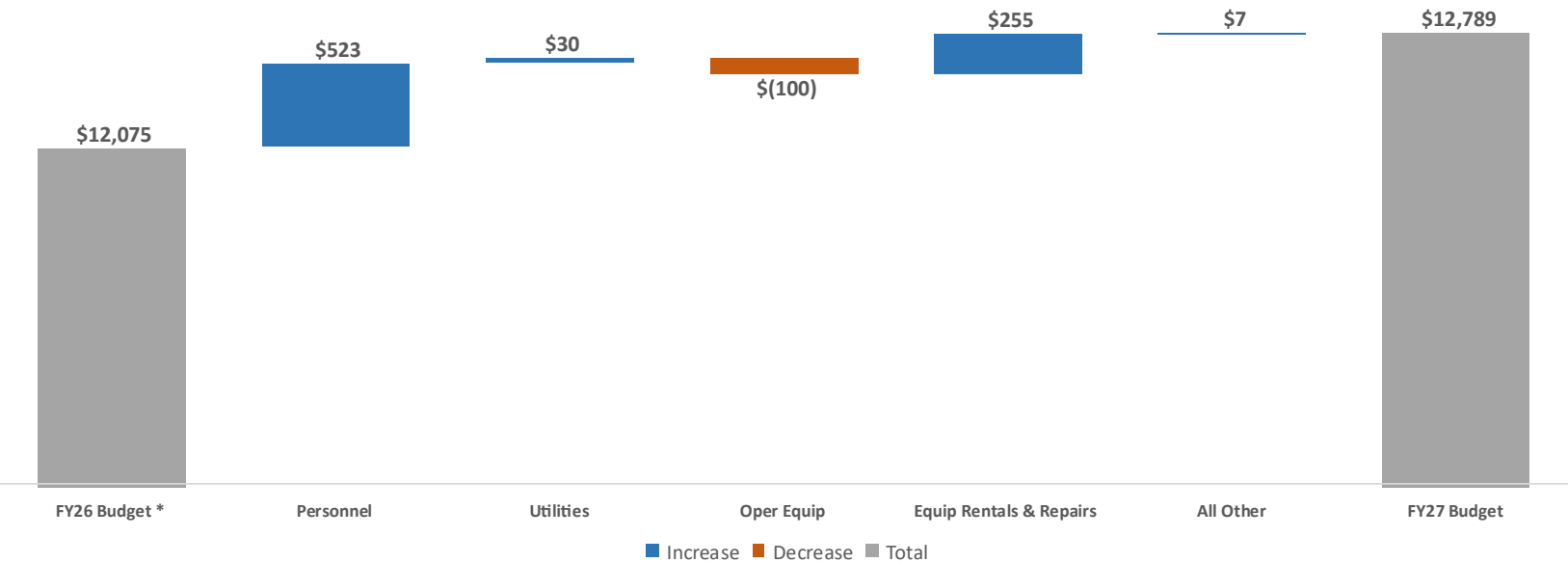
Contractual Services: (\$685K) decrease in contractors due to transferring to full-time employees

Operating Equipment: \$325K increase in Custom Border Patrol (CBP) equipment refresh

Equipment Rentals & Repairs: \$1.3M increase due to network gear maintenance and software licenses

Finance Division – Information & Technology Services

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



(in Thousands)
* Budget starting point not indicative of scale

Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 2 new positions.
Operating Equipment: (\$100K) decrease in CBP equipment refresh
Equipment Rentals & Repairs: \$255K increase in Common Use kiosk maintenance and software licenses

Finance Division – Information & Technology Services

FOCUS AREAS



A Advance Airport Development



O Optimize Ongoing Business



T Transform the Customer Experience




C Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|--------|-------------------|
| Partner with Arrive and ADC to deploy and configure the technology systems in the NT1 and Parking Plaza including passenger processing systems, flight information displays, paging, wayfinding directories, passenger queue measuring, wifi, and parking management systems. Work closely with the Operational Readiness Activation Transition (ORAT) team to coordinate the implementation of Citiri, a tool aimed at enhancing operational readiness for the opening of NT1. | | 50% | Met 50% |
| Deploy SharePoint as our enterprise content management system and migrate the pertinent content from OpenText into the SharePoint cloud. Continue the upgrade of JDE E1 to the latest release to provide enhanced features and functions. Partner with Facilities Management Department to deploy a new Computerized Maintenance Management System to effectively manage our assets. Collaborate with our Business Intelligence department to implement artificial intelligence solutions that align with Authority initiatives, including enhancing customer service, boosting operational efficiency, and fostering innovation. | | 75% | Met 75% |
| Execute cybersecurity initiatives including the TSA Cybersecurity Assessment Program for critical for IT/OT (Infrastructure Technology/Operational Technology) systems. Partner with Internal Audit on the cybersecurity focused assessments for FY25. Maintain Payment Card Industry compliance ensuring all credit card data is properly secured. | | 75% | Met 75% |

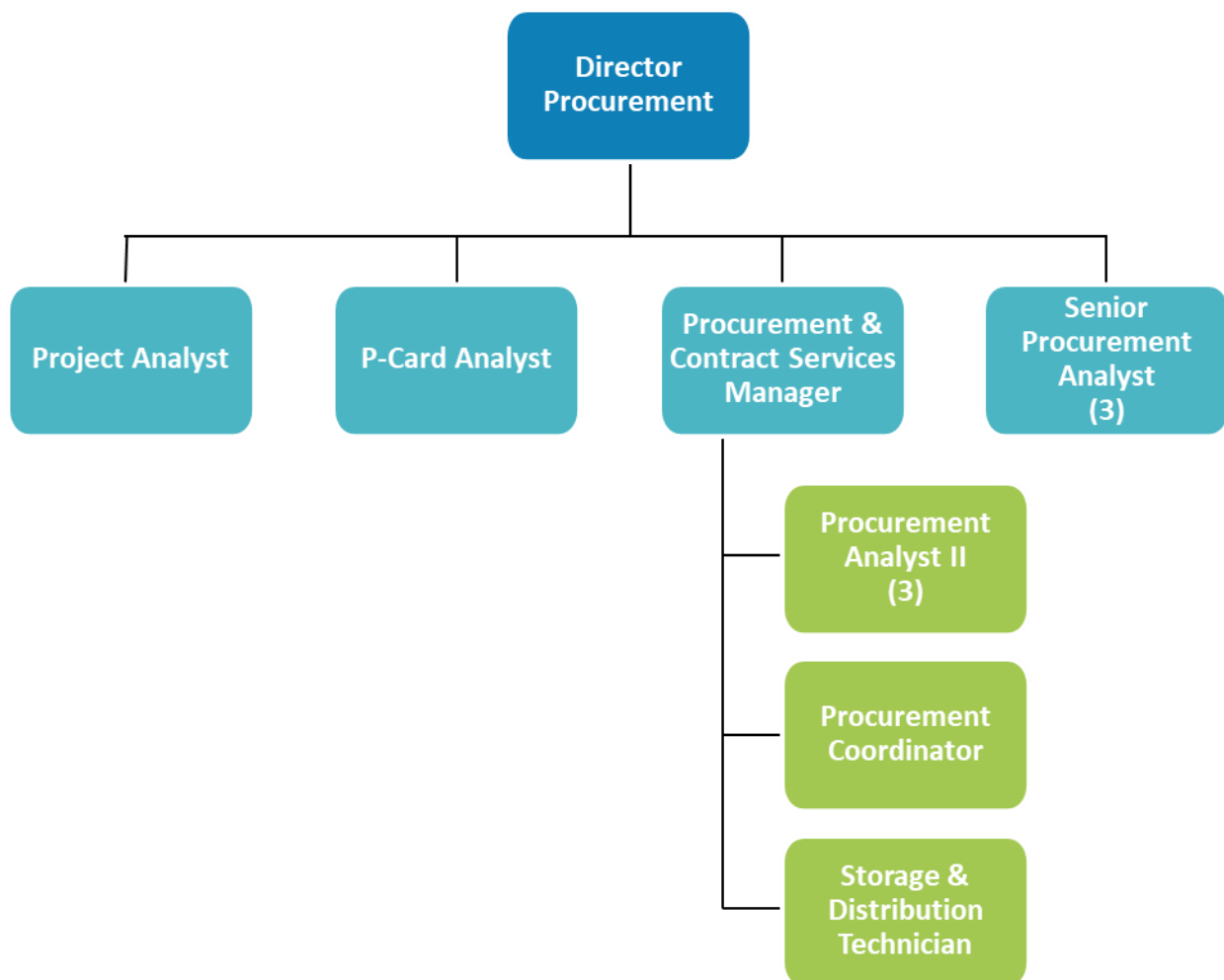
| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|------------|--------|---|
| Partner with Arrive and ADC to deploy and configure the technology systems in the New T1 and Parking Plaza including passenger processing systems, flight information displays, paging, wayfinding directories, passenger queue measuring, Wi-Fi, and parking management systems. Coordinate with New T1 Concessionaires & Shared Tenant Services provider to ensure telecom services are operational before opening. | | 90% | Use Technology to Advance Airport Development |
| Collaborate with stakeholders to implement new and upgrade existing enterprise application systems (PMWeb and Cityworks Computerized Maintenance Management System) to enhance functionality, introduce new capabilities, improve accessibility, and ensure alignment with current technology standards. | | 100% | Use Technology to Optimize Ongoing Business |

Finance Division – Information & Technology Services

| | | | |
|---|--|------|---|
| Drive cybersecurity initiatives, including the TSA Cybersecurity Assessment Program, to safeguard critical IT and OT systems. Collaborate with Internal Audit on cybersecurity-focused assessments for FY26/27. Ensure ongoing Payment Card Industry (PCI) compliance, securing all credit card data and protecting payment transactions. |  | 100% | Use Technology to Optimize Ongoing Business |
|---|--|------|---|

Finance Division – Procurement

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

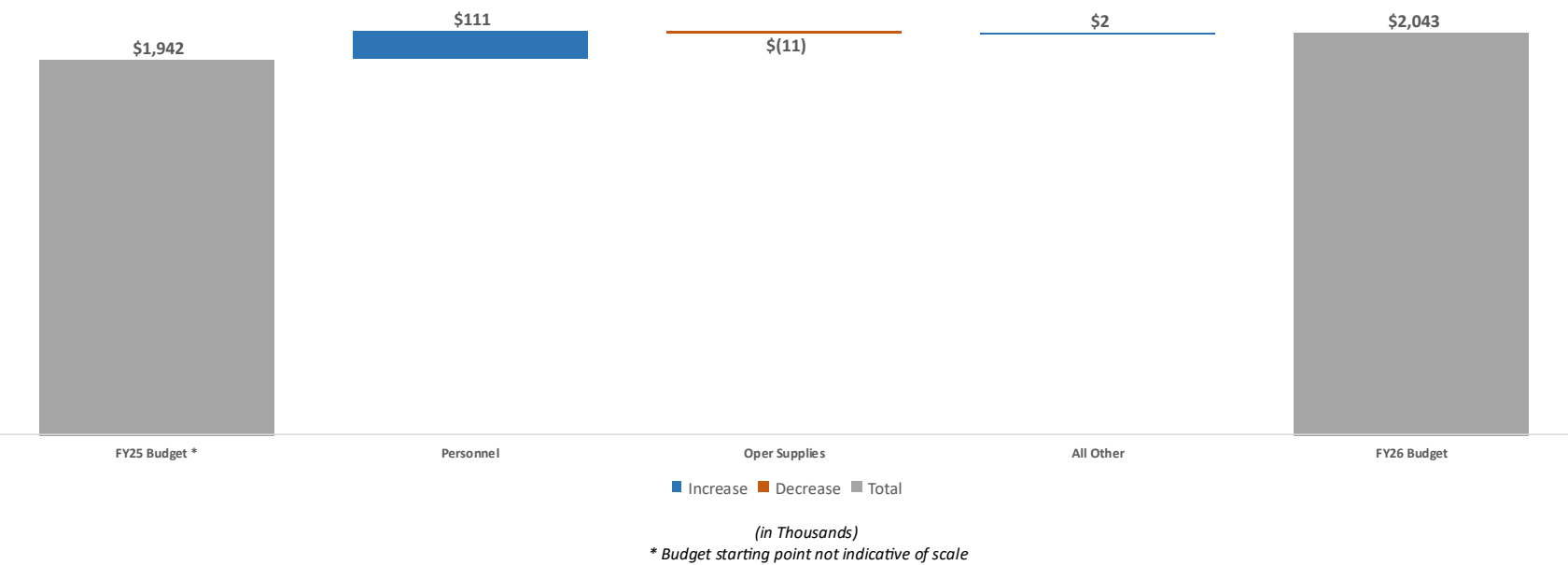
Finance Division – Procurement

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|--|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|-------------|
| Operating Expenses | | | | | | | | | |
| Salaries | | 1,121 | 1,149 | 1,205 | 56 | 4.9% | 1,253 | 48 | 4.0% |
| Benefits | | 531 | 531 | 585 | 54 | 10.2% | 628 | 43 | 7.3% |
| Subtotal | | 1,652 | 1,680 | 1,790 | 111 | 6.6% | 1,881 | 91 | 5.1% |
| Less: Capitalized Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 1,652 | 1,680 | 1,790 | 111 | 6.6% | 1,881 | 91 | 5.1% |
| Contractual Services | | 2 | 17 | 16 | (2) | -8.8% | 16 | 0 | 3.1% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | 0 | 1 | 1 | - | 0.0% | 1 | - | 0.0% |
| Operating Supplies | | 72 | 170 | 159 | (11) | -6.4% | 160 | 1 | 0.7% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 10 | 19 | 20 | 1 | 5.4% | 21 | 1 | 5.1% |
| Business Development | | 6 | 9 | 10 | 1 | 10.6% | 11 | 0 | 3.4% |
| Equipment Rentals and Repairs | | 43 | 46 | 48 | 2 | 3.3% | 50 | 2 | 5.3% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 132 | 262 | 253 | (9) | -3.4% | 259 | 5 | 2.2% |
| Total Operating Expenses | | 1,785 | 1,942 | 2,043 | 102 | 5.2% | 2,140 | 96 | 4.7% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 1,785 | 1,942 | 2,043 | 102 | 5.2% | 2,140 | 96 | 4.7% |
| Equipment Outlay Expenditures | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | | 1,785 | 1,942 | 2,043 | 102 | 5.2% | 2,140 | 96 | 4.7% |

Finance Division – Procurement

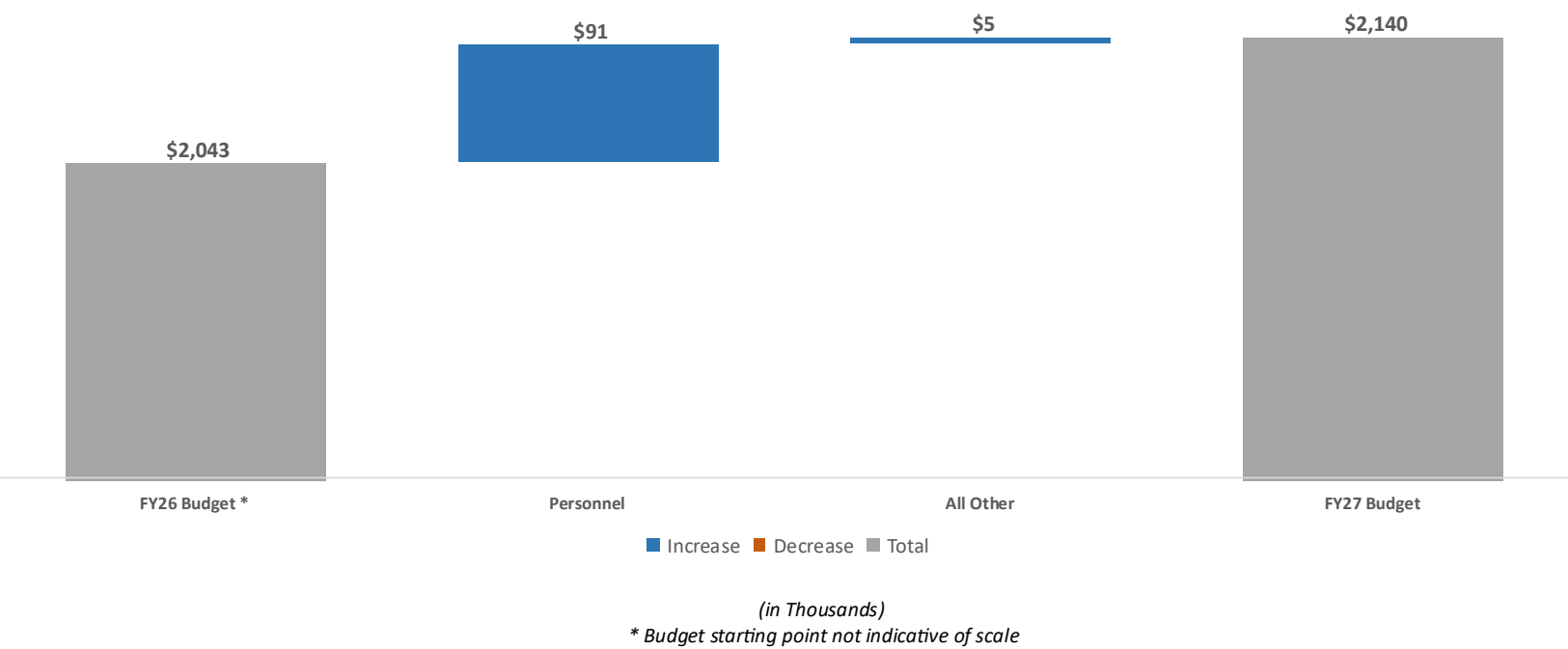
Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

Finance Division – Procurement

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff

Finance Division – Procurement

FOCUS AREAS

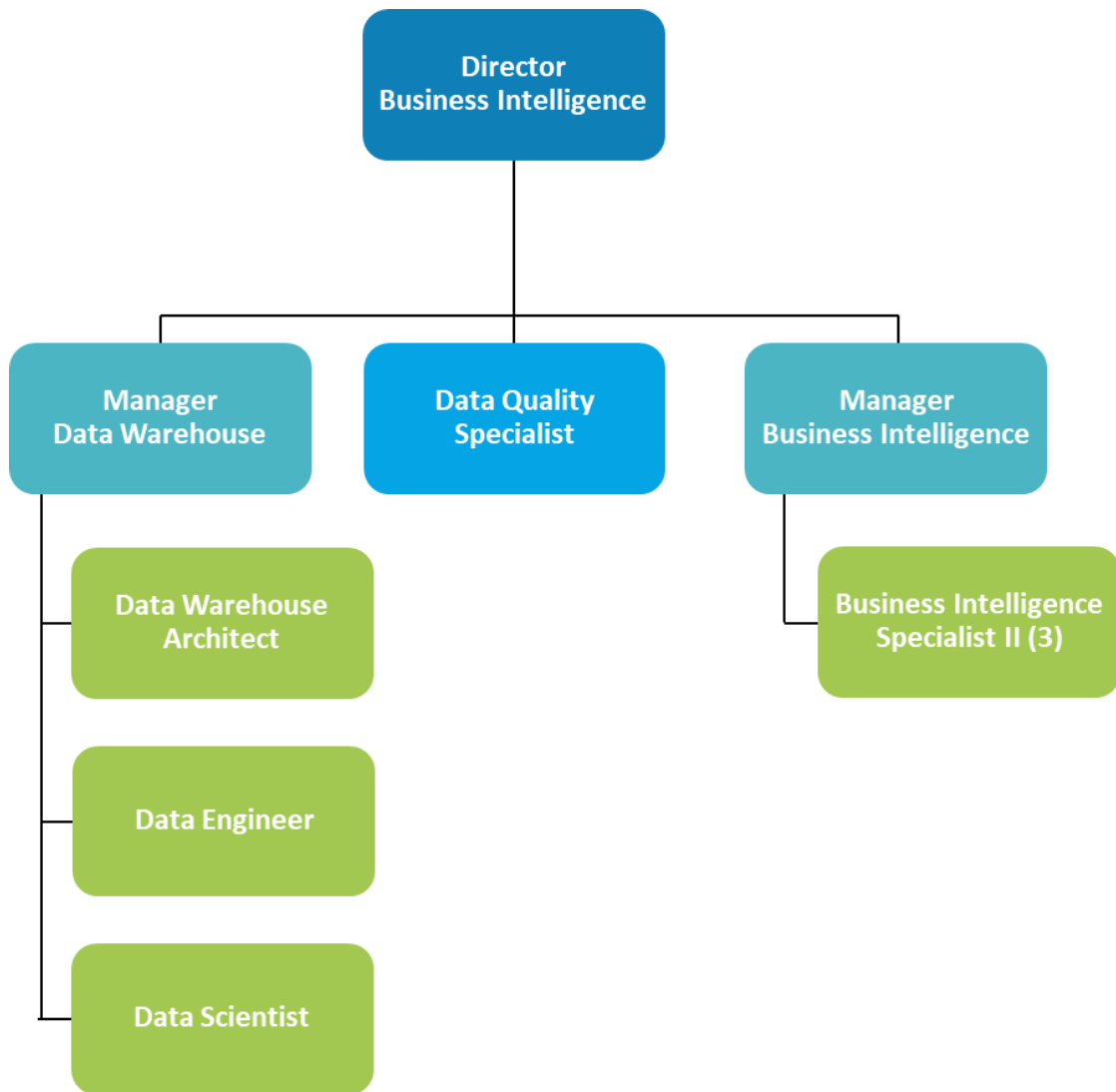


| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|--------|--------|
| Foster a Procurement team that is inclusive, supportive, and mindful of the culture and mindsets of all Authority departments and its teammates. Collaborate with key stakeholders to determine appropriate procurement methods for contracting opportunities that incorporate innovative industry trends, sound contract practices, reduce non-essential spending, optimize business efficiencies, and improve services, that support financial, social, environmental and safety obligations. | | 100% | Met |
| Promote the Authority's commitment to the local business community and support the inclusion and utilization of diverse suppliers to fairly compete and participate in the performance of all Authority Contracts through outreach, engagement, and transparency. Continue to maintain project specific outreach plans, tracking small and local business participation and contract awards on solicitations facilitated by Procurement; and participate in various contractor outreach and supplier training events. Continue to record Business Engagement and Supplier Diversity workstream and metrics. | | 100% | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|------------|--------|--|
| Ensure a fair, competitive process by engaging a broader supplier base and promoting wide-ranging opportunity on 100% of the projects facilitated by Procurement. | | 100% | Execute regional engagement and education plan to clearly communicate SAN's role in economic growth. |
| Focus on leveraging emerging technologies, training, strategic sourcing, negotiations, and value-driven partnerships to achieve an average 8% cost savings and increase procurement efficiencies. | | 100% | Train and develop business driven, agile and collaborative capabilities. |

Finance Division – Business Intelligence

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

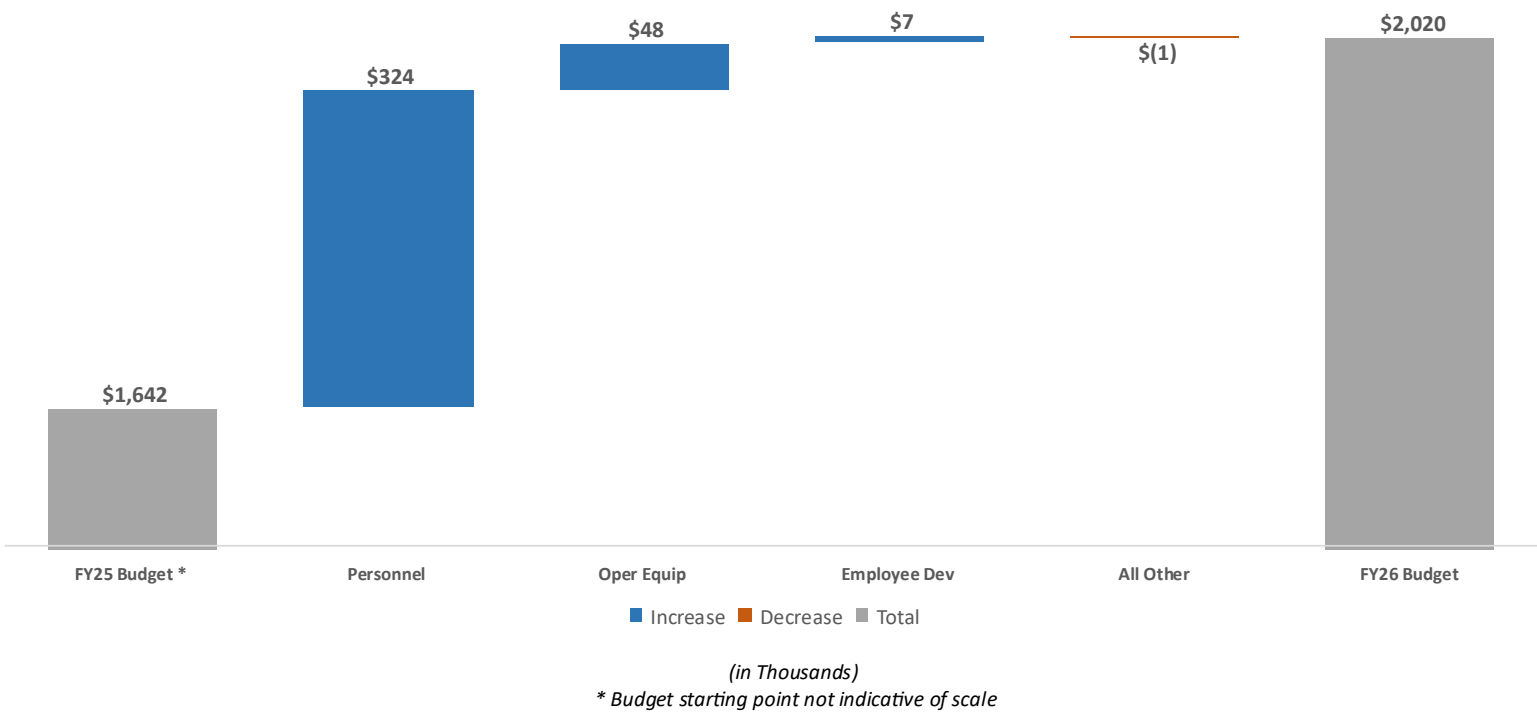
Finance Division – Business Intelligence

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|--|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|--------------|
| Operating Expenses | | | | | | | | | |
| Salaries | | 691 | 1,043 | 1,239 | 195 | 18.7% | 1,289 | 50 | 4.0% |
| Benefits | | 333 | 399 | 527 | 129 | 32.3% | 566 | 39 | 7.3% |
| Subtotal | | 1,024 | 1,442 | 1,766 | 324 | 22.5% | 1,855 | 89 | 5.0% |
| Less: Capitalized Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 1,024 | 1,442 | 1,766 | 324 | 22.5% | 1,855 | 89 | 5.0% |
| Contractual Services | | 29 | 32 | 32 | - | 0.0% | 32 | - | 0.0% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | 20 | 139 | 188 | 48 | 34.6% | 221 | 34 | 17.9% |
| Operating Supplies | | 0 | 1 | 2 | 1 | 122.2% | 2 | - | 0.0% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 16 | 22 | 29 | 7 | 33.1% | 29 | - | 0.0% |
| Business Development | | 0 | 5 | 3 | (2) | -41.7% | 3 | 0 | 3.3% |
| Equipment Rentals and Repairs | | 1 | - | - | - | 0.0% | - | - | 0.0% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 66 | 200 | 254 | 54 | 27.3% | 288 | 34 | 13.3% |
| Total Operating Expenses | | 1,090 | 1,642 | 2,020 | 379 | 23.1% | 2,143 | 122 | 6.1% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 1,090 | 1,642 | 2,020 | 379 | 23.1% | 2,143 | 122 | 6.1% |
| Equipment Outlay Expenditures | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | | 1,090 | 1,642 | 2,020 | 379 | 23.1% | 2,143 | 122 | 6.1% |

Finance Division – Business Intelligence

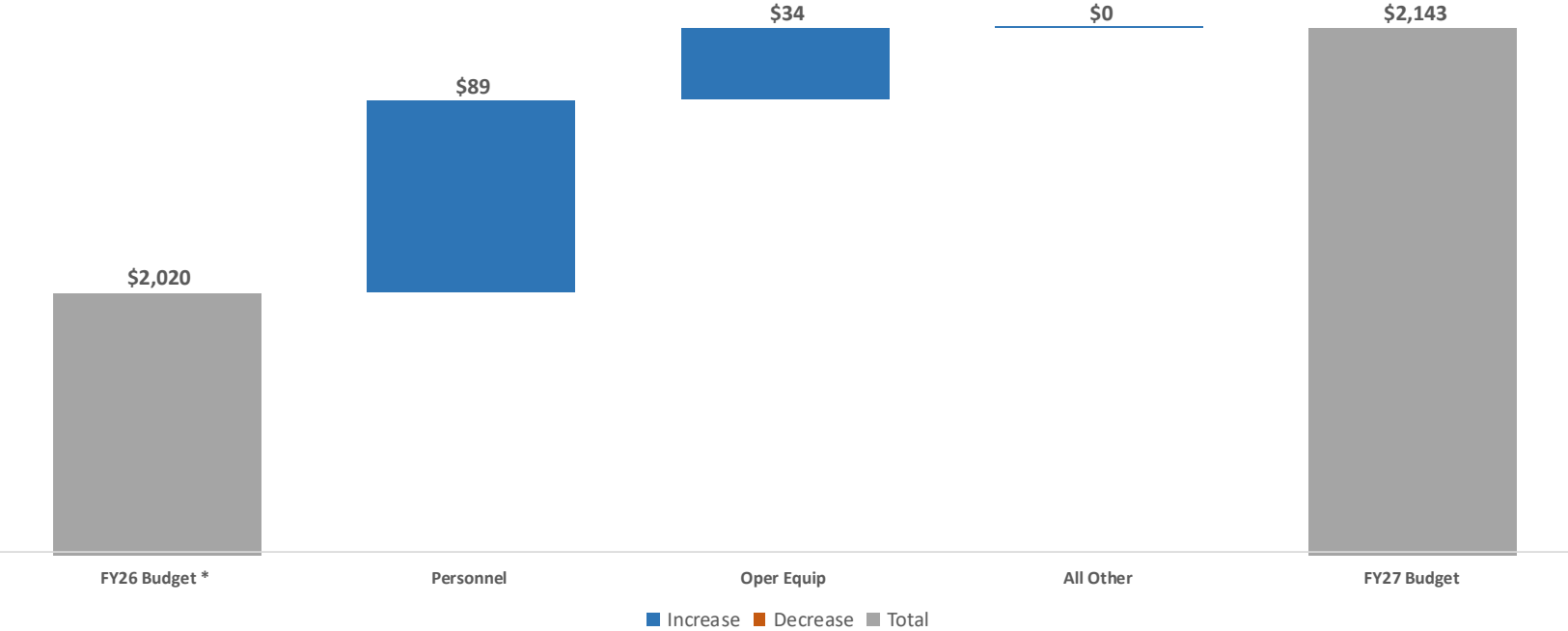
Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 1 new position.
Operating Equipment & Systems: \$48K increase in data software

Finance Division – Business Intelligence

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



(in Thousands)
* Budget starting point not indicative of scale

Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Operating Equipment & Systems: \$34K increase in software licenses

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business






Transform the Customer Experience



Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|---|--|
| Implement a comprehensive data warehouse solution to centralize and streamline data management across the airport authority. | | <p>ETL Process Implementation: Snowflake & AWS-based ETL deployment.</p> <p>Data Domain Integration: Consolidation of airport data into consolidated domains (Revenue, Finance, Operations, Customer Experience, Development, Procurement, Human Resources) and into a unified data warehouse.</p> <p>User Enablement: Training of relevant departmental analysts to leverage the data warehouse for decision-making</p> | <p>Met ETL Process Implementation</p> <p>Met Data Domain Integration</p> <p>In Progress User Enablement (12.5% complete, training is still in progress)</p> |
| Create an integrated passenger data model to provide a unified view of passenger-related metrics and their impact on various airport operations. | | <p>Data Integration: Aggregate data from all passenger movement related systems</p> <p>Analysis: Provide detailed analysis of passenger data</p> <p>Impact Assessment: Evaluate the influence of passenger behavior on different airport operation</p> | <p>Met Data Integration</p> <p>In Progress Analysis</p> <p>In Progress Impact Assessment</p> |
| Establish a comprehensive data governance framework to ensure data accuracy, consistency, and trustworthiness across all BI systems. | | <p>Governance Framework Development: Create policies and standards for data usage, quality, and security</p> <p>Data Lineage Documentation: Implement tools and procedures to track data</p> | <p>Met Governance Framework Development</p> <p>In Progress Data Lineage Documentation: (62.5% complete, tool implementation largely complete)</p> |

Finance Division – Business Intelligence

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|---|-------------------------------------|---|
| Strengthen Data Governance by developing consolidated Finance & Revenue Data Models and launching a data quality initiative |  | <i>2 Models (Revenue, Parking)</i> | Use Technology to Optimize Ongoing Business |
| Expand BI Training & Adoption by rolling out structured Power BI & Analytics Literacy workshops |  | <i>6 Training Sessions / Year</i> | Use Technology to Optimize Ongoing Business |
| Utilize Large Language Models and related AI capabilities within Snowflake to drive customer sentiment analysis |  | <i>Cx reports and/or dashboards</i> | Use Technology to Transform the Customer Experience |

Operations Division



Operations Division

Overview

The **Operations Division** is responsible for the daily operations of the airport campus including terminals, airfield, and roadways. The division works closely with tenants, service providers, and federal agencies to ensure the safe, secure, and efficient flow of passengers and aircraft. In addition, the division facilitates SAN's compliance with numerous FAA and TSA regulations, provides 24/7 maintenance support for airport infrastructure, and oversees access control and emergency response. Finally, the Operations Division leads the activation and opening of new facilities in close collaboration with internal and external stakeholders.

The **Airside & Terminal Operations** department oversees the myriad of daily activities occurring on the airfield, terminal, and landside with responsibility for maintaining a safe, secure environment in which the airport's tenants can operate. The department manages these activities in accordance with federal and state regulations, local ordinances and the airport's Rules and Regulations. It participates in the inspection of terminal buildings and select facilities to identify any maintenance and safety deficiencies to ensure operating standards are being met; ensures the prompt reporting of any deficiencies identified; and assures all contract requirements are met.

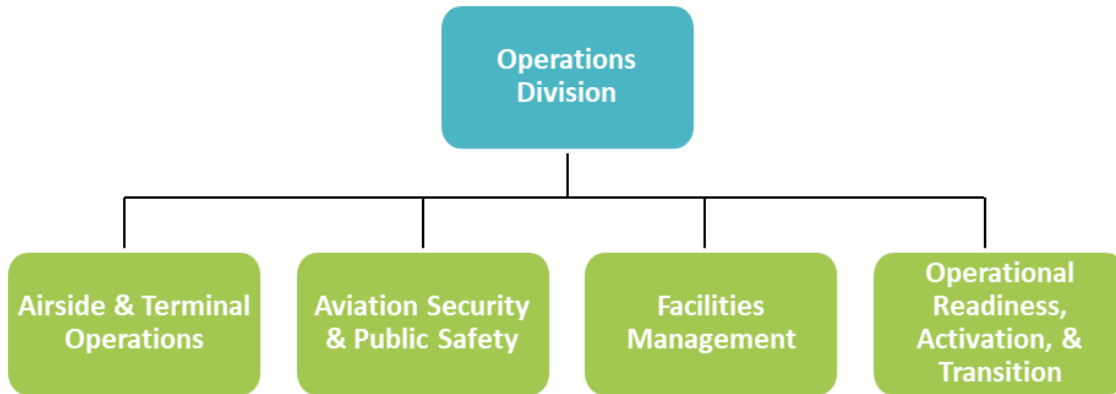
The **Aviation Security & Public Safety (AVSEC/PS)** department implements all required TSA security programs and security equipment improvements; manages the Service Level Agreement with Harbor Police; coordinates with all Homeland Security and state agencies for passenger inspection services; develops, administers and implements the Airport Security Program; oversees all Airport emergency management programs; implements all FAA requirements related to the Airport Emergency Plan; operates the Authority's Airport Coordination Center and Access Control Office; oversees all traffic management operations of the Airport Traffic Officers (ATO); manages commercial vehicle enforcement activities; and ensures a high level of emergency/crisis preparedness through coordination with local, state and federal agencies. The Department is also responsible for the management of the Authority's Business Continuity Plan (BCP).

The **Facilities Management (FMD)** department maintains airport infrastructure and responds to all airport and tenant service requests. The department plans and executes the Major Maintenance Program and assists Airport Design and Construction in the execution of the CIP. It also manages campus utilities and the central utility plant, including the operation and maintenance of the 12-KV electrical distribution system. The department also manages fleet services for all authority vehicles and equipment; and provides lifecycle asset management through preventative maintenance, facilities condition analysis and planned capital replacement. The department provides services at all hours of the day and night, 365 days a year.

The **Operational Readiness, Activation, & Transition (ORAT)** department is responsible for ensuring the safe and seamless opening of all new and renovated facilities. ORAT works extensively with other Airport Authority departments, airlines, concessions, and other key stakeholders to "operationalize" a new asset by developing a thorough concept of its operations, training staff on new procedures, trialing new systems and processes to test their effectiveness, and shifting operations (usually overnight) from the existing facility. The department also facilitates strategic planning on various airport operational topics and supports overall coordination of the Operations Division.

Operations Division

FY 2026 – FY 2027 Organizational Structure



Division Personnel Summary

| | FY 2025 Budget | FY 2026 Budget Transfers | FY 2026 Budget New/ (Eliminated) | FY 2026 Budget | FY 2027 Budget New/ (Eliminated) | FY 2027 Conceptual Budget |
|---|-------------------|--------------------------------|--|----------------|--|---------------------------------|
| Operations Division | | | | | | |
| Aviation Security & Public Safety ¹ | 105 | (5) | 5 | 105 | 3 | 108 |
| Airside & Terminal Operations ² | 32 | (3) | 5 | 34 | - | 34 |
| Operational Readiness, Activation, & Transition | 2 | - | - | 2 | - | 2 |
| Facilities Management ³ | 91 | 3 | 3 | 97 | - | 97 |
| Subtotal | 230 | (5) | 13 | 238 | 3 | 241 |

¹ 5 positions transferred to Landside Business Development

² 3 positions transferred to Customer Experience

³ 3 positions transferred from Airport Design & Construction

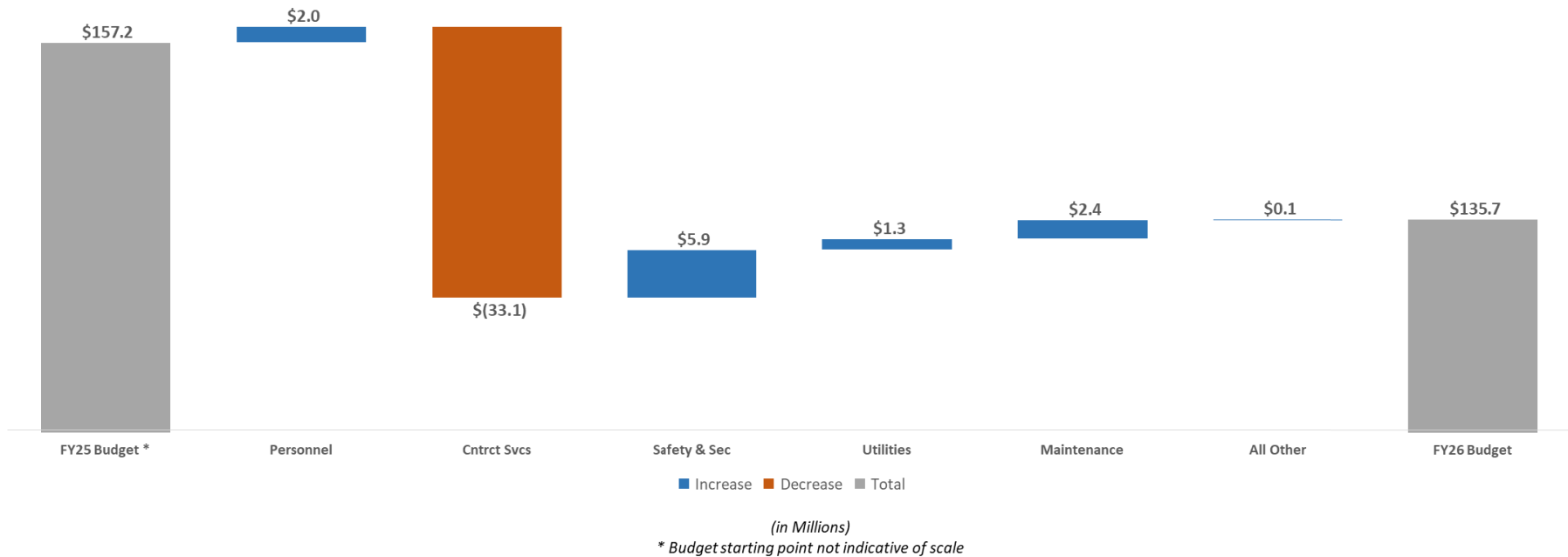
Operations Division

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|----------------|----------------|-----------------|----------------------------|---------------|-------------------|----------------------------------|-------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 19,034 | 21,701 | 22,732 | 1,031 | 4.7% | 23,942 | 1,210 | 5.3% |
| Benefits | 8,983 | 9,623 | 10,659 | 1,036 | 10.8% | 11,598 | 940 | 8.8% |
| Subtotal | 28,017 | 31,325 | 33,391 | 2,066 | 6.6% | 35,541 | 2,150 | 6.4% |
| Less: Capitalized Labor Recharge | (105) | (136) | (247) | (111) | 81.4% | (260) | (13) | 5.4% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 27,912 | 31,189 | 33,144 | 1,955 | 6.3% | 35,280 | 2,136 | 6.4% |
| Contractual Services | 40,011 | 44,660 | 11,557 | (33,104) | -74.1% | 12,277 | 721 | 6.2% |
| Safety and Security | 36,778 | 39,828 | 45,761 | 5,933 | 14.9% | 47,975 | 2,214 | 4.8% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | 18,928 | 22,701 | 23,964 | 1,263 | 5.6% | 26,578 | 2,614 | 10.9% |
| Maintenance | 12,790 | 14,515 | 16,880 | 2,365 | 16.3% | 17,840 | 960 | 5.7% |
| Operating Equipment & Systems | 119 | 152 | 252 | 100 | 65.4% | 162 | (90) | -35.6% |
| Operating Supplies | 368 | 403 | 540 | 137 | 33.9% | 475 | (65) | -12.1% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 207 | 272 | 287 | 15 | 5.5% | 290 | 3 | 1.0% |
| Business Development | 141 | 176 | 81 | (94) | -53.7% | 78 | (3) | -4.1% |
| Equipment Rentals and Repairs | 485 | 1,208 | 1,385 | 177 | 14.6% | 1,206 | (179) | -12.9% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 109,826 | 123,915 | 100,707 | (23,208) | -18.7% | 106,882 | 6,175 | 6.1% |
| Total Operating Expenses | 137,738 | 155,104 | 133,851 | (21,253) | -13.7% | 142,162 | 8,311 | 6.2% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 137,738 | 155,104 | 133,851 | (21,253) | -13.7% | 142,162 | 8,311 | 6.2% |
| Equipment Outlay Expenditures | 1,079 | 2,097 | 1,860 | (237) | -11.3% | 540 | (1,320) | -71.0% |
| Total Expenses Incl Equip Outlay | 138,817 | 157,201 | 135,711 | (21,490) | -13.7% | 142,702 | 6,991 | 5.2% |

Operations Division

Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, Contracted Wage increases, and Burden (Benefits and Employer Taxes) for Current Staff. Net 5 positions transfer out and 13 new positions.

Contractual Services: \$3.1M increase for Terminal Operations, Parking and Shuttle services

Safety & Security: \$2.6M increase for Aircraft Rescue and Fire Fighting (ARFF), Port District Law Enforcement (Harbor Police Department) and Guard Services

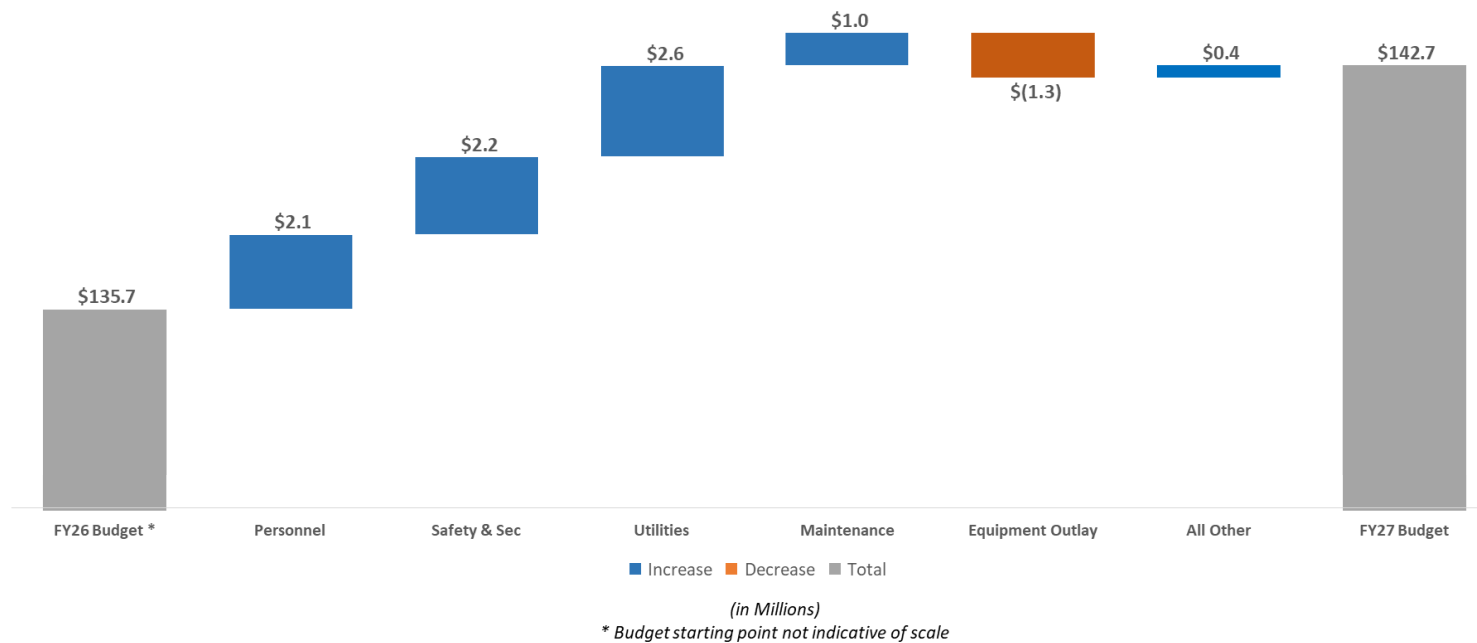
Utilities: \$1.8M increase due to rate and usage assumptions

Maintenance: \$3.3M increase for Annual Maintenance and Green Oval Painting

Equipment Outlay: \$1.2M increase for security equipment and Terminal refresh of waste/recycling receptacles

Operations Division

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, Contracted Wage increases, and Burden (Benefits & Employer Taxes) for Current Staff. 3 new positions.

Contractual Services: \$6.3M increase for Terminal Operations, Parking and Shuttle services

Safety & Security: \$3.0M increase for Aircraft Rescue and Fire Fighting (ARFF), Port District Law Enforcement (Harbor Police Department) and Guard Services

Utilities: \$8.5M increase due to rate and New T1 usage assumptions

Maintenance: (\$1.3M) decrease due to completion of Green Oval Painting and Airfield projects

Equipment Outlay: decrease for Terminal refresh of waste/recycling receptacles

Operations Division

FY 2026 Expense Budget by Department

(in thousands)

| Departments | FY 2026 Budget |
|---|------------------|
| Facilities Management | \$57,354 |
| Aviation Security & Public Safety | 54,529 |
| Airside & Terminal Operations | 22,572 |
| Operational Readiness, Activation, & Transition | 1,256 |
| Total ¹ | \$135,711 |

¹ Total may differ due to rounding

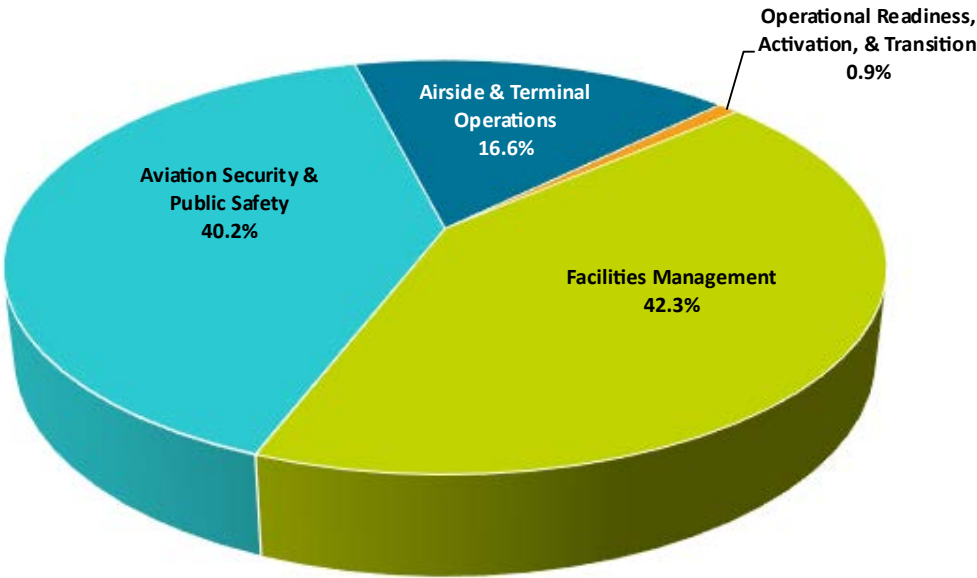


Figure 34 – FY 2026 Expense Budget by Department

Operations Division

FY 2027 Expense Conceptual Budget by Department

(in thousands)

| Departments | FY 2027 Conceptual Budget |
|---|---------------------------|
| Facilities Management | \$61,337 |
| Aviation Security & Public Safety | 56,365 |
| Airside & Terminal Operations | 24,093 |
| Operational Readiness, Activation, & Transition | 907 |
| Total ¹ | \$142,702 |

¹Total may differ due to rounding

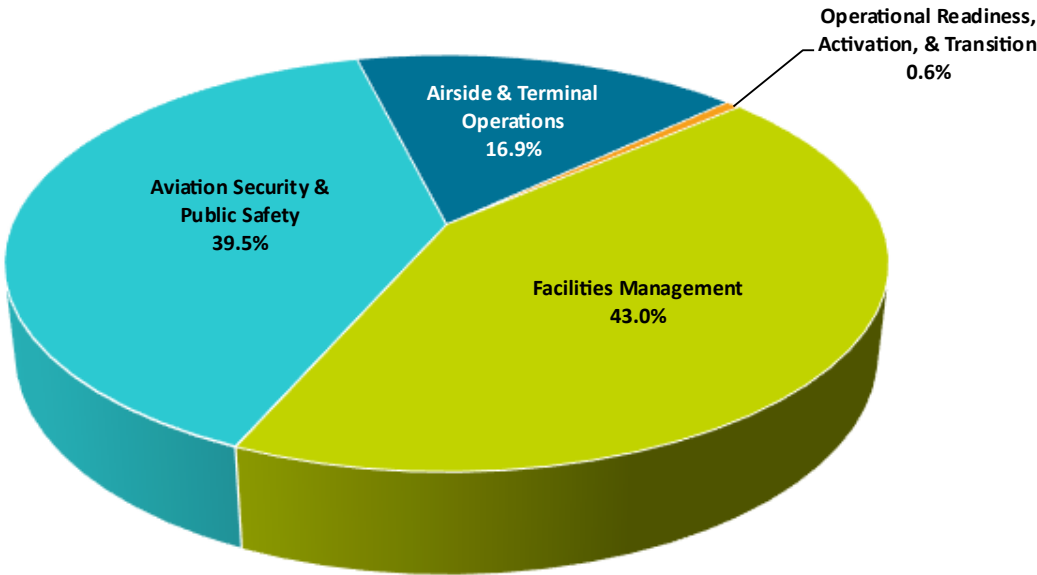


Figure 35 – FY 2027 Expense Conceptual Budget by Department

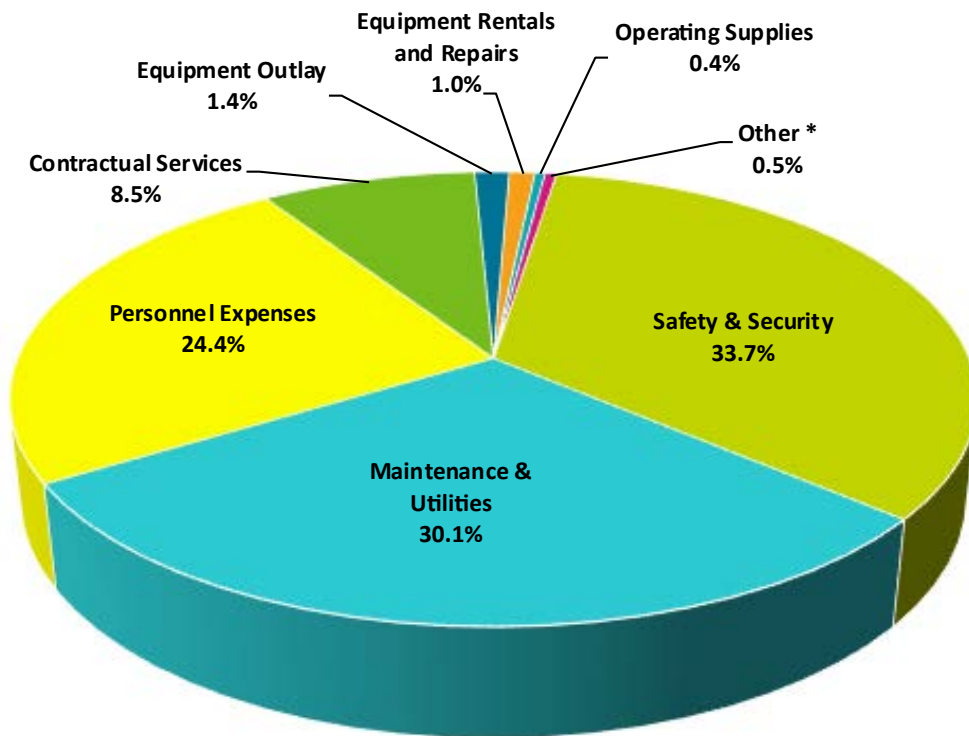
Operations Division

FY 2026 Expense Budget by Category

(in thousands)

| Category | FY 2026 Budget |
|-------------------------------|------------------|
| Safety & Security | \$45,761 |
| Maintenance & Utilities | 40,844 |
| Personnel Expenses | 33,144 |
| Contractual Services | 11,557 |
| Equipment Outlay | 1,860 |
| Equipment Rentals and Repairs | 1,385 |
| Operating Supplies | 540 |
| Other * | 620 |
| Total ¹ | \$135,711 |

¹ Total may differ due to rounding



*Other includes employee development, business development, etc.

Figure 36 – FY 2026 Expense Budget by Department

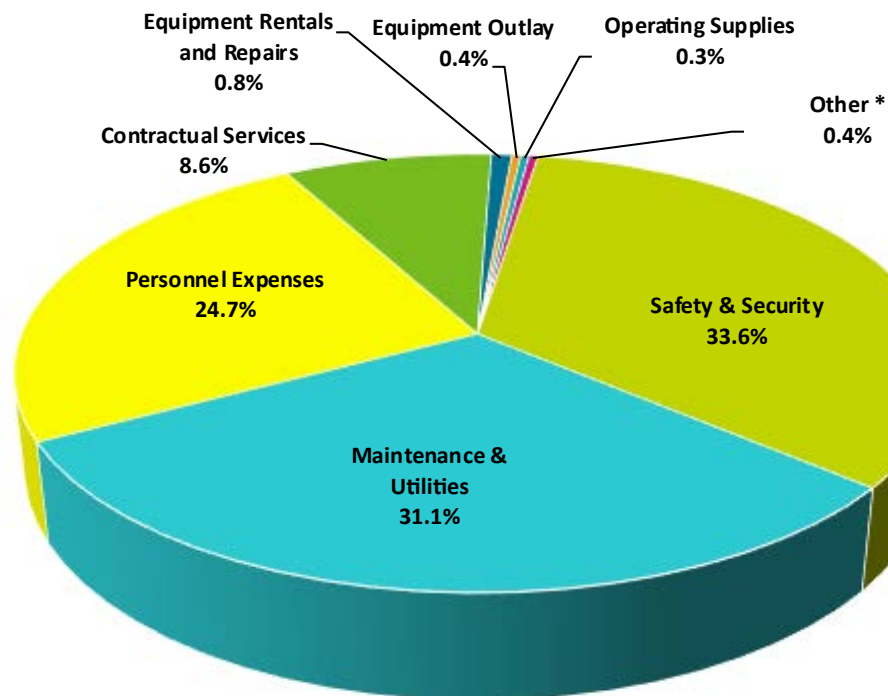
Operations Division

FY 2027 Expense Conceptual Budget by Category

(in thousands)

| Category | FY 2027 Conceptual Budget |
|-------------------------------|---------------------------|
| Safety & Security | \$47,975 |
| Maintenance & Utilities | 44,418 |
| Personnel Expenses | 35,280 |
| Contractual Services | 12,277 |
| Equipment Rentals and Repairs | 1,206 |
| Equipment Outlay | 540 |
| Operating Supplies | 475 |
| Other * | 530 |
| Total ¹ | \$142,702 |

¹ Total may differ due to rounding

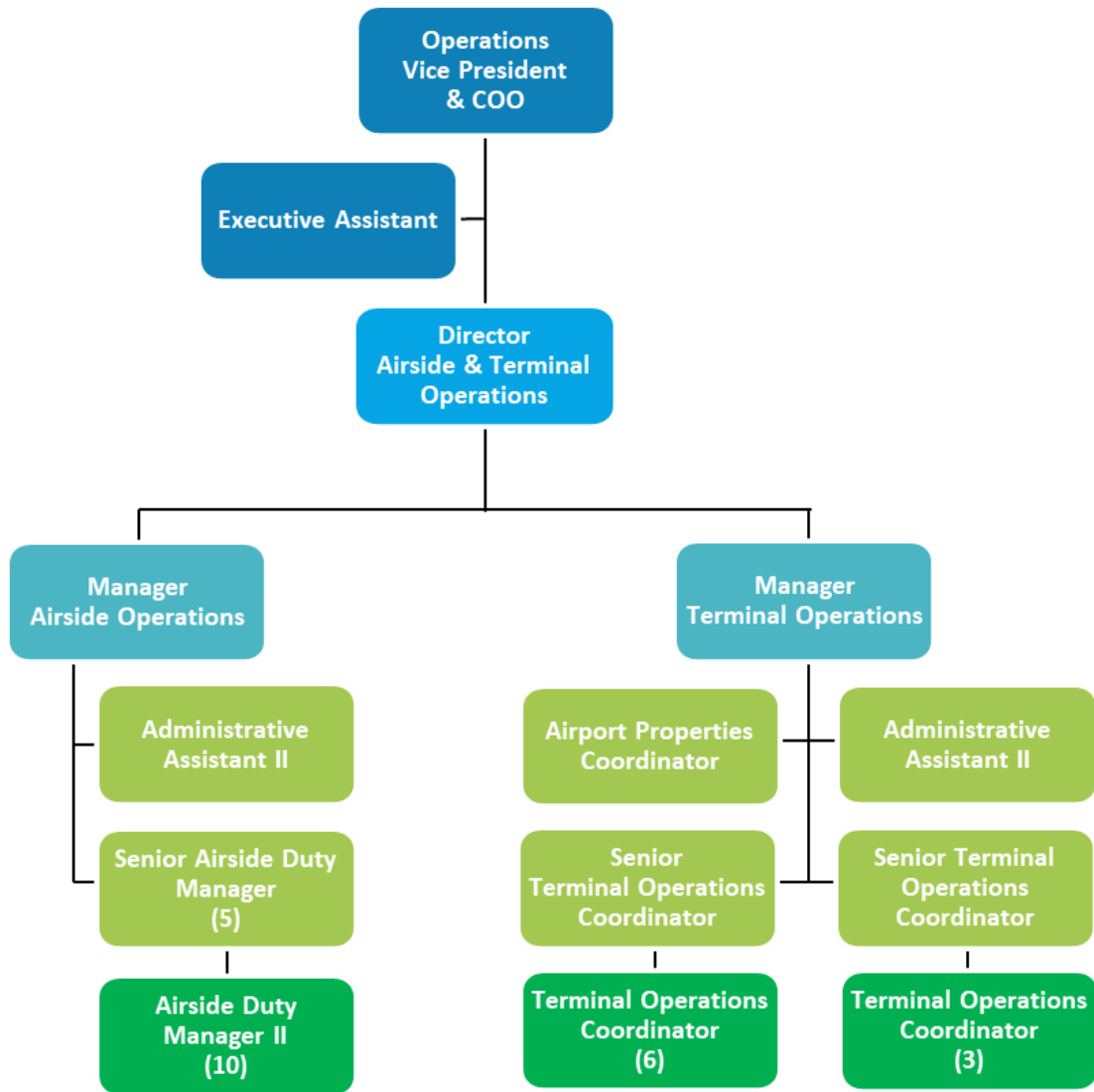


*Other includes employee development, business development, etc.

Figure 37 – FY 2027 Expense Conceptual Budget by Department

Operations Division – Airside & Terminal Operations

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

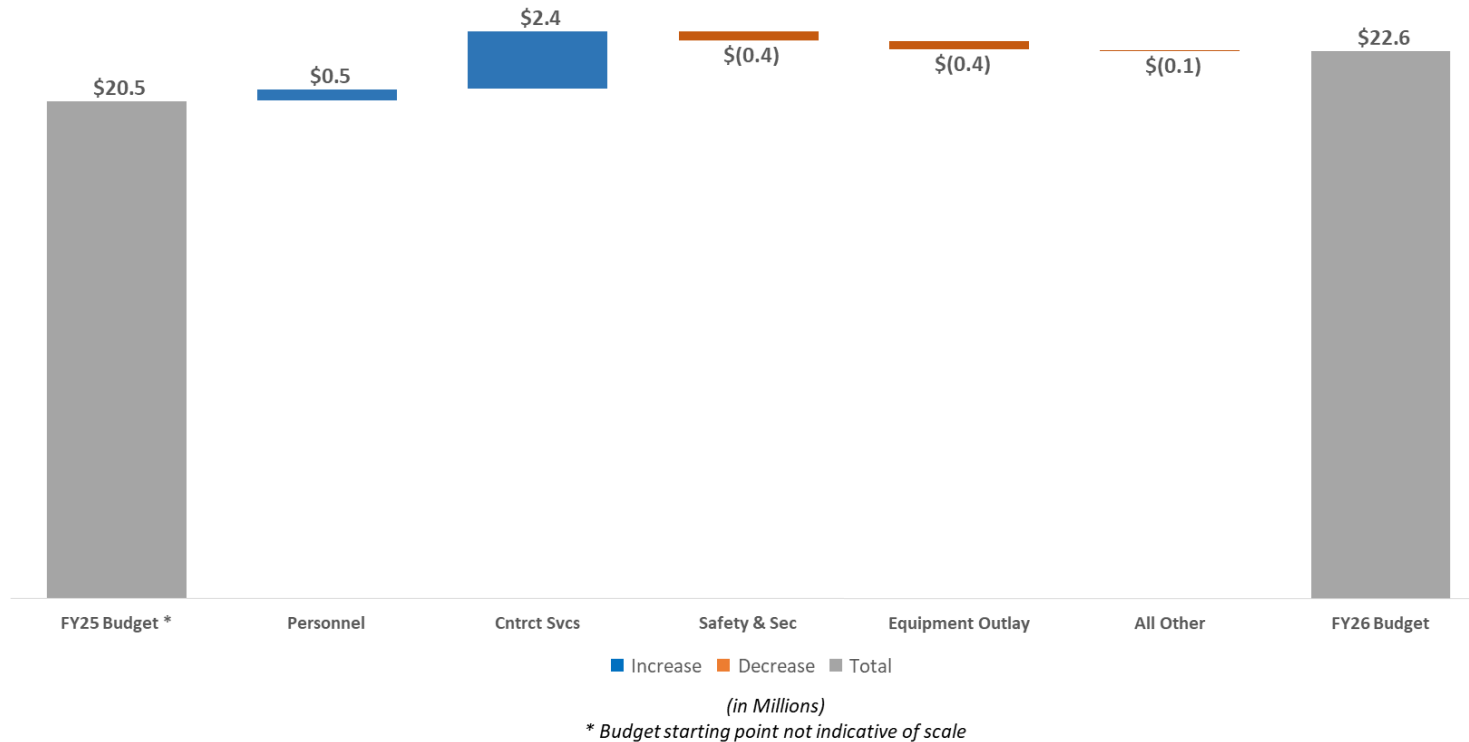
Operations Division – Airside & Terminal Operations

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|---------------|---------------|-----------------|----------------------------|--------------|-------------------|----------------------------------|-------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 3,506 | 3,625 | 3,862 | 237 | 6.5% | 4,019 | 157 | 4.1% |
| Benefits | 1,512 | 1,464 | 1,700 | 236 | 16.2% | 1,816 | 116 | 6.8% |
| Subtotal | 5,018 | 5,089 | 5,562 | 473 | 9.3% | 5,835 | 273 | 4.9% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 5,018 | 5,089 | 5,562 | 473 | 9.3% | 5,835 | 273 | 4.9% |
| Contractual Services | 5,976 | 6,899 | 9,300 | 2,402 | 34.8% | 10,254 | 953 | 10.3% |
| Safety and Security | 7,102 | 7,532 | 7,142 | (390) | -5.2% | 7,485 | 343 | 4.8% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 88 | 47 | 49 | 2 | 5.0% | 49 | - | 0.0% |
| Operating Supplies | 31 | 39 | 39 | 1 | 1.3% | 39 | - | 0.0% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 38 | 61 | 61 | (0) | -0.8% | 61 | - | 0.0% |
| Business Development | 79 | 98 | 13 | (85) | -86.6% | 13 | - | 0.0% |
| Equipment Rentals and Repairs | 267 | 331 | 355 | 24 | 7.2% | 357 | 2 | 0.6% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 13,580 | 15,007 | 16,959 | 1,953 | 13.0% | 18,258 | 1,298 | 7.7% |
| Total Operating Expenses | 18,598 | 20,095 | 22,522 | 2,426 | 12.1% | 24,093 | 1,571 | 7.0% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 18,598 | 20,095 | 22,522 | 2,426 | 12.1% | 24,093 | 1,571 | 7.0% |
| Equipment Outlay Expenditures | 274 | 425 | 50 | (375) | -88.2% | - | (50) | -100.0% |
| Total Expenses Incl Equip Outlay | 18,873 | 20,520 | 22,572 | 2,051 | 10.0% | 24,093 | 1,521 | 6.7% |

Operations Division – Airside & Terminal Operations

Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 3 positions transfer out to Customer Experience and 5 new positions.

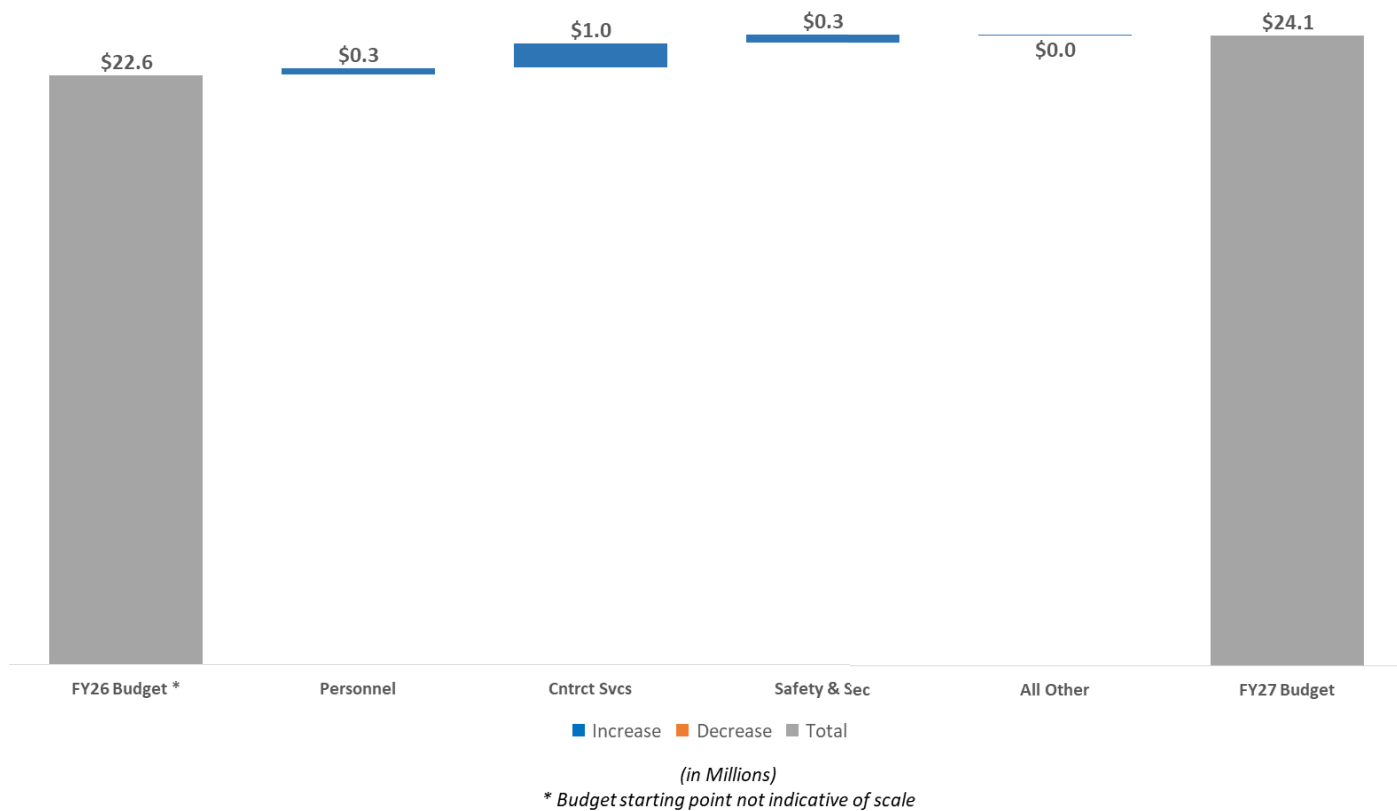
Contractual Services: Increase driven by janitorial services due to the increased square footage of new T1

Safety & Security: Decrease driven by lower rates for the Aircraft Rescue and Firefighting (ARFF) versus what was budgeted in FY25

Equipment Outlay: FY25 budget included new cellphone lot signage as well as new Terminal 2 trash receptacles which will not be repeated in the FY26 budget

Operations Division – Airside & Terminal Operations

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Contractual Services: Increase driven by janitorial services due to a full year of cleaning with the increased square footage of new T1; also driven by the necessary refurbishing of the Palm Trees located in Terminal 2
Safety & Security: Slight increase due to higher rates for ARFF in FY27

Operations Division – Airside & Terminal Operations

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



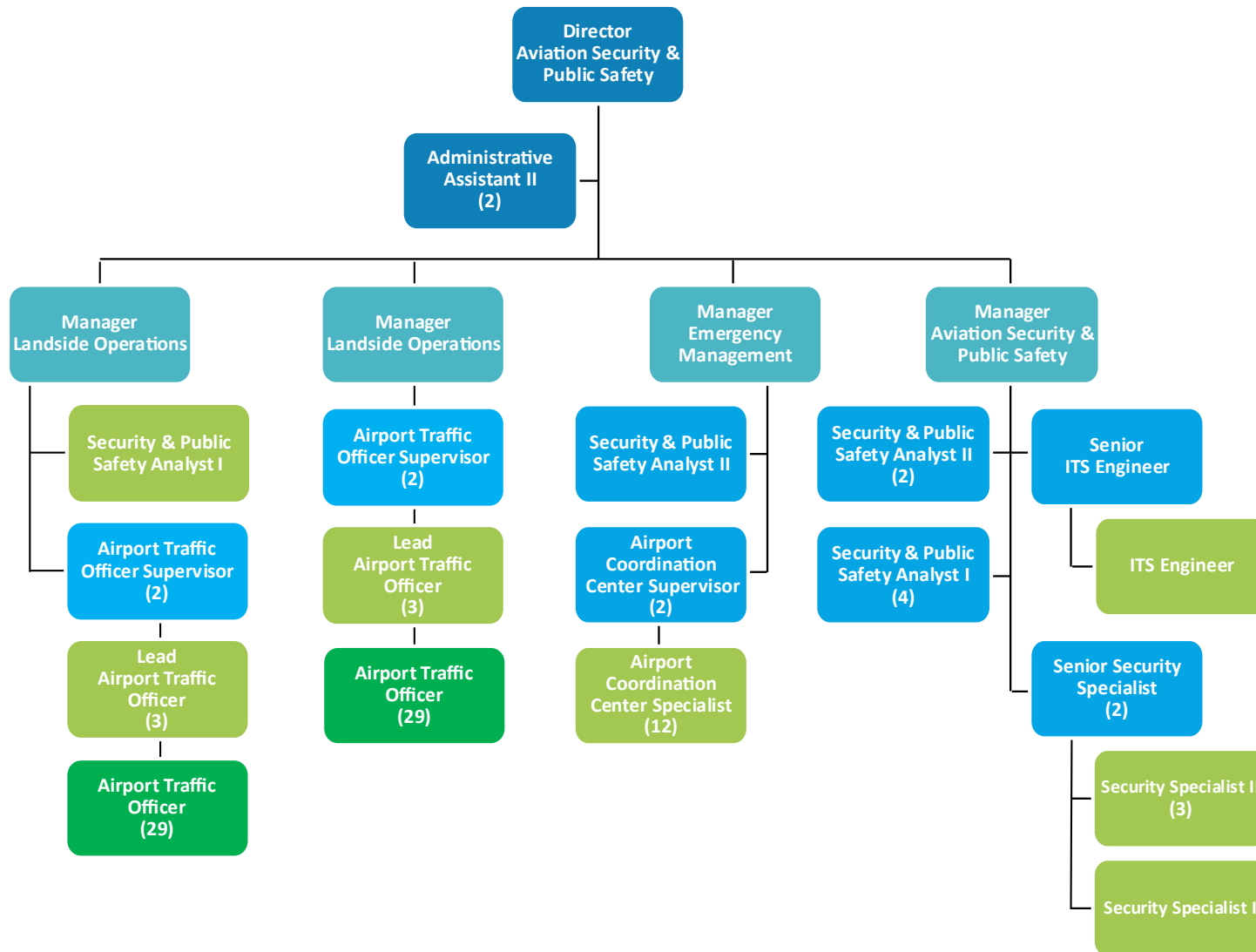
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|-----------------------------|----------|
| Ensure that SDIA is operated in compliance with FAA FAR Part 139 requirements. Success for this goal will be achieved if both (1) the annual FAA Certification inspection does not identify any Part 139 violations that are subject to a civil penalty, and (2) there are no SDIA airfield incidents/accidents that are attributed to Part 139 compliance | | FAA FAR Part 139 Compliance | Passed |
| Support the ADC Airside Project construction team by assisting with the project re-phasing work, schedule planning, and coordination efforts; to meet original New T1 construction phasing deadlines. | | Maintain Schedule | Met |
| Create an accurate NT1 FY26 Terminal Operations department budget that takes into consideration the impact of operating in a 1.2 million square foot terminal. | | Budget & FTE Approval | Approved |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|------------|-----------------------------|---|
| Ensure that SDIA is operated in compliance with FAA FAR Part 139 requirements. | | FAA FAR Part 139 Compliance | Align facilities to meet demand, both international and domestic. |
| Create a matrix identifying cost increases in janitorial, personnel, equipment, restroom supplies, floor cleaning, window cleaning, and cleaning materials. Finalize the janitorial scope of work with SANCO. | | Q1-26 | Align facilities to meet demand, both international and domestic. |

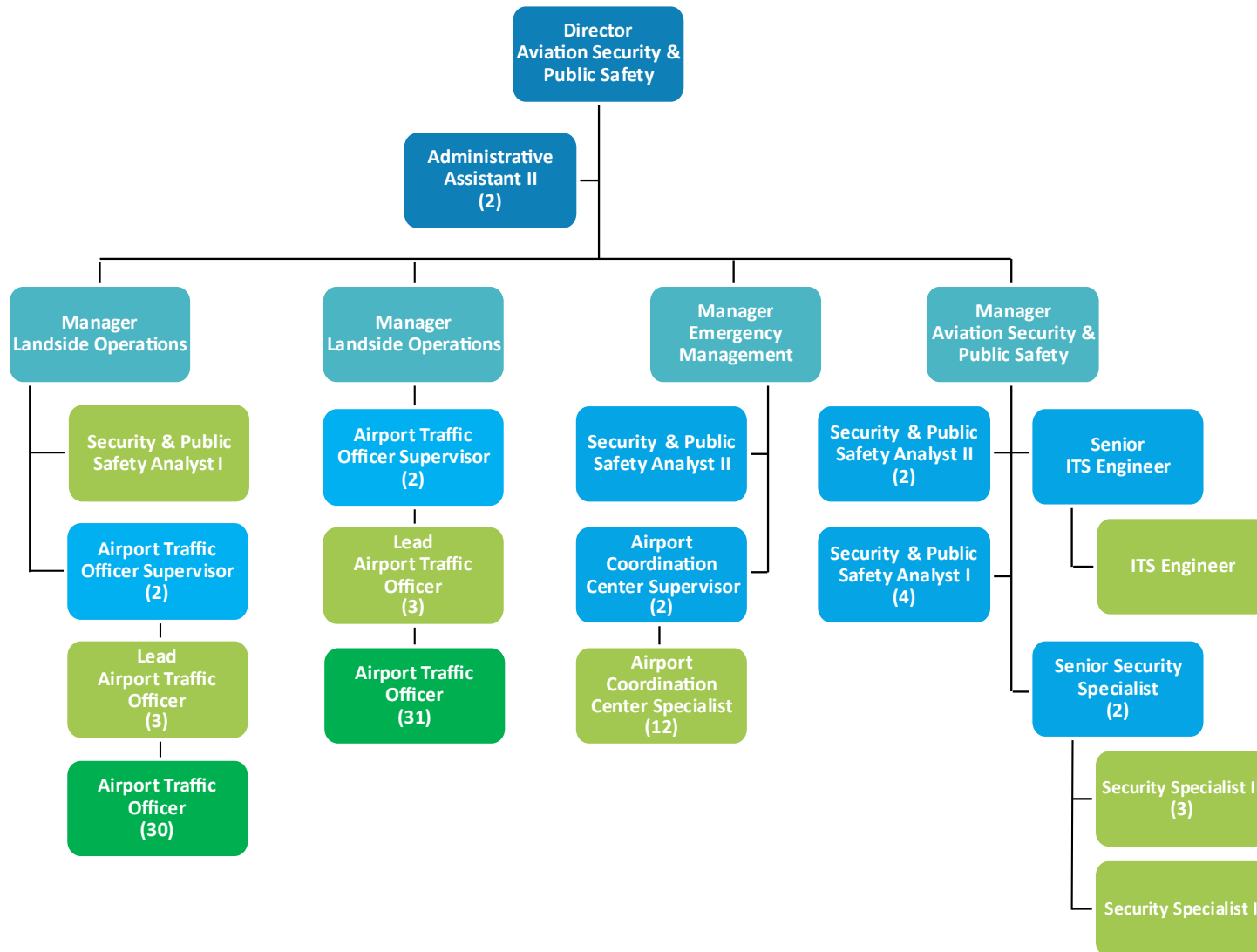
Operations Division – Aviation Security & Public Safety

FY 2026 Organizational Structure



Operations Division – Aviation Security & Public Safety

FY 2027 Organizational Structure



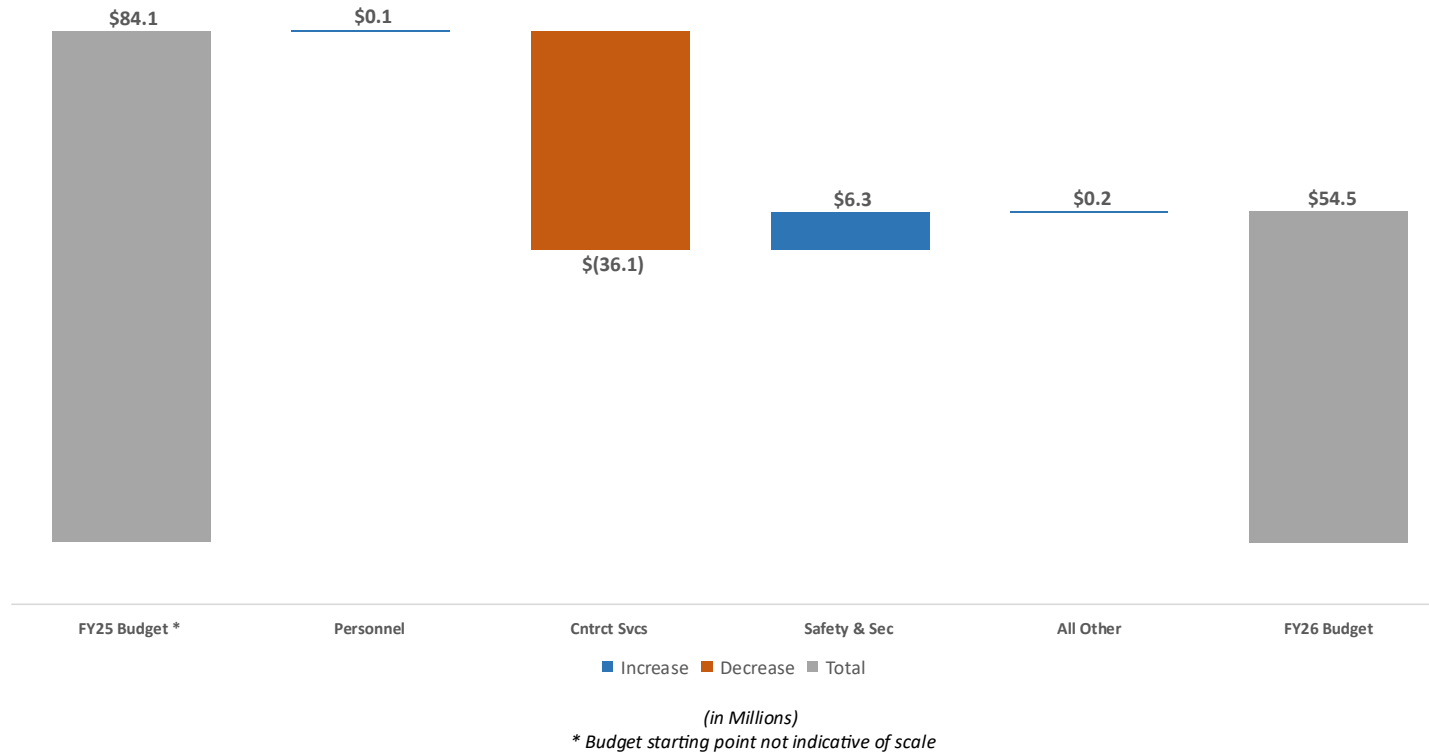
Operations Division – Aviation Security & Public Safety

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|--|-------------------|------------------|------------------------------|--|---------------|--------------------------------|--|-------------|
| Operating Expenses | | | | | | | | | |
| Salaries | | 7,477 | 8,631 | 8,568 | (63) | -0.7% | 9,193 | 625 | 7.3% |
| Benefits | | 3,606 | 4,050 | 4,230 | 180 | 4.4% | 4,712 | 482 | 11.4% |
| Subtotal | | 11,082 | 12,681 | 12,798 | 117 | 0.9% | 13,905 | 1,107 | 8.6% |
| Less: Capitalized Labor Recharge | | (82) | (136) | (146) | (10) | 7.1% | (154) | (8) | 5.6% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 11,000 | 12,545 | 12,653 | 107 | 0.9% | 13,751 | 1,098 | 8.7% |
| Contractual Services | | 33,733 | 36,874 | 749 | (36,125) | -98.0% | 960 | 211 | 28.2% |
| Safety and Security | | 29,676 | 32,296 | 38,619 | 6,323 | 19.6% | 40,490 | 1,871 | 4.8% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | 30 | 32 | 34 | 3 | 9.0% | 36 | 2 | 4.4% |
| Maintenance | | 26 | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | 24 | 73 | 92 | 19 | 26.0% | 76 | (17) | -18.2% |
| Operating Supplies | | 239 | 271 | 378 | 108 | 39.7% | 335 | (44) | -11.5% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 113 | 129 | 135 | 6 | 4.7% | 134 | (1) | -0.8% |
| Business Development | | 30 | 44 | 30 | (14) | -32.1% | 30 | 1 | 2.1% |
| Equipment Rentals and Repairs | | 194 | 607 | 677 | 70 | 11.6% | 513 | (164) | -24.2% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 64,064 | 70,325 | 40,714 | (29,611) | -42.1% | 42,574 | 1,859 | 4.6% |
| Total Operating Expenses | | 75,064 | 82,870 | 53,367 | (29,503) | -35.6% | 56,325 | 2,958 | 5.5% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 75,064 | 82,870 | 53,367 | (29,503) | -35.6% | 56,325 | 2,958 | 5.5% |
| Equipment Outlay Expenditures | | 256 | 1,212 | 1,162 | (50) | -4.1% | 40 | (1,122) | -96.6% |
| Total Expenses Incl Equip Outlay | | 75,321 | 84,082 | 54,529 | (29,553) | -35.1% | 56,365 | 1,836 | 3.4% |

Operations Division – Aviation Security & Public Safety

Major Drivers of FY 2025 Budget & FY 2026 Budget



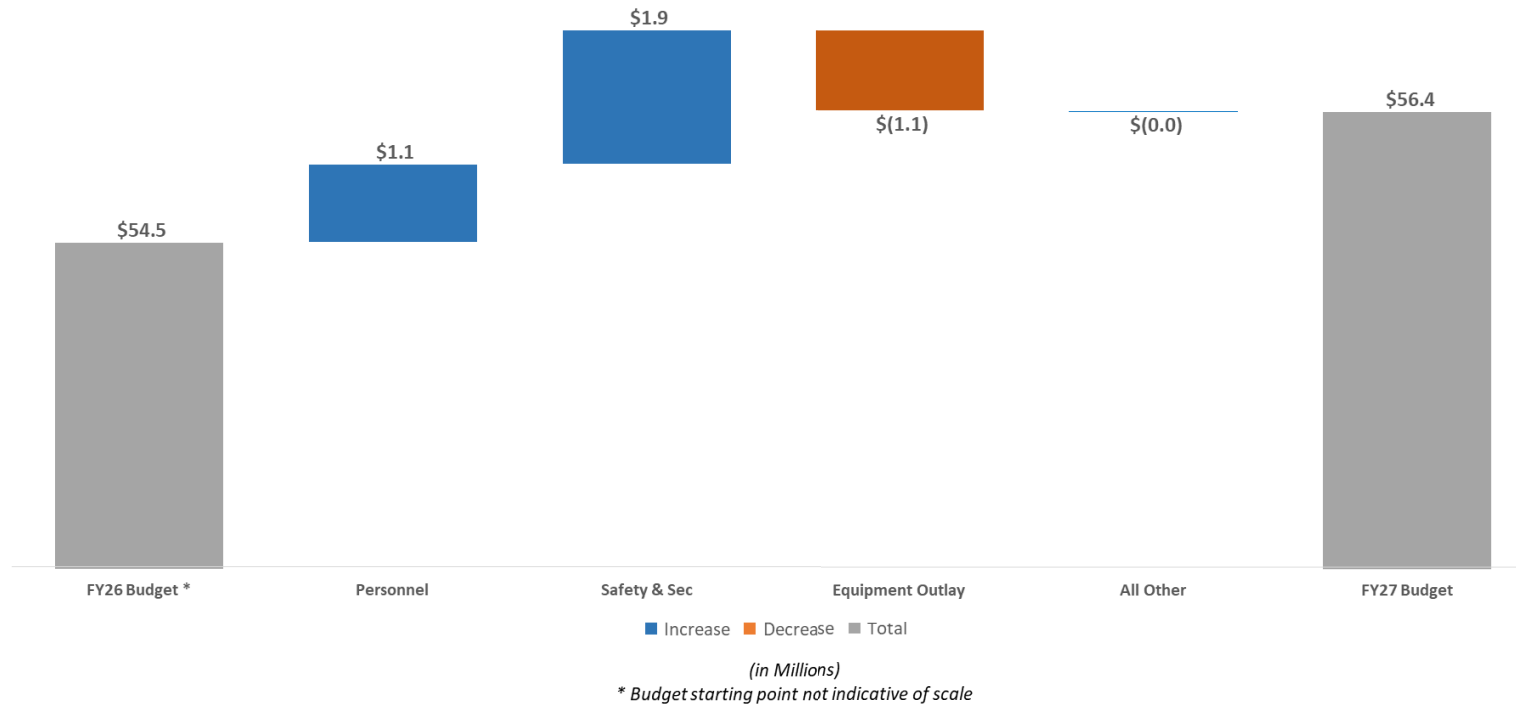
Personnel: Salary Adjustments, Pay for Performance, Contracted Wage increases, and Burden (Benefits and Employer Taxes) for Current Staff. 5 positions transfer out to Landside Business Development and 5 new positions.

Contractual Services: Decrease due to SP+ parking/buses and ACE shuttles moving out of Landside Operations into Landside Business Development

Safety & Security: Port District Law Enforcement (Harbor Police Department) driving \$4.8M of the \$6.3M increase partially due to anticipating the need for an additional officer when the new T1 opens as well as overall increased labor, burden, and overhead; Guard Services represents \$1.3M of increase based on new posts when the new T1 opens including additional screening officers and rovers

Operations Division – Aviation Security & Public Safety

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, Contracted Wage increases, and Burden (Benefits and Employer Taxes) for Current Staff. 3 new positions.

Safety & Security: Port District Law Enforcement (Harbor Police Department) driving \$1.4M of the \$1.9M increase based on overall increased labor, burden, and overhead; Guard Services represents \$0.3M of increase based on a full year of additional posts for new T1

Equipment Outlay: FY26 includes the purchase of a \$0.9M x-ray machine as well as the initial cost of the new identity management system both of which are expenses that will not be repeated in FY27

Operations Division – Aviation Security & Public Safety

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



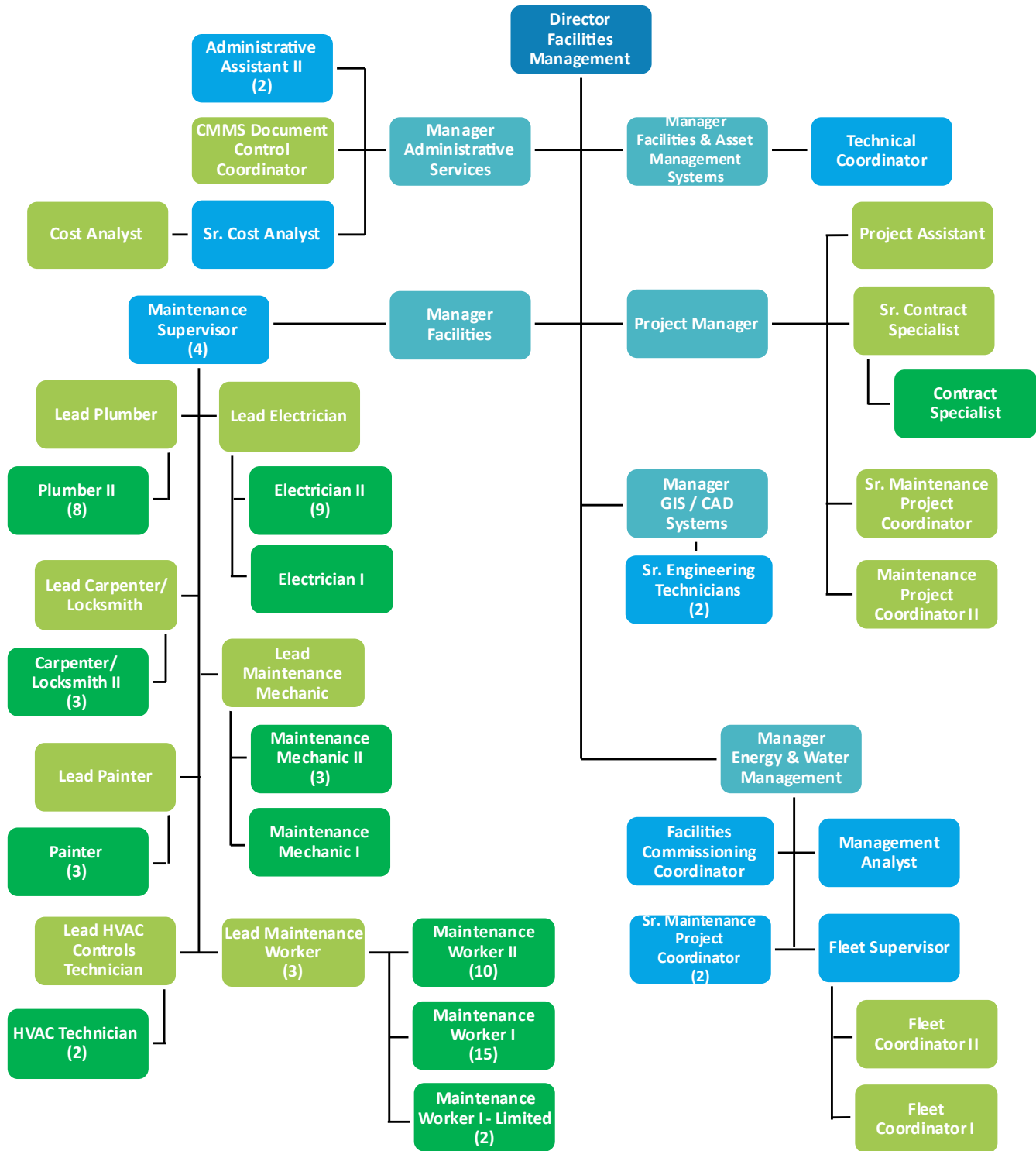
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|---|--|
| Ensure that SAN continues to comply with all applicable regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness, and Airport Certification by planning and conducting an annual tabletop exercise in compliance with Federal Aviation Regulation (FAR) Part 139.325(g)(4). | | Conduct the FY25 FAR 139-required exercise | Met Exercise conducted October 31, 2024 |
| Ensure that SDIA's Aviation Security Department works closely with the TSA, Airport Tenants, and the SDCRAA Information & Technology Systems Department to ensure continued compliance with Cybersecurity regulations designed to ensure continued safety and security of Airport Operational Technology (OT) and Information Technology (IT) systems. | | Ensure implementation of cybersecurity requirements in accordance with TSA National Amendment | Met Cybersecurity requirements and plans completed and submitted for TSA approval by regulatory deadline |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|------------|---|--|
| Ensure that SAN continues to comply with all applicable federal, state, and local regulations and achieves excellence in the areas of Public Safety, Emergency/Disaster Preparedness, and Airport Certification by planning and conducting an annual tabletop exercise and a full-scale field exercise in compliance with Federal Aviation Regulation (FAR) Part 139.325(g)(4) for FY 2026 and FY 2027. | | Conduct the FY26 FAR 139-required tabletop exercise | Manage ongoing business effectively through change |
| Transition the current outdated SAFE Identity Management System (IDMS) to a modern, robust, and sustainable system capable of meeting future credentialing demands and offering a modern customer and signatory experience. | | Transition to Replacement IDMS NLT June 30, 2026 | Use of Technology to Optimize Ongoing Business |

Operations Division – Facilities Management

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

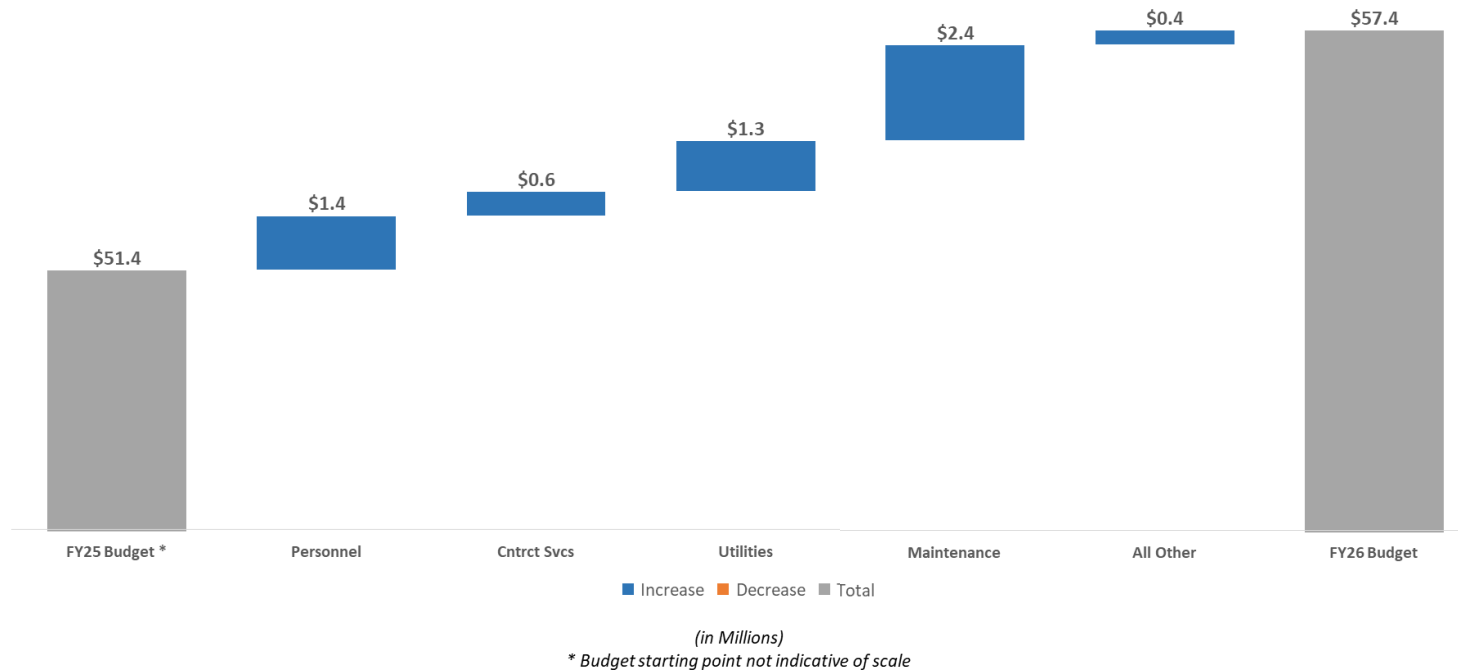
Operations Division – Facilities Management

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|---------------|---------------|-----------------|----------------------------|--------------|-------------------|----------------------------------|-------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 7,647 | 9,044 | 9,887 | 842 | 9.3% | 10,298 | 412 | 4.2% |
| Benefits | 3,612 | 3,949 | 4,559 | 610 | 15.4% | 4,892 | 333 | 7.3% |
| Subtotal | 11,258 | 12,993 | 14,446 | 1,452 | 11.2% | 15,190 | 745 | 5.2% |
| Less: Capitalized Labor Recharge | (22) | - | (101) | (101) | 0.0% | (106) | (5) | 5.2% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 11,236 | 12,993 | 14,345 | 1,351 | 10.4% | 15,084 | 740 | 5.2% |
| Contractual Services | 75 | 288 | 882 | 595 | 206.9% | 782 | (100) | -11.3% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | 18,898 | 22,669 | 23,930 | 1,260 | 5.6% | 26,542 | 2,612 | 10.9% |
| Maintenance | 12,764 | 14,515 | 16,880 | 2,365 | 16.3% | 17,840 | 960 | 5.7% |
| Operating Equipment & Systems | 5 | 30 | 109 | 79 | 263.3% | 37 | (72) | -66.1% |
| Operating Supplies | 95 | 90 | 95 | 5 | 5.6% | 100 | 5 | 4.8% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 52 | 75 | 84 | 10 | 12.7% | 88 | 4 | 4.7% |
| Business Development | 20 | 27 | 27 | 1 | 2.9% | 27 | - | 0.0% |
| Equipment Rentals and Repairs | 24 | 271 | 354 | 83 | 30.5% | 336 | (17) | -4.9% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 31,932 | 37,964 | 42,362 | 4,398 | 11.6% | 45,753 | 3,392 | 8.0% |
| Total Operating Expenses | 43,168 | 50,957 | 56,706 | 5,749 | 11.3% | 60,837 | 4,131 | 7.3% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 43,168 | 50,957 | 56,706 | 5,749 | 11.3% | 60,837 | 4,131 | 7.3% |
| Equipment Outlay Expenditures | 530 | 460 | 648 | 188 | 40.9% | 500 | (148) | -22.8% |
| Total Expenses Incl Equip Outlay | 43,698 | 51,417 | 57,354 | 5,937 | 11.5% | 61,337 | 3,983 | 6.9% |

Operations Division – Facilities Management

Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, Contracted Wage increases, and Burden (Benefits and Employer Taxes) for Current Staff. 3 positions transfer in from Airport Design & Construction and 3 new positions.

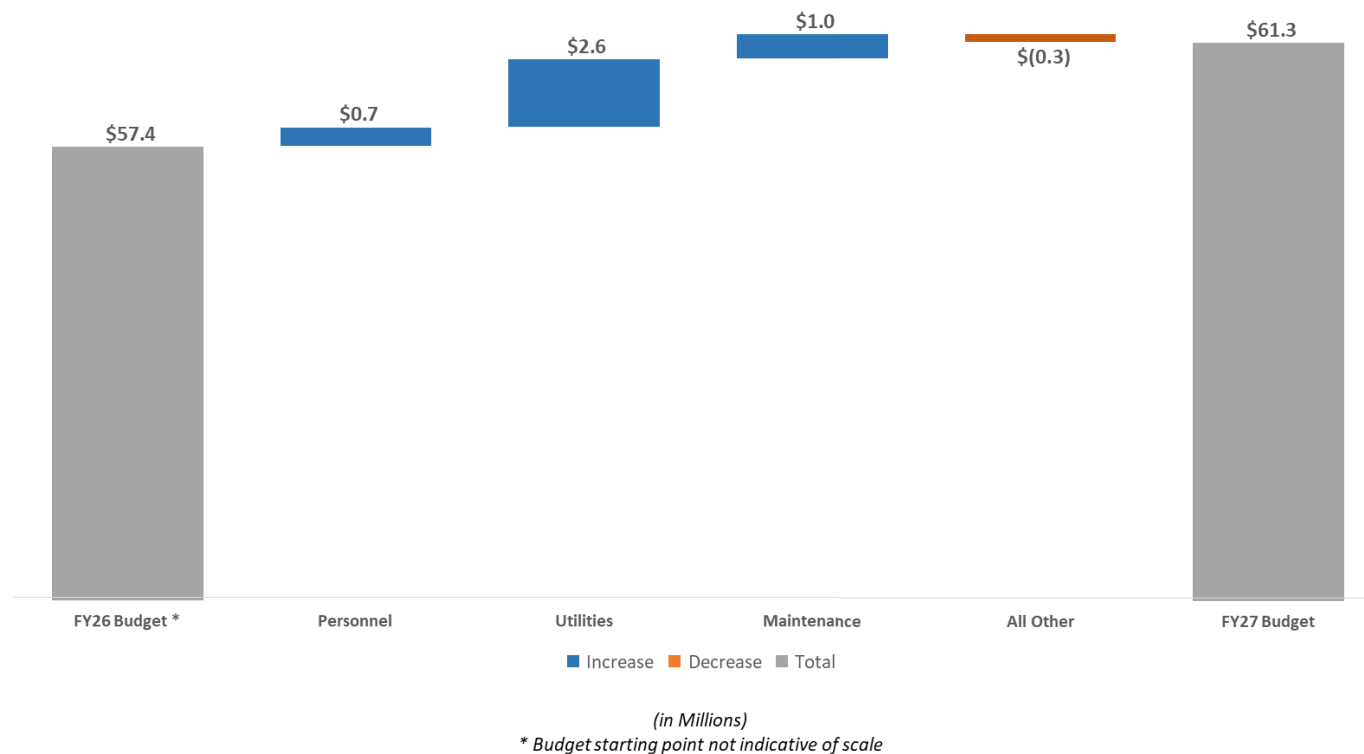
Contractual Services: Increase driven by GIS moving into FMD

Utilities: Increase driven by electric rates and usage; assuming 10% rate increase beginning Feb 2026 plus higher usage with additional square footage from opening of new T1

Maintenance: Annual repairs driving up overall maintenance expense largely due to the additional square footage with the opening of new T1 as well as contractual increases; largest increases coming from HVAC system (\$1.1M) and Elevator/Escalator repair (\$0.8M); major maintenance driving \$0.3M of increase due to various planned projects in FY26

Operations Division – Facilities Management

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, Contracted Wage increases, and Burden (Benefits & Employer Taxes) for Current Staff

Utilities: Increase driven by electric rates and usage; assuming 10% rate increase beginning Feb 2027

Maintenance: Annual repairs driving up overall maintenance expense; largest increases coming from 12kV Distribution Systems (\$0.6M) and Green Oval painting (\$0.2M); major maintenance driving \$0.3M of increase due to planned projects in FY26

Operations Division – Facilities Management

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|--------|---|
| By 2025, 100% of staff members will receive invitations to participate in cross-training sessions; enroll in the FMD mentorship program; or seek out SAN University courses, aimed at aligning with New T1 staffing or knowledge transfer requirements. This proactive initiative will improve skills development and cultivate a supportive atmosphere, facilitating the achievement of organizational goals in the upcoming fiscal year. | | 100% | Met 100% |
| By the end of the second quarter of 2026, FMD will successfully implement a CMMS solution to streamline work order processing and enhance maintenance efficiency. This involves customizing the system and training staff. Progress will be monitored through milestones, aiming for improved work order generation, tracking, and completion, as well as benefits such as improved asset lifespan, better inventory management, and enhanced regulatory compliance. | | 100% | In Progress 30% <i>On Target with of CMMS implementor</i> |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|--------|---|
| FMD will conduct a thorough revision of its departmental Standard Operating Procedures (SOP) to establish improved benchmarks and realign standards of operations. | | 75 SOP | Develop workforce and hiring plans for NT1 activation and operation |

Operations Division – Operational Readiness, Activation, & Transition

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

Operations Division – Operational Readiness, Activation, & Transition

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|------------|--------------|-----------------|----------------------------|-------------|-------------------|----------------------------------|---------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 405 | 401 | 415 | 14 | 3.5% | 432 | 17 | 4.0% |
| Benefits | 253 | 160 | 169 | 9 | 5.7% | 178 | 9 | 5.3% |
| Subtotal | 658 | 561 | 584 | 23 | 4.1% | 610 | 26 | 4.4% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 658 | 561 | 584 | 23 | 4.1% | 610 | 26 | 4.4% |
| Contractual Services | 227 | 600 | 625 | 25 | 4.2% | 281 | (344) | -55.0% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 2 | 2 | 2 | (1) | -34.8% | 1 | (1) | -66.7% |
| Operating Supplies | 3 | 4 | 27 | 24 | 626.7% | 1 | (26) | -95.4% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 5 | 7 | 7 | - | 0.0% | 7 | - | 0.0% |
| Business Development | 13 | 7 | 11 | 4 | 62.4% | 7 | (4) | -36.2% |
| Equipment Rentals and Repairs | - | - | - | - | 0.0% | - | - | 0.0% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 250 | 620 | 672 | 52 | 8.4% | 297 | (375) | -55.8% |
| Total Operating Expenses | 908 | 1,181 | 1,256 | 75 | 6.4% | 907 | (349) | -27.8% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 908 | 1,181 | 1,256 | 75 | 6.4% | 907 | (349) | -27.8% |
| Equipment Outlay Expenditures | 18 | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | 926 | 1,181 | 1,256 | 75 | 6.4% | 907 | (349) | -27.8% |

Operations Division – Operational Readiness, Activation, & Transition

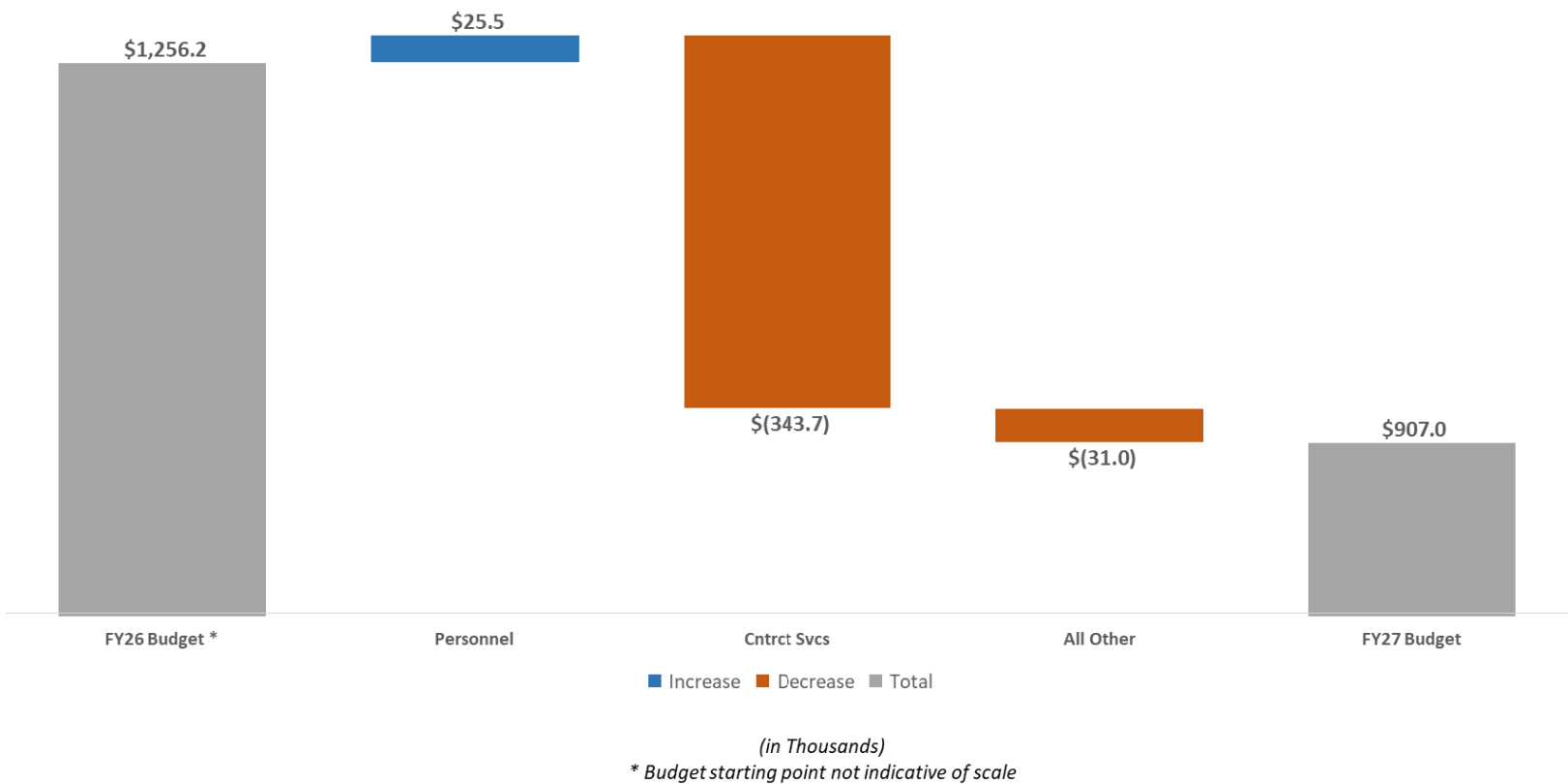
Major Drivers of FY 2025 Budget & FY 2026 Budget



- Personnel:** Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
- Contractual Services:** Increased budget for consulting to support opening of new T1
- Operating Supplies:** Increased budget to support a community passenger simulation event to help prepare for opening of new T1

Operations Division – Operational Readiness, Activation, & Transition

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Contractual Services: Decrease in consulting needs after completion of initial opening phase of new T1

Operations Division – Operational Readiness, Activation, & Transition

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|---------------------------------------|--------|
| Facilitate the activation and opening of the Terminal 1 Parking Plaza's Stage 1 in summer 2024 in close collaboration with Ground Transportation and Revenue Generation & Partnership Development departments to help expand onsite parking supply and improve the customer experience. | A | Go-Live by Late Summer 2024 (Stage 1) | Met |
| Facilitate the activation and opening of the Terminal 1 Parking Plaza's Stage 2 in summer 2025 in close collaboration with Ground Transportation and Revenue Generation & Partnership Development departments to help expand onsite parking supply and improve the customer experience. | A | Go-Live by 2025 (Stage 2) | Met |
| Develop an Activation Plan for the New Terminal 1, in partnership with Airport Authority departments, airlines, concessions, and other key tenants, which will outline planned familiarization activities, training sessions, system and process trials, and passenger simulations to help operationalize the new terminal facility before its opening. | A | Complete by January 2025 | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|---|------------|-----------------------------|--|
| Activate and open the New Terminal 1 facility (Phase 1a), including the associated roadway system and 19 aircraft gates, in close coordination with airlines, concessions, TSA, and other stakeholders. | A | Go-Live by Late Summer 2025 | SAN Initiative Airline Moves (Old T1 to New T1) New T1 Grand Opening |
| Activate and open 3 additional gates in the New Terminal 1 facility. | A | Go-Live by Spring 2026 | SAN Initiative Airline Moves (Old T1 to New T1) |

Revenue Division



Revenue Division

Overview

The **Revenue Division** defines and promotes the customer experience for the traveling public and implements revenue management strategies and processes, in order to optimize and maximize airport revenues. The division integrates air service development, marketing, communications, public art, customer service, and landside and terminal business development to identify, evaluate, develop, negotiate, and implement new business opportunities and customer initiatives. In addition, the department engages in a proactive and productive manner with relevant business interests and stakeholders, both on-and off- airport, to spur new experiences, product and service development.

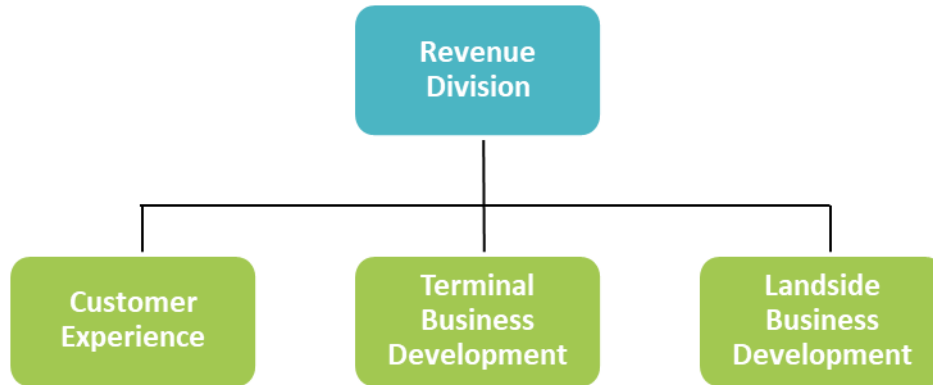
The **Customer Experience** department develops strategic initiatives designed to shape the customer experience at San Diego International Airport. The team integrates air service development, marketing and communications, customer relations, and a robust airport arts program with the singular focus to improve customer satisfaction with SAN. The team collaborates with all Authority and airport stakeholders to create a seamless experience and leverages customer data to drive decisions for improvement.

The **Terminal Business Development (TBD)** department oversees non-airline revenue generation contracts and programs. The department negotiates and manages the business relationships and associated contract execution for concessions, passenger services, and other lessees at the airport. This includes ensuring contractual and operational lease compliance, maximizing revenue opportunities, and ensuring management oversight of tenant activities. In addition, the department is responsible for the assessment, development, and implementation of new business opportunities and programs for the Authority.

The **Landside Business Development (LBD)** Department at San Diego International Airport is responsible for managing and enhancing all aspects of the airport's landside operations and transportation services. This includes contracting out parking operations, and shuttle and bus services for passengers, and managing the commercial mode operations such as taxis, ride-sharing, and private vehicle access. The department is responsible for the contracting, permitting, and licensing of landside service providers, and facilitating seamless travel experiences for airport guests. Additionally, the department plays a key role in identifying and implementing business development and non-airline revenue opportunities, optimizing the use of airport facilities, and fostering government and community partnerships to support the airport's overall growth and customer satisfaction.

Revenue Division

FY 2026 – FY 2027 Organizational Structure



Division Personnel Summary

| | FY 2025 Budget | FY 2026 Budget Transfers | FY 2026 Budget New/ (Eliminated) | FY 2026 Budget | FY 2027 Budget New/ (Eliminated) | FY 2027 Conceptual Budget |
|--|-------------------|--------------------------------|--|----------------|--|---------------------------------|
| Revenue Division | | | | | | |
| Customer Experience ¹ | 20 | 2 | 5 | 27 | - | 27 |
| Landside Business Development ² | - | 6 | - | 6 | - | 6 |
| Terminal Business Development ³ | 15 | (1) | - | 14 | - | 14 |
| Subtotal | 35 | 7 | 5 | 47 | - | 47 |

¹ 3 positions transferred from Airside & Terminal Operations and 1 position transferred to Government Relations & Strategy

² 5 positions transferred from Aviation Security & Public Safety and 1 position transferred from Terminal Business Development

³ 1 position transferred to Landside Business Development

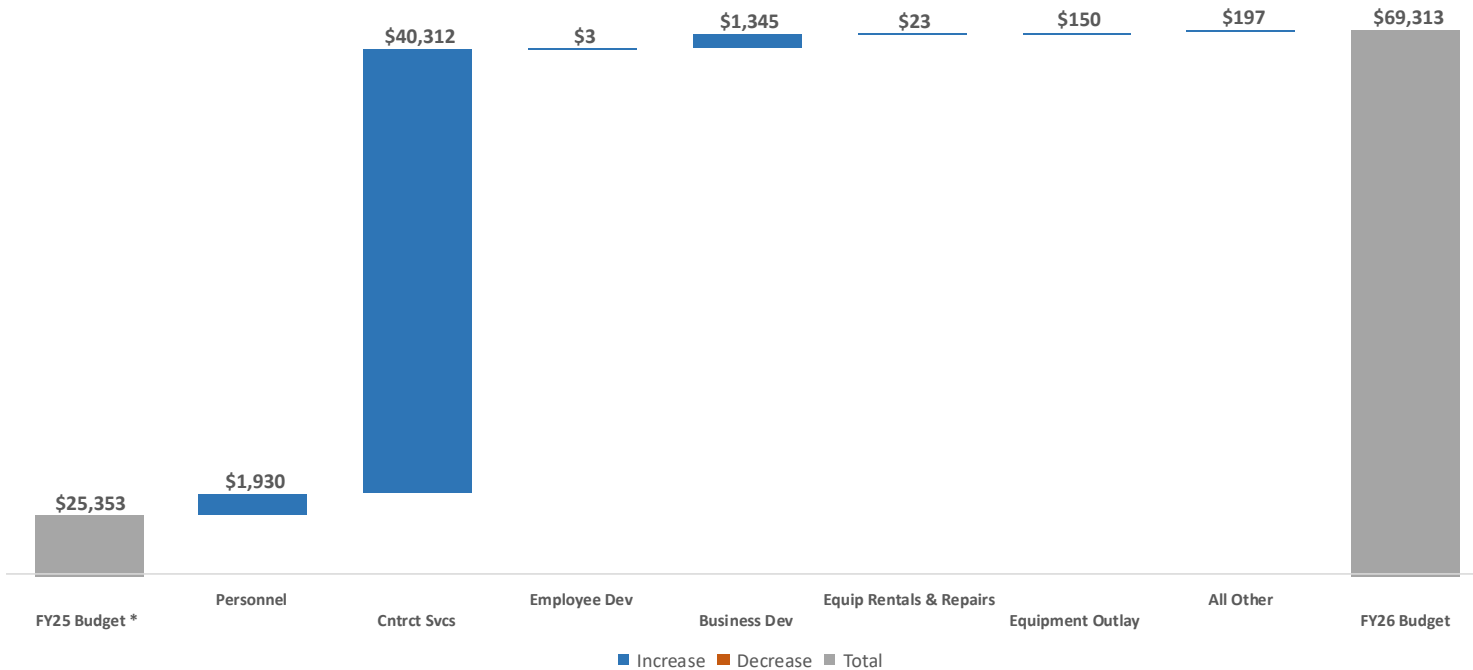
Revenue Division

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 | FY2025 | FY2026 | Inc / (Dec) | % | FY2027 | Inc / (Dec) | % |
|---|---------------|---------------|-----------------|----------------------------|---------------|-------------------|----------------------------------|-------------|
| | Actuals | Budget | Proposed Budget | FY26 Budget vs FY25 Budget | Change | Conceptual Budget | FY27 Conceptual vs FY26 Proposed | Change |
| Operating Expenses | | | | | | | | |
| Salaries | 3,762 | 4,293 | 5,475 | 1,182 | 27.5% | 5,767 | 292 | 5.3% |
| Benefits | 1,748 | 1,828 | 2,576 | 748 | 40.9% | 2,808 | 232 | 9.0% |
| Subtotal | 5,510 | 6,121 | 8,051 | 1,930 | 31.5% | 8,575 | 524 | 6.5% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | (111) | (111) | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | 5,510 | 6,121 | 8,051 | 1,930 | 31.5% | 8,465 | 413 | 5.1% |
| Contractual Services | 3,678 | 4,888 | 45,200 | 40,312 | 824.7% | 45,794 | 593 | 1.3% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | 11,026 | 11,012 | 11,061 | 48 | 0.4% | 11,069 | 9 | 0.1% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | 21 | 1 | 142 | 141 | 28227.2% | 2 | (140) | -98.8% |
| Operating Supplies | 7 | 4 | 12 | 7 | 158.4% | 12 | - | 0.0% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | 92 | 86 | 89 | 3 | 3.8% | 89 | 0 | 0.2% |
| Business Development | 1,367 | 2,501 | 3,845 | 1,345 | 53.8% | 4,357 | 512 | 13.3% |
| Equipment Rentals and Repairs | 165 | 141 | 163 | 23 | 16.0% | 168 | 5 | 3.1% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | 16,356 | 18,633 | 60,512 | 41,879 | 224.8% | 61,491 | 979 | 1.6% |
| Total Operating Expenses | 21,866 | 24,753 | 68,563 | 43,809 | 177.0% | 69,955 | 1,393 | 2.0% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | 21,866 | 24,753 | 68,563 | 43,809 | 177.0% | 69,955 | 1,393 | 2.0% |
| Equipment Outlay Expenditures | 6 | 600 | 750 | 150 | 25.0% | 37 | (714) | -95.1% |
| Total Expenses Incl Equip Outlay | 21,872 | 25,353 | 69,313 | 43,959 | 173.4% | 69,992 | 679 | 1.0% |

Revenue Division

Major Drivers of FY 2025 Budget & FY 2026 Budget



(in Thousands)

* Budget starting point not indicative of scale

Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. Net 7 positions transfer in and 5 new positions.

Contractual Services: Includes \$155K for Concessions Quality Assurance Program, \$90K increase for hood/vent cleaning, \$75K parking consultant, \$100K for New T1 grand opening event, \$207K increase for website design

Space Rental: \$434K for the Navy Lease Parcel and \$17K for full year of view lot parcel to support on airport roadway

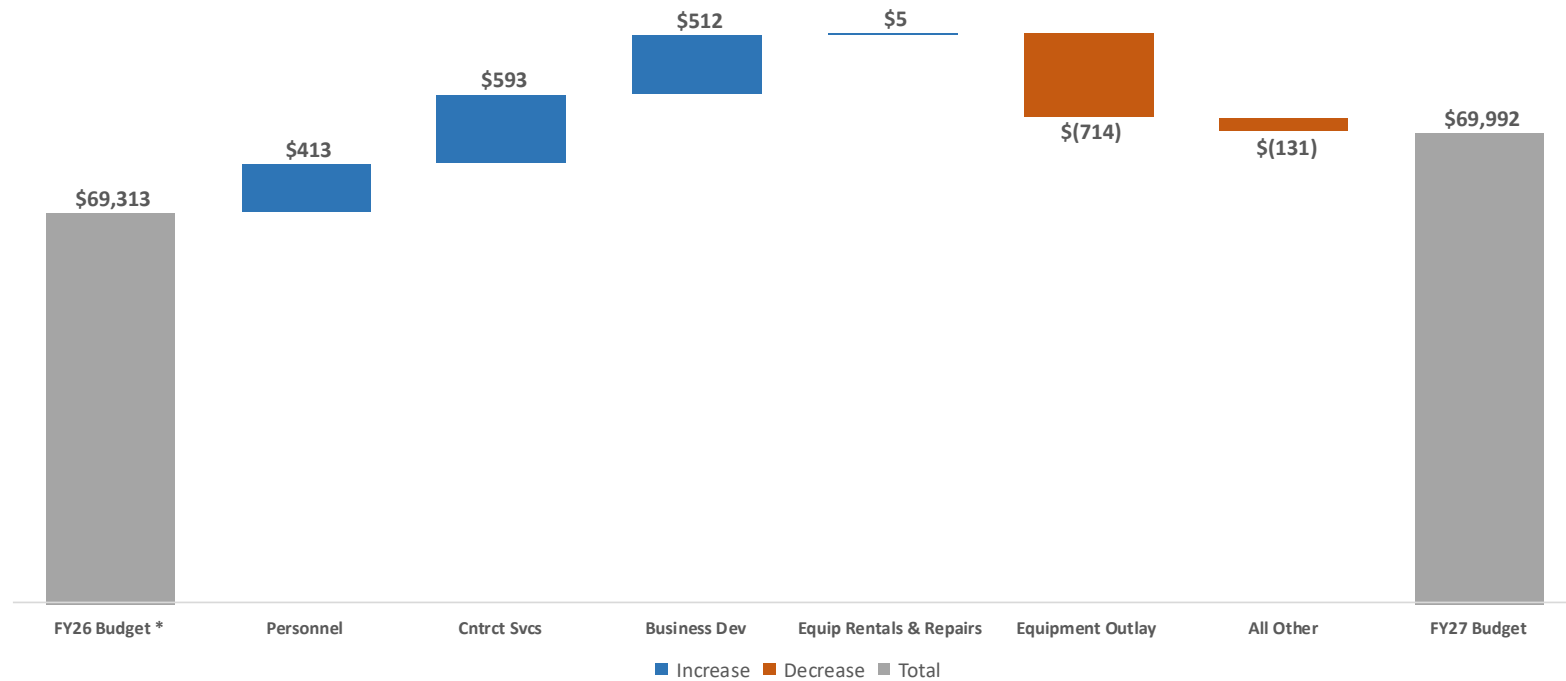
Operating Equipment: Increases \$98K for additional software

Business Development: \$200K increase for Parking Media Advertising, \$277K for air service advertising and New T1 advertising, \$275K increase for concessions marketing promotional activities

Equipment Outlay: Includes \$600K in Screening Equipment for the Receiving Distribution Center

Revenue Division

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



(in Thousands)

* Budget starting point not indicative of scale

Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff

Contractual Services: Increase \$361K for the Receiving Distribution Center, \$550K for New T1 grand opening event, and decreased consultant usage (\$64K)

Operating Equipment: Increase \$30K in software for Business Intelligence

Business Development: \$100K parking media advertising, \$141K for air service advertising, and \$100K for New T1 promotional advertising

Equipment Rental & Repairs: Increase \$10K for the property management software

Equipment Outlay: Increases \$150K for New T1 and T2W art cases

Revenue Division

FY 2026 Expense Budget by Department

(in thousands)

| Departments | FY 2026 Budget |
|-------------------------------|-----------------|
| Terminal Business Development | \$17,631 |
| Landside Business Development | \$40,902 |
| Customer Experience | 10,780 |
| Total ¹ | \$69,313 |

¹ Total may differ due to rounding

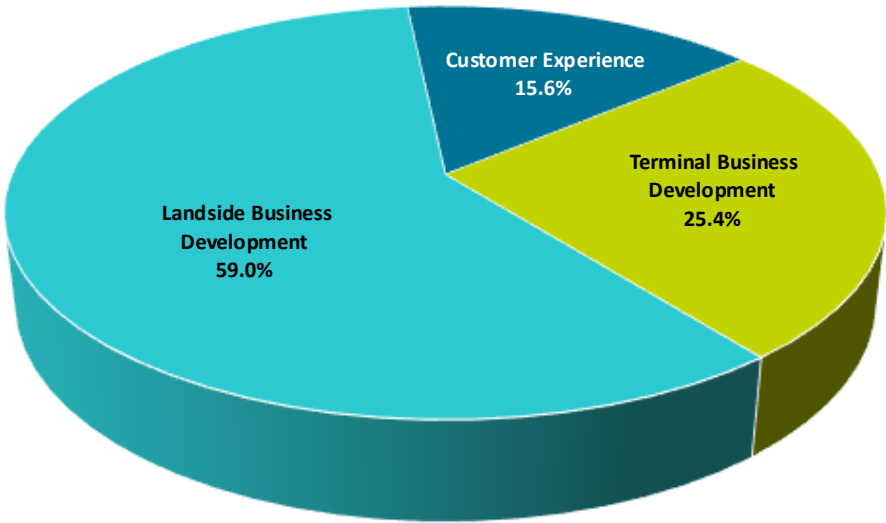


Figure 38 – FY 2026 Expense Budget by Department

Revenue Division

FY 2027 Expense Conceptual Budget by Department

(in thousands)

| Departments | FY 2027 Conceptual Budget |
|-------------------------------|------------------------------|
| Terminal Business Development | \$17,731 |
| Landside Business Development | \$42,193 |
| Customer Experience | 10,068 |
| Total ¹ | \$69,992 |

¹Total may differ due to rounding

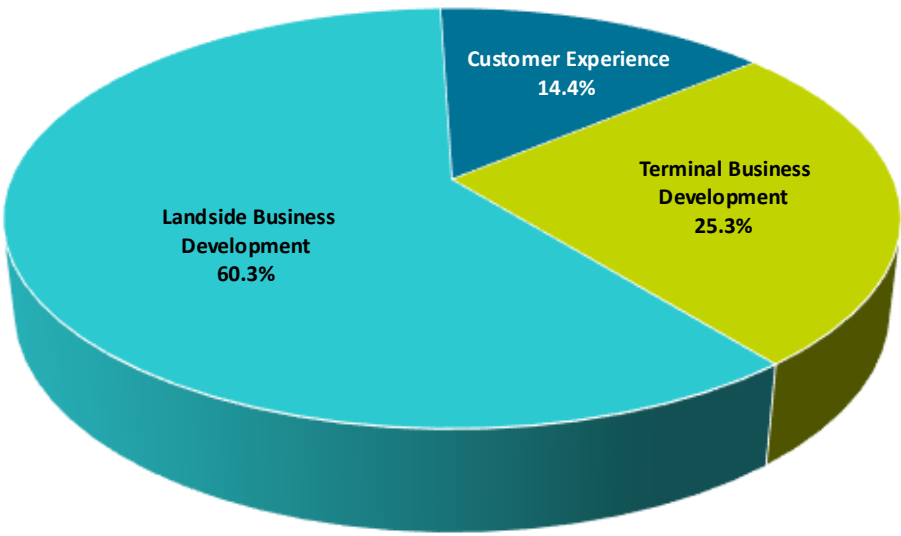


Figure 39 – FY 2027 Expense Conceptual Budget by Department

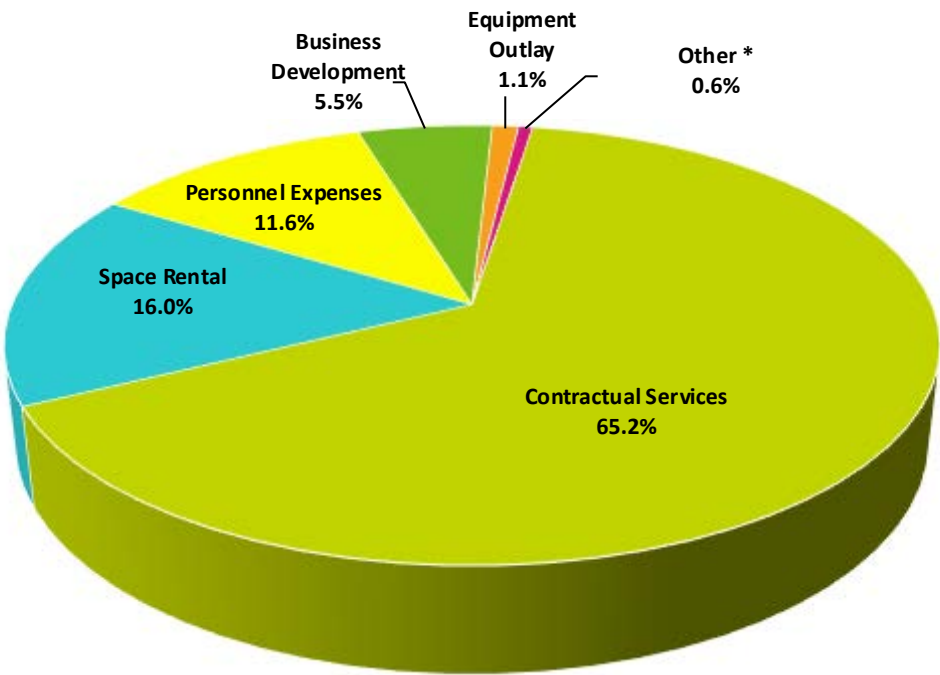
Revenue Division

FY 2026 Expense Budget by Category

(in thousands)

| Category | FY 2026 Budget |
|---------------------------|-----------------|
| Contractual Services | \$45,200 |
| Space Rental | 11,061 |
| Personnel Expenses | 8,051 |
| Business Development | 3,845 |
| Equipment Outlay | 750 |
| Other * | 405 |
| Total ¹ | \$69,313 |

¹Total may differ due to rounding



*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 40 – FY 2026 Expense Budget by Department

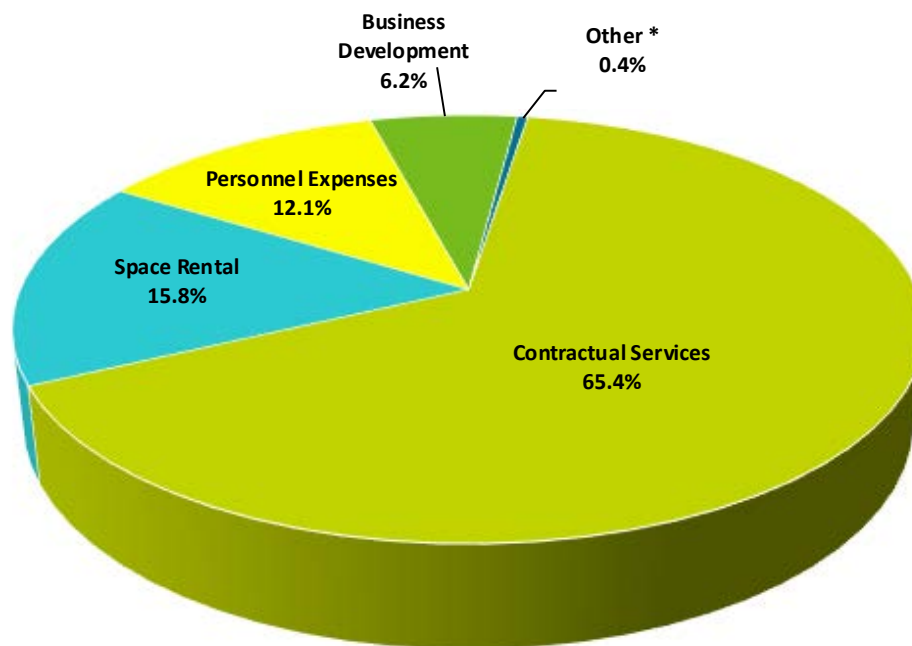
Revenue Division

FY 2027 Expense Conceptual Budget by Category

(in thousands)

| Category | FY 2027 Conceptual Budget |
|---------------------------|------------------------------|
| Contractual Services | \$45,794 |
| Space Rental | 11,069 |
| Personnel Expenses | 8,465 |
| Business Development | 4,357 |
| Other * | 307 |
| Total ¹ | \$69,992 |

¹ Total may differ due to rounding

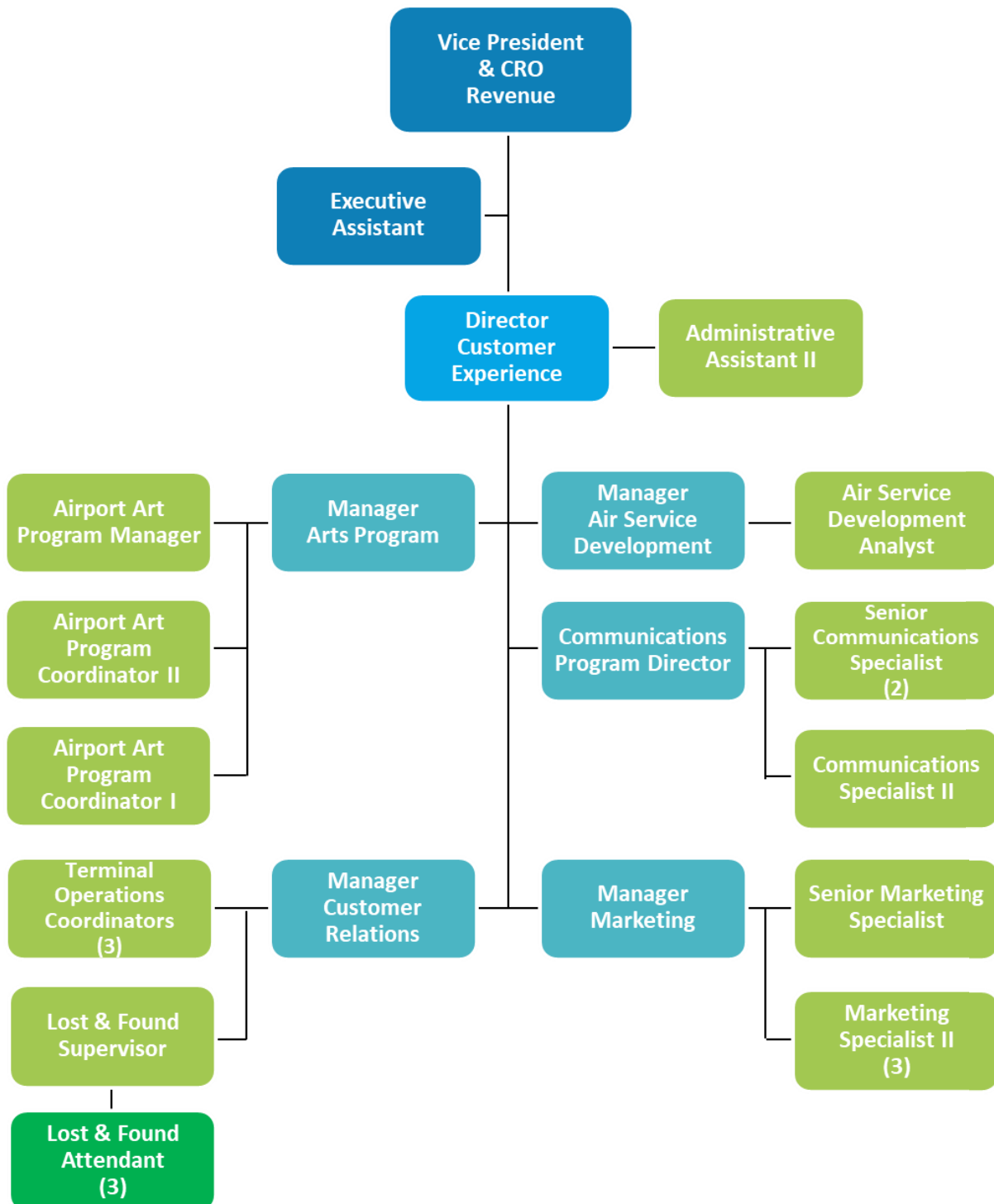


*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 41 – FY 2027 Expense Conceptual Budget by Department

Revenue Division – Customer Experience

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

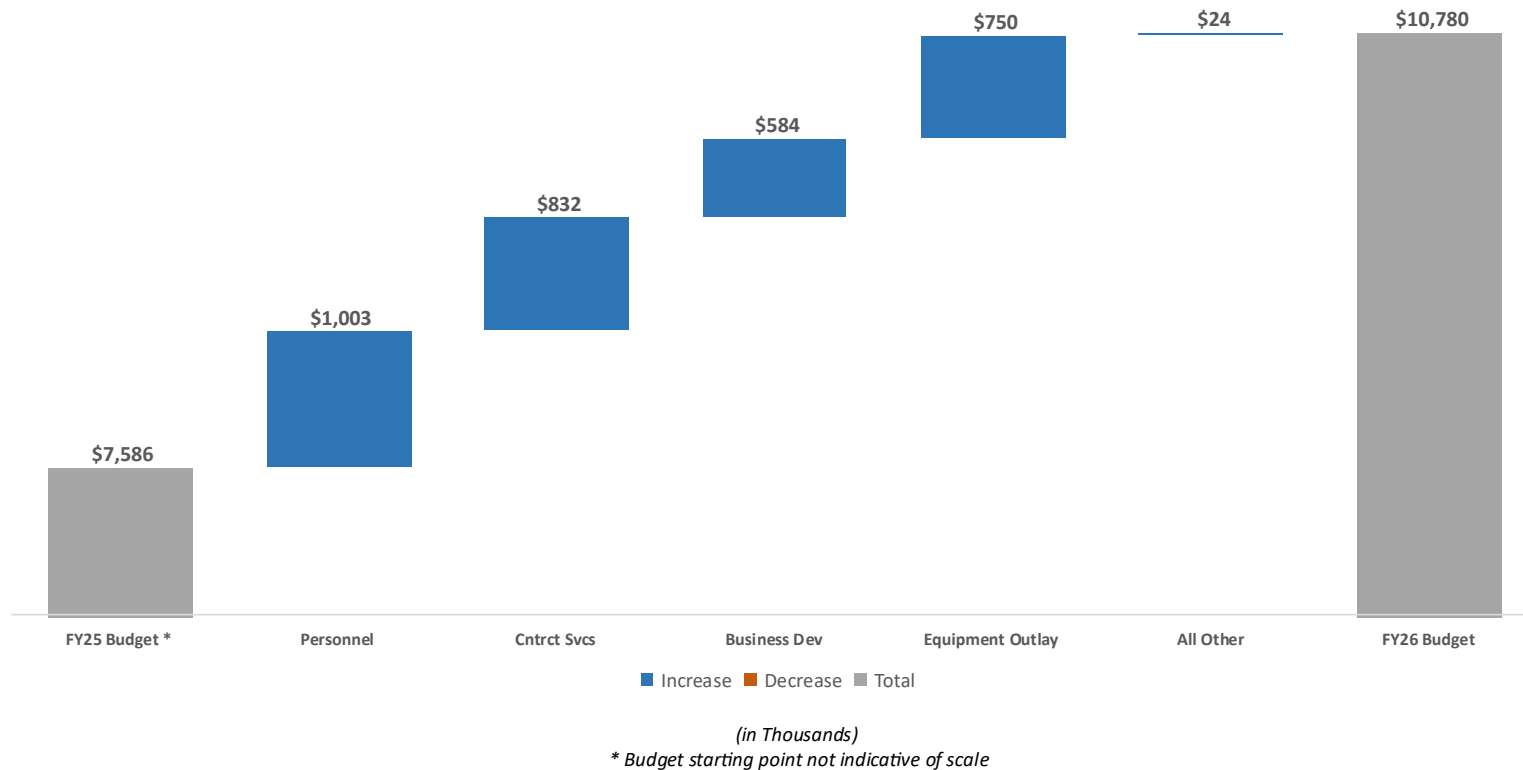
Revenue Division – Customer Experience

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|--|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|--------------|
| Operating Expenses | | | | | | | | | |
| Salaries | | 2,100 | 2,349 | 2,938 | 589 | 25.1% | 3,128 | 190 | 6.5% |
| Benefits | | 980 | 1,043 | 1,456 | 413 | 39.6% | 1,614 | 158 | 10.8% |
| Subtotal | | 3,080 | 3,392 | 4,394 | 1,003 | 29.6% | 4,742 | 348 | 7.9% |
| Less: Capitalized Labor Recharge | | - | - | - | - | 0.0% | (111) | (111) | 0.0% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 3,080 | 3,392 | 4,394 | 1,003 | 29.6% | 4,631 | 237 | 5.4% |
| Contractual Services | | 1,355 | 1,926 | 2,759 | 832 | 43.2% | 2,364 | (395) | -14.3% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | 21 | 1 | 6 | 5 | 1000.0% | 1 | (5) | -90.9% |
| Operating Supplies | | 4 | 3 | 11 | 8 | 319.1% | 11 | - | 0.0% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 54 | 48 | 50 | 3 | 5.6% | 50 | 0 | 0.3% |
| Business Development | | 1,362 | 2,163 | 2,748 | 584 | 27.0% | 2,907 | 159 | 5.8% |
| Equipment Rentals and Repairs | | 30 | 54 | 63 | 8 | 15.6% | 68 | 5 | 7.7% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 2,825 | 4,194 | 5,636 | 1,441 | 34.4% | 5,400 | (236) | -4.2% |
| Total Operating Expenses | | 5,904 | 7,586 | 10,030 | 2,444 | 32.2% | 10,031 | 2 | 0.0% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 5,904 | 7,586 | 10,030 | 2,444 | 32.2% | 10,031 | 2 | 0.0% |
| Equipment Outlay Expenditures | | - | - | 750 | 750 | 0.0% | 37 | (714) | -95.1% |
| Total Expenses Incl Equip Outlay | | 5,904 | 7,586 | 10,780 | 3,194 | 42.1% | 10,068 | (712) | -6.6% |

Revenue Division – Customer Experience

Major Drivers of FY 2025 Budget & FY 2026 Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 3 positions transfer in from Airside & Terminal Operations and 1 position transfer out to Government Relations & Strategy, and 5 new positions.

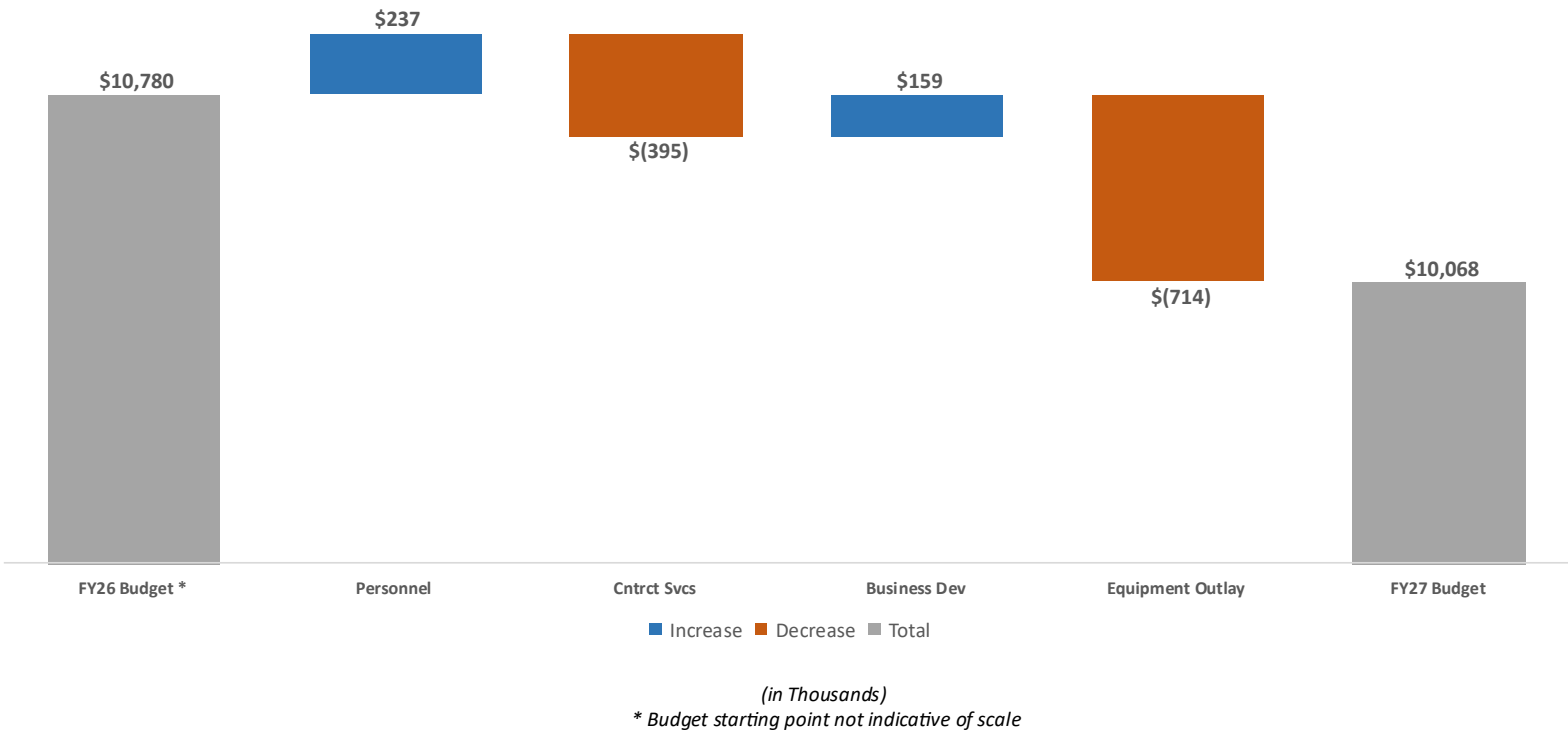
Contractual Services: Includes \$500K due to communications contracts moving to Customer Experience, \$150K Customer Relations golf carts moving to Customer Experience, and \$250K increase of marketing services contract increasing

Business Development: \$450K due to additional international service advertising, \$100K concessions ad campaign (Marketing Fees), and \$100K increase for Volunteer Program

Equipment Outlay: Increase \$750K due to new Art Cases in New T1 and T2

Revenue Division – Customer Experience

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff
Contractual Services: Decrease (\$650K) due to grand opening as a one time in FY26, (\$100K) decrease in marketing contract, \$400K increase for parking and concessions loyalty program, and \$24K increase for Fly My Airport program
Business Development: \$175K increase in concessions marketing program (Marketing Fees), \$30K increase to host AAAE Airport Arts, \$25K increase in air service advertising, \$23K increase in business travel, and offset by (\$100K) decrease in signage
Equipment Outlay: No other purchases needed in FY27

Revenue Division – Customer Experience

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



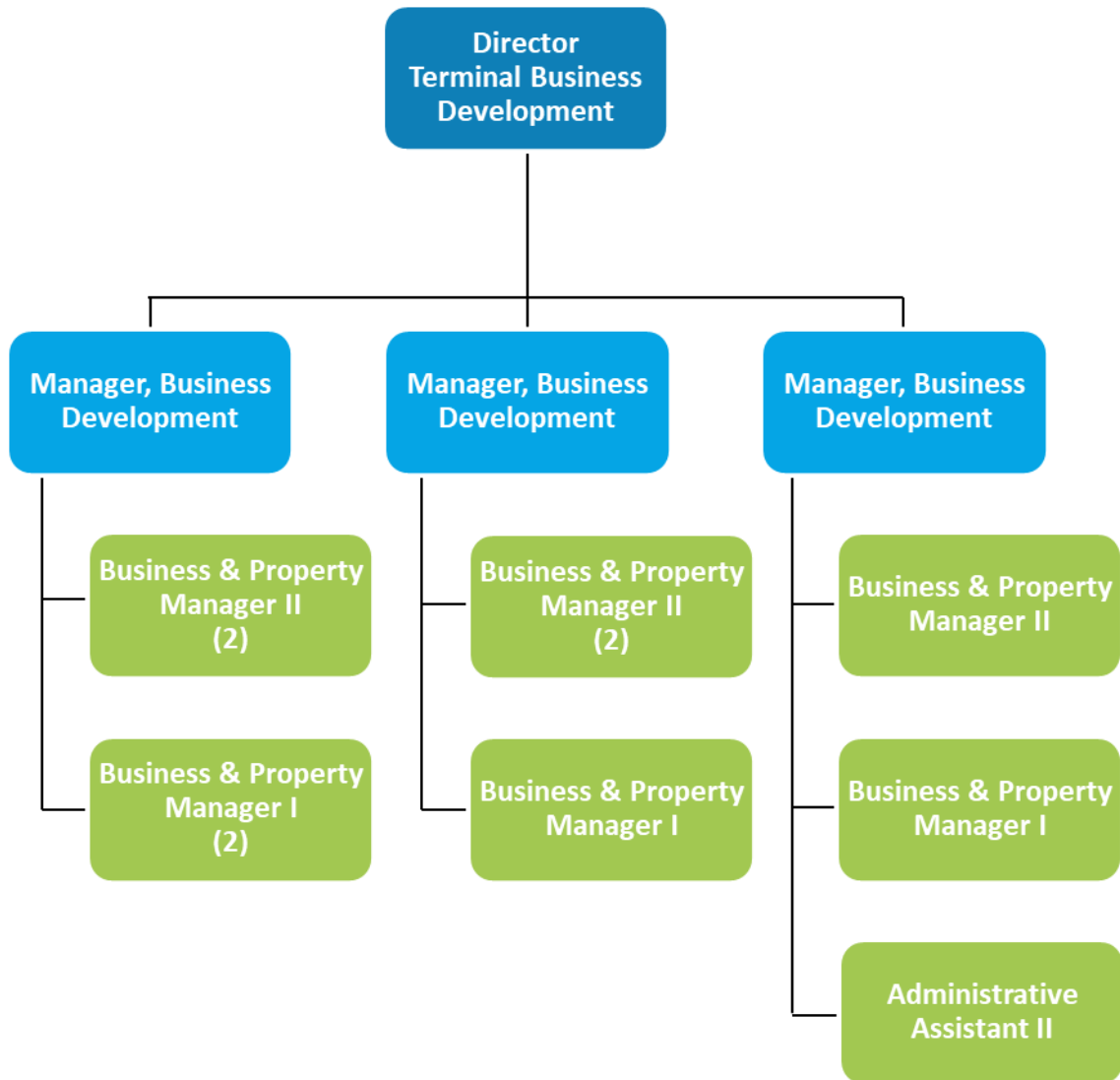
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|--------|---|
| Execution of NT1 Public Art commissions, performing art stages, Arts Zone, and other Arts projects | | 100% | In Process 90% Complete |
| Raise community awareness of SAN's nonstop network | | 100% | Met Annual awareness campaigns |
| Brand Platform - Deliver and develop assets (photos, videos, graphics) to help organization communicate effectively with stakeholders | | 100% | In Process Ongoing annually. New brand positioning is being developed CY25 |
| Loyalty program pilot - Explore opportunities & partnerships to create & reward loyalty for goods and services at SAN through existing stakeholder programs | | 100% | On Hold Budgeted for FY27 |
| Redesign San.org | | 100% | In Progress 60% Complete; Consultant on board and mid-project; expect delivery 9/2025 |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|--------|--|
| Develop CX dashboards to identify areas for improvement, make data- driven decisions / investments | | 100% | Invest/participate in innovation that improves efficiency or enhances revenue |
| Launch integrated communications plan to promote SAN post New T1 opening | | 100% | Define and deliver a seamless, unique, consistent airport and product experience |
| Transition Lost & Found to Customer Experience with increased level of service | | 100% | Invest/participate in innovation that improves efficiency or enhances revenue |

Revenue Division – Terminal Business Development

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

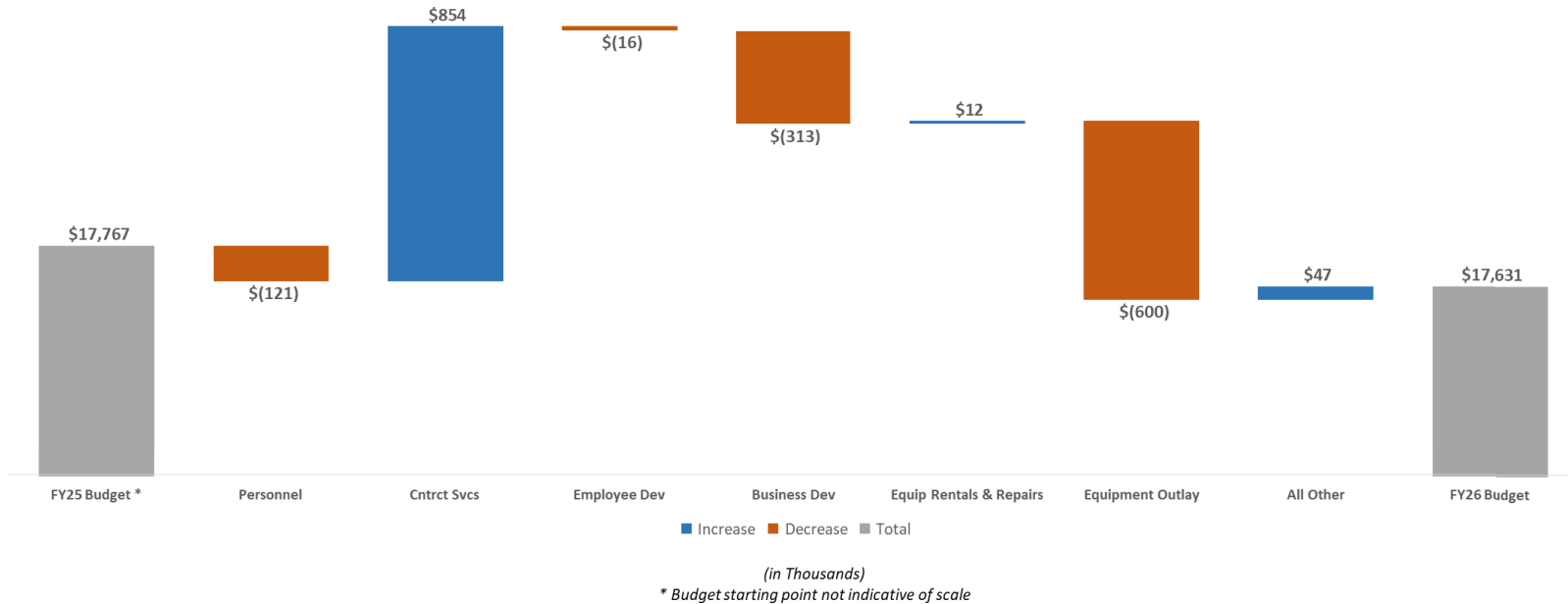
Revenue Division – Terminal Business Development

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|---|--|-------------------|------------------|------------------------------|--|--------------|--------------------------------|--|--------------|
| Operating Expenses | | | | | | | | | |
| Salaries | | 1,662 | 1,944 | 1,828 | (116) | -6.0% | 1,901 | 73 | 4.0% |
| Benefits | | 768 | 785 | 780 | (5) | -0.7% | 830 | 50 | 6.5% |
| Subtotal | | 2,430 | 2,729 | 2,608 | (121) | -4.5% | 2,731 | 124 | 4.7% |
| Less: Capitalized Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | | 2,430 | 2,729 | 2,608 | (121) | -4.5% | 2,731 | 124 | 4.7% |
| Contractual Services | | 2,323 | 2,962 | 3,816 | 854 | 28.8% | 3,784 | (32) | -0.8% |
| Safety and Security | | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | | 11,026 | 11,012 | 11,061 | 48 | 0.4% | 11,069 | 9 | 0.1% |
| Utilities | | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Supplies | | 4 | 2 | 1 | (1) | -49.0% | 1 | - | 0.0% |
| Insurance | | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | | 39 | 38 | 22 | (16) | -40.9% | 22 | - | 0.0% |
| Business Development | | 5 | 337 | 24 | (313) | -92.8% | 24 | - | 0.0% |
| Equipment Rentals and Repairs | | 136 | 87 | 99 | 12 | 14.3% | 99 | - | 0.0% |
| Tenant Improvements | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | | 13,531 | 14,438 | 15,024 | 585 | 4.1% | 15,000 | (24) | -0.2% |
| Total Operating Expenses | | 15,962 | 17,167 | 17,631 | 464 | 2.7% | 17,731 | 100 | 0.6% |
| Joint Studies / Sound Attenuation | | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | | 15,962 | 17,167 | 17,631 | 464 | 2.7% | 17,731 | 100 | 0.6% |
| Equipment Outlay Expenditures | | 6 | 600 | - | (600) | -100.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | | 15,968 | 17,767 | 17,631 | (136) | -0.8% | 17,731 | 100 | 0.6% |

Revenue Division – Terminal Business Development

Major Drivers of FY 2025 Budget & FY 2026 Budget



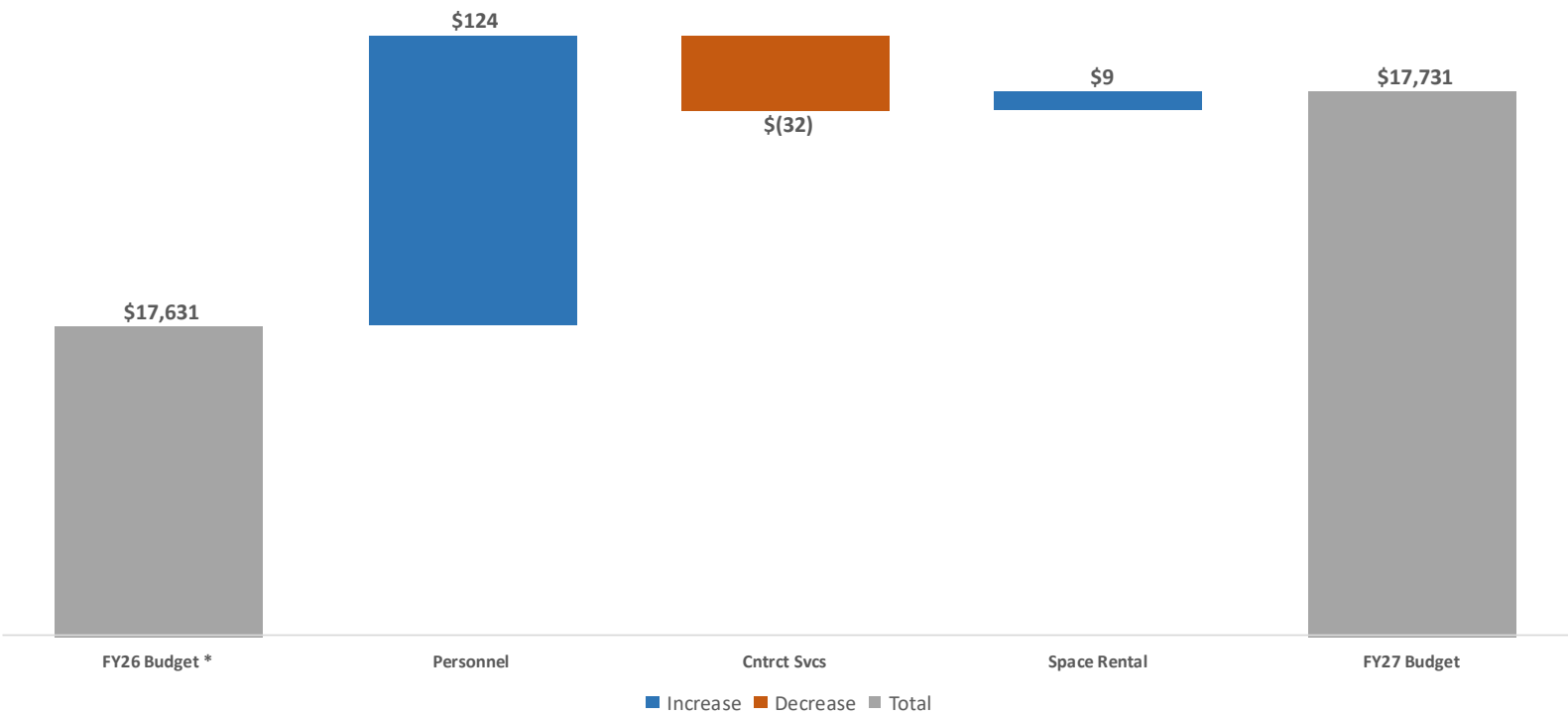
Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 1 position transfer out to Landside Business Development.

Contractual Services: Increases \$579K for the Receiving and Distribution Center (RDC) management fee, increases \$345K for the Quality Assurance Program Service, and increase \$85K in concessions Hood and Vent Cleaning

Business Development: Decrease (\$300K) moved to LBD for parking media purchases, decreased (\$25k) no longer doing the pop-up incubator program, and increase \$16K for business development travel

Revenue Division – Terminal Business Development

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



(in Thousands)
* Budget starting point not indicative of scale

Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Contractual Services: Decrease (\$240K) for the quality assurance program and increased \$157K RDC management fees
Space Rental: Increase \$9K due to the Navy and encroachment parcels lease

Revenue Division – Terminal Business Development

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



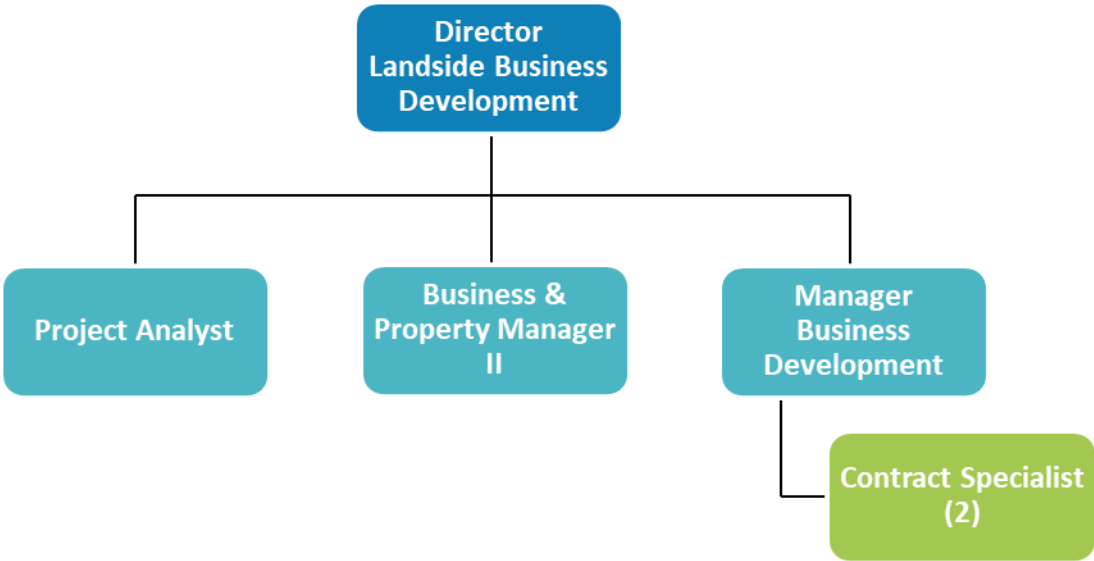
Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|---|------------|---|---|
| Open new Terminal 1 Phase 1a restaurant, retail and passenger services concessions | | <i>Locations designed, permitted and under construction</i> | Met Units under construction |
| Redevelopment plan for T2 Concessions (food & beverage/ retail locations) | | <i>Completed initial program evaluation</i> | Met Financial analysis of existing T2W program complete; expanded scope for facility review |
| Assure accommodation for restaurant/retail and passenger services needs in T2E connector and Stage One renovation | | <i>100% design connector/60% T2E</i> | Met Completed feedback to connector design and provided advisory support to 60% T2E |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|---|--|
| Open new Terminal 1 Phase 1b restaurant, retail and passenger services concessions | | <i>Initiate design process</i> | Align facilities to meet demand, both international and domestic |
| Redevelopment plan for T2 Concessions (food & beverage /retail locations) | | <i>Secure capital funding, launch PDD, RFP Plan</i> | Define and deliver a seamless, unique and consistent airport and product experience |
| Evaluate ability to create a 'Small Business Incubator Program' incl. alternative selection process to reduce small business barriers to entry | | <i>Development of program plan</i> | Evaluate contracts and partnerships for opportunities to improve revenue and expense profile |

Revenue Division – Landside Business Development

FY 2026 – FY 2027 Organizational Structure



No personnel changes in FY 2027

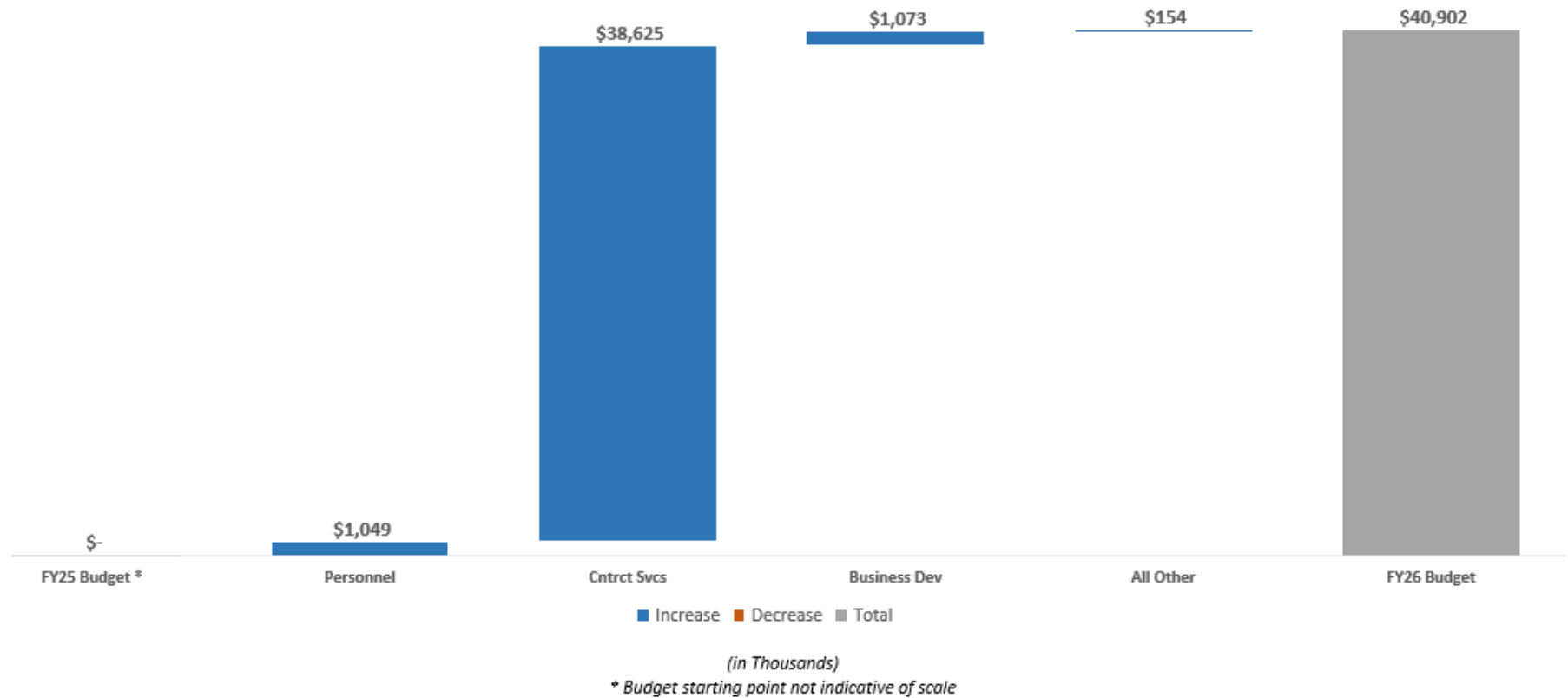
Revenue Division – Landside Business Development

FY 2026 Budget – FY 2027 Conceptual Budget Expense Summary

| (In Thousands) | FY2024 Actuals | FY2025 Budget | FY2026 Proposed Budget | Inc / (Dec) FY26 Budget vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conceptual vs FY26 Proposed | % Change |
|-----------------------------------|-------------------|------------------|------------------------------|--|-------------|--------------------------------|--|-------------|
| Operating Expenses | | | | | | | | |
| Salaries | - | - | 709 | 709 | 0.0% | 738 | 29 | 4.1% |
| Benefits | - | - | 340 | 340 | 0.0% | 364 | 24 | 7.0% |
| Subtotal | - | - | 1,049 | 1,049 | 0.0% | 1,102 | 53 | 5.0% |
| Less: Capitalized Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Less: QHP Labor Recharge | - | - | - | - | 0.0% | - | - | 0.0% |
| Total | - | - | 1,049 | 1,049 | 0.0% | 1,102 | 53 | 5.0% |
| Contractual Services | - | - | 38,625 | 38,625 | 0.0% | 39,646 | 1,020 | 2.6% |
| Safety and Security | - | - | - | - | 0.0% | - | - | 0.0% |
| Space Rental | - | - | - | - | 0.0% | - | - | 0.0% |
| Utilities | - | - | - | - | 0.0% | - | - | 0.0% |
| Maintenance | - | - | - | - | 0.0% | - | - | 0.0% |
| Operating Equipment & Systems | - | - | 136 | 136 | 0.0% | 1 | (135) | -99.2% |
| Operating Supplies | - | - | - | - | 0.0% | - | - | 0.0% |
| Insurance | - | - | - | - | 0.0% | - | - | 0.0% |
| Employee Development | - | - | 16 | 16 | 0.0% | 16 | - | 0.0% |
| Business Development | - | - | 1,073 | 1,073 | 0.0% | 1,426 | 353 | 32.9% |
| Equipment Rentals and Repairs | - | - | 2 | 2 | 0.0% | 2 | 0 | 11.8% |
| Tenant Improvements | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Personnel Costs | - | - | 39,853 | 39,853 | 0.0% | 41,091 | 1,239 | 3.1% |
| Total Operating Expenses | - | - | 40,902 | 40,902 | 0.0% | 42,193 | 1,291 | 3.2% |
| Joint Studies / Sound Attenuation | - | - | - | - | 0.0% | - | - | 0.0% |
| Legal Settlement Expense | - | - | - | - | 0.0% | - | - | 0.0% |
| Other Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Non-Operating Expenses | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses | - | - | 40,902 | 40,902 | 0.0% | 42,193 | 1,291 | 3.2% |
| Equipment Outlay Expenditures | - | - | - | - | 0.0% | - | - | 0.0% |
| Total Expenses Incl Equip Outlay | - | - | 40,902 | 40,902 | 0.0% | 42,193 | 1,291 | 3.2% |

Revenue Division – Landside Business Development

Major Drivers of FY 2025 Budget & FY 2026 Budget



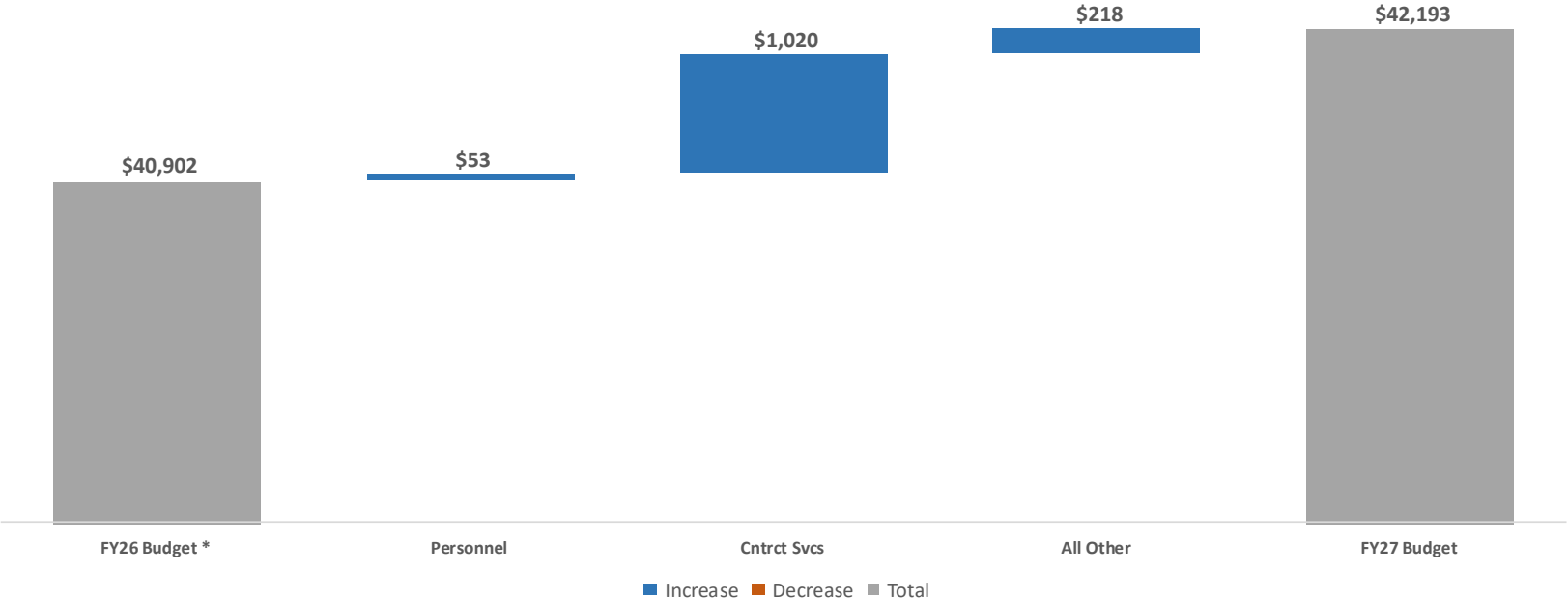
Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits and Employer Taxes) for Current Staff. 5 positions transfer in from Aviation Security & Public Safety and 1 position transfer in from Terminal Business Development.

Contractual Services: Contractual services consists of three main contracts: ACE shuttles and SP+ parking and buses

Business Development: Increase driven by Google Advertising to help drive overall parking revenue

Revenue Division – Landside Business Development

Major Drivers of FY 2026 Budget & FY 2027 Conceptual Budget



(in Thousands)
* Budget starting point not indicative of scale

Personnel: Salary Adjustments, Pay for Performance, and Burden (Benefits & Employer Taxes) for Current Staff
Contractual Services: Contractual services consist of three main contracts: ACE shuttles and SP+ parking and buses; increase being driven by RCC buses (\$0.7) and SP+ Parking (\$0.3M)

Revenue Division – Landside Business Development

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

| Fiscal Year 2025 Objectives | Focus Area | Target | Result |
|--|------------|--------|--------|
| Continue progress on implementation of Ground Transportation Ad hoc Committee (GTAC) Specific Actions by collaborating with industry partners, regulatory agencies, and airport stakeholders | | 100% | Met |
| Optimize Terminal 1 and Terminal 2 plaza Parking and Revenue Control Systems (PARCS) and Parking Guidance Systems (PGS) | | 100% | Met |
| Achieve a reduction in airport traffic on North Harbor Drive by including on-airport roadway in the ADP and engaging stakeholders to address ingress and egress issues | | 100% | Met |

| Fiscal Years 2026 & 2027 Objectives | Focus Area | Target | Initiatives |
|--|------------|--------|---|
| Continue TNC GHG program's progress to GGR 10 | | 100% | Develop a plan for transportation to and at the airport that anticipates and responds to technological changes |
| Optimize - Anticipate and prepare for transportation technology and mode changes | | 100% | Develop a plan for transportation to and at the airport that anticipates and responds to technological changes |
| Progress on permit for Turo and other App-based transportation modes (e.g. Waymo, Uber-Taxi, micro-mobility, etc.) | | 100% | Develop a plan for transportation to and at the airport that anticipates and responds to technological changes. |

Debt Service



Debt Service

Overview

Capital projects are funded by a combination of sources, including short-term and long-term debt instruments. Debt service amounts appearing in the budget are based on payments of principal, interest, and fees for the revenue bonds and variable debt. Debt service expenses (which also include amortization of bond premiums and cost of issuance fees) are projected at \$254.6M for the FY 2026 Budget and \$265.1M for the FY 2027 Conceptual Budget (see **Debt Service by Source**).

Allowed Purposes and Types of Debt

The Airport Authority does not have taxing power and, therefore, issues revenue bonds to finance the construction of airport projects. The bonds are called revenue bonds because their repayment is secured solely by revenues produced by the Airport system. The Airport Authority may also issue special facility obligations to finance capital projects. Such obligations must be secured by a defined revenue stream derived from or relating to discrete facilities.

Debt Limit Policy

The Airport Authority's policy is to manage its current and future debt service requirements in compliance with all bond covenants while prudently meeting its capital needs. The Airport Authority does not have a legal debt limit but is constrained by its bond indenture requirement for debt service coverage, which requires that net revenues (generally defined as operating revenues less operating expenses) pledged to pay debt service exceed 125% (1.25x) of annual senior lien bond debt service and that subordinate net revenues shall exceed 110% (1.10x) of subordinate lien debt service. This acts as a cap on the annual debt service, not a cap on the amount of outstanding debt, and is a common provision in airport bond resolutions. A debt service coverage table is shown on page 237.

In addition, the Board has adopted a debt policy that calls for minimum debt service coverage of 140% (1.40x) for aggregate debt service coverage (senior and subordinate) calculated where PFCs used to pay debt service and federal relief applied to debt service, if any, are added to Net Revenues (rather than deducted from Debt Service). Other debt targets in the adopted debt policy include a debt per enplanement target of \$300-\$400 and a Net Debt to/Cash Flow Available to Debt Service (CFADS) target range of 8x to 11x. Net Debt to CFADS is the ratio of gross debt (including long-term capital leases) less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest, and PFCs available for debt service).

Outstanding Debt

Series 2023 & 2025 Bonds – Senior Airport Revenue Bonds

On October 3, 2023, the Airport Authority issued \$1,061.9M of Series A and B Senior Airport Revenue Bonds (Series 2023 Bonds). The Senior Series 2023 Bonds were issued to finance the New T1 development at SAN, fund a portion of the interest accruing on the Senior Series 2023 Bonds, fund the senior reserve fund, pay the costs of issuance of the Senior Series 2023 Bonds, and to repay outstanding subordinate revolving obligations, and purchase \$40.4M outstanding Subordinate Airport Revenue Refunding Bonds, Series 2021C which were tendered by the holders. The Series 2023 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 5.0% to 5.25% and mature in fiscal years 2025 to 2059. Series 2023A were issued at a premium of

Debt Service

\$2.9M and Series 2023B were issued at a discount of \$9.9M, the premium and discount are being amortized over the life of the bonds. Interest on the Senior Series 2023 Bonds is payable semiannually on January 1 and July 1, of each year.

On July 9, 2025, the Authority issued \$784.5M of Series A and B Senior Airport Revenue Bonds (Series 2025 Bonds). The Senior Series 2025 Bonds were issued to finance the New T1 development at SAN, fund a portion of the interest accruing on the Series 2025, 2023 and 2021 Bonds, fund the senior reserve fund, pay the costs of issuance of the Series 2025 Bonds. The Series 2025 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 5.0% to 5.5% and mature in fiscal years 2029 to 2056. Series 2025A were issued at a premium of \$10.7M and Series 2023B were issued at a Premium of 26.7M, the premiums are being amortized over the life of the bonds. Interest on the Senior Series 2025 Bonds is payable semiannually on January 1 and July 1, of each year.

Series 2017, 2019, 2020 & 2021 Bonds – Subordinate Airport Revenue Bonds

On July 18, 2017, the Airport Authority issued \$291.2M of Series A and B Subordinate Airport Revenue Bonds (Series 2017 Bonds). The Subordinate Series 2017 Bonds were issued to finance certain capital improvements at SAN, including the Parking Plaza and the Federal Inspection Station (FIS) facility; fund a portion of the interest accruing on the subordinate Series 2017 Bonds; refund \$32.6M of the Airport Authority's outstanding variable rate debt; fund the subordinate reserve fund and pay the costs of issuance of the subordinate Series 2017 Bonds. The Series 2017 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2023 to 2048. The bonds were issued at a premium of \$48.4M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2017 Bonds is payable semiannually on January 1 and July 1 of each year.

On December 11, 2019, the Airport Authority issued \$463.7M of Series A and B Subordinate Airport Revenue Bonds (Series 2019 Bonds). The Subordinate Series 2019 Bonds were issued to finance certain capital improvements at SAN, including Airport Support Facilities, Storm Water Infiltration Beds, Baggage handling and Bag make-up upgrades; fund a portion of the interest accruing on the subordinate Series 2019 Bonds; refund \$34.3M of the Airport Authority's outstanding variable rate debt; fund the subordinate reserve fund; pay the costs of issuance of the subordinate Series 2019 Bonds and to refund the 2010 Series C bonds. The Series 2019 Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in fiscal years 2023 to 2050. The bonds were issued at a premium of \$96.9M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2019 Bonds is payable semiannually on January 1 and July 1, of each year.

On April 8, 2020, the Airport Authority issued \$241.6M of Series A, B and C Subordinate Airport Revenue Bonds (Series 2020 Bonds). The Subordinate Series 2020 Bonds were issued as forward delivery Bonds (the Bonds were priced concurrently with the 2019 Bonds in November 2019). The Series 2020 Bonds were issued to refund the Series 2010 A and B Bonds. The Series 2020 Bonds are structured as serial bonds that bear interest at a rate of 5.0% and mature in fiscal years 2023 to 2041. The bonds were issued at a premium of \$49.4M, which is being amortized over the life of the bonds. Interest on the Subordinate Series 2020 Bonds is payable semiannually on January 1 and July 1 of each year.

On December 8, 2021, the Airport Authority issued \$1,941.7M of Series A, B, and C Subordinate Airport Revenue Bonds (Series 2021 Bonds). The Subordinate Series 2021 Bonds were issued to finance The New T1 development at SAN, fund a portion of the interest accruing on the subordinate Series 2021 Bonds, fund the subordinate

Debt Service

reserve fund, pay the costs of issuance of the subordinate Series 2021 Bonds, and to refund the 2013 Series A and B bonds. The Series 2021 A and B Bonds are structured as serial and term bonds that bear interest at rates ranging from 4.0% to 5.0% and mature in Fiscal Years 2027 to 2057 and were issued at a premium of \$332.4M, which is being amortized over the life of the bonds. The Series 2021 C Bonds are Federally Taxable Bonds and are structured as serial and term bonds that bear interest at rates ranging from .45% to 3.1% and mature in fiscal years 2023 to 2037. Interest on the Subordinate Series 2021 Bonds is payable semiannually on January 1 and July 1, of each year.

The Series 2017 Bonds, 2019 Bonds, 2020 Bonds and 2021 Bonds are payable solely from and secured by a pledge of “Subordinate Net Revenues.” Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority’s Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

Series 2014 Bonds – Senior Special Facilities Revenue Bonds

On February 19, 2014, the Airport Authority issued \$305.3M in Senior Special Facilities Revenue Bonds. The Bond Proceeds were used to finance the construction of the Rental Car Center and certain CIP-related projects. The bonds were issued in the following series and amounts: Series A (non-AMT) \$29.4M; and Series B (Federally Taxable) \$275.9M.

The Series 2014 Bonds were structured as serial and term bonds that bear interest rates ranging from 2.5% to 5.6% maturing in Fiscal Years 2023-2045.

The Series 2014 Bonds are payable solely from and secured by a pledge of the “Trust Estate”, which includes Customer Facility Charges (CFCs) and bond funding supplemental consideration, payable by the rental car companies in the event that CFCs are insufficient to meet the Bond funding obligations.

Debt Rating

The following table outlines the credit ratings for the Airport Authority’s outstanding bond issues.

| Rating Agency | Standard & Poor’s | Moody’s | Fitch |
|--|-------------------|---------|-------|
| Series 2023 (Senior) | N/A | Aa3 | AA- |
| Series 2017, 2019, 2020 and 2021 (Subordinate) | A | A1 | A+ |
| Series 2014 (Special Facility) | A- | A3 | N/A |

Variable Rate Debt

On July 18, 2024, The Airport Authority and Bank of America agreed to an Amended and Restated Revolving Credit Agreement. The Airport Authority is authorized to issue up to \$200.0M in subordinate revolving obligations. The revolving credit agreement is for a term of three (3) years. There are currently no Revolving

Debt Service

Obligations outstanding. Obligations incurred under the Revolving Credit Agreement are payable solely from and secured by a pledge of “Subordinate Net Revenues.” Subordinate Net Revenues are generally defined as all revenues and other cash receipts of the Airport Authority’s Airport operations remaining after Senior Lien payments have been deposited by the Trustee in accordance with the Senior Lien Trust Indenture.

Debt Service

Debt Service Coverage

The following table shows debt service coverage on the aggregate senior and subordinate lien debt.

(in thousands)

| | FY 2024 Actuals | FY 2025 Budget | FY 2026 Budget | FY 2027 Conceptual Budget |
|--|--------------------|-------------------|-------------------|---------------------------------|
| Airport Revenues | \$ 449,403 | \$ 485,832 | \$ 538,348 | \$ 559,197 |
| Operations & Maintenance Expenses | (189,012) | (213,107) | (237,388) | (249,409) |
| Net Revenue available for Senior & Subordinate Lien Debt Service | 260,390 | 272,725 | 300,960 | 309,788 |
| Senior Bond Debt Service | 3,214 | 4,186 | 34,632 | 37,405 |
| PFCs used to pay Debt Service | - | - | (24,071) | (30,632) |
| Senior Bond Debt Service, Net of PFCs | \$ 3,214 | \$ 4,186 | \$ 10,560 | 6,773 |
| Senior Bonds Debt Service Coverage (x) | 81.01 | 65.15 | 28.50 | 45.74 |
| Subordinate Net Revenues | \$ 257,176 | \$ 268,538 | \$ 290,400 | \$ 303,015 |
| Subordinate Lien Bond Debt Service | 99,601 | 92,565 | 140,754 | 156,992 |
| PFCs used to pay Debt Service | - | - | (32,467) | (34,782) |
| Subordinate Debt Service, Net of PFCs and BAB Subsidy | \$ 99,601 | \$ 92,565 | \$ 108,287 | \$ 122,210 |
| Subordinate Debt Service Coverage (x) | 2.58 | 2.90 | 2.68 | 2.48 |
| Aggregate (Senior and Subordinate Lien) Debt Service | \$ 102,816 | \$ 96,751 | \$ 175,386 | \$ 194,397 |
| PFCs used to pay Debt Service | - | - | (56,539) | (65,414) |
| Total Debt Service, Net of PFCs and BAB Subsidy | \$ 102,816 | \$ 96,751 | \$ 118,847 | \$ 128,983 |
| Total Debt Service Coverage (x) | 2.53 | 2.82 | 2.53 | 2.40 |

| | | | | |
|--|------------|------------|------------|----------------|
| Net Revenue (Including PFC, BAB Subsidy and CARES Act Grant) | \$ 102,816 | \$ 96,751 | \$ 175,386 | \$ 194,396,990 |
| Net Revenue (Including PFC, BAB Subsidy and Federal Relief) | \$ 260,390 | \$ 272,725 | \$ 357,499 | \$ 375,202 |
| Revenue Method - Debt Service Coverage on Aggregate Debt | 2.53 | 2.82 | 2.04 | 1.93 |

Debt Service

The following table shows debt service coverage on the CFC bond debt.

(in thousands)

| | FY 2024 Actuals | FY 2025 Budget | FY 2026 Budget | FY 2027 Conceptual Budget |
|--|--------------------|-------------------|-------------------|---------------------------------|
| CFC Collections | \$ 35,580 | \$ 35,438 | \$ 36,693 | \$ 37,426 |
| Transfer From Stabilization Account | - | - | - | - |
| Interest Earnings | 2,061 | 1,827 | 1,452 | 1,067 |
| Total Amounts Available | \$ 37,641 | \$ 37,265 | \$ 38,144 | \$ 38,494 |
| Rolling Coverage Fund Balance | \$ 6,576 | \$ 6,576 | \$ 6,576 | \$ 6,576 |
| Total Amounts Available, plus Rolling Coverage Fund Balance | \$ 44,217 | \$ 43,841 | \$ 44,720 | \$ 45,070 |
| Aggregate Annual Debt Service | \$ 21,919 | \$ 21,920 | \$ 21,919 | \$ 21,919 |
| Coverage excluding Rolling Coverage Fund | 1.72 | 1.70 | 1.74 | 1.76 |
| Coverage including Rolling Coverage Fund | 2.02 | 2.00 | 2.04 | 2.06 |

Debt Service

Outstanding Debt Service

(in thousands)

| Aggregate Senior and Subordinate Debt Service (\$000's) | | | | | | | | Special Facility Debt |
|---|---------------------------|--------------------------|--------------|--------------------------------------|-------------------------------|-------------------|-----------|-----------------------|
| Year Ended July 1 | 2023, 2025 Senior Debt | | | 2017,2019,2020,2021 Subordinate Debt | | | | 2014 CFC Bonds |
| | Senior Bonds Principal | Senior Bonds Interest | Senior Total | Subordinate Bonds Principal | Subordinate Bonds Interest | Subordinate Total | Total | |
| 2025 | 2,865 | 53,935 | 56,800 | 36,050 | 123,804 | 159,854 | 216,654 | 21,920 |
| 2026 | - | 93,810 | 93,810 | 34,500 | 122,477 | 156,977 | 250,788 | 21,919 |
| 2027 | - | 94,720 | 94,720 | 36,240 | 120,752 | 156,992 | 251,712 | 21,919 |
| 2028 | 22,280 | 94,720 | 117,000 | 38,055 | 118,940 | 156,995 | 273,995 | 21,920 |
| 2029 | 31,240 | 93,606 | 124,846 | 39,955 | 117,037 | 156,992 | 281,838 | 21,920 |
| 2030 | 32,795 | 92,044 | 124,839 | 42,445 | 115,040 | 157,485 | 282,324 | 21,918 |
| 2031 | 35,650 | 90,404 | 126,054 | 61,520 | 112,931 | 174,451 | 300,506 | 21,922 |
| 2032 | 37,115 | 88,622 | 125,737 | 65,800 | 110,005 | 175,805 | 301,541 | 21,920 |
| 2033 | 39,885 | 86,766 | 126,651 | 67,800 | 106,875 | 174,675 | 301,326 | 21,920 |
| 2034 | 39,860 | 84,772 | 124,632 | 75,415 | 103,616 | 179,031 | 303,663 | 21,917 |
| 2035 | 41,905 | 82,733 | 124,638 | 82,615 | 100,047 | 182,662 | 307,300 | 21,918 |
| 2036 | 47,485 | 80,589 | 128,074 | 81,835 | 96,384 | 178,219 | 306,293 | 21,921 |
| 2037 | 46,565 | 78,160 | 124,725 | 89,215 | 92,686 | 181,901 | 306,626 | 21,918 |
| 2038 | 49,055 | 75,729 | 124,784 | 93,160 | 88,738 | 181,898 | 306,682 | 21,919 |
| 2039 | 51,670 | 73,168 | 124,838 | 97,315 | 84,577 | 181,892 | 306,730 | 21,919 |
| 2040 | 54,360 | 70,530 | 124,890 | 101,735 | 80,187 | 181,922 | 306,813 | 21,918 |
| 2041 | 61,190 | 67,755 | 128,945 | 101,595 | 75,701 | 177,296 | 306,242 | 21,921 |
| 2042 | 64,310 | 64,636 | 128,946 | 105,350 | 71,941 | 177,291 | 306,237 | 21,922 |
| 2043 | 67,595 | 61,357 | 128,952 | 109,395 | 67,895 | 177,290 | 306,242 | 21,922 |
| 2044 | 65,760 | 57,911 | 123,671 | 89,150 | 63,686 | 152,836 | 276,506 | 21,919 |
| 2045 | 69,120 | 54,553 | 123,673 | 93,260 | 59,581 | 152,841 | 276,513 | - |
| 2046 | 72,645 | 51,023 | 123,668 | 97,620 | 55,224 | 152,844 | 276,512 | - |
| 2047 | 76,375 | 47,297 | 123,672 | 102,170 | 50,665 | 152,835 | 276,507 | - |
| 2048 | 80,285 | 43,380 | 123,665 | 88,580 | 45,937 | 134,517 | 258,181 | - |
| 2049 | 84,405 | 39,262 | 123,667 | 92,630 | 41,888 | 134,518 | 258,184 | - |
| 2050 | 88,735 | 34,932 | 123,667 | 83,110 | 37,636 | 120,746 | 244,413 | - |
| 2051 | 93,280 | 30,380 | 123,660 | 86,885 | 33,861 | 120,746 | 244,406 | - |
| 2052 | 70,805 | 25,495 | 96,300 | 118,215 | 29,896 | 148,111 | 244,411 | - |
| 2053 | 74,450 | 21,858 | 96,308 | 123,615 | 24,486 | 148,101 | 244,409 | - |
| 2054 | 78,270 | 18,034 | 96,304 | 129,300 | 18,805 | 148,105 | 244,409 | - |
| 2055 | 82,420 | 13,889 | 96,309 | 135,265 | 12,840 | 148,105 | 244,414 | - |
| 2056 | 57,540 | 9,525 | 67,065 | 141,530 | 6,577 | 148,107 | 215,171 | - |
| 2057 | 60,555 | 6,510 | 67,065 | - | - | - | 67,065 | - |
| 2058 | 63,725 | 3,338 | 67,063 | - | - | - | 67,063 | - |
| 2059 | - | - | - | - | - | - | - | - |
| 2060 | - | - | - | - | - | - | - | - |
| Total | 1,844,195 | 1,985,442 | 3,829,637 | 2,741,325 | 2,390,714 | 5,132,039 | 8,961,677 | 438,393 |

Debt Service

Debt Service by Source

| <i>(in thousands)</i> | FY2024 Actuals | FY2025 Budget | FY2026 Budget | Inc / (Dec) FY26 vs FY25 Budget | % Change | FY2027 Conceptual Budget | Inc / (Dec) FY27 Conc vs FY26 Budget | % Change |
|---|-------------------|------------------|-------------------|---------------------------------------|--------------|--------------------------------|--|-------------|
| Variable Rate Debt Interest | \$ 1,034 | \$ - | \$ - | \$ - | 0.0% | \$ - | \$ - | 0.0% |
| Principal on Revenue Bonds | 43,385 | 38,915 | 34,500 | (4,415) | -11.3% | 36,240 | 1,740 | 5.0% |
| Interest on Revenue Bonds | 162,150 | 177,739 | 217,901 | 40,162 | 22.6% | 230,053 | 12,152 | 5.6% |
| Principal on Special Facility Bonds | 7,045 | 7,440 | 7,855 | 415 | 5.6% | 8,295 | 440 | 5.6% |
| Interest on Special Facility Bonds | 14,874 | 14,480 | 14,064 | \$ (416) | -2.9% | 13,624 | (439) | -3.1% |
| Principal & Interest Expense – Capitalized Leases | 877 | 877 | 877 | (0) | 0.0% | 877 | (0) | 0.0% |
| Cost of Issuance and other Fees | 3,790 | 288 | 3,854 | 3,566 | 1236.9% | (145) | (3,999) | -103.8% |
| Amortization of Bond Premiums | (25,867) | (25,125) | (24,473) | 652 | -2.6% | (23,803) | 670 | -2.7% |
| Total Debt Service | \$199,856 | \$214,614 | \$ 254,578 | \$ 39,964 | 18.6% | \$ 265,141 | \$ 10,563 | 4.1% |

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Capital Program



Capital Program

Overview

The Capital Program at SAN consists of the Capital Improvement Program (CIP), which uses traditional (Design-Bid-Build) project delivery, as well as the New Terminal 1 (New T1) program, which is being implemented under an alternative project delivery method (Design-Build). The Capital Program is a rolling five-year program that provides critical improvements and asset preservation. The Capital Program includes capital improvement projects that address federal security requirements, airfield safety, environmental remediation, terminal upgrades, and development. Funding sources for the projects include the Federal Aviation Administration's Airport Improvement Program (AIP), Transportation Security Administration (TSA) reverse reimbursable agreements, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport operating revenues, Airport revenue bonds, Special Facility Bonds and short-term borrowing using a revolving line of credit.

Capital Program Process

The Capital Program is designed to incorporate a dynamic process. The annual development of the capital program begins with departments submitting project requests for their functional area. These project requests are reviewed and approved by the respective department's Vice President before submission to a capital program development team led by the Airport Design and Construction department and comprised of staff representatives from various Airport Authority departments.

After the request is submitted to the development team, interviews are conducted between Airport Authority staff and project sponsors to determine if there are any significant issues and/or risks in undertaking the project. Considering the Airport Authority's Sustainability Policy, a complete review is performed focusing on developing a business case that includes total costs of ownership, project feasibility, and economic viability. In addition, the operational benefit and the Airport Authority's ability to provide natural resource conservation while being socially responsible are evaluated.

Following the interviews, the development team forwards evaluations of the proposed projects to the Airport Authority's Executive Leadership Team (ELT) consisting of the Vice Presidents and President/CEO who oversee the CIP. The ELT then selects projects to advance further to develop scope, schedule, budget, and identification of risks and proposed funding sources. The ELT then recommends projects to be included in the Capital Improvement Program, or they may revise the list of projects to be presented to the Airport Authority Board based on funding availability and project necessity. Following Airport Authority Board approval of the CIP, project teams begin project implementation as planned and approved. The ELT meets weekly, reviews all new project requests, changes project scopes, budgets, and schedules, and ensures the efficient use of the Airport Authority's capital resources to accommodate the ever-changing Airport environment and regulatory requirements.

Capital Program

Prioritization Criteria for Capital Projects

| | |
|----------|---|
| 1 | Required for Part 139 or other regulatory compliance |
| 2 | Maintain core building systems - IT, Fire/Life/Safety, Mechanical, Electrical, Plumbing |
| 3 | Maintain airport access roadways and parking infrastructure |
| 4 | Enhancement to customer service, revenue generation, cost savings |
| 5 | Enhancements to systems or facilities not required by regulation |

Program Summary

(in thousands)

| | New T1 | CIP | Total |
|--|---------------------------|-------------------------|---------------------------|
| FY 2025 – 2029 Beginning Capital Program Budget | \$3,834,300 | \$430,039 | \$4,264,339 |
| FY 2025 - 2029 Project Closeouts /Adjustments | = | <u>15,965</u> | <u>15,965</u> |
| FY 2025 - 2029 Ending Capital Program Balance | \$3,834,300 | \$446,004 | \$4,280,304 |
| FY 2026 - 2030 New Capital Projects | = | <u>242,544</u> | <u>242,544</u> |
| FY 2026 - 2030 Capital Program Budget | <u>\$3,834,300</u> | <u>\$688,547</u> | <u>\$4,522,847</u> |

Capital Program

Sources of Funds by Fiscal Year

(in thousands)

| Capital Improvement Program | Pre FY2026 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | Total |
|---|----------------|----------------|----------------|---------------|----------------|---------------|----------------|
| Airport Revenue Bonds | \$88,059 | \$40,234 | \$13,262 | \$50,949 | \$66,612 | \$33,306 | \$292,423 |
| Airport Cash | \$38,390 | \$64,366 | \$70,171 | \$31,177 | \$34,171 | \$7,357 | \$245,633 |
| Federal Grants | \$1,710 | \$11,869 | \$28,401 | \$9,558 | \$8,981 | \$0 | \$60,520 |
| Major Maintenance Fund | \$9,692 | \$32,972 | \$39,449 | \$1,478 | \$1,078 | \$118 | \$84,786 |
| Other | \$1,527 | 2,063 | \$1,411 | \$0 | - | - | \$5,000 |
| Passenger Facility Charges | \$185 | - | - | - | - | - | \$185 |
| Subtotal Capital Improvement Program | 139,564 | 151,505 | 152,694 | 93,163 | 110,842 | 40,780 | 688,547 |

| The New T1 | Pre FY2026 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | Total |
|----------------------------|------------------|----------------|----------------|----------------|---------------|------------|------------------|
| Airport Revenue Bonds | \$2,088,987 | \$421,247 | \$432,500 | \$233,639 | \$21,334 | \$589 | \$3,198,295 |
| Airport Cash | \$286,280 | \$16,058 | \$4,913 | \$3,629 | \$1,126 | \$17 | \$312,023 |
| Federal Grants | \$249,264 | \$42,387 | \$18,808 | \$30 | \$0 | \$0 | \$310,490 |
| Major Maintenance Fund | - | - | - | - | - | - | - |
| Other | \$752 | 7,137 | - | 5,603 | - | - | \$13,491 |
| Subtotal The New T1 | 2,625,283 | 486,829 | 456,221 | 242,900 | 22,460 | 606 | 3,834,300 |

| | | | | | | | |
|-------------------------------|--------------------|------------------|------------------|------------------|------------------|-----------------|--------------------|
| TOTAL SOURCES of FUNDS | \$2,764,847 | \$638,334 | \$608,915 | \$336,063 | \$133,302 | \$41,387 | \$4,522,847 |
|-------------------------------|--------------------|------------------|------------------|------------------|------------------|-----------------|--------------------|

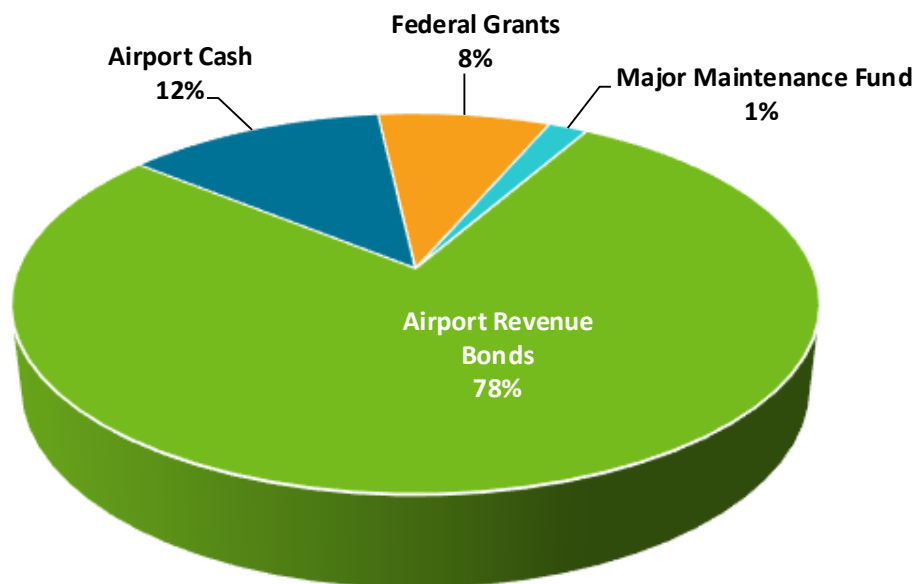


Figure 42 – Total Sources of Funds

Capital Program

Uses of Funds by Fiscal Year

(in thousands)

| The New T1 | Pre FY2026 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | Total |
|------------------------|---------------------|-------------------|-------------------|-------------------|------------------|---------------|---------------------|
| Terminal | \$ 1,891,156 | \$ 407,057 | \$ 423,601 | \$ 229,555 | \$ 16,849 | \$ 141 | \$ 2,968,359 |
| Landside and Ancillary | \$ 364,495 | \$ 27,103 | \$ 7,564 | \$ 5,249 | \$ 1,405 | \$ 21 | \$ 405,837 |
| Airside | \$ 262,837 | \$ 52,669 | \$ 25,055 | \$ 8,097 | \$ 4,206 | \$ 445 | \$ 353,309 |
| Administrative | \$ 106,796 | - | - | - | - | - | \$ 106,796 |
| TOTAL | \$ 2,625,283 | \$ 486,829 | \$ 456,221 | \$ 242,900 | \$ 22,460 | \$ 606 | \$ 3,834,300 |

| Capital Improvement Program | Pre FY2026 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | Total |
|-----------------------------|-------------------|-------------------|-------------------|------------------|-------------------|------------------|-------------------|
| Terminal | \$ 40,911 | \$ 54,049 | \$ 70,093 | \$ 62,839 | \$ 78,839 | \$ 33,306 | \$ 340,036 |
| Landside and Ancillary | \$ 69,110 | \$ 58,578 | \$ 27,025 | \$ 376 | \$ | \$ | \$ 155,090 |
| Airside | \$ 17,681 | \$ 18,000 | \$ 30,757 | \$ 21,924 | \$ 24,084 | \$ 118 | \$ 112,564 |
| Administrative | \$ 12,147 | \$ 20,592 | \$ 24,819 | \$ 8,024 | \$ 7,919 | \$ 7,357 | \$ 80,858 |
| TOTAL | \$ 139,849 | \$ 151,220 | \$ 152,694 | \$ 93,163 | \$ 110,842 | \$ 40,780 | \$ 688,547 |

| | | | | | | | |
|---------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| TOTAL USE OF FUNDS | \$ 2,765,132 | \$ 638,049 | \$ 608,915 | \$ 336,063 | \$ 133,302 | \$ 41,387 | \$ 4,522,847 |
|---------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|

Funding

Airport Improvement Program (AIP)

AIP grants are offered to the Airport Authority to provide funding assistance for eligible capital projects that meet the criteria of the federal program.

Title 49 United States Code (U.S.C.) authorizes the AIP. The objective of this federal program is to assist in the development of a nationwide system of public use airports, to ensure the safe and secure operation of the airport and airway system, and to meet the projected needs of the public. The program provides not only funding for development projects but also Airport Planning and Noise Compatibility Programs. The program is funded by aviation use fees, which are collected and deposited into the Airport and Airway Trust Fund to support the AIP. The U.S. Congress authorizes expenditures from this dedicated fund annually each year. The AIP includes entitlement and discretionary funding. Entitlement funds are awarded to eligible sponsors through a formula based on the number of passenger enplanements and cargo tonnage at each airport. Discretionary funds are set aside to provide the FAA the flexibility to fund various high-priority programs. The AIP typically provides funding up to 75% of eligible project costs. AIP grants must typically be expended within four years. As the Airport Authority expends funds for eligible capital projects, it is then reimbursed with grant proceeds.

Additional funding is being distributed through the AIP grant program, enabled by the Infrastructure Investment and Jobs Act. Approximately \$24 million per year over a five-year period will be allocated to SAN in entitlement funds. Competitive discretionary grants will also be available over the same five-year period through Airport Terminal Program grants. In FY 2026, a new competitive grant program will utilize unobligated entitlement funds in the final year of availability. Eligible projects include those that reduce airport emissions, reduce noise impact to the surrounding community, reduce dependence on the electrical grid, or provide general benefits to the surrounding community.

Projected expenditures to be reimbursed by AIP grants are \$54.8M in FY 2026 and \$41.7M in FY 2027.

Capital Program

Passenger Facility Charge (PFC)

PFCs were initially authorized through the Aviation Safety and Capacity Expansion Act of 1990. The Act allowed public agencies that manage commercial airports to charge each enplaning passenger a facility charge in accordance with FAA requirements. The passenger facility charge is levied on the passenger tickets, collected by the airline, and forwarded to the airport (less a handling fee charged by the airlines). The revenues collected are to preserve or enhance safety, security, and capacity; to reduce noise, or to enhance competition. The primary difference between AIP and PFCs is that the PFCs are a fee charged directly to the passenger, are administratively retained by the airport, and are considered local funds versus airport funds.

SAN began collecting a PFC of \$3.00 per enplaned passenger on October 1, 1995. Approved amendments to and applications for the Airport's PFC program occurred on December 16, 1997, and on June 5, 2001. The FAA approved the third passenger facility application on May 20, 2003. This established the Airport Authority's authorization to collect \$4.50 per eligible enplaned passenger effective August 1, 2003. Subsequent applications have maintained collections at the \$4.50 level. The FAA approved an eighth application in November 2010 for a total collection by Airport Authority of approximately \$1.1B in support of the Terminal Development Program. A ninth application for \$31.3M was approved in July 2012 and subsequently amended to \$27.8M. Most of this application provided funding for the QHP and the completed Rehabilitate Taxiway "C" project. The FAA approved a tenth PFC application in October 2016. This application provides \$43.8M to fund various airfield projects, passenger-boarding bridges, and the local match for future QHP phases. An eleventh PFC application was approved in FY 2020 to provide \$40.0M in funding for the Terminal 2 West FIS project. A subsequent amendment to this application was approved by the FAA in FY 2021 to apply an additional \$11.1M in PFC funding to the project, for a total of \$51.1M.

Customer Facility Charge (CFC)

California state law authorizes an airport to collect fees for financing, designing, and constructing consolidated car rental facilities, constructing and operating a common-use transportation system, and terminal modifications to accommodate and provide customer access. The Board approved the implementation of CFCs at SAN in FY 2009. Board authorization for the use of CFCs for initial planning efforts was given in FY 2010. As allowed per state legislation, the CFC collection methodology changed in January 2012 from a charge of \$10.00 per rental car transaction to \$6.00 per rental day. Starting in January 2014, the rate increased from \$6.00 to \$7.50 per rental day. The rate subsequently increased to \$9.00 per rental day starting in January 2018. CFCs will support the debt service for the consolidated car rental facility and operating costs of the busing fleet.

Airside CIP Projects

(in thousands)

| Current Airside CIP Projects | | | | | | | |
|------------------------------|---|--|----------|----------------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 104251 | Northside Apron Improvements | Project will rehabilitate asphalt and concrete pavements within the north cargo apron, mitigating foreign object debris (FOD), filling cracks, eliminating pavement distresses, and correcting ponding issues; includes coordination with Airside Operations, Facilities Management (FMD), on-call contractors, and cargo apron tenants. | \$15,200 | Bonds / Major Maint. | Q4/2018 | Q2/2029 | None |
| 104293 | Airfield Stormwater Treatment Control BMPs | Project will design and install treatment control BMPs to reduce copper & zinc levels in water runoff and comply with State Industrial General Permit & San Diego County MS4 Permit to prevent pollution of San Diego bay & avoid fines for non-compliance. | 5,506 | Bonds | Q1/2021 | Q4/2026 | None |
| 104298 | Fuel Co. Hydrant Fueling Projects Development | Project will provide review of design plans and specifications by subject matter experts during approximately seven (7) fueling projects being designed and built by the SAN Fueling Company. It will also provide oversight in the field during the construction of these projects, including but not limited to safety and environmental compliance. | 3,500 | Other (ADC) | Q3/2021 | Q3/2027 | None |
| 104303 | Airfield Safety Area Manhole / Utility Vault Covers | Project will conduct a study of existing utility/stormwater vault covers in the Runway Safety Area & Taxiway Safety Area. As determined, rehabilitate the infrastructure to maintain compliance with FAA FAR Part 139 so the safety areas support loads of ARFF vehicles and aircraft without damage. | 680 | Bonds | Q1/2022 | Q2/2030 | None |
| 104315 | Access Control System at Perimeter Fence | Project will install Access Control System Infrastructure along the north side perimeter fence from the ILS area adjacent to cross taxiway B10 to the ARFF station, including fiber, rack room, CCTV and cameras. | 3,000 | Bonds | Q3/2023 | Q4/2026 | None |
| 104316 | Taxiway Alpha Extension Study | Project will provide a Program Study Document to evaluate design requirements for the Taxiway A extension. This will address possible design issues/conflicts including NT1 apron, cross taxiways, hydrant fueling extension, grading/drainage, utilities, lighting, etc. | 1,000 | Bonds | Q1/2024 | Q1/2026 | None |
| 104317 | Taxiway B Joint Seal Improvements | Project will rehabilitate Taxiway B1, as well as Taxiway B between Taxiways B6 to B10, to remove and replace concrete joint seals and deteriorating spall repairs/patches. This is regulatory preventative maintenance per FAA FAR Part 139 to maximize capacity and airfield operations to/from Runway 9/27. | 3,800 | Bonds | Q1/2024 | Q4/2026 | None |

Airside CIP Projects

(in thousands)

| Current Airside CIP Projects | | | | | | | |
|---|---|---|----------|--------------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 104321 | Aircraft Rescue & Fire Fighting (ARFF) Station Replacement Programmatic Documents Development (PDD) | Project will develop the Programmatic Documents for the full replacement of the existing ARFF facilities and replace the P-01 Gate. The scope of work was changed from rehabilitation of the ARFF to replacement, so the budget remaining after completion of the PDD will be used towards project construction, along with additional funds. | 13,555 | AIP/Bonds | Q1/2024 | Q4/2028 | None |
| 104326 | Pavement Management Study | Project will conduct a Pavement Condition Index survey to provide pavement analysis in support of safe aircraft movement and FAA regulatory obligation. The survey will be performed in both fiscal years 2024 and 2027. | 1,300 | Bonds / Cash | Q2/2024 | Q4/2028 | None |
| 104329 | Taxiway B Asphalt Rehabilitation | Project will rehabilitate approximately 1,800 feet of easternmost asphalt section of Taxiway B with a 4" mill and overlay. This is regulatory preventative maintenance per FAA FAR Part 139 to maximize safety, capacity and airfield operations. | 5,200 | Cash | Q3/2024 | Q1/2028 | None |
| 104336 | Northside Airfield & Facility Advanced Planning & Improvements Study | Project will provide a Program Study Document to allow for consolidation/expansion of northside operations & facilities, with planning to correct design standard deficiencies of Taxilane F, consolidate air cargo apron, expand northside stormwater & apron, relocate displaced threshold & Taxiway C4. | 2,450 | Cash | Q1/2025 | Q3/2026 | None |
| New 22-02 | Noise Exposure Map (NEM) Update | Project will provide an updated NEM in 2026 to determine if 65 dB and greater noise contours have changed based on actual aircraft operation levels and flight paths. As part of the Board-approved mitigation measures for ADP, project will determine if boundaries of SAN's Quieter Home Program need to be adjusted. | 500 | AIP / Major Maint. | Q1/2027 | Q4/2027 | None |
| New 23-03 | Upgrade Aircraft Noise Monitoring System | Upgrade system with new hardware/software on 23 existing sites and build a new permanent noise monitoring site offsite near east end of airfield. This will provide for improved noise monitoring capabilities for the Authority. | 500 | Major Maint. | Q1/2027 | Q4/2027 | None |
| New 23-05 | Replace 2 ARFF Vehicles | Project will replace two SAN Aircraft Rescue & Fire Fighting Vehicles with vehicles equipped with 3,000 gallons water, 420 gallons of AFFF and 500 lbs. of dry chemical. | 3,000 | Major Maint. | Q3/2026 | Q3/2027 | None |
| New 24-12 | Perimeter Fence Improvement | Project will install new perimeter fencing from FIS area westward to perimeter access gate P-30 in order to increase Airport security measures and ensure consistency of perimeter fencing. | 2,100 | Cash | Q1/2027 | Q2/2028 | None |
| New 25-03 | Rehabilitate Taxiways B7-10 & D | Project will rehabilitate Taxiway exits B7-10 and D per current FAA design standards, including asphalt replacement. | 31,200 | Cash | Q3/2026 | Q3/2028 | None |
| Subtotal - Current Airside CIP Projects | | | \$92,491 | | | | |

Airside CIP Projects

(in thousands)

| New Airside CIP Projects | | | | | | | |
|-------------------------------------|---|---|-----------|----------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| New 26-01 | Perimeter Fencing Enhancements & PIDS Realignment | Project will replace perimeter fence around Terminal Link Road between Gates P-14 & P-10, install fence and video surveillance at North Employee Lot, and replace Perimeter Intrusion Detection System in specific areas. | \$21,373 | Cash | Q1/2026 | Q1/2028 | None |
| Subtotal - New Airside CIP Projects | | | \$21,373 | | | | |
| Total Airside CIP Projects | | | \$113,864 | | | | |

Landside/Ancillary CIP Projects

(in thousands)

| Current Landside CIP Projects | | | | | | | |
|-------------------------------|---|--|--------|----------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 104197 | Admiral Boland Way Murals - Public Art | Project provides an on-going opportunity for artistic design and enhancement to be integrated along the north end of the Admiral Boland Way. | \$75 | Cash | Q2/2015 | Q1/2027 | None |
| 104205 | Widen Sassafras Street Intersection | Project will increase the width of Sassafras Street between Pacific Hwy and Kettner Boulevard up to the railroad crossing in order to mitigate traffic impacts due to RCC opening, increased FBO tenants and future cargo use. | 7,000 | Bonds | Q1/2015 | Q1/2026 | None |
| 104252 | Northside Utility Infrastructure - Mobile eGSE Chargers | Project will purchase three (3) mobile towable integrated carts containing eGSE chargers and battery storage that will provide a minimum of twenty (20) eGSE charging ports for the cargo carriers on the north side of the Airport. Also includes installation of infrastructure to support the chargers. | 2,778 | AIP / Cash | Q4/2018 | Q1/2026 | None |
| 104265 | T2W Sidewalk & Crosswalk Improvements | Project will demolish and replace existing concrete sidewalk at Terminal 2 West; remove and replace existing electrical & communication conduits; and install new LED in-pavement lighting and outlets. Also, this project will provide safety and aesthetic enhancements at the primary pedestrian crosswalk in front of Terminal 2 | 4,875 | AIP / Cash | Q4/2019 | Q2/2027 | None |
| 104274 | East Solid Waste Disposal and Recycling Facility | Project will replace the existing Solid Waste, Recycling, Triturator and Vehicle Wash Facility on the east side of the Airport. Provides containment for airport solid waste operations to ensure regulatory compliance for both stormwater and industrial waste permits. | 26,101 | Bonds | Q1/2020 | Q3/2026 | None |
| 104274A | West Solid Waste Facility | Project will provide a facility that will partially replace the existing trash and recycling facility to the west side of the Airport. The existing facility is in the footprint of the new Terminal 1. | 8,900 | Bonds | Q1/2021 | Q1/2026 | None |
| 104275 | Parking Revenue Control System Upgrade | Project will upgrade the SKIDATA and HUB PARCS Systems to the latest version. This is required for maintaining a fully supported and PCI Compliant environment. | 800 | Bonds | Q1/2020 | Q1/2026 | None |
| 104299 | ADP Offsite Intersection / Roadway Segment Improvements | Project will participate in implementation of improvements and strategies identified in the Airport Connection Study to fulfill the ADP EIR Mitigation Measure (MM#4) | 33,600 | Bonds | Q1/2021 | Q4/2027 | None |

Landside/Ancillary CIP Projects

(in thousands)

| Current Landside CIP Projects | | | | | | | |
|--|---|--|------------------|------------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 104307 | EVSE & Breakroom Interior Remodeling at Taxi/TNC Hold Lot | Project will provide infrastructure, procurement and installation of three (3) DC Fast Chargers at Taxi/TNC Hold Lot and also provide facility improvements, including interior wall reconfiguration, security office/system, electrical & plumbing upgrades, fire system, technology, cameras, etc. | 2,450 | Cash | Q1/2023 | Q2/2027 | None |
| 104308 | Parking Lot Technology Upgrade | Project will upgrade 20 parking lot cameras to digital format & DVR storage, along with servers, switches, workstations/monitors, software and licenses in Terminal 2 West and Economy/Employee Parking Lots to improve security and reduce liability. | 2,150 | Cash | Q1/2023 | Q1/2026 | None |
| 104334 | T2 Transportation Island Enhancements | Project will design & construct ADA required Passenger Loading Zones at existing curb in order to address ADA compliance. | 3,800 | Cash | Q1/2025 | Q2/2027 | None |
| 104340 | T2 Roadway Wayfinding Signage Upgrades | Project will replace signage along Terminal 2 roadways including Elevated Departure Roadway and Arrivals Roadway. This will provide consistent messaging for drivers in T2 to align and enhance customer experience & efficiency of curbside roadway system. | 7,250 | Major Maint. | Q4/2025 | Q3/2027 | None |
| 104341 | Replace 12kV Messengers | Project includes programming and integration of new protection relays, local HMI interface and RTAC interface. New relays will replace the centralized protection scheme and provide the overcurrent protection settings for each circuit breaker at the Rental Car Center. | 1,630 | Major Maint. | Q3/2025 | Q3/2026 | None |
| New 18-08 | Cell Phone Lot Relocation | Project will relocate existing Cell Phone Lot to an area identified by the Airport Planning Department. | 1,181 | Bonds | Q3/2026 | Q1/2028 | None |
| New 21-13 | ZEV - Acquire RCC Buses - Phase 1 | Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life. | 19,200 | AIP / Cash / CFC | Q3/2026 | Q3/2027 | None |
| New 21-14 | ZEV - Acquire RCC Buses - Phase 2 | Project will procure Zero Emission Vehicles (ZEV) to provide transportation between the terminals and the Rental Car Center and replace existing buses at the end of their useful life. | 16,800 | AIP / Cash / CFC | Q3/2027 | Q3/2028 | None |
| Total - Current Landside/Ancillary CIP Projects | | | \$138,590 | | | | |

Landside/Ancillary CIP Projects

(in thousands)

| New Landside/Ancillary CIP Projects | | | | | | | |
|-------------------------------------|--|--|-----------|----------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| New 26-06 | Acquire Transit Buses (5) | Project will procure five (5) 35-foot transit Buses to replace existing leased EV and CNG shuttles to provide operational flexibility, increased seating, and decreased maintenance costs. | \$4,350 | Cash | Q3/2028 | Q2/2029 | None |
| | Subtotal - New Landside/Ancillary CIP Projects | | \$4,350 | | | | |
| | Total Landside/Ancillary CIP Projects | | \$142,940 | | | | |

Terminal CIP Projects

(in thousands)

| Current Terminal CIP Projects | | | | | | | |
|-------------------------------|---|---|----------|----------------------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 104194B | Replace & Refurbish Passenger Boarding Bridges in T2 - Phase 2 | Project supports Terminal 2 limited equipment refurbishment of fifteen (15) passenger boarding bridges (PBB). Also included is replacement of thirteen (13) Ground Power Units (GPU) and six (6) Preconditioned Air (PCA) units on the older JBT PPBs. | \$10,369 | PFC / Bonds / Major Maint. | Q2/2015 | Q1/2027 | \$30 |
| 104254 | AVSEC Network Redesign | Project will redesign the network infrastructure for the Aviation & Security network. Replace fiber cabling/network equipment in all terminals and airfield gates. Implement a network architecture that provides redundancy and high availability. | 12,738 | Bonds | Q3/2019 | Q2/2026 | None |
| 104258 | Fire Department Violations Remediation | Project will provide interior remodeling of Terminal 2 East & West as required to remediate remaining code compliance issues identified during the San Diego Fire Department 2018 site visit. The interior improvements under this project exclude areas affected by the new Terminal 1 program. | 2,724 | Major Maint. | Q3/2019 | Q2/2027 | None |
| 104263 | Electrical Modernization in T2E and T2W | Project will replace and modernize the outdoor electrical main switchboard (MSB) feeding Terminal 2 East and associated downstream electrical equipment located within the existing main electrical room; expand and construct a larger electrical room to meet latest code and safety requirements; and provide additional capacity, redundancy and system reliability to accommodate for terminal long term use. | 7,355 | Bonds | Q4/2015 | Q1/2026 | None |
| 104272 | Replace Baggage Handling System and Baggage Makeup Units in T2E | Project will modernize existing Terminal 2 East Baggage Handling System (BHS), remove abandoned conveyors, reconfigure main and sortation devices, resolve dieback and jamming issues, and optimize system performance, supporting current airline operations and future growth projections. The project will also modernize Terminal 2 BHS upper level controls servers and switches to comply with latest TSA cybersecurity mandates. | 27,370 | Bonds / Major Maint. | Q1/2020 | Q3/2028 | None |
| 104300 | Hyoco LED Sign Replacement at Elevated Departure Roadway | Project will replace 18 existing Hyoco signs on the Elevated Departure Roadway with modern digital signage and replace proprietary Hyoco software with SITA's Common Use Airport Vision software. | 2,300 | Bonds | Q1/2022 | Q1/2026 | None |
| 104314 | Expand/Remodel T2E - Program Level Scope Definition & Design | Project will prepare design documents for the expansion/remodel of Terminal 2 East, including Gates 20/21, areas at New T1 connector, airside elements, hold rooms, concessions, structural, MEP, etc. | 30,000 | Major Maint./Cash | Q4/2023 | Q2/2029 | None |

Terminal CIP Projects

(in thousands)

| Current Terminal CIP Projects | | | | | | | |
|--|---|--|-----------|--------------------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 104322 | IT Terminal Hardware at Terminal 2 | Project will replace end of life IT hardware in T2, including installation & configuring equipment for CUPPS, CUSS, bag tag printers, boarding pass printers/gate readers, display systems/monitors, etc. | 6,300 | Bonds / Major Maint. | Q1/2024 | Q3/2026 | None |
| 104324 | Terminal 1 Structural Modifications | Project will support structural modifications as required to ensure integrity of the Terminal 1 structure along various seismic joints. | 1,390 | Bonds / Cash | Q2/2024 | Q1/2026 | None |
| 104327 | Terminal 2 West Gate/Terminal 2 East Baggage Information Display Monitors | Project will provide Gate Information Display Monitors and the required power and data in hold rooms in T2E, specifically Alaska, Allegiant, and American Airlines hold rooms. This will provide consistency throughout Terminal 2 and improve customer service. | 4,470 | Major Maint. | Q3/2024 | Q2/2027 | None |
| 104333 | Sea Rhythms Fountain Tank Replacement | Project includes the engineering, fabrication, and installation of a fiberglass tank and replacement of the return sump system on the Sea Rhythms fountain in the T2W concessions area. | 150 | Cash | Q3/2025 | Q2/2026 | None |
| 104337 | Restroom Upgrades T2E | Project will provide renovated restrooms in Terminal 2 East that improve functionality, leading to fewer repairs, less facilities maintenance labor costs, and passenger safety. | 7,000 | Other (AIP Grant)/ Bonds | Q1/2025 | Q4/2028 | None |
| 104339 | Water Pipe Warranty Work at Terminal 2 West | Project will remove all polypropylene piping that provides both domestic and hydronic hot/cold water functions throughout Terminal 2 West and replace with copper to alleviate any concerns with potential future pipe failures. | 1,500 | Cash | Q1/2025 | Q1/2027 | None |
| New 25-05 | Restroom Upgrades T2W | Project will provide renovated restrooms in Terminal 2 West that improve functionality, leading to fewer repairs, less facilities maintenance labor costs, and passenger safety. | 11,600 | Cash | Q3/2026 | Q2/2030 | None |
| Subtotal - Current Terminal CIP Projects | | | \$125,266 | | | | |

Terminal CIP Projects

(in thousands)

| New Terminal CIP Projects | | | | | | | |
|--------------------------------------|--------------------------------------|--|-----------|------------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| New 26-02 | Chilled Water Pipe Insulation - CUP | Project will replace chilled water pipe insulation at the Central Utility Plant to reduce risk of premature pipe failure and save on energy costs. | \$881 | Cash | Q1/2026 | Q2/2027 | None |
| New 26-03 | Terminal 2 West Revenue Optimization | Project will modify T2 building systems to support concessions remodel and provide analysis on food court at Sunset Cove. This will improve concessions performance and the customer experience. | 3,400 | Cash | Q1/2026 | Q1/2027 | None |
| New 26-04 | Access Control System Modernization | Project will replace cameras, card readers, communication devices, and door controllers in Terminal 2 East/West and surrounding ramp areas. New devices will replace end-of-life equipment and software, improve technology, and ensure quality security surveillance and control. | 2,230 | Cash | Q1/2026 | Q3/2027 | None |
| New 26-07 | Terminal 2 East Connector | Project will build-out a secure connection between Terminal 2 East and new Terminal 1, including a concourse level with two gate holdrooms, an apron level with aircraft parking, and landside with employee security checkpoint and concessions. | 180,000 | AIP Grants/Bonds | Q1/2026 | Q2/2030 | None |
| New 26-08 | Terminal 2 East Lounge | Project will expand the core and shell of the existing concourse-level lounge from 8,200 SF to 13,200 SF to increase capacity and customer experience/services. | 24,000 | Cash | Q1/2026 | Q1/2028 | None |
| Subtotal - New Terminal CIP Projects | | | \$210,511 | | | | |
| Total Terminal CIP Projects | | | \$335,776 | | | | |

Administrative CIP Projects

(in thousands)

| Current Administrative CIP Projects | | | | | | | |
|-------------------------------------|---|--|---------|----------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 104041 | Public Art Allowance | The Public Art Allowance is to provide a source of funds for inclusion of public art in conjunction with the appropriate CIP project. | \$3,341 | Major Maint. | Q1/2026 | Q4/2029 | None |
| 104069 | Capital Project Allowance | The Capital Project Allowance is a program account to provide a source of funds for the design and construction of unforeseen projects during the course of implementing the Airport Capital Improvement Program. | 19,847 | Cash | Q1/2026 | Q4/2026 | None |
| 104196 | Exhibition Display Equipment - Public Art | Project provides for the purchase of equipment to become part of the Public Art Program's permanent cache of installation/display resources and provide flexibility for future art exhibits. | 110 | Major Maint. | Q2/2015 | Q4/2028 | None |
| 104285 | Landside Facilities Condition Assessment | Project will provide a condition assessment of the Airport roadways and bridges. | 400 | Major Maint. | Q1/2022 | Q1/2026 | None |
| 104301 | Fleet Conversion to Electric Vehicles | Project will procure new electric/hybrid vehicles as part of the EIR mitigation effort to convert 100% of gasoline fleet to hybrid or electrical by 2026 – includes 27 hybrid or electric vehicles. | 1,081 | Bonds | Q1/2022 | Q3/2026 | None |
| 104306 | Bird Deterrents at Solar Panels | Project will install bird deterrents on solar panels in both the NTC Lot and Washington St./Pac Hwy Lot. The deterrents will reduce health and safety concerns for Airport pedestrians and staff. | 600 | Bonds | Q1/2023 | Q1/2026 | None |
| 104311 | NT1 PV Panels & Battery Storage - RFP & PPA | Project will analyze the install and operation of New T1 PV panels and battery storage including 4 MW PV solar panels and 4 MW of battery storage. This also includes preparation of RFP and a PPA. | 1,360 | Major Maint. | Q1/2023 | Q3/2030 | None |
| 104318 | Airport Electrical Infrastructure Expansion PDP | Project will provide design & construction documents to implement electrical infrastructure expansion in support of future Airport development to maintain cost effective utility operations. | 18,200 | Cash | Q1/2024 | Q3/2027 | None |
| 104319 | Airport IT Rooms Audit & Analysis | Project will provide an audit, analysis and report of air filtration/ventilation, HVAC, sensors, fire suppression, cabling identification, lighting, access control, and power in approximately 70 Airport IT rooms. This includes IT Rack Rooms, IDFs, and server rooms in order to address safety, security, and operational concerns. | 650 | Cash | Q1/2024 | Q1/2026 | None |
| 104320 | Campus-Wide Electric Sub-metering | Project will audit, design, install and commission electric utility meters in Terminal 2 West, Central Utility Plant, Terminal 2 Parking Plaza, USO & Smart Curb and connect to the SkySpark Energy Dashboard. This will save energy costs by identifying capacity issues at a system and sub-system level. | 3,400 | Cash | Q1/2024 | Q2/2027 | None |

Administrative CIP Projects

(in thousands)

| Current Administrative CIP Projects | | | | | | | |
|-------------------------------------|---|---|-----------------|----------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 104331 | Video Surveillance System Storage | Project will purchase and install 4 petabytes of additional storage & clusters to facilitate future camera expansions, CCTV coverage, bandwidth for additional features, and high-performance camera analytics. This will support future video surveillance storage needs for safety and security. | 2,700 | Cash | Q1/2025 | Q1/2026 | None |
| 104335 | IT Infrastructure Refresh | Project will replace end of life IT systems with a cloud or hosted offering to provide greater reliability and security, including network, backup, cybersecurity, power, server and storage infrastructure. | 2,025 | Cash | Q1/2025 | Q1/2029 | None |
| 104338 | Computerized Maintenance Management System (CMMS) | Project will provide a computerized system to centralize maintenance information by building a structured database including equipment, staffing, materials and other maintenance resources for effective maintenance operations. | 1,500 | Cash | Q3/2025 | Q3/2027 | None |
| NEW 24-09 | PMWeb Upgrade | Project will purchase PMWeb version 6.1 including licensing, support, and maintenance; audit existing integrations with Authority applications, and professional services for upgrade/migration. This will upgrade the Airport Design & Construction Department construction and program management software due to end-of-life status. | 400 | Cash | Q3/2026 | Q2/2027 | None |
| 109901 | CIP Support | Professional staff support for the Capital Improvement Program | 34,044 | Cash | Q1/2026 | Q4/2030 | None |
| | Subtotal - Current Administrative CIP Projects | | \$89,658 | | | | |

Administrative CIP Projects

(in thousands)

| New Administrative CIP Projects | | | | | | | |
|---------------------------------|--|--|-----------|----------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| New 26-05 | Airport IT Rooms Remediation -Ph. 2 | Project will remediate the audit findings in IT rack rooms, server rooms, etc., including HVAC, fire suppression, access control, cable clean-up, etc. This will include most Airport building locations and will ensure operation, safety, and security of housed IT and AVSEC equipment. | \$6,310 | Cash | Q1/2026 | Q4/2026 | None |
| | Subtotal - New Administrative CIP Projects | | \$6,310 | | | | |
| | Total Administrative CIP Projects | | \$95,968 | | | | |
| | Subtotal FY 2026 CIP Budget | | \$688,547 | | | | |

New T1 Program

(in thousands)

| New T1 | | | | | | | |
|--|--------------------------------|--|-------------|------------------------------|---------|---------|-------------------------|
| Project Number | Project | Description | Budget | Funding Source | Start | End | Annual Operating Impact |
| 411001 | New T1 Airside | Project will design and construct the airside portions of the Terminal 1 Replacement Program which includes relocated Taxiway B, new Taxiway A, new taxilanes, RON and apron parking areas, and related utility infrastructure outside the new terminal building and within the Airport Operations Areas (AOA). | \$347,615 | AIP / Bonds / Cash / CP / ST | Q3/2020 | Q2/2030 | None |
| 413001 | New T1 Terminal and Roadways | Project will design and construct a new Terminal 1 building with up to 30 gates, aircraft boarding bridges, new entry, circulation, arrival and departure roadways, pedestrian bridges, demolition of buildings, surface features and utilities, new and relocated utilities, storm drainage collection, storage and transmission facilities, parking structure and existing central utility plant upgrades. | 3,185,200 | AIP / Bonds / Cash | Q1/2021 | Q1/2030 | \$13,634 |
| 413002 | New T1 Shuttle Lot Relocation | Project will construct an offsite facility for EV staging, storage, maintenance, recharging, etc. and a base of operations for parking lot operators. Phase 1 includes site improvements, EV charging stations, utilities, and installation & connection of three temporary trailers. Phase 2 includes demolition of building on California St., site improvements, and installation & connection of a 6-plex modular office building. | 18,175 | Bonds | Q1/2021 | Q2/2027 | None |
| 414002 | New T1 Administration Building | Project will design and build a new Airport Administration Building to replace the existing building which is in the footprint of the new Terminal 1. Project is now closed. | 106,796 | Bonds / Cash | Q1/2021 | Q1/2025 | None |
| 415001 | New T1 Program Contingency | Project will provide contingency funds for the Airside, Landside and Terminal developments in the ADP Program | 176,514 | Cash | Q1/2021 | Q4/2029 | None |
| Subtotal FY 2026 New T1 Program Budget | | | \$3,834,300 | | | | |
| Total FY 2026 Capital Program Budget | | | \$4,522,847 | | | | |

Performance Indicators



Performance Indicators

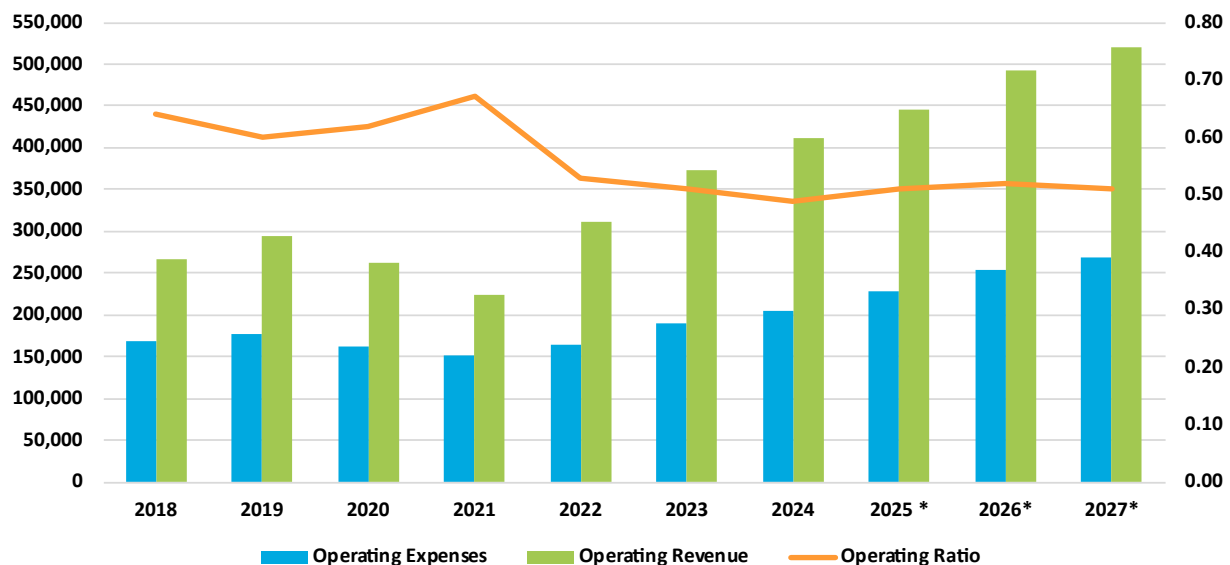
The following performance indicators are a selection of the various operational and financial metrics that the Airport Authority monitors during the course of the year.

Operating Ratio

This measure of operating efficiency compares operating expenses to operating revenue. Operating revenue must exceed operating expenses to provide a financial cushion and cover debt service expenses.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Operating Expenses (\$) ¹ | Operating Revenue (\$) ¹ | Operating Ratio | % Change |
|-------------|--------------------------------------|-------------------------------------|-----------------|----------|
| 2018 | 169,120 | 266,079 | 0.64 | -2.7% |
| 2019 | 177,219 | 293,679 | 0.60 | -6.3% |
| 2020 | 162,251 | 263,036 | 0.62 | 3.3% |
| 2021 | 150,515 | 223,974 | 0.67 | 8.1% |
| 2022 | 164,868 | 310,764 | 0.53 | -20.9% |
| 2023 | 189,171 | 373,373 | 0.51 | -3.8% |
| 2024 | 203,869 | 412,138 | 0.49 | -3.9% |
| 2025 * | 228,050 | 445,634 | 0.51 | 4.1% |
| 2026* | 254,845 | 493,379 | 0.52 | 2.0% |
| 2027* | 267,706 | 520,366 | 0.51 | -1.9% |



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 43 – Operating Ratio

Source: San Diego County Regional Airport Authority

Performance Indicators

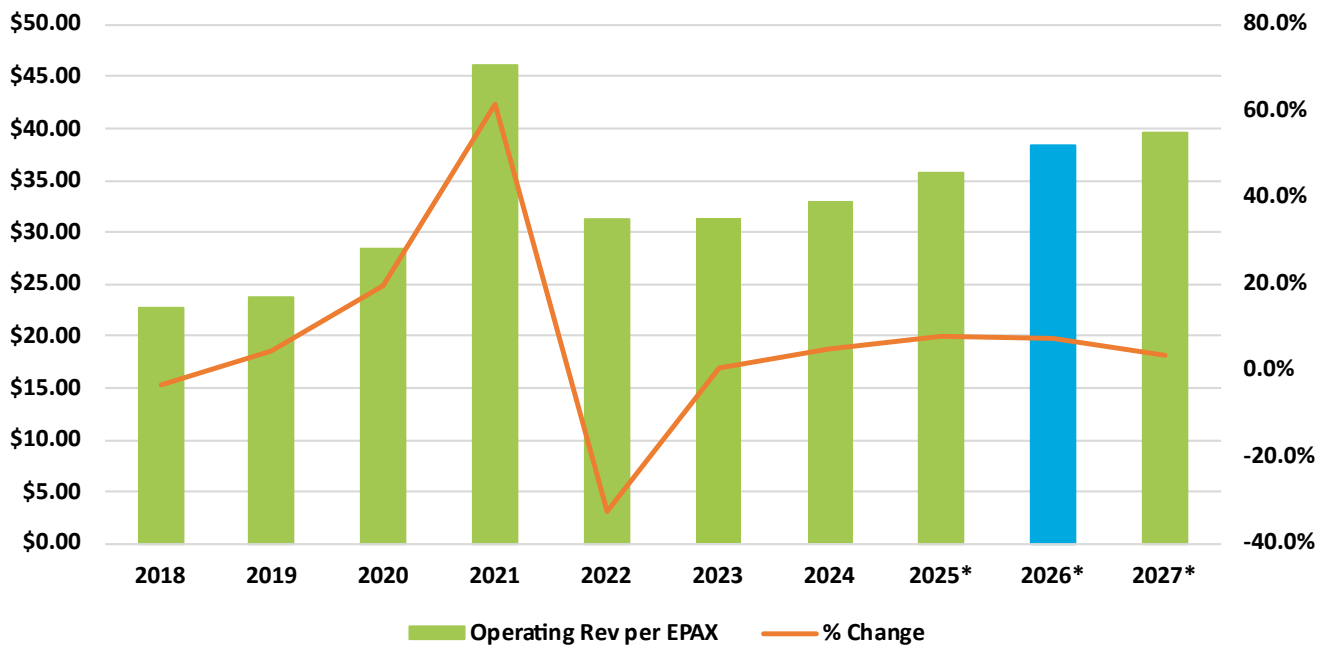
Operating Revenue per Enplanement

This is a measure of operating revenues per enplaned passenger.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Operating Revenue (\$) ¹ | Enplaned Passengers ¹ | Operating Revenue per Enplanement | % Change |
|-------------|-------------------------------------|----------------------------------|-----------------------------------|----------|
| 2018 | 266,079 | 11,732 | 22.68 | -3.4% |
| 2019 | 293,679 | 12,356 | 23.77 | 4.8% |
| 2020 | 263,036 | 9,235 | 28.48 | 19.8% |
| 2021 | 223,974 | 4,861 | 46.08 | 61.8% |
| 2022 | 310,764 | 9,953 | 31.22 | -32.2% |
| 2023 | 373,373 | 11,868 | 31.46 | 0.8% |
| 2024 | 412,138 | 12,467 | 33.06 | 5.1% |
| 2025* | 445,634 | 12,472 | 35.73 | 8.1% |
| 2026* | 493,379 | 12,873 | 38.33 | 7.3% |
| 2027* | 520,366 | 13,131 | 39.63 | 3.4% |

¹ in thousands



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 44 – Operating Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

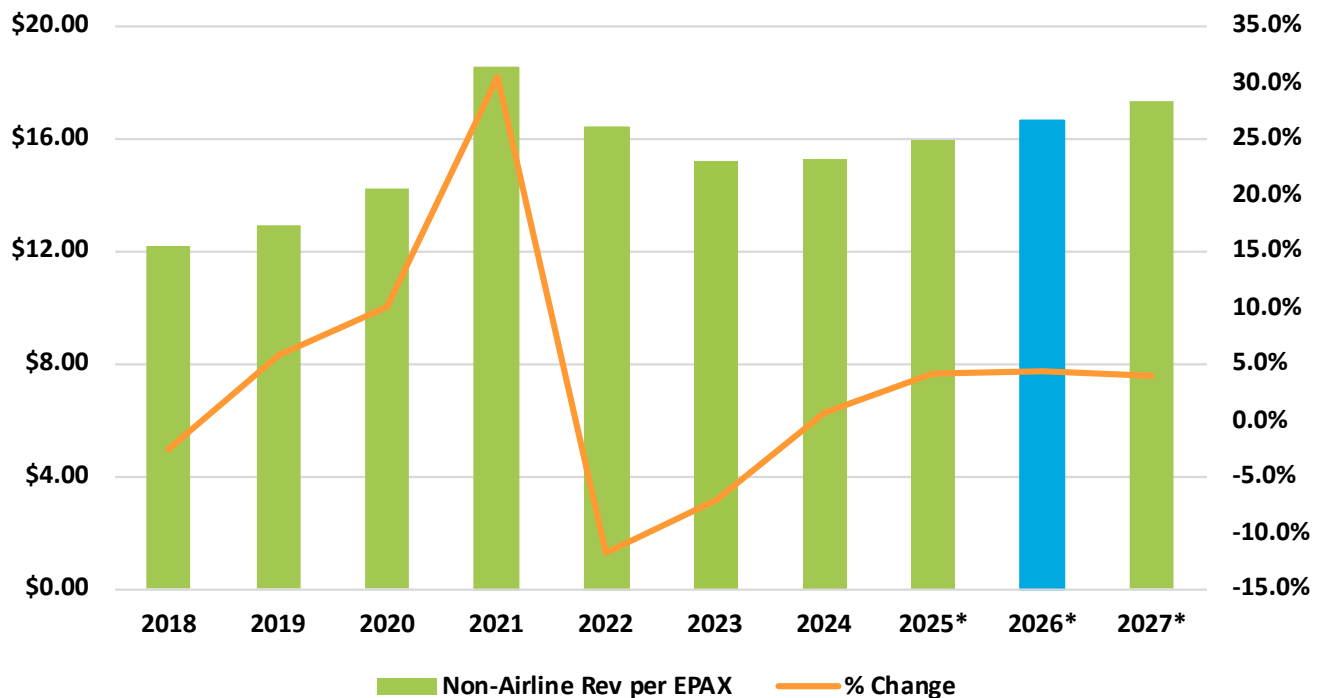
Non-Airline Revenue per Enplanement

This is a measure of non-airline derived operating revenues per enplaned passenger. This includes terminal concessions, parking, and rental car and ground rental revenues divided by enplanements.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Non-Airline Revenue (\$) ¹ | Enplaned Passengers ¹ | Non-Airline Revenue per Enplanement | % Change |
|-------------|---------------------------------------|----------------------------------|-------------------------------------|----------|
| 2018 | 142,922 | 11,732 | 12.18 | -2.5% |
| 2019 | 159,325 | 12,356 | 12.89 | 5.8% |
| 2020 | 131,198 | 9,235 | 14.21 | 10.2% |
| 2021 | 90,104 | 4,861 | 18.54 | 30.5% |
| 2022 | 162,989 | 9,953 | 16.38 | -11.7% |
| 2023 | 180,576 | 11,868 | 15.22 | -7.1% |
| 2024 | 190,918 | 12,467 | 15.31 | 0.6% |
| 2025* | 201,620 | 12,632 | 15.96 | 4.2% |
| 2026* | 214,284 | 12,873 | 16.65 | 4.3% |
| 2027* | 227,108 | 13,131 | 17.30 | 3.9% |

¹ in thousands



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 45 – Non-Airline Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

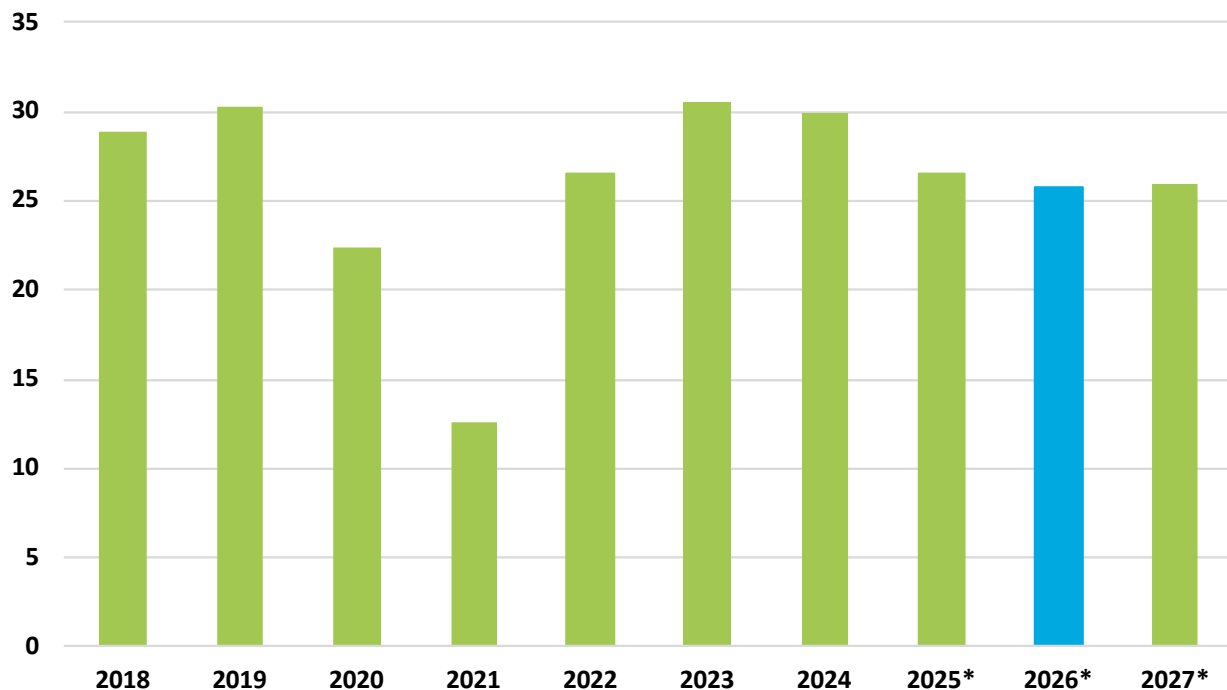
Enplaned Passengers per Employee

This divides the number of employees by enplaned passengers and measures the Airport's staffing productivity level.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Employees | Enplaned Passengers ¹ | Enplaned Passengers per Employee |
|-------------|-----------|----------------------------------|----------------------------------|
| 2018 | 406 | 11,732 | 29 |
| 2019 | 409 | 12,356 | 30 |
| 2020 | 413 | 9,235 | 22 |
| 2021 | 386 | 4,861 | 13 |
| 2022 | 376 | 9,953 | 26 |
| 2023 | 389 | 11,868 | 31 |
| 2024 | 417 | 12,467 | 30 |
| 2025* | 471 | 12,472 | 26 |
| 2026* | 500 | 12,873 | 26 |
| 2027* | 505 | 13,131 | 26 |

¹ in thousands



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 46 – Enplaned Passengers per Employee

Source: San Diego County Regional Airport Authority

Performance Indicators

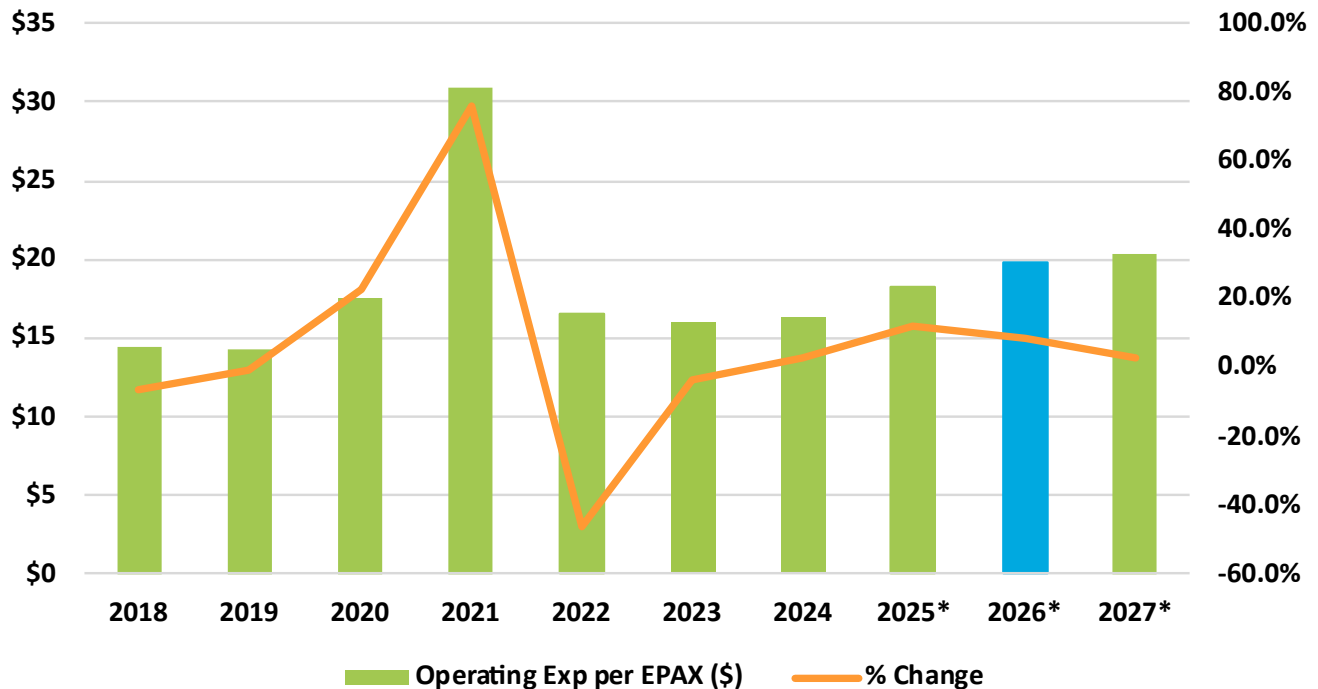
Operating Expenses per Enplanement

This divides operating expenses by enplanement and measures the Airport Authority's relative operating efficiency.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Operating Expenses (\$) ¹ | Enplaned Passengers ¹ | Operating Expenses per Enplanement (\$) | % Change |
|-------------|--------------------------------------|----------------------------------|---|----------|
| 2018 | 169,120 | 11,732 | 14.42 | -6.7% |
| 2019 | 177,219 | 12,356 | 14.34 | -0.5% |
| 2020 | 162,251 | 9,235 | 17.57 | 22.5% |
| 2021 | 150,515 | 4,861 | 30.96 | 76.3% |
| 2022 | 164,868 | 9,953 | 16.56 | -46.5% |
| 2023 | 189,171 | 11,868 | 15.94 | -3.8% |
| 2024 | 203,869 | 12,467 | 16.35 | 2.6% |
| 2025* | 228,050 | 12,472 | 18.29 | 11.8% |
| 2026* | 254,845 | 12,873 | 19.80 | 8.3% |
| 2027* | 267,706 | 13,131 | 20.39 | 3.0% |

¹ in thousands



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 47 – Operating Expenses per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

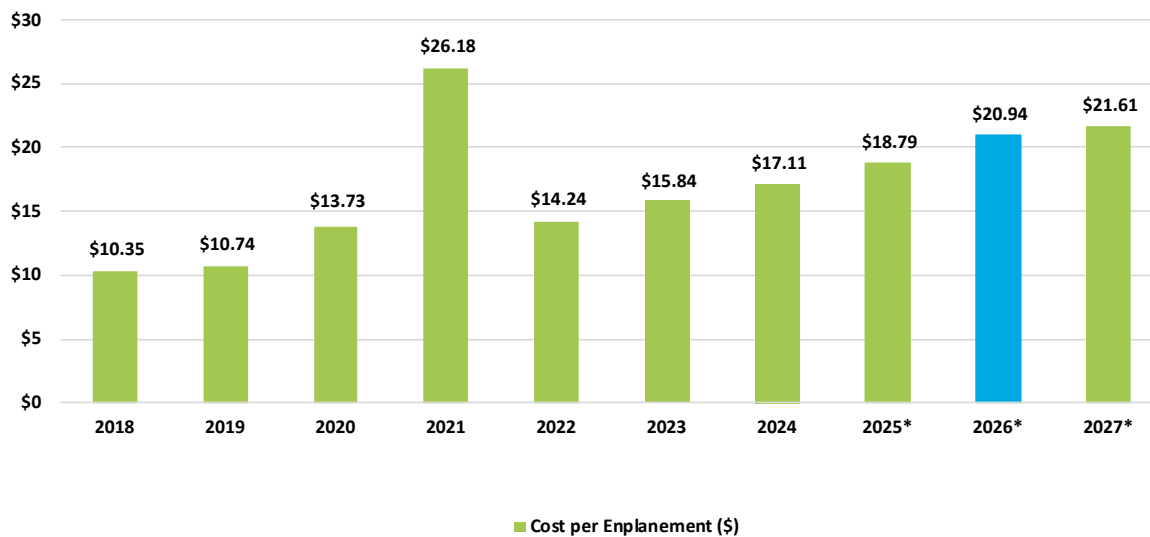
Airline Cost per Enplaned Passenger

Airline cost per enplaned passenger (CPE) is the total annual cost of fees and charges paid by the airlines divided by the total fiscal year enplanements.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Enplaned Passengers ¹ | Cost per Enplanement (\$) |
|-------------|-------------------------------------|---------------------------------|
| 2018 | 11,732 | \$ 10.35 |
| 2019 | 12,356 | \$ 10.74 |
| 2020 | 9,235 | \$ 13.73 |
| 2021 | 4,861 | \$ 26.18 |
| 2022 | 9,953 | \$ 14.24 |
| 2023 | 11,868 | \$ 15.84 |
| 2024 | 12,467 | \$ 17.11 |
| 2025* | 12,472 | \$ 18.79 |
| 2026* | 12,873 | \$ 20.94 |
| 2027* | 13,131 | \$ 21.61 |

¹ in thousands



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 48 – Airline Cost per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

Days Cash on Hand

Recognizing the inherently volatile nature of the aviation industry, the Airport Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The Airport Authority's unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, the O&M Subaccount Reserve, and the Renewal and Replacement Reserve) shall be at least 600 days of budgeted operating and maintenance expenses for the current fiscal year.

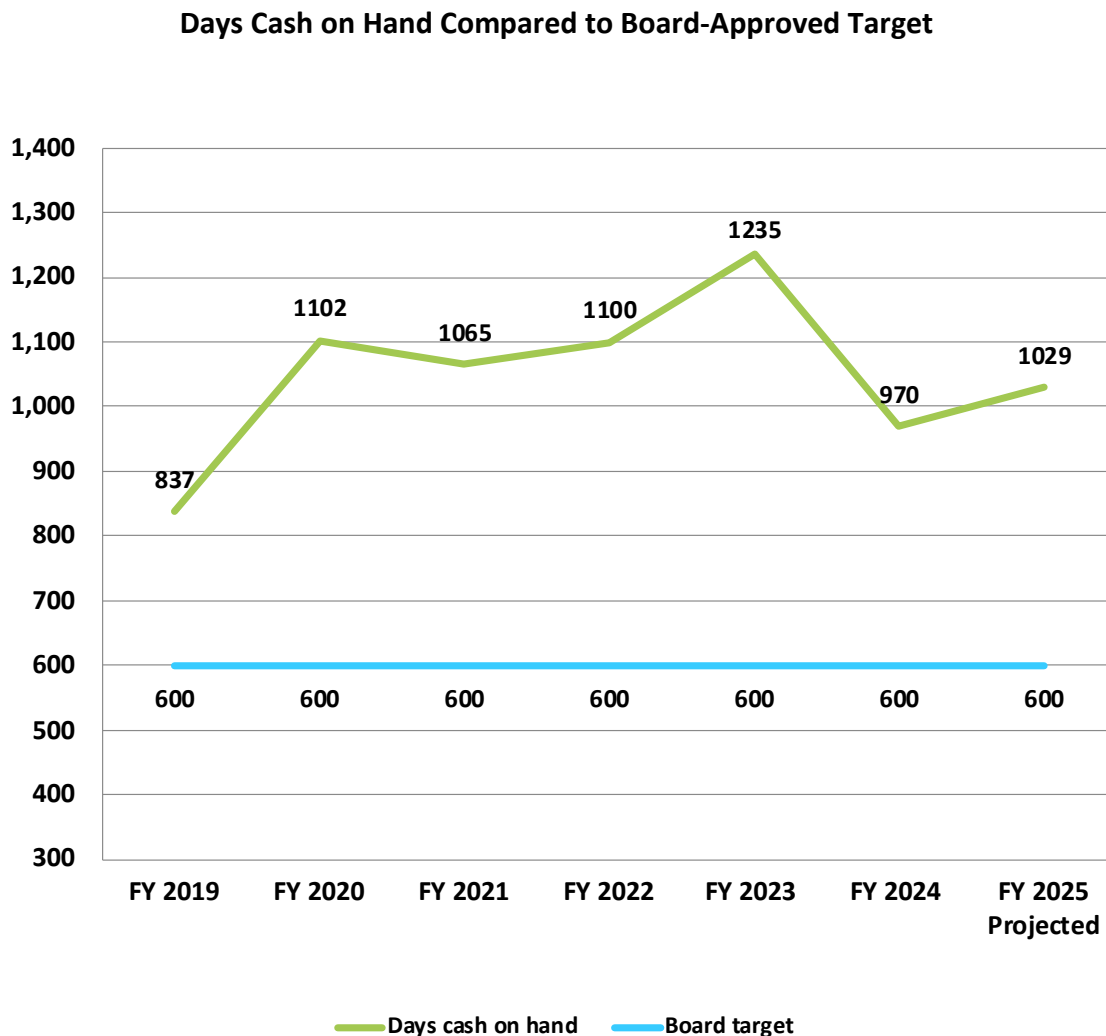


Figure 49 – Days Cash on Hand

Performance Indicators

Net Debt to Cash Flow Available for Debt Service (CFADS)

Net Debt to CFADS (cashflow available for debt service) is the ratio of gross debt less unrestricted cash balances and debt service reserve funds divided by CFADS (which includes Net Revenues, Capitalized Interest and PFCs available for debt service). A lower ratio is preferred as that indicates more available cash flow to service a given amount of debt outstanding. The Authority has a Net Debt to CFADS target range of 8x to 11x.

| | FY 2023 | FY 2024 | FY 2025* | FY 2026* | FY 2027* |
|---|-------------|-------------|-------------|-------------|-------------|
| Total Principal Outstanding | \$2,945,740 | \$3,843,800 | \$3,801,070 | \$4,664,985 | \$4,550,825 |
| Less: Unrestricted Cash | (589,036) | (639,726) | (566,988) | (645,142) | (654,857) |
| Less: Debt Service Reserve Fund | (185,636) | (257,985) | (264,257) | (344,257) | (344,257) |
| Net Debt Outstanding | \$2,171,068 | \$2,946,089 | \$2,969,826 | \$3,675,587 | \$3,551,712 |
| Net Revenues for Debt Service (incl PFCs) | \$231,510 | \$290,154 | \$321,727 | \$395,179 | \$395,882 |
| Plus: Capitalized Interest | 70,380 | 102,569 | 119,903 | 69,637 | 61,961 |
| Total Net Revenues for Debt Service | \$301,890 | \$392,723 | \$441,630 | \$464,816 | \$457,843 |
| Net Debt/CFADS | 7.2 | 7.5 | 6.7 | 7.9 | 7.8 |

* Estimated FY 2025, Budgeted FY 2026 & FY 2027

Figure 50 – Net Debt to CFADS

Supplemental Data



Supplemental Data

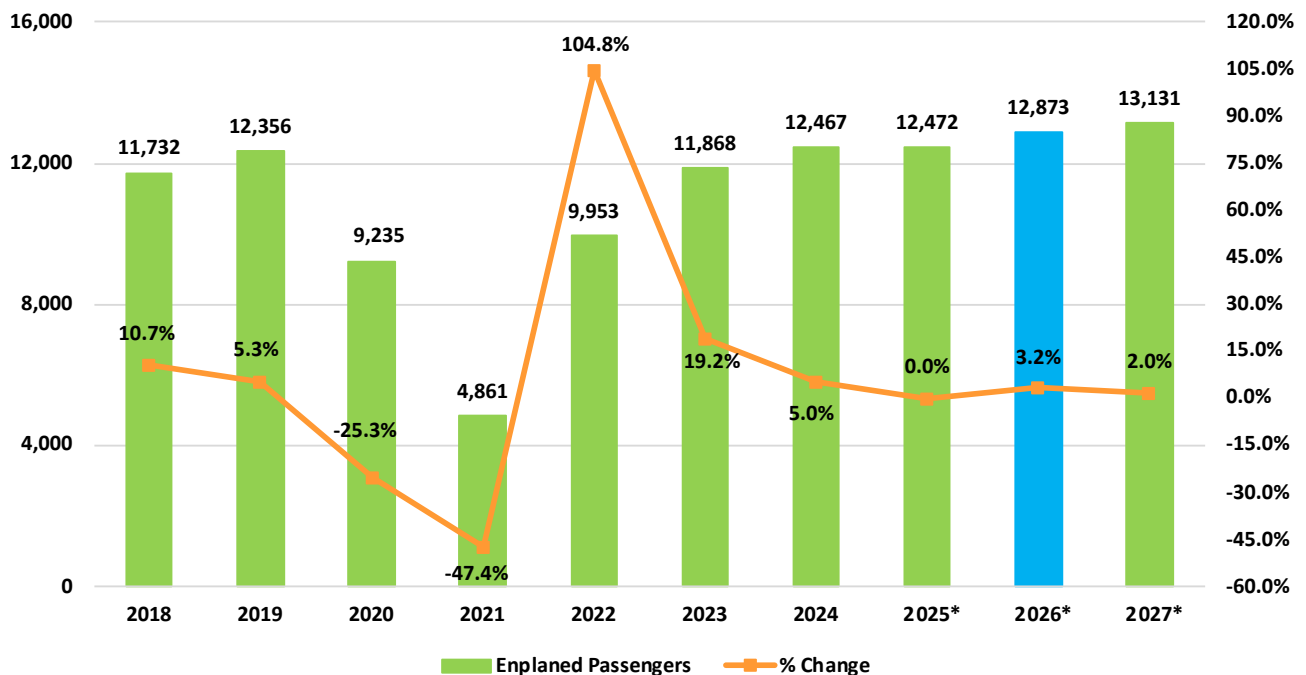
Annual Enplaned Passengers

In FY 2026, enplaned passenger traffic at SAN is projected to reach 12.9M, representing an increase of 3.2% from the enplanements used in the FY 2025 Budget. Enplaned passengers are projected to increase by 2.0% to 13.1M in the FY 2027 Conceptual Budget.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Enplaned Passengers | % Change |
|-------------|---------------------|----------|
| 2018 | 11,732 | 10.7% |
| 2019 | 12,356 | 5.3% |
| 2020 | 9,235 | -25.3% |
| 2021 | 4,861 | -47.4% |
| 2022 | 9,953 | 104.8% |
| 2023 | 11,868 | 19.2% |
| 2024 | 12,467 | 5.0% |
| 2025* | 12,472 | 0.0% |
| 2026* | 12,873 | 3.2% |
| 2027* | 13,131 | 2.0% |

¹ in thousands



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 51 – Annual Enplaned Passengers

Source: San Diego County Regional Airport Authority

Supplemental Data

Airline Market Share FY 2018 – FY 2024

The more diverse an airport's airline market share, the less susceptible it is to the effects of an airline's financial position or changing service levels. Five carriers accounted for approximately 80% of the enplaned passengers.

| Air Carrier | Enplanements (in thousands) | | | | | | | Market Share | | | | | | |
|------------------------------|-----------------------------|---------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Southwest Airlines | 4,458 | 4,656 | 3,475 | 1,628 | 3,394 | 4,190 | 4,087 | 38.0% | 37.7% | 37.6% | 33.5% | 34.1% | 35.3% | 32.8% |
| United Airlines | 1,406 | 1,481 | 1,043 | 553 | 1,257 | 1,412 | 1,557 | 12.0% | 12.0% | 11.3% | 11.4% | 12.6% | 11.9% | 12.5% |
| Delta Airlines | 1,127 | 1,337 | 1,058 | 568 | 1,215 | 1,412 | 1,500 | 9.6% | 10.8% | 11.5% | 11.7% | 12.2% | 11.9% | 12.0% |
| American Airlines | 1,367 | 1,339 | 1,051 | 768 | 1,238 | 1,282 | 1,470 | 11.6% | 10.8% | 11.4% | 15.8% | 12.4% | 10.8% | 11.8% |
| Alaska Airlines ¹ | 1,032 | 1,253 | 976 | 474 | 1,100 | 1,351 | 1,409 | 8.8% | 10.1% | 10.6% | 9.8% | 11.1% | 11.4% | 11.3% |
| Frontier Airlines | 255 | 277 | 201 | 180 | 273 | 349 | 450 | 2.2% | 2.2% | 2.2% | 3.7% | 2.7% | 2.9% | 3.6% |
| Spirit Airlines | 318 | 324 | 225 | 112 | 168 | 304 | 324 | 2.7% | 2.6% | 2.4% | 2.3% | 1.7% | 2.6% | 2.6% |
| JetBlue Airways | 248 | 231 | 195 | 90 | 249 | 285 | 274 | 2.1% | 1.9% | 2.1% | 1.9% | 2.5% | 2.4% | 2.2% |
| Air Canada | 111 | 130 | 90 | - | 43 | 135 | 150 | 0.9% | 1.1% | 1.0% | - | 0.4% | 1.1% | 1.2% |
| Hawaiian Airlines | 109 | 150 | 103 | 62 | 134 | 148 | 142 | 0.9% | 1.2% | 1.1% | 1.3% | 1.3% | 1.2% | 1.1% |
| British Airways | 83 | 83 | 58 | - | 41 | 92 | 112 | 0.7% | 0.7% | 0.6% | - | 0.4% | 0.8% | 0.9% |
| Sun Country Airlines | 41 | 40 | 37 | 23 | 36 | 42 | 48 | 0.4% | 0.3% | 0.4% | 0.5% | 0.4% | 0.4% | 0.4% |
| Lufthansa | 13 | 50 | 35 | - | 14 | 48 | 46 | 0.1% | 0.4% | 0.4% | - | 0.1% | 0.4% | 0.4% |
| WestJet | 39 | 43 | 29 | - | 12 | 32 | 43 | 0.3% | 0.3% | 0.3% | - | 0.1% | 0.3% | 0.3% |
| Allegiant Airlines | 45 | 31 | 13 | 22 | 49 | 76 | 41 | 0.4% | 0.2% | 0.1% | 0.5% | 0.5% | 0.6% | 0.3% |
| Japan Airlines | 62 | 67 | 44 | 1 | 13 | 31 | 33 | 0.5% | 0.5% | 0.5% | 0.0% | 0.1% | 0.3% | 0.3% |
| Breeze Airways | - | - | - | - | - | - | 13 | - | - | - | - | - | - | 0.1% |
| Swoop, Inc. | - | - | - | - | 4 | 1 | - | - | - | - | - | 0.0% | 0.0% | - |
| Condor | 8 | - | - | - | - | - | - | 0.1% | - | - | - | - | - | - |
| Edelweiss | 7 | 6 | 2 | - | - | - | - | 0.1% | 0.1% | 0.0% | - | - | - | - |
| Virgin America ¹ | 184 | - | - | - | - | - | - | 1.6% | - | - | - | - | - | - |
| Volaris | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Air Carrier | 10,911 | 11,499 | 8,636 | 4,481 | 9,240 | 11,190 | 11,697 | 94.1% | 93.1% | 93.5% | 92.2% | 92.8% | 94.3% | 93.8% |
| Regional | | | | | | | | | | | | | | |
| Compass | 251 | 296 | 161 | - | - | - | - | 2.1% | 2.4% | 1.7% | - | - | - | - |
| Horizon Air | 82 | 64 | 107 | 90 | 137 | 36 | 70 | 0.7% | 0.5% | 1.2% | 1.8% | 1.4% | 0.3% | 0.6% |
| Skywest Airlines | 487 | 497 | 331 | 290 | 576 | 642 | 700 | 4.2% | 4.0% | 3.6% | 6.0% | 5.8% | 5.4% | 5.6% |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Regional | 820 | 857 | 599 | 380 | 713 | 677 | 770 | 5.9% | 6.9% | 6.5% | 7.8% | 7.2% | 5.7% | 6.2% |
| Total Passengers | 11,732 | 12,356 | 9,235 | 4,861 | 9,953 | 11,868 | 12,467 | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

¹ Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018 and began operating as Alaska Airlines on April 25, 2018

Figure 52 – Airline Market Share

Supplemental Data

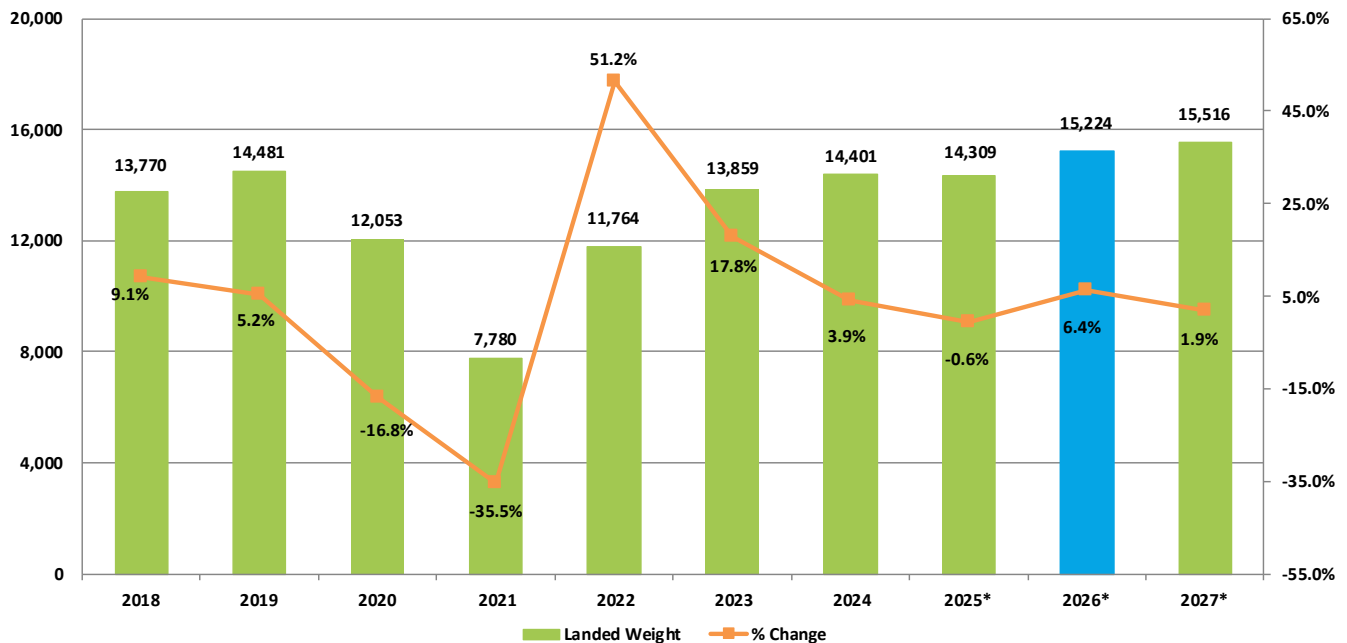
Aircraft Landed Weight

Landed weight refers to the maximum gross certificated landed weight in one-thousand-pound units, as stated in the airline flight operations manual. Landed weight is used to calculate landing fees for airline and general aircraft operated at the Airport. In FY 2026, landed weight is estimated to increase by 6.4% compared to the FY 2025 budget.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Landed Weight ¹ | % Change |
|-------------|----------------------------|----------|
| 2018 | 13,770 | 9.1% |
| 2019 | 14,481 | 5.2% |
| 2020 | 12,053 | -16.8% |
| 2021 | 7,780 | -35.5% |
| 2022 | 11,764 | 51.2% |
| 2023 | 13,859 | 17.8% |
| 2024 | 14,401 | 3.9% |
| 2025* | 14,309 | -0.6% |
| 2026* | 15,224 | 6.4% |
| 2027* | 15,516 | 1.9% |

¹ in million pounds



* Budgeted FY 2025, FY 2026, & FY 2027

Figure 53 – Aircraft Landed Weight

Source: San Diego County Regional Airport Authority

Supplemental Data

Airline Landed Weight FY 2018 – FY 2024

Landed weight is the maximum gross certificated landed weight in one-thousand-pound units as stated in the airlines' flight operational manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at SAN.

| Air Carrier | Landed Weight (in thousands) | | | | | | | Market Share | | | | | | |
|------------------------------|------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Southwest Airlines | 4,924,451 | 5,180,064 | 4,422,096 | 2,277,011 | 3,688,292 | 5,001,008 | 4,758,859 | 35.8% | 35.8% | 36.7% | 29.3% | 31.4% | 36.1% | 33.0% |
| United Airlines | 1,492,873 | 1,566,148 | 1,201,192 | 694,980 | 1,260,134 | 1,450,512 | 1,664,205 | 10.8% | 10.8% | 10.0% | 8.9% | 10.7% | 10.5% | 11.6% |
| Delta Airlines | 1,183,702 | 1,389,312 | 1,221,773 | 1,049,374 | 1,497,160 | 1,516,632 | 1,573,722 | 8.6% | 9.6% | 10.1% | 13.5% | 12.7% | 10.9% | 10.9% |
| Alaska Airlines ¹ | 1,131,807 | 1,411,255 | 1,162,582 | 769,364 | 1,196,955 | 1,410,162 | 1,504,134 | 8.2% | 9.7% | 9.6% | 9.9% | 10.2% | 10.2% | 10.4% |
| American Airlines | 1,471,318 | 1,415,134 | 1,201,659 | 917,691 | 1,238,946 | 1,317,772 | 1,498,180 | 10.7% | 9.8% | 10.0% | 11.8% | 10.5% | 9.5% | 10.4% |
| Skywest Airlines | 627,038 | 637,117 | 481,705 | 504,012 | 709,412 | 755,828 | 844,860 | 4.6% | 4.4% | 4.0% | 6.5% | 6.0% | 5.5% | 5.9% |
| Frontier Airlines | 232,794 | 247,145 | 204,924 | 199,836 | 264,830 | 311,884 | 434,930 | 1.7% | 1.7% | 1.7% | 2.6% | 2.3% | 2.3% | 3.0% |
| Federal Express | 388,782 | 375,807 | 394,288 | 466,734 | 476,195 | 405,893 | 321,999 | 2.8% | 2.6% | 3.3% | 6.0% | 4.0% | 2.9% | 2.2% |
| Spirit Airlines | 328,424 | 331,366 | 230,911 | 125,589 | 165,464 | 288,873 | 319,139 | 2.4% | 2.3% | 1.9% | 1.6% | 1.4% | 2.1% | 2.2% |
| JetBlue Airlines | 293,160 | 281,715 | 260,940 | 171,957 | 292,311 | 316,168 | 313,015 | 2.1% | 1.9% | 2.2% | 2.2% | 2.5% | 2.3% | 2.2% |
| British Airways | 208,926 | 210,432 | 141,615 | - | 98,141 | 173,266 | 207,564 | 1.5% | 1.5% | 1.2% | 0.0% | 0.8% | 1.3% | 1.4% |
| Hawaiian Airlines | 161,486 | 237,560 | 155,345 | 122,574 | 211,844 | 209,839 | 205,340 | 1.2% | 1.6% | 1.3% | 1.6% | 1.8% | 1.5% | 1.4% |
| Air Canada | 116,381 | 138,417 | 100,851 | - | 54,699 | 149,232 | 166,968 | 0.8% | 1.0% | 0.8% | 0.0% | 0.5% | 1.1% | 1.2% |
| United Parcel | 143,678 | 138,860 | 146,624 | 138,926 | 138,064 | 137,094 | 139,418 | 1.0% | 1.0% | 1.2% | 1.8% | 1.2% | 1.0% | 1.0% |
| Lufthansa | 29,727 | 103,322 | 72,466 | - | 24,643 | 98,117 | 88,077 | 0.2% | 0.7% | 0.6% | 0.0% | 0.2% | 0.7% | 0.6% |
| Subtotal | 12,734,547 | 13,663,653 | 11,398,971 | 7,438,046 | 11,317,090 | 13,542,280 | 14,040,410 | 92.5% | 94.4% | 94.6% | 95.6% | 96.2% | 97.7% | 97.5% |
| All Others | 1,035,399 | 817,577 | 654,109 | 341,481 | 446,995 | 316,776 | 360,998 | 7.5% | 5.6% | 5.4% | 4.4% | 3.8% | 2.3% | 2.5% |
| Total | 13,769,945 | 14,481,229 | 12,053,080 | 7,779,528 | 11,764,085 | 13,859,056 | 14,401,408 | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

¹ Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018, and began operating as Alaska Airlines on April 25, 2018

Figure 54 – Top 15 Airlines Ranked by Landed Weight

Supplemental Data

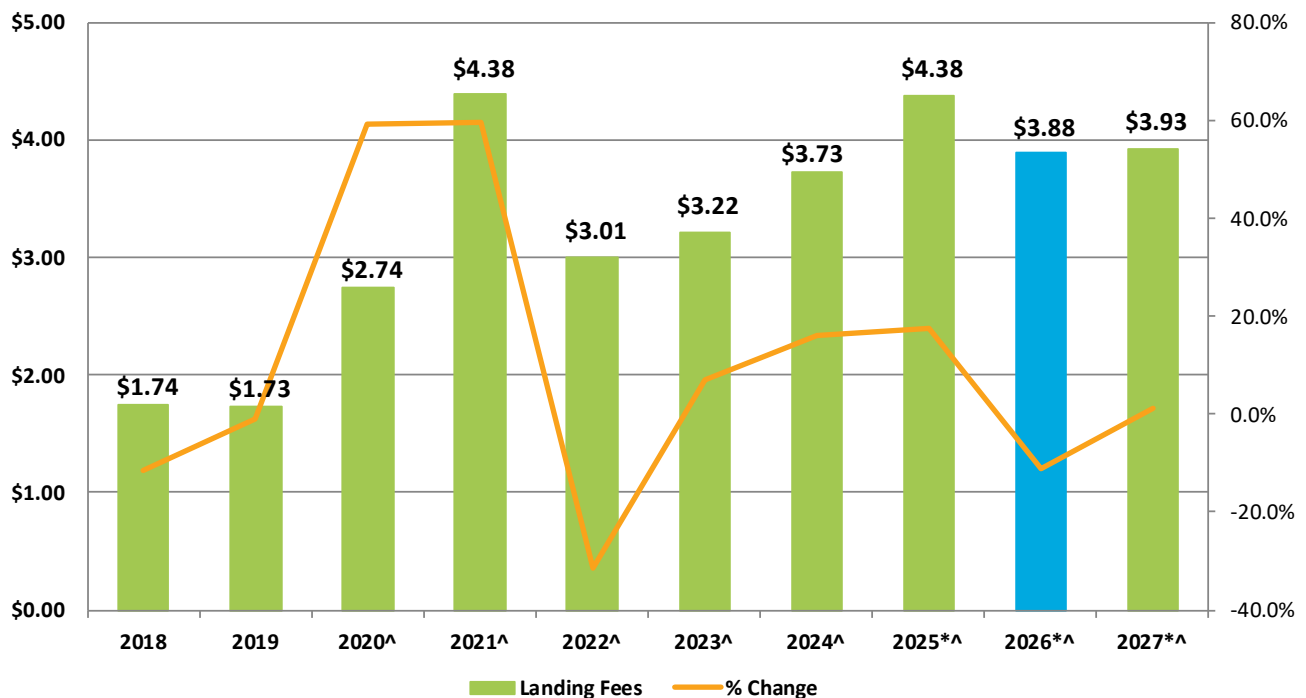
Landing Fees

Landing fees are revenues from passenger and cargo aircraft for commercial landings at the Airport. Beginning in FY 2020, landing fees include Airside Security.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Landing Fees (\$) per 1,000 lbs | % Change |
|-------------|---------------------------------|----------|
| 2018 | 1.74 | -11.5% |
| 2019 | 1.73 | -1.0% |
| 2020^ | 2.74 | 59.0% |
| 2021^ | 4.38 | 59.7% |
| 2022^ | 3.01 | -31.4% |
| 2023^ | 3.22 | 6.9% |
| 2024^ | 3.73 | 16.0% |
| 2025*^ | 4.38 | 17.4% |
| 2026*^ | 3.88 | -11.3% |
| 2027*^ | 3.93 | 1.1% |

^ Signatory Rate



* Budgeted FY 2025, FY 2026, & FY 2027

^ Signatory Rate

Figure 55 – Landing Fees

Source: San Diego County Regional Airport Authority

Supplemental Data

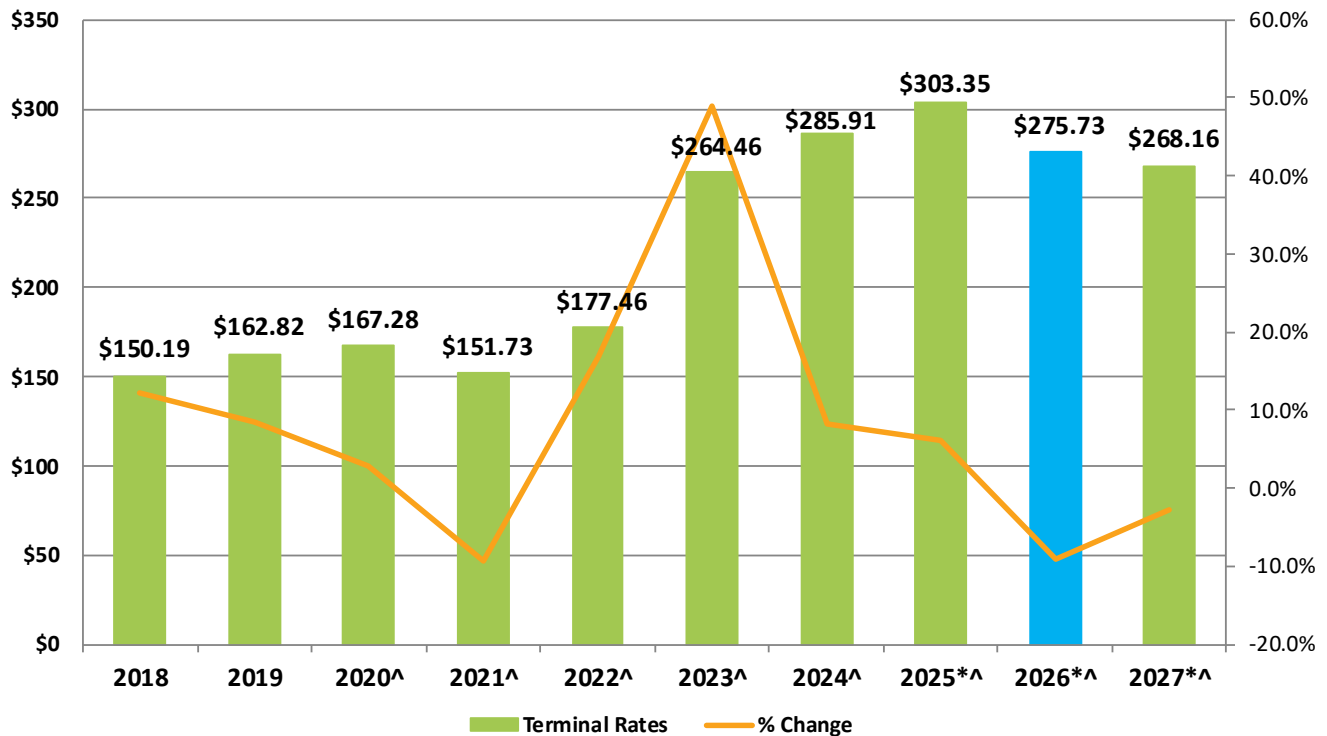
Terminal Rates Billed to Airlines

Terminal rates are rates billed to airlines for the rent of terminal space on an annual per-square-foot basis.

Fiscal Years ended June 30, 2018 to 2027

| Fiscal Year | Terminal Rates Per Sq. Ft. (\$) ¹ | % Change |
|-------------|--|----------|
| 2018 | 150.19 | 12.1% |
| 2019 | 162.82 | 8.4% |
| 2020^ | 167.28 | 2.7% |
| 2021^ | 151.73 | -9.3% |
| 2022^ | 177.46 | 17.0% |
| 2023^ | 264.46 | 49.0% |
| 2024^ | 285.91 | 8.1% |
| 2025*^ | 303.35 | 6.1% |
| 2026*^ | 275.73 | -9.1% |
| 2027*^ | 268.16 | -2.7% |

¹ Net of janitorial credit



* Budgeted FY 2025, FY 2026, & FY 2027

^ Signatory Rate

Figure 56 – Terminal Rates

Source: San Diego County Regional Airport Authority

Supplemental Data

Aircraft Operations (Takeoffs and Landings)

Aircraft operations are the takeoffs and landings at SAN. They represent the level of demand for air service by the airlines operating at SAN.

| Fiscal Year | Air Carriers | Air Taxi | General Aviation | Military | Total |
|-------------|--------------|----------|------------------|----------|---------|
| 2018 | 196,253 | 11,903 | 9,816 | 699 | 218,671 |
| 2019 | 204,627 | 12,539 | 10,167 | 759 | 228,092 |
| 2020 | 170,757 | 10,990 | 8,174 | 825 | 190,746 |
| 2021 | 108,240 | 11,844 | 8,835 | 1,098 | 130,017 |
| 2022 | 161,150 | 15,547 | 12,611 | 1,177 | 190,485 |
| 2023 | 191,751 | 16,144 | 10,699 | 1,351 | 219,945 |
| 2024 | 198,749 | 14,794 | 8,819 | 891 | 223,253 |

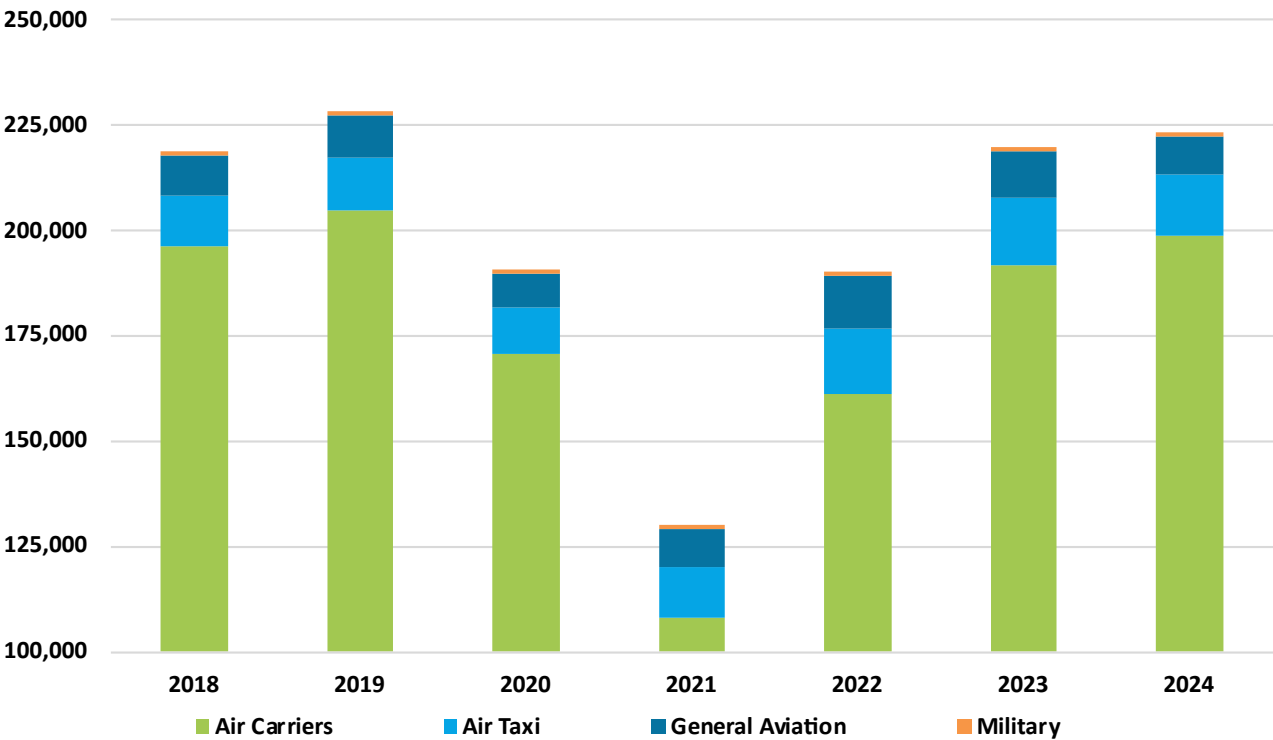


Figure 57 – Aircraft Operations

Source: FAA ATADS Report: Air Operations Standard Report (itinerant only)

Supplemental Data

Historical Revenue by Source

(in thousands)

| Revenue by Major Sources | FY 2018 Actuals | FY 2019 Actuals | FY 2020 Actuals | FY 2021 Actuals | FY 2022 Actuals | FY 2023 Actuals | FY 2024 Actuals | FY 2025 Budget | FY 2026 Budget | FY 2027 Conceptual Budget |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|---------------------------------|
| Airline Revenue | \$ 123,157 | \$ 134,354 | \$ 131,838 | \$ 133,870 | \$ 147,775 | \$ 192,797 | \$ 221,220 | \$ 244,015 | \$ 279,095 | \$ 293,257 |
| Interest Income | 13,374 | 16,812 | 19,690 | 13,471 | 19,683 | 45,387 | 66,647 | 89,258 | 92,749 | 65,287 |
| Parking and Ground Transportation | 53,254 | 62,818 | 50,751 | 27,447 | 57,076 | 65,415 | 72,484 | 83,609 | 88,207 | 97,311 |
| QHP & CIP Grants | 21,468 | 19,763 | 16,228 | 26,225 | 27,351 | 71,311 | 147,881 | 64,188 | 69,156 | 53,223 |
| Rental Car License Fees and License Fees - Other | 37,247 | 41,155 | 32,245 | 20,342 | 44,973 | 51,785 | 51,458 | 53,383 | 52,205 | 53,440 |
| Passenger Facility Charges | 46,953 | 49,198 | 34,393 | 22,110 | 40,394 | 46,755 | 49,200 | 49,120 | 50,959 | 51,978 |
| Terminal Concessions | 28,363 | 30,102 | 24,999 | 10,754 | 31,992 | 31,850 | 34,616 | 33,281 | 40,977 | 42,976 |
| Customer Facility Charges | 41,037 | 41,919 | 30,240 | 15,755 | 30,333 | 34,375 | 35,913 | 35,438 | 36,693 | 37,426 |
| Ground Rentals | 20,073 | 20,647 | 18,925 | 19,260 | 23,301 | 25,063 | 26,408 | 26,741 | 27,686 | 27,987 |
| Non-Airline Revenue - Other ¹ | (9,227) | 12,815 | 18,470 | (5,139) | (68,872) | 18,387 | 60,131 | 4,605 | 5,209 | 5,393 |
| Federal Relief | - | - | 36,895 | 77,219 | 78,922 | - | - | - | - | - |
| BAB Interest Rebate | 4,666 | 4,686 | 2,089 | - | - | - | - | - | - | - |
| Total Revenue | \$ 380,365 | \$ 434,268 | \$ 416,763 | \$ 361,314 | \$ 432,929 | \$ 583,123 | \$ 765,957 | \$ 683,638 | \$ 742,936 | \$ 728,280 |

¹ Non-Airline Revenue - Other includes Terminal Rent Non-Airline, Grant Reimbursements, Other Non-Operating Revenue and Other Operating Revenue, which includes finger printing fees, utilities reimbursements, service charges, equipment rental and miscellaneous revenues.

Figure 58 – Historical Revenue by Source

Supplemental Data

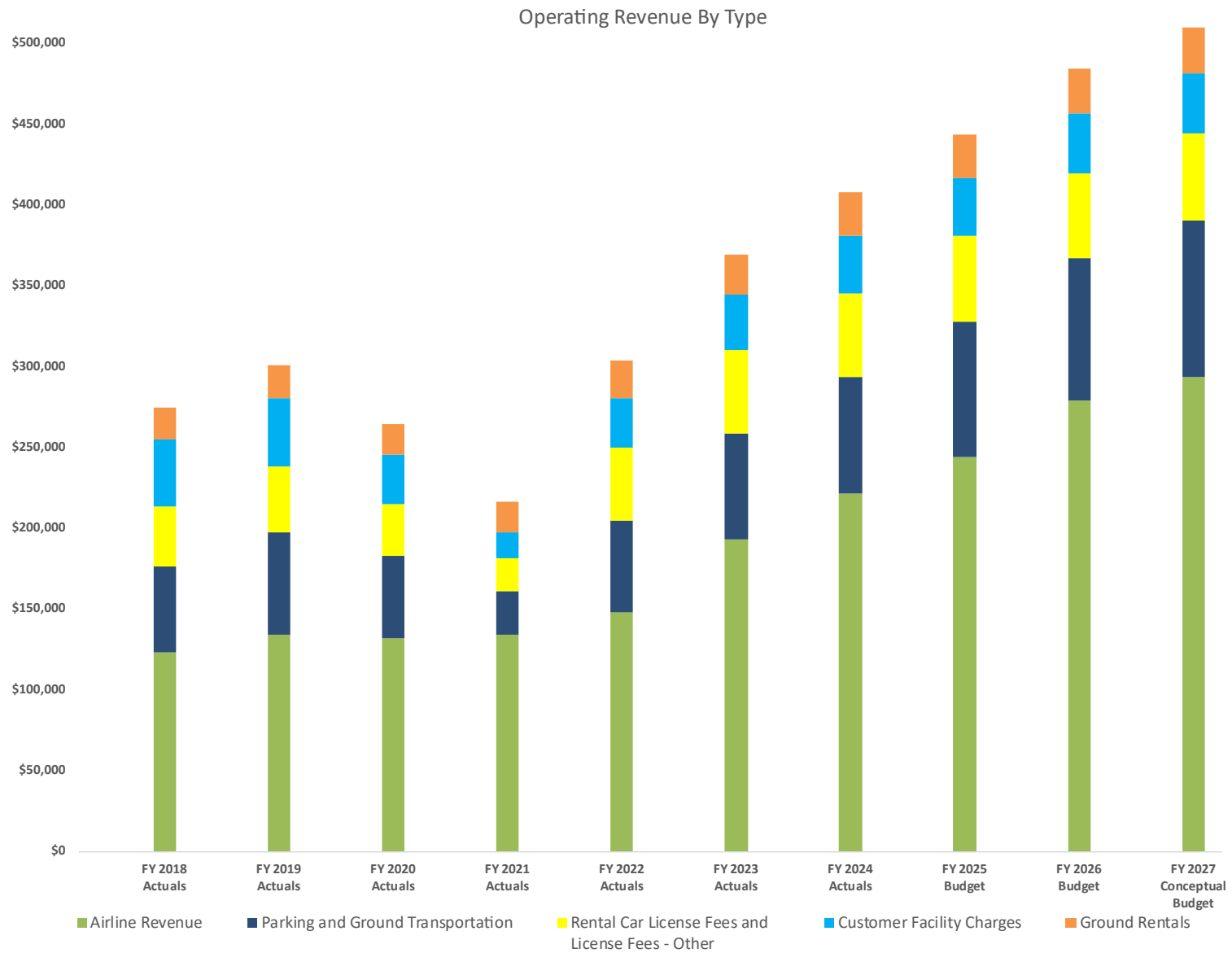


Figure 59 – Historical Operating Revenue by Source

Source: San Diego County Regional Airport Authority

Supplemental Data

Airport Authority's Largest Sources of Revenues

(in thousands)

| Tenant | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | % of Total Operating Revenue |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------|
| Southwest Airlines | \$ 38,404 | \$ 42,359 | \$ 44,940 | \$ 32,982 | \$ 46,676 | \$ 59,518 | \$ 63,381 | 15.4% |
| Alaska Airlines ¹ | 16,353 | 17,436 | 20,633 | 19,163 | 25,230 | 29,361 | 33,255 | 8.1% |
| United Airlines | 17,520 | 18,335 | 20,204 | 16,630 | 19,809 | 26,968 | 30,942 | 7.5% |
| Delta Airlines | 17,007 | 18,368 | 22,064 | 16,637 | 23,051 | 28,223 | 30,212 | 7.3% |
| American Airlines | 16,581 | 17,073 | 17,150 | 17,010 | 19,653 | 21,754 | 25,640 | 6.2% |
| Enterprise Rent-A-Car | 12,286 | 12,780 | 12,238 | 5,913 | 12,725 | 14,532 | 14,534 | 3.5% |
| Avis-Rent-A-Car ² | - | - | 8,447 | 4,666 | 14,247 | 15,715 | 14,509 | 3.5% |
| Uber Technologies, Inc. | - | - | - | - | 6,806 | 11,222 | 11,974 | 2.9% |
| Hertz Rent-A-Car | 11,017 | 11,539 | 10,829 | 5,303 | 11,065 | 12,588 | 11,417 | 2.8% |

¹ Alaska Airlines and Virgin America received their single operating certificate from the FAA on January 11, 2018, and began operating as Alaska Airlines on April 25, 2018

² Avis Budget Car Rental LLC entered into a purchase agreement on February 2, 2020, with BW-Budget-SDA LLC acquiring all agreements at SAN.

Figure 60 – Airport Authority's Largest Sources of Revenues

Source: San Diego County Regional Airport Authority

Supplemental Data

Economic and Operational Trends

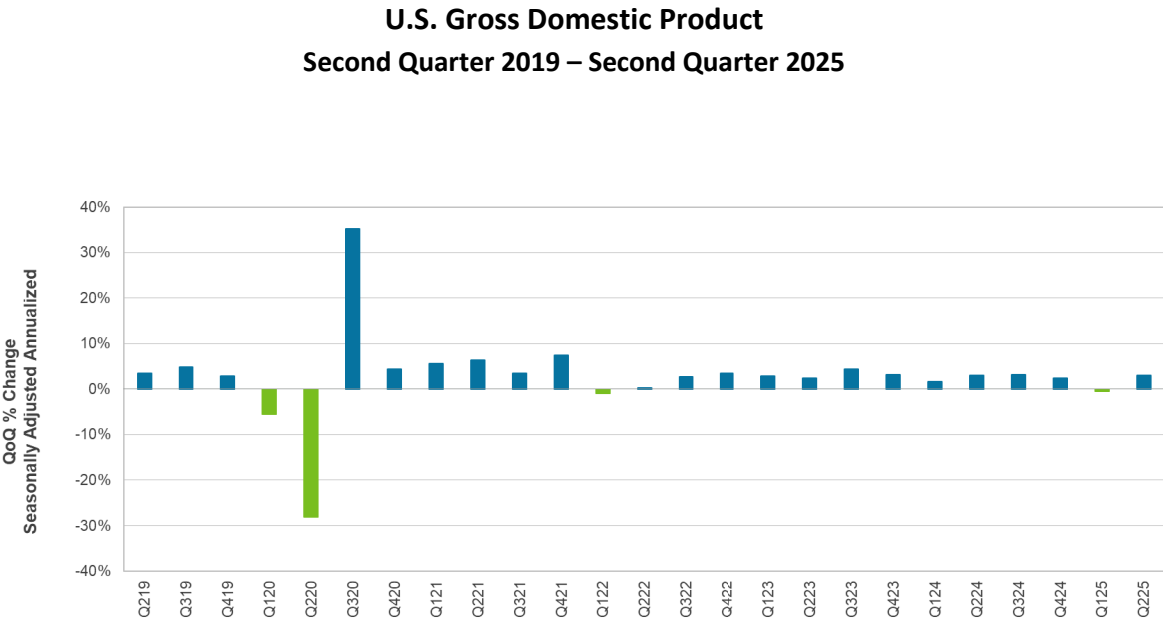


Figure 61 – U.S Gross Domestic Product

Source: Bloomberg

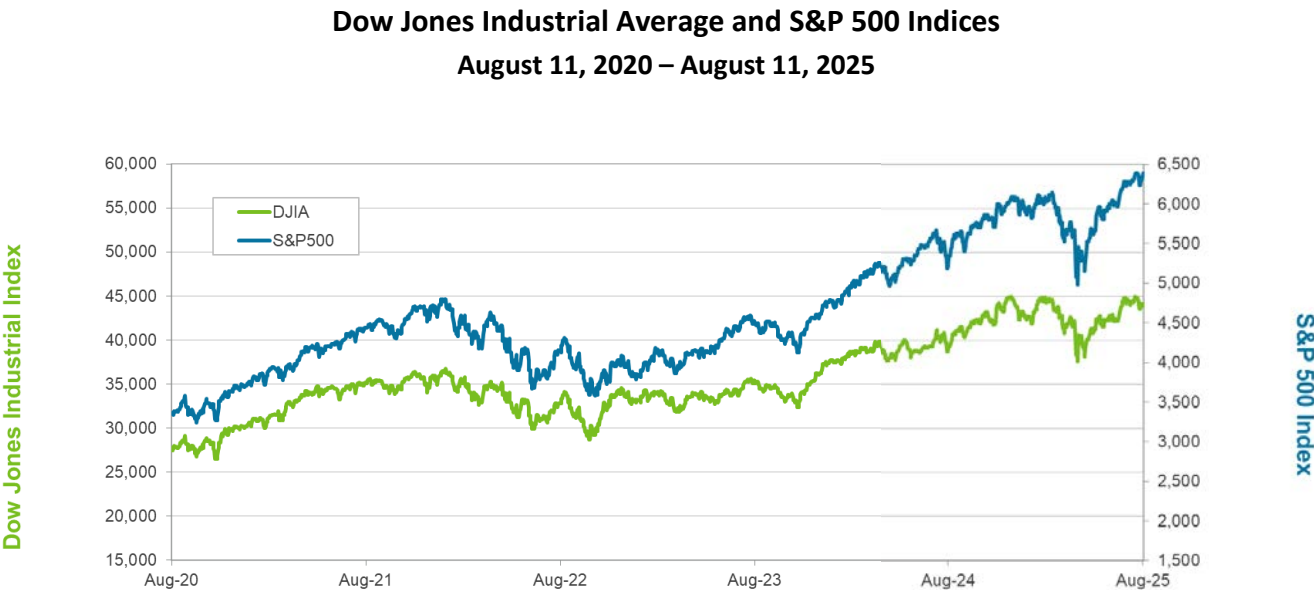


Figure 62 – Dow Jones Industrial Average and S&P 500 Indices

Source: Bloomberg

Supplemental Data

San Diego County Selected Employers

| Organization | Location | Industry |
|--------------------------------|-------------|---|
| 32nd St Naval Station | San Diego | Federal Government National Security |
| Collins Aerospace | Chula Vista | Aircraft Components-Manufacturers |
| Employee's Association-Sdg-E | San Diego | Associations |
| General Dynamics Nassco | San Diego | Ship Builders & Repairers (mfrs) |
| Illumina Inc | San Diego | Biotechnology Products & Services |
| Jennifer Moreno Dept-Veterans | San Diego | Hospitals |
| Kaiser Permanente Vandever Med | San Diego | Physicians & Surgeons |
| Kaiser Permanente Zion Med Ctr | San Diego | Hospitals |
| MCCS MCRD SN DIEGO-MRNE CORPS | San Diego | Military Bases |
| Merchants Building Maintenance | San Diego | Janitor Service |
| Naval Medical Ctr San Diego | San Diego | Hospitals |
| Page One Seo | San Diego | Mental Health Services |
| Rady Children's Hospital | San Diego | Hospitals |
| San Diego Community College | San Diego | unior-Community College-Tech Institutes |
| San Diego County Sheriff | Santee | Police Departments |
| Scripps Mercy Hosp Sn Diego | San Diego | Hospitals |
| Scripps Research Institute | La Jolla | Laboratories-Research & Development |
| Seaworld San Diego | San Diego | Amusement & Theme Parks |
| Sharp Grossmont Hospital | La Mesa | Hospitals |
| Sharp Grossmont Rehab Ctr | La Mesa | Vocational Rehabilitation Services |
| Sharp Mary Birch Hosp | San Diego | Hospitals |
| Sony Electronics Inc | San Diego | Electronic Equipment & Supplies-Retail |
| Ucsd-Neutral Computation | La Jolla | University-College Dept/Facility/Office |
| University of California | La Jolla | University-College Dept/Facility/Office |
| University-California Sn Diego | La Jolla | chools-Universities & Colleges Academic |

Figure 63 – Selected Employers

Sources: America's Labor Market Information System (ALMIS) Employer Database, 2024 2nd Edition

The list is not exhaustive. Employment levels are estimates.

Supplemental Data

San Diego County Employment by Industry Sectors

| Industry Sectors | May 2025 Industry Employment | % of Total |
|-------------------------------------|------------------------------------|------------|
| Education and Health Services | 268,900 | 17.0% |
| Government | 267,300 | 16.9% |
| Professional and Business Services | 264,400 | 16.7% |
| Trade, Transportation and Utilities | 220,000 | 13.9% |
| Leisure and Hospitality | 207,000 | 13.1% |
| Manufacturing | 109,100 | 6.9% |
| Construction and Mining | 90,200 | 5.7% |
| Financial Activities | 69,900 | 4.4% |
| Other Services | 58,400 | 3.7% |
| Information | 20,100 | 1.3% |
| Agriculture | 9,300 | 0.6% |
| Total | 1,584,600 | |

Figure 64 – San Diego County Employment by Industry Sectors

Source: California Employment Development Department, Labor Market Information Division Employment & Labor Force May 2025 preliminary report

Supplemental Data

Annual Unemployment Rate

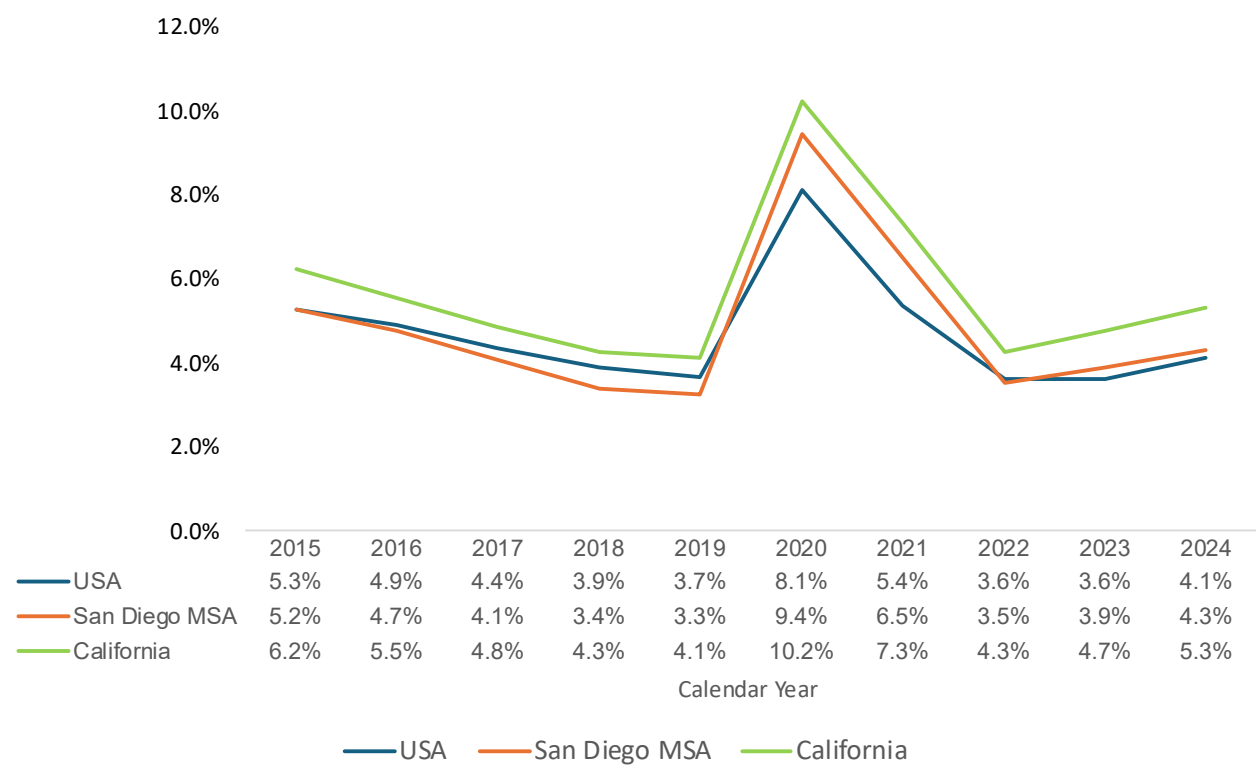


Figure 65 – Annual Unemployment Rate

Source: U.S. Bureau of Labor Statistics

Supplemental Data

Authority Position Salary Range

| Classification Title | Minimum | Maximum |
|---------------------------------------|------------|------------|
| Accountant | \$ 61,680 | \$ 98,688 |
| Accounting Manager | \$ 94,615 | \$ 156,114 |
| Accounting Technician | \$ 51,790 | \$ 82,865 |
| Administrative Assistant I | \$ 40,532 | \$ 64,852 |
| Administrative Assistant II | \$ 49,402 | \$ 79,042 |
| Administrative Services Manager | \$ 63,387 | \$ 101,419 |
| Air Service Analyst | \$ 80,888 | \$ 129,421 |
| Air Service Program Manager | \$ 75,331 | \$ 120,530 |
| Aircraft Noise Specialist | \$ 57,494 | \$ 91,990 |
| Airport Art Program Coordinator I | \$ 55,004 | \$ 88,006 |
| Airport Art Program Coordinator II | \$ 56,892 | \$ 91,026 |
| Airport Art Program Manager | \$ 83,574 | \$ 133,718 |
| Airport Coordinator Center Special | \$ 52,097 | \$ 83,354 |
| Airport Properties Operations Coord | \$ 72,605 | \$ 116,167 |
| Airside & Terminal Res System Manager | \$ 85,106 | \$ 140,424 |
| Airside Operations Duty Manager I | \$ 56,578 | \$ 90,526 |
| Airside Operations Duty Manager II | \$ 73,227 | \$ 117,243 |
| App Development Analyst | \$ 78,001 | \$ 124,801 |
| Asset Manager | \$ 91,685 | \$ 151,281 |
| Assistant Airport Planner | \$ 57,690 | \$ 92,303 |
| Assistant Authority Clerk I | \$ 55,185 | \$ 88,400 |
| Assistant Authority Clerk II | \$ 65,243 | \$ 104,389 |
| Assistant Environmental Specialist | \$ 56,616 | \$ 90,585 |
| Assistant General Counsel | \$ 186,563 | \$ 326,485 |
| Associate Airport Planner | \$ 71,696 | \$ 114,714 |
| Associate Asset Manager | \$ 72,480 | \$ 115,969 |
| Associate Engineer | \$ 68,587 | \$ 109,738 |
| Associate Environmental Specialist | \$ 69,556 | \$ 111,289 |
| Associate General Counsel I | \$ 77,154 | \$ 123,446 |
| Associate General Counsel II | \$ 116,776 | \$ 204,358 |
| Associate General Counsel III | \$ 141,556 | \$ 247,724 |
| Auditor | \$ 58,741 | \$ 93,985 |
| Authority Clerk | \$ 128,824 | \$ 225,442 |
| Aviation System Program Specialist | \$ 102,035 | \$ 163,257 |
| Business Intelligence Specialist I | \$ 55,860 | \$ 89,376 |
| Business Intelligence Specialist II | \$ 70,373 | \$ 112,597 |
| Business Systems Analyst | \$ 76,013 | \$ 121,621 |
| Communication Specialist I | \$ 52,484 | \$ 83,974 |

Supplemental Data

| Classification Title | Minimum | Maximum |
|--|------------|------------|
| Communication Specialist II | \$ 60,685 | \$ 97,097 |
| Construction Contract Manager | \$ 117,456 | \$ 193,120 |
| Construction Inspector | \$ 58,837 | \$ 94,139 |
| Construction Manager | \$ 105,624 | \$ 174,279 |
| Construction Safety Program Manager | \$ 87,877 | \$ 144,997 |
| Contract Specialist | \$ 74,601 | \$ 126,823 |
| Corporate Information Assistant | \$ 38,771 | \$ 62,034 |
| Cost Analyst | \$ 69,476 | \$ 111,162 |
| Customer Experience Specialist I | \$ 49,800 | \$ 63,700 |
| Customer Experience Specialist II | \$ 56,900 | \$ 70,300 |
| Customer Relations Manager | \$ 78,002 | \$ 124,802 |
| Cyber Security Specialist | \$ 91,899 | \$ 147,039 |
| Data Engineer | \$ 92,701 | \$ 148,322 |
| Data Quality Analyst | \$ 62,946 | \$ 100,714 |
| Data Warehouse Architect | \$ 88,765 | \$ 142,025 |
| Data Warehouse Manager | \$ 114,261 | \$ 182,818 |
| Database Administrator | \$ 94,005 | \$ 150,407 |
| Deputy Authority Clerk | \$ 81,554 | \$ 130,486 |
| Director, Capital Financial Planning & Airline Relations | \$ 137,951 | \$ 241,415 |
| Director Business Intelligence | \$ 133,231 | \$ 233,153 |
| Director, Accounting | \$ 134,562 | \$ 235,484 |
| Director, Airport Design & Construction | \$ 151,577 | \$ 265,259 |
| Director, Airport Planning & Environmental Affairs | \$ 132,117 | \$ 231,205 |
| Director, Aviation Security & Public Safety | \$ 121,811 | \$ 213,169 |
| Director, Communications | \$ 116,236 | \$ 203,413 |
| Director, Facilities Management | \$ 127,883 | \$ 223,796 |
| Director, Financial Planning & Budget | \$ 137,951 | \$ 241,415 |
| Director, Government Relations | \$ 132,217 | \$ 231,381 |
| Director, Ground Transportation | \$ 113,460 | \$ 198,556 |
| Director, Human Resources | \$ 136,218 | \$ 238,382 |
| Director, Information & Technology Services | \$ 142,670 | \$ 249,672 |
| Director, Marketing Air Service Development | \$ 118,547 | \$ 207,618 |
| Director, Procurement | \$ 124,967 | \$ 218,693 |
| Director, Revenue Management | \$ 121,564 | \$ 212,738 |
| Director, Terminal & Air Operations | \$ 134,049 | \$ 234,587 |
| Document Control Coordinator | \$ 56,524 | \$ 90,439 |
| Document Control Manager | \$ 102,331 | \$ 163,730 |
| Engineering Technician | \$ 56,513 | \$ 90,420 |
| Executive Assistant | \$ 62,741 | \$ 100,385 |
| External Relations Specialist | \$ 68,231 | \$ 109,169 |

Supplemental Data

| Classification Title | Minimum | | Maximum | |
|---|---------|---------|---------|---------|
| Facilities Commissioning Coordinator | \$ | 82,748 | \$ | 132,397 |
| Financial Analyst I | \$ | 64,022 | \$ | 102,435 |
| Financial Analyst II | \$ | 77,169 | \$ | 123,471 |
| GIS/CAD Systems Manager | \$ | 95,715 | \$ | 157,930 |
| Ground Transportation Specialist | \$ | 59,219 | \$ | 94,751 |
| Help Desk Technician | \$ | 44,547 | \$ | 71,275 |
| HR Business Partner I | \$ | 63,432 | \$ | 101,491 |
| HR Business Partner II | \$ | 79,426 | \$ | 127,082 |
| HRIS Analyst I | \$ | 48,343 | \$ | 77,348 |
| HRIS Analyst II | \$ | 73,494 | \$ | 117,590 |
| Human Resources Analyst I | \$ | 57,690 | \$ | 92,303 |
| Human Resources Analyst II | \$ | 68,184 | \$ | 109,095 |
| Human Resources Assistant II | \$ | 44,824 | \$ | 71,718 |
| I&TS Project Coordinator | \$ | 85,153 | \$ | 136,245 |
| Inspector, Planner & Estimator | \$ | 104,475 | \$ | 167,159 |
| IT Project Manager | \$ | 102,075 | \$ | 168,424 |
| ITS Administrator | \$ | 68,330 | \$ | 109,329 |
| ITS Engineer | \$ | 81,463 | \$ | 130,340 |
| ITS Sr Engineer | \$ | 97,181 | \$ | 155,489 |
| L&D Specialist | \$ | 63,178 | \$ | 101,085 |
| Labor Compliance Supervisor | \$ | 78,910 | \$ | 126,256 |
| Labor Compliance Technician I | \$ | 48,915 | \$ | 78,265 |
| Labor Compliance Technician II | \$ | 60,779 | \$ | 97,247 |
| Maintenance Project Inspector | \$ | 54,664 | \$ | 87,462 |
| Maintenance Project Inspector II | \$ | 60,130 | \$ | 96,208 |
| Maintenance Projects Planner | \$ | 73,195 | \$ | 117,111 |
| Management Analyst | \$ | 63,179 | \$ | 101,086 |
| Manager, Air Service Development | \$ | 110,115 | \$ | 181,691 |
| Manager, Aircraft Noise | \$ | 86,222 | \$ | 146,578 |
| Manager, Airport Finance | \$ | 102,944 | \$ | 175,006 |
| Manager, Airport Planning | \$ | 98,521 | \$ | 167,485 |
| Manager, Airside Operations | \$ | 99,104 | \$ | 168,476 |
| Manager, Arts Program | \$ | 88,583 | \$ | 141,733 |
| Manager, Audit Services | \$ | 101,594 | \$ | 172,710 |
| Manager, Aviation Security & Law Enforcement | \$ | 93,273 | \$ | 158,563 |
| Manager, Business Intelligence | \$ | 113,063 | \$ | 180,901 |
| Manager, Contracts | \$ | 103,036 | \$ | 170,009 |
| Manager, Emergency Preparations & Public Safety | \$ | 107,501 | \$ | 182,752 |
| Manager, Energy & Water Management | \$ | 79,093 | \$ | 134,458 |
| Manager, Environmental Affairs | \$ | 101,398 | \$ | 167,306 |

Supplemental Data

| Classification Title | Minimum | | Maximum | |
|--|---------|---------|---------|---------|
| Manager, Facilities and Asset Management Systems | \$ | 97,278 | \$ | 155,645 |
| Manager, Facilities Management | \$ | 84,317 | \$ | 143,338 |
| Manager, Ground Transportation | \$ | 92,889 | \$ | 157,911 |
| Manager, HR Operations | \$ | 100,406 | \$ | 160,650 |
| Manager, Infrastructure Operations | \$ | 107,804 | \$ | 183,267 |
| Manager, Insurance & Construction Risk | \$ | 102,819 | \$ | 174,793 |
| Manager, Marketing | \$ | 103,907 | \$ | 176,643 |
| Manager, Procurement & Contract Services | \$ | 97,631 | \$ | 165,972 |
| Manager, Safety & Labor Compliance | \$ | 92,181 | \$ | 156,709 |
| Manager, Small Business Development | \$ | 90,959 | \$ | 154,631 |
| Manager, Terminal Operations | \$ | 89,194 | \$ | 151,629 |
| Marketing Specialist I | \$ | 51,178 | \$ | 81,884 |
| Marketing Specialist II | \$ | 64,385 | \$ | 103,015 |
| Manager, Business & Systems Application | \$ | 113,263 | \$ | 192,547 |
| Manager, Government & Community Relations | \$ | 104,581 | \$ | 172,558 |
| Manager, Service Desk & IT Terminal Operations | \$ | 98,459 | \$ | 167,379 |
| Manager, HR Business Partnerships | \$ | 101,001 | \$ | 171,703 |
| Paralegal | \$ | 66,212 | \$ | 105,940 |
| Payroll Specialist | \$ | 66,145 | \$ | 105,831 |
| P-Card Program Analyst | \$ | 47,881 | \$ | 76,610 |
| Procurement Analyst I | \$ | 51,545 | \$ | 82,471 |
| Procurement Analyst II | \$ | 59,845 | \$ | 95,752 |
| Procurement Coordinator | \$ | 44,922 | \$ | 71,876 |
| Program Manager | \$ | 103,823 | \$ | 181,689 |
| Program Manager Concessions | \$ | 106,378 | \$ | 186,161 |
| Program Manager for Engineering & Construction | \$ | 121,617 | \$ | 212,829 |
| Project Analyst | \$ | 67,649 | \$ | 108,238 |
| Project Assistant | \$ | 52,076 | \$ | 83,321 |
| Project Manager | \$ | 101,636 | \$ | 172,781 |
| Quality Control Coordinator | \$ | 64,678 | \$ | 103,485 |
| Quieter Home Program Coordinator | \$ | 66,131 | \$ | 105,810 |
| Records & Info Management Specialist I | \$ | 48,696 | \$ | 77,914 |
| Records & Info Management Specialist II | \$ | 56,524 | \$ | 90,439 |
| Risk Management Analyst I | \$ | 55,766 | \$ | 89,226 |
| Risk Management Analyst II | \$ | 67,658 | \$ | 108,252 |
| Safety Analyst I | \$ | 57,795 | \$ | 92,472 |
| Safety Analyst II | \$ | 64,943 | \$ | 103,908 |
| Security & Emergency Response Coordinator | \$ | 53,175 | \$ | 85,080 |
| Security & Public Safety Analyst I | \$ | 64,575 | \$ | 103,320 |
| Security & Public Safety Analyst II | \$ | 73,906 | \$ | 118,249 |

Supplemental Data

| Classification Title | Minimum | Maximum |
|--|------------|------------|
| Security Specialist I | \$ 49,434 | \$ 79,094 |
| Security Specialist II | \$ 60,128 | \$ 96,204 |
| Sr Accountant | \$ 74,036 | \$ 118,458 |
| Sr Airport Planner | \$ 82,434 | \$ 131,894 |
| Sr Auditor | \$ 74,272 | \$ 122,549 |
| Sr Business Intelligence Specialist | \$ 86,891 | \$ 139,025 |
| Sr Construction Inspector | \$ 69,833 | \$ 111,733 |
| Sr Cost Analyst | \$ 78,085 | \$ 124,936 |
| Sr Customer Experience Specialist | \$ 69,000 | \$ 88,700 |
| Sr Database Administrator | \$ 99,342 | \$ 158,948 |
| Sr Director of Operational Readiness | \$ 151,231 | \$ 264,655 |
| Sr Financial Analyst | \$ 81,719 | \$ 134,837 |
| Sr HR Business Partner | \$ 102,771 | \$ 169,571 |
| Sr HRIS Analyst | \$ 79,749 | \$ 127,599 |
| Sr Human Resources Analyst | \$ 84,157 | \$ 134,651 |
| Sr L&D Specialist | \$ 78,970 | \$ 126,352 |
| Sr Management Analyst | \$ 71,282 | \$ 114,051 |
| Sr Manager, IT | \$ 119,198 | \$ 208,597 |
| Sr Procurement Analyst | \$ 78,727 | \$ 125,964 |
| Sr Safety Specialist | \$ 85,959 | \$ 141,832 |
| Sr Security & Public Safety Analyst | \$ 90,430 | \$ 144,689 |
| Sr Security Specialist | \$ 79,090 | \$ 126,543 |
| Sr Systems Support Analyst | \$ 85,686 | \$ 137,097 |
| Sr Talent Acquisition Partner | \$ 77,066 | \$ 123,306 |
| Small Bus Dev Program Coord | \$ 55,199 | \$ 88,318 |
| Small Business Development Program Manager | \$ 78,382 | \$ 125,411 |
| Sr Aircraft Noise Specialist | \$ 82,964 | \$ 132,742 |
| Sr Airport Communication Center Specialist | \$ 58,979 | \$ 94,367 |
| Sr Airside Operations Duty Manager | \$ 82,550 | \$ 132,080 |
| Sr Applications Dev Analyst | \$ 96,554 | \$ 154,487 |
| Sr Communication Specialist | \$ 75,156 | \$ 120,249 |
| Sr Director, External Relation | \$ 151,473 | \$ 265,079 |
| Sr Engineering Tech BIM/CAD II | \$ 71,169 | \$ 113,871 |
| Sr Engineering Technician | \$ 64,699 | \$ 103,519 |
| Sr Environmental Specialist | \$ 82,964 | \$ 132,742 |
| Sr Maintenance Project Inspect | \$ 67,839 | \$ 108,543 |
| Sr Manager, Construction Services | \$ 124,444 | \$ 217,776 |
| Sr Marketing Specialist | \$ 88,505 | \$ 141,608 |
| Sr Terminal Operations Coordinator | \$ 73,929 | \$ 118,286 |
| Sr Risk Management Analyst | \$ 81,599 | \$ 130,558 |

Supplemental Data

| Classification Title | Minimum | | Maximum | |
|---|---------|---------|---------|---------|
| Staff Assistant | \$ | 49,402 | \$ | 79,042 |
| Strategic Planning Outreach Coordinator | \$ | 49,402 | \$ | 79,042 |
| Systems Support Analyst I | \$ | 59,552 | \$ | 95,282 |
| Systems Support Analyst II | \$ | 71,695 | \$ | 114,711 |
| Talent Acquisition Partner I | \$ | 50,004 | \$ | 80,007 |
| Talent Acquisition Partner II | \$ | 66,317 | \$ | 106,108 |
| Technical Coordinator | \$ | 74,787 | \$ | 119,659 |
| Terminal Operations Coordinator | \$ | 64,182 | \$ | 102,691 |
| Vice Presidents | \$ | 187,546 | \$ | 337,582 |

Figure 66 – Authority Position Range

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Glossary



Glossary

ACCRUAL BASIS OF ACCOUNTING – Under this method, revenue is recorded when earned and expenses are recorded when liabilities are incurred.

AIRCRAFT OPERATIONS – The landing or takeoff of an aircraft.

AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) – A special category of firefighting that involves the response, hazard mitigation, evacuation and possible rescue of passengers and crew of an aircraft (typically) involved in an airport ground emergency.

AIRLINE OPERATING AND LEASE AGREEMENT (AOLA) – Agreement with passenger airlines and cargo carriers operating at SAN. The AOLA establishes how the signatory and non-signatory airlines will be assessed annual rates and charges for their use of the airport.

AIRLINE SUPPORT BUILDING (ASB) – Facility used by airlines to process belly cargo.

AIRPORT AUTHORITY – Refers to the San Diego County Regional Airport Authority (SDCRAA).

AIRPORT AUTHORITY ACT – California State Bill AB 93: Division 17: Chapter 1, dated January 11, 2001, which establishes the San Diego County Regional Airport Authority, as a local governmental entity.

AIRPORT COUNCIL INTERNATIONAL (ACI) – An organization of airport authorities aimed at uniting industry practices for airport standards.

NEW TERMINAL 1 – Project name that defines phases and improvement for the new Terminal 1.

AIRPORT IMPROVEMENT PROGRAM (AIP) – The FAA's AIP provides both entitlement and discretionary grants for eligible airport projects. This program, authorized periodically by Congress, distributes the proceeds of the federal tax on airline tickets to airports, through grants, for eligible construction projects and land acquisition. See Federal Grants.

AIRPORT LAND USE COMMISSION (ALUC) – An agency required by state law to exist in counties served by a commercial and/or general aviation airport. The purpose of the ALUC is to protect public health, safety, and welfare by ensuring the orderly development of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports, to the extent that these areas are not already devoted to incompatible uses. The San Diego County Regional Airport Authority (SDCRAA) serves as the Airport Land Use Commission for airports in San Diego County.

AIRPORT MASTER PLAN – An airport master plan represents the approved actions to be accomplished for phased development of the airport. Master plans address the airfield, terminal, landside access improvements, modernization, and expansion of existing airports, and establish the premise for site selection and planning for a new airport.

AIRPORT REVENUE BONDS – Bonds issued by municipality or Airport Authority wherein airport revenues back the tax-exempt, lower interest rate bond.

ALTERNATIVE MINIMUM TAX (AMT) – A supplemental income tax imposed by the United States federal government required in addition to baseline income tax.

AMERICA RESCUE PLAN ACT – also called the COVID-19 Stimulus Package is an economic stimulus bill passed by the 117th United States Congress and signed into law on March 11, 2021, to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.

AMORTIZATION – An accounting technique used to periodically lower the book value of a loan or intangible asset over a set period.

AUDIT – An official inspection of an individual or organization's accounts, typically by an independent body.

Glossary

AUTHORITY FUND BALANCE – The Airport Authority’s fund balance is generally defined as the difference between its assets and liabilities.

BALANCED BUDGET – The Airport Authority’s definition of a balanced budget is one in which revenues and other sources of funds equal or exceed expenditures and other uses of funds.

BOND COVENANT – An agreement with bondholders, which defines the priority of payment of debt service in the use of revenues, among other things.

BONDS – In finance, a bond is an instrument of indebtedness of the bond issuer to the holders. The most common types of bonds include municipal bonds and corporate bonds.

BUDGET – A financial plan for a specified period of time (FY) that matches planned expenses and revenues with planned services.

BUDGET CALENDAR – The schedule of key dates, or milestones, that the Airport Authority follows in the preparation, adoption, and administration of the annual budget.

BUILD AMERICA BONDS (BAB) – Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder.

BROWN ACT – mandates that every agenda for a regular meeting provide an opportunity for members of the public to directly address the legislative body on any matter that is within the subject matter jurisdiction of the legislative body.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) – A project undertaken by a public agency or a private activity, which may cause either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment, must receive some discretionary approval from a government agency.

CAPITAL IMPROVEMENT PROGRAM (CIP) – A rolling, near-term five-year program that provides for critical needed improvements and asset preservation. The program includes projects that address federal security requirements, airfield safety improvement and enhanced revenue potential.

CAPITALIZED LABOR – Personnel salaries, taxes and benefits expenses that are associated with capital projects.

CARES ACT GRANT – Coronavirus Aid, Relief, and Economic Security Act approved by the United States Congress and signed by the President on March 27, 2020, is one of those legislative actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines.

COMMERCIAL PAPER (CP) – Short-term promissory note issued for periods up to 270 days, with maturities commonly at 30, 60 and 90 days. The Airport Authority currently has commercial paper programs with two series, AMT, and non-AMT.

COMMON USE SYSTEM SUPPORT (CUSS) – A shared service kiosk system used by multiple airlines that allow for convenient passenger check-in.

CONCESSIONAIRE – A person or company having a lease, contract, or operating permit arrangement with the Airport Authority, entitling them to do business at the airport.

COST PER ENPLANED PASSENGER (CPE) – The total annual cost of fees and charges paid by the airlines, divided by the total enplanements.

CUSTOMER FACILITY CHARGE (CFC) – Airport-required fees collected by car rental agencies and used to fund new car rental facilities.

DEBT POLICY – A framework by which decisions are made concerning the use and management of debt, with a comprehensive financial plan used in effecting strategic initiatives.

Glossary

DEBT SERVICE – Principal and interest payments on bonds.

DEBT SERVICE COVERAGE – An amount equal to 125% of the portion of Debt Service attributable to bonds, plus other such amounts as may be established by any financial agreement.

DEPRECIATION – A reduction in the value of an asset with the passage of time, due in particular to wear and tear.

DERIVATIVE – A financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) – A for-profit small business where socially and economically disadvantaged individuals owning at least a 51% interest also control the management and daily business operations.

DISCRETIONARY FUNDS – See Federal Grants.

ENGINEERED MATERIAL ARRESTING SYSTEM (EMAS) – A bed of engineered materials built at the end of a runway to reduce the severity of the consequences of a runway excursion.

ENPLANED PASSENGER – Any revenue passenger boarding an aircraft at the Airport, including any passenger that previously disembarked from another aircraft.

ENTERPRISE FUND – In governmental accounting, a fund that provides goods and services to the public for a fee that makes the entity self-supporting.

FEDERAL AVIATION ADMINISTRATION (FAA) – The FAA is part of the Department of Transportation (DOT) and, within the airspace of the United States, promotes air safety, regulates air commerce, controls the use of navigable airspace, develops, and operates air navigation facilities, develops, and operates the air traffic control system and administers federal grants for the development of public-use airports.

FEDERAL GRANTS – Entitlement funds, determined by a formula according to enplanements at individual airports. The Airport Authority applies for discretionary grants of funds from the FAA through a Letter of Intent (LOI) process. Each LOI represents an intention to obligate funds from future federal budget appropriations. The issuance of a LOI is subject to receipt of Congressional appropriations for grants to airports and does not itself constitute a binding commitment of funds by the FAA. For planning purposes, the amounts in an approved LOI from the FAA are used by the Airport Authority as an estimate of federal discretionary grants to be received.

FISCAL YEAR (FY) – The annual period beginning July 1st and ending June 30th.

FIXED BASE OPERATOR (FBO) – Commercial business, at the Airport, authorized by the Airport Authority to sell aviation fuels and provide other aviation-related services, primarily to General Aviation.

FLIGHT INFORMATION DISPLAY SYSTEM (FIDS) – A computer system used in airports to display flight information to passengers.

FULL-TIME EQUIVALENT (FTE) – Employee working on average at least 30 hours of service per week in a given month.

GENERAL AVIATION – The activities of privately owned aircraft that are not used for commercial purposes, such as the movement of passengers or freight.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – Uniform minimum standards and guidelines for accounting and financial statement reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) – A group that represents public finance officials throughout the United States and Canada to promote excellence in state and local government financial management.

Glossary

INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) – An association that supports aviation with global standards for airline safety, security, efficiency and sustainability.

INNOVATION LAB – A physical and / or virtual space to enable and support Airport-related innovations.

LANDED WEIGHT – Refers to maximum gross certificated landed weight, in one-thousand-pound units, as stated in the airlines' flight operations manual. Landed weight is used to calculate landing fees for both airline and general aviation aircraft operated at the Airport.

LANDING FEES – Revenues from passenger and cargo carriers for commercial aircraft landings at airports.

LAW ENFORCEMENT OFFICERS (LEO) – A public-sector employee whose duties primarily involve the enforcement of laws.

LEGACY CARRIERS – Refer to those airlines that flew interstate routes prior to the Airline Deregulation Act of 1978.

U.S. legacy carriers mainly include American, Delta, United, Alaska and Hawaiian Airlines.

LOCAL BUSINESS ENTERPRISE (LBE) – Locally owned business, which provides goods and / or services to SAN.

LOW-COST CARRIERS – Refer to airlines such as JetBlue, Frontier, Allegiant, Southwest, and Spirit.

MAJOR MAINTENANCE FUND (MMF) – Established to be used to fund Capital Projects in the airfield area, terminal area, common use systems, airline terminal support cost centers, and indirect cost centers.

MAJOR MAINTENANCE PROGRAM (MMP) – Includes projects that are defined as major repairs to existing buildings or structures and does not prolong or extend the estimated useful life of the asset. Major maintenance projects are generally not capitalized and are expensed in the operating budget.

MINIMUM ANNUAL GUARANTEE (MAG) – The minimum annual amount remitted to the Airport Authority by Tenants as consideration for the rights and privileges granted by the Tenant Lease agreement between the Airport Authority and Tenant. The MAG is typically paid as monthly rent and is adjusted upon commencement of each Fiscal Year as specified in the Tenant Lease.

NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) – A United States environmental law that promotes the enhancement of the environment and established the President's Council on Environmental Quality.

NET REVENUE – Generally defined as operating revenue less operating expenses.

PAYMENT CARD INDUSTRY (PCI) COMPLIANCE – the technical and operational standards that businesses follow to secure and protect credit card data provided by cardholders and transmitted through card processing transactions.

POLITICAL REFORM ACT – voter-approved initiative on the 1974 primary election ballot. One of the major provisions of the Act requires the truthful and accurate disclosure of campaign contributions and expenditures during elections.

PROCUREMENT CARD (P-CARD) PROGRAM – A procurement card program assists in making payments to suppliers or merchants.

QUIETER HOME PROGRAM (QHP) – See Residential Sound Attenuation Program.

REAL GROSS DOMESTIC PRODUCT (REAL GDP) – An inflation-adjusted measure that reflects the value of all goods and services produced by an economy each year (expressed in base-year prices).

RECEIVING AND DISTRIBUTION CENTER (RDC) – A central warehouse for the delivery and distribution of goods at an airport. All supplies for the concessions within an airport, as well as Airport Authority supplies, will flow through this center.

Glossary

RENTAL CAR CENTER (RCC) – A facility to house all rental car companies in a single building.

RESIDENTIAL SOUND ATTENUATION PROGRAM – Includes sound attenuation construction at all eligible single-family and multi-family dwellings, with six or fewer units, located in the Year 2000 70 decibels Community Noise Equivalent Contour.

REQUEST FOR PROPOSAL (RFP) – An open request for bids to complete a new project proposed by the company or other organization that issues it.

SAN – Three-letter geocode designated to San Diego International Airport by the International Air Transport Association (IATA).

SDCRAA – San Diego County Regional Airport Authority.

SERVICE-DISABLED VETERAN SMALL BUSINESS (SDVSB) – A business owned and controlled by a veteran with service-connected disability that has been determined by the Department of Veterans Affairs or Department of Defense.

SERVICE LEVEL AGREEMENT – Agreement between the San Diego Port District and the Airport Authority defining the services that the Airport Authority obtains from the Port.

SMALL BUSINESS ENTERPRISE (SBE) – Independently owned and operated for profit US business contributing to US economy, not dominant in national industry and NAICS (North American Industry Classification System) qualifies size standards by industry.

TELEDYNE-RYAN (TDY) – Former Teledyne-Ryan property within the Airport footprint to be used in the SDIA Airport Development Program and Green Build project.

TERMINAL DEVELOPMENT PROGRAM – Planned series of various terminal and airfield improvements essential to accommodating the growing passengers' demands at SAN.

TRANSPORTATION NETWORK COMPANY (TNC) – Connects paying passengers with drivers who provide the transportation on their own non-commercial vehicles.

TRANSPORTATION SECURITY ADMINISTRATION (TSA) – An agency of the U.S. Department of Homeland Security that has authority over the security of the traveling public in the United States.



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