

portals

SAN DIEGO INTERNATIONAL AIRPORT **2012 ANNUAL REPORT**

portals

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The View from 10,000 Feet

A message from the Board Chair & President/CEO

Looking out an airplane window is an incredible opportunity. While you're safely ensconced in the plane, you can see an entirely different world unfolding in front of you. Airplane windows link two worlds and, for a brief moment, allow you to glimpse something new. Of course, it's not just airplane windows that have the ability—all portals do.

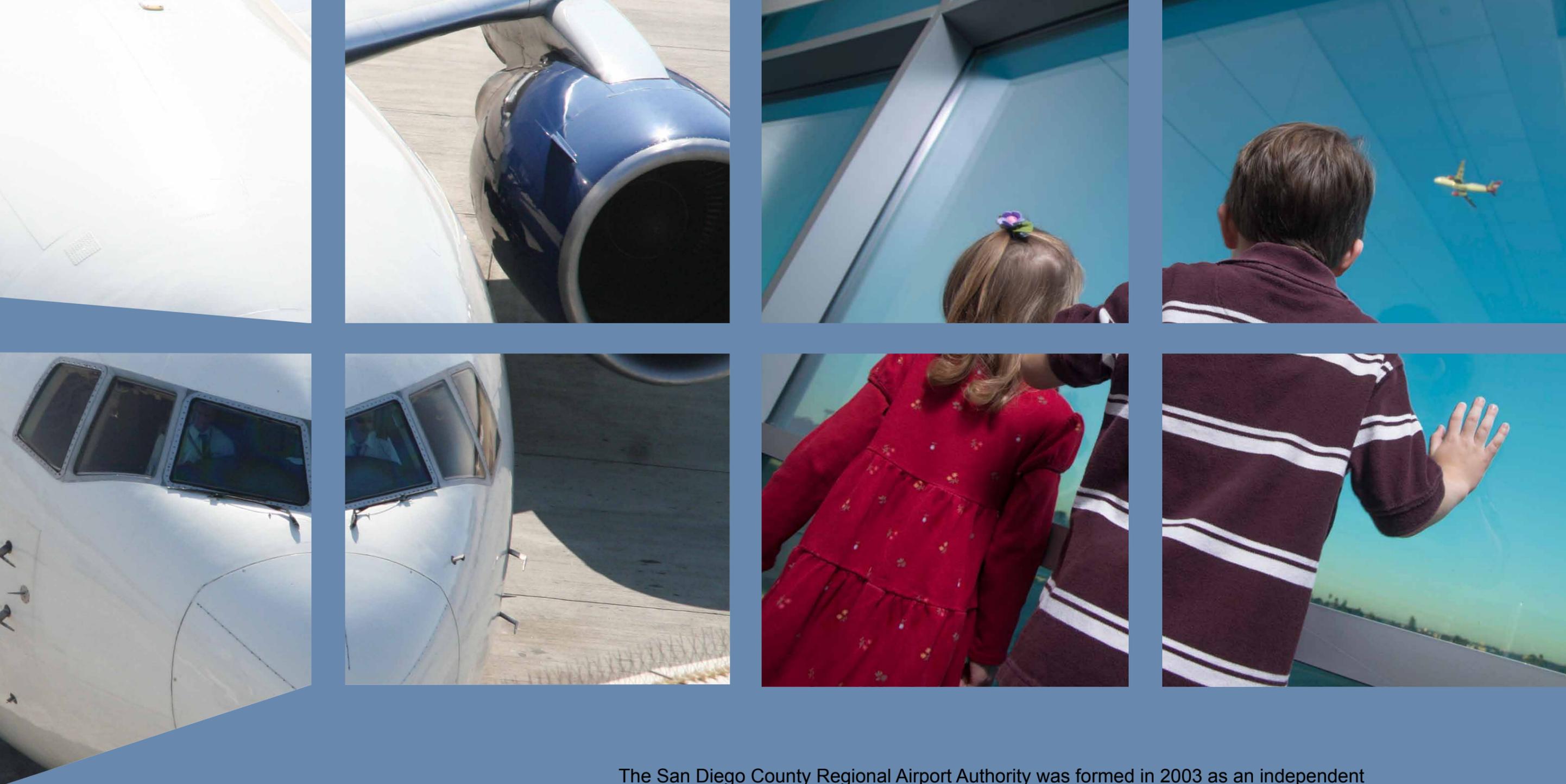
San Diego International Airport has many portals, which means that there are many opportunities to view the work that goes on behind the scenes. Look through a different window and you'll get yet another story. Whether the portal reveals how we attract new route service or how we strive to be a good neighbor, what they each have in common is that they all share what the Airport Authority is doing to achieve the highest levels of customer satisfaction.

The Airport Authority is guided by its vision, to master the art of airports. This vision frames our every action and encourages us to maximize effort in all of our duties. Ultimately, mastering the art of airports means creating the best possible experience for our customers. Their needs guide our actions, and their responses define our successes. More than 17 million passengers traveled through San Diego International Airport in 2012, and we worked diligently to give each of those travelers a thoughtful and positive experience. To see just how much work goes into the passenger experience, we invite you to look through the following portals. You just might get a glimpse of something unexpected.



Robert H. Gleason, Board Chair
Thella F. Bowens, President/CEO





Guiding Vision

Mission and Strategies

The San Diego County Regional Airport Authority was formed in 2003 as an independent agency tasked with managing the airport's daily operations and addressing the region's long-term air transportation requirements. An appointed board comprised of nine voting and three ex-officio members govern the Airport Authority.

The Airport Authority's three primary responsibilities are to:

- 1. Operate San Diego International Airport**
- 2. Plan for the future air transportation needs of the region**
- 3. Serve as the region's Airport Land Use Commission**



MISSION

We will plan for and provide air transportation services to the region with safe, effective facilities that exceed customer expectations. We are committed to operating San Diego's air transportation gateway in a manner that promotes the region's prosperity and protects its quality of life.

VISION

Mastering the Art of Airports



VALUES

- We recognize the needs of our customers come first
- We pursue excellence in all our business processes
- We conduct our affairs with honesty and integrity
- We provide a safe, secure, quality-oriented, highly efficient environment
- We foster an informed, productive, diverse, enthusiastic work force
- We believe that continuous learning and personal involvement are job responsibilities
- We believe that everyone counts and we count on everyone

STRATEGIES

- **COMMUNITY STRATEGY**
Be a trusted and highly responsive regional agency
- **CUSTOMER STRATEGY**
Achieve the highest level of internal and external customer satisfaction
- **EMPLOYEE STRATEGY**
Ensure the highest level of employee satisfaction
- **FINANCIAL STRATEGY**
Enhance the financial position of the Airport Authority
- **OPERATIONS STRATEGY**
Operate our airport in a safe, secure, environmentally sound, effective, and efficient manner

New Skylights

New Routes Bring Us Closer





For the Airport Authority, garnering more flight options for the San Diego region is an essential component in providing excellent customer service. Whether it's working with a new airline to have them serve San Diego for the first time or convincing a current airline partner to expand its service at the airport, Airport Authority staff constantly engages airlines, working relentlessly to enhance the airport's flight schedule.





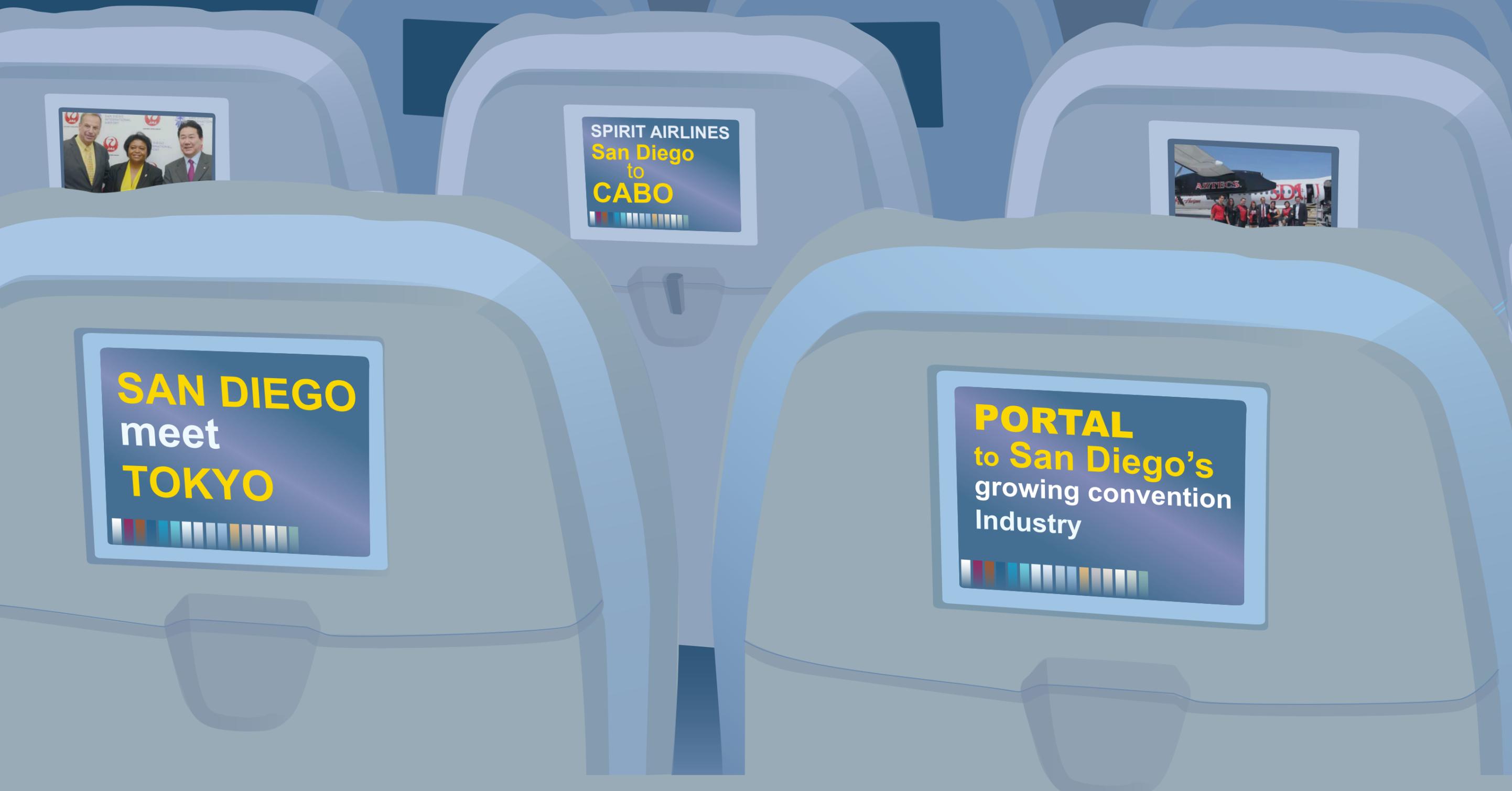


In 2012, existing airline partners expanded service to offer several new destinations, and San Diego International Airport even welcomed a new airline.

Spirit Airlines grew its presence at San Diego International Airport by beginning nonstop service to Dallas Ft. Worth; Portland, and Los Cabos, Mexico.

Alaska Airlines began service between San Diego and three California destinations: Fresno, Monterey and Santa Rosa.

In June, **US Airways** began nonstop service between San Diego and Washington Reagan in Washington, DC. Previously, San Diego was the largest market in the nation without service to the capital's airport.



In September, **Frontier Airlines** expanded service to San Diego by offering nonstop flights to Colorado Springs, Colorado.

In October, **Alaska Airlines** began nonstop service to Orlando, Florida. Before this route, Orlando was San Diego's largest unserved market.

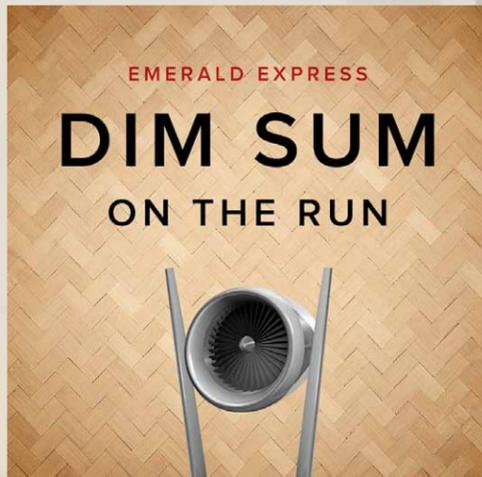
In December, **Japan Airlines** launched highly anticipated nonstop service between San Diego and Tokyo. This is San Diego's first nonstop service to Asia.

In all, 2012 saw the arrival of 10 new routes from San Diego International Airport—and a multitude of new adventures for passengers.

Window Shopping

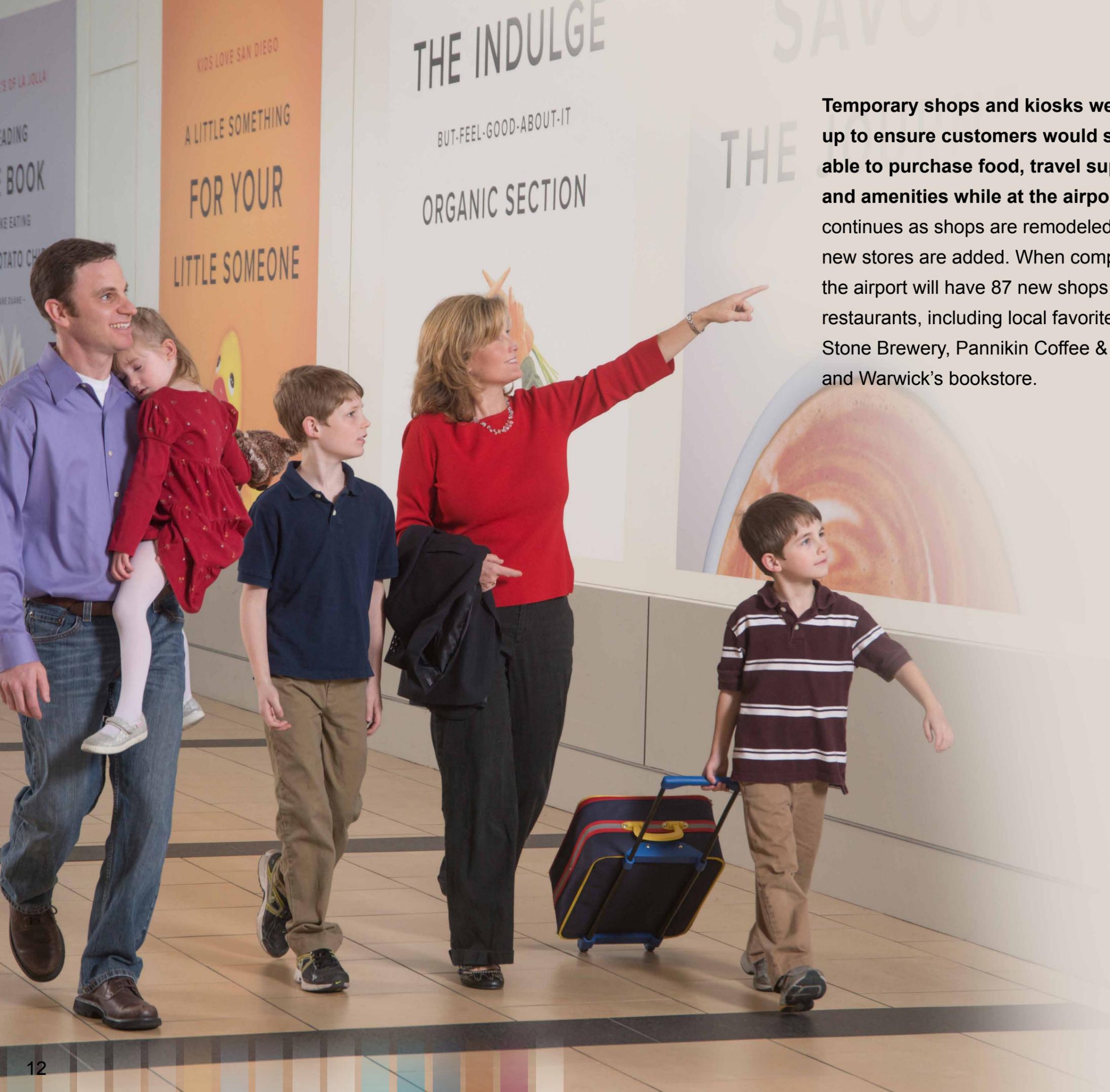
A Taste of What's to Come



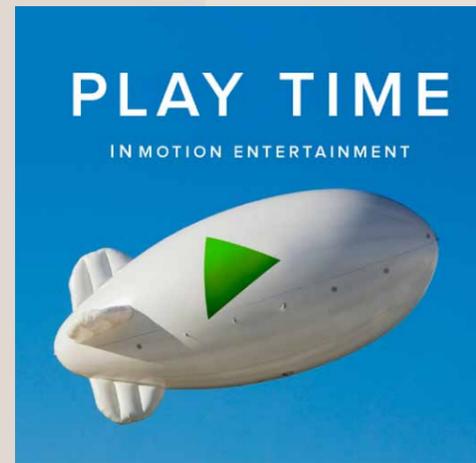
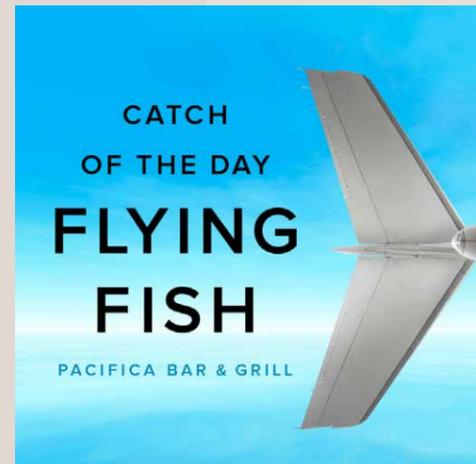
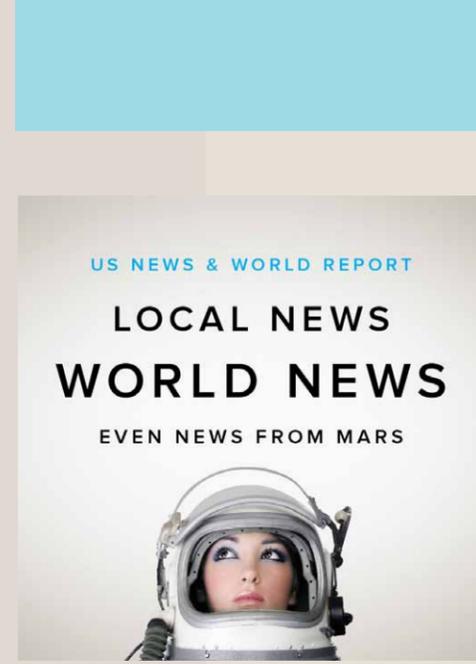


The job seemed almost unachievable: in one night, close down all the shops and restaurants in the entire airport and open the next morning with brand-new concessions, ready to serve passengers. Yet this is precisely what happened. On the night of November 30, 2012, the Airport Authority managed the largest one-night concession changeover that any airport has ever attempted.



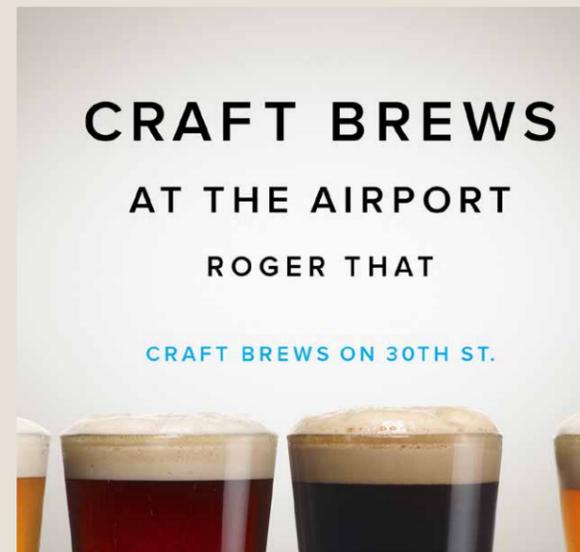


Temporary shops and kiosks were set up to ensure customers would still be able to purchase food, travel supplies and amenities while at the airport. Work continues as shops are remodeled and new stores are added. When complete, the airport will have 87 new shops and restaurants, including local favorites like Stone Brewery, Pannikin Coffee & Tea and Warwick's bookstore.





A program this large takes time to implement, so while construction is under way, the Airport Authority has blanketed the airport with lively wall wraps that provide a glimpse of what's to come. **Clever and lighthearted, the campaign helps passengers envision all of the amenities that will soon be available.**



A Window to the Future

Development at San Diego International Airport





In order to achieve the highest levels of customer satisfaction, an airport must continually innovate. The Airport Authority is in the final stages of The Green Build Terminal 2 expansion program, and is already hard at work on additional initiatives that will benefit its customers.

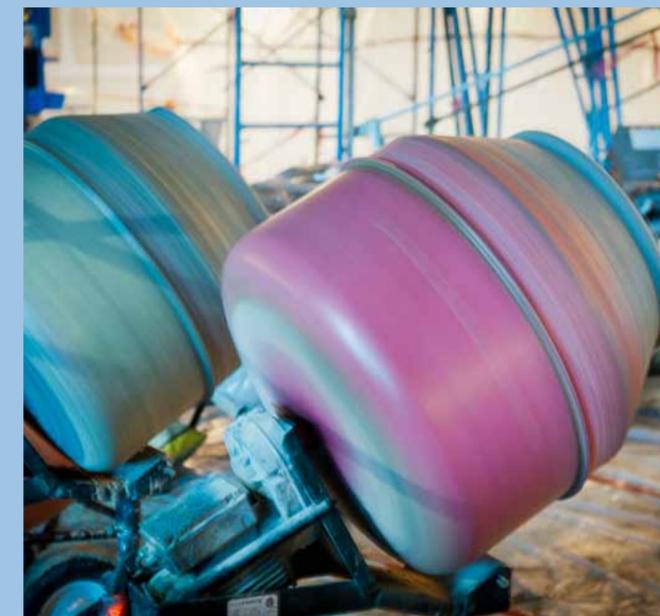
THE GREEN BUILD: This 10-gate, 460,000-square-foot expansion of Terminal 2 West is the largest project in the history of San Diego International Airport. The improvements include a dual-level roadway to separate arriving



and departing passengers, additional security check-in lanes, comfortable waiting areas at the gates, more shopping and dining options and expanded aircraft parking. Construction on The Green Build project remains on schedule and within budget.

The Green Build hit several important milestones during 2012. In April, the project reached its 50 percent completion mark. In June, the final piece of glass was installed in the two-and-a-half story windows of Sunset Cove, the light-filled and spacious new concession area.





In July, much of the short-term parking lot in front of Terminal 2—which had been relocated for 15 months as part of The Green Build construction—reopened, providing more convenient parking for travelers. Work continues on drywall, baggage systems, flooring and other finishes, and The Green Build is on schedule to finish in summer 2013.

The Airport Authority and its construction teams reached peak construction on The Green Build in 2012, bringing 1,000 workers on site on any given day. To date, nearly 6,000 workers have had a role in the project. Keeping money and jobs in San Diego was a top priority during construction, and it shows: The small



business outreach program maximized participation of local and small businesses in project bidding and awards, with \$426.3 million in packages awarded. A total of 88 percent of those packages have gone to local businesses, and 25 percent have gone to small businesses.



NORTH SIDE DEVELOPMENT: The Airport Authority is also embarking upon a series of developments on the north side of the airfield. In November 2012, the airport's new Receiving and Distribution Center opened. The 21,000 square-foot center is the airport's sole delivery location for food, beverage, retail and other goods, and helps reduce traffic on surrounding roadways by centralizing all truck deliveries. Additional improvement projects on the north side will include a consolidated rental car facility, a new fixed base operator for general aviation aircraft and roadway improvements.

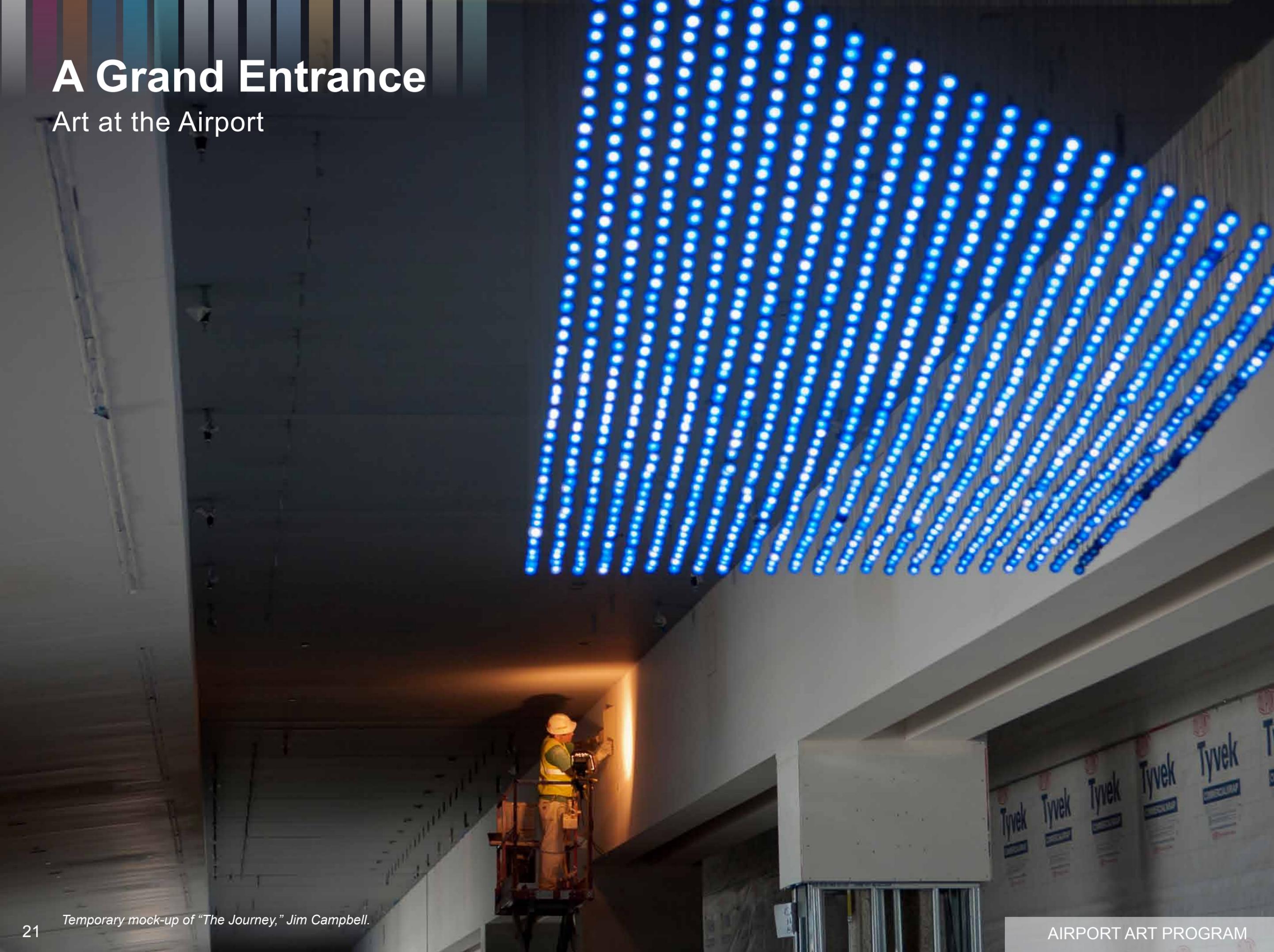


AIRPORT DEVELOPMENT PLAN: The Airport Authority recently began the process of identifying the next phase of improvements that will enable San Diego International Airport to meet demand through 2035. This planning update is known as the Airport Development Plan (ADP). While The Green Build expansion was developed to add customer conveniences in the short term, the Airport Development Plan focuses on plans for the long term. The Airport Authority began work on the ADP in 2012 and the process (including environmental review) is expected to take four years.

The Airport Authority has much to accomplish in the next few years, but with hard work and a passion for delivering the best customer service, the future looks bright for San Diego International Airport.

A Grand Entrance

Art at the Airport



Temporary mock-up of "The Journey," Jim Campbell.



Art is an integral part of San Diego International Airport. It is another way passengers can enjoy the airport, and is an essential component in furthering the customer experience. To that end, the Airport Authority is integrating art into The Green Build Terminal 2 expansion. So while construction crews are hard at work on the terminal's infrastructure, artists are hard at work

Giant aluminum kelp grace the Terminal 2 East departure pavilion.



on interior and exterior art installations, ensuring that the customer's airport experience is an energizing one. **From the dynamic 700-foot-long light ribbon ("The Journey," Jim Campbell) to an enormous rain cloud inside Sunset Cove ("Cloud Taxonomy," Stuart Keeler), the completion of The Green Build will be eye-opening in more ways than one.**

Conceptual rendering of "The Journey," as seen from the entrance of Sunset Cove



In a further effort to entertain and inspire passengers, the Airport Authority also hosts an extensive cycle of live musical concerts as well as a wide array of exhibits throughout the terminals. These performances and installations offer a glimpse of the region's culture, whether through a Peruvian flash mob or an exhibit depicting San Diego's rich tradition of tuna fishing. It is through providing these tastes of local life that the Airport Authority hopes that passengers will enhance their vision of what San Diego really is.



Terminal 2 corridor wall featuring "Tuna! Celebrating San Diego's Famous Fishing Industry"

An Open Window

Public Outreach





The Airport Authority's neighbors are airport customers as well.

They are directly impacted by airport operations and the Airport Authority works hard to help ensure that the local environment is a pleasant one.

In order to foster broader understanding of the benefits an airport brings to a community, the Airport Authority has a multifaceted education program that reaches groups from elementary school through adulthood. **For children, the Airport Authority hosts an annual aviation-themed YMCA Camp and**



has created a mini-airport in Junior Achievement's BizTown. The Airport Authority works in collaboration with Reality Changers to encourage high-school level students to attend college. For adults, the Airport Authority representatives regularly visit with local organizations, elected officials and industry groups in order to keep them informed about airport initiatives. **Finally, the Airport Authority hosts public tours for adults and children alike, encouraging its neighbors to know more about aviation at any age.**



OUTREACH does not stop at education. The Airport Authority understands that many of the community's windows face the airport, and while these windows take in beautiful views of aviation, they can also take in the noise that comes with aircraft flight. To help minimize the airport's effect on its neighbors, the Airport Authority utilizes its Quieter Home Program to provide free sound attenuation to area homes that are in the airport's noise contour area.

In 2012, the Quieter Home Program celebrated attenuation of its 2,000th home. This major milestone was highlighted with a neighborhood barbeque for the contractors, staff and residents who have participated in the program.



Bay Window

A Unique Natural Environment



Driven by a deep respect for the airport's bayfront location, the Airport Authority is wholeheartedly committed to environmental stewardship around the airport. Passengers may not always see the work that goes on behind the scenes, but it is embedded in the Authority's construction, maintenance and planning efforts. There were several achievements reached in 2012.



The Airport Authority received a Leadership in Energy and Environmental Design (LEED) Gold certification from the US Green Building Council. The Airport Authority achieved Gold rating in the LEED for Existing Buildings; Operations and Maintenance (LEED EB) for the renovation of its maintenance facility. This award is the first LEED certification the Airport Authority has received, and the maintenance facility is also the airport's first Energy-Star rated building.





San Diego International Airport also saw another successful nesting season for the California Least Tern.

The small bird, a federally endangered species, makes the airfield its breeding grounds between April and September. The Airport Authority works closely with US Fish and Wildlife Service to protect the birds as they nest and feed at the airport. In 2012, there were 130 least tern nests on airport property.





In an ongoing effort to prevent discharge of polluted storm water into the surrounding environment and San Diego Bay, the Airport Authority continues to implement a comprehensive Storm Water Management Plan. On the whole, the plan effectively prevents, minimizes, and eliminates impacts from the airport on the water quality of the bay. In 2012, this rigorous plan prevented 263.3 tons of waste from entering our waterways.





And in an effort to reduce greenhouse gas emissions, the Airport Authority entered into a unique public-private partnership with the California Center for Sustainable Energy, Mossy Toyota, taxi operators and the San Diego Metropolitan Transit System to bring the first green taxis to San Diego International Airport and the region. The airport's Green Taxi Program provides incentives to taxi companies to switch to cleaner, more fuel-efficient taxis. Since the start of the program, more than 30 percent of the airport's taxi fleet has switched to hybrids, saving taxi operators more than \$12,000 a year in fuel costs and providing a 64 percent reduction in greenhouse gas emissions over a typical taxi vehicle. The airport is also committed to converting all airport taxis and shuttles to electric or clean-burning alternative fuels by 2017.

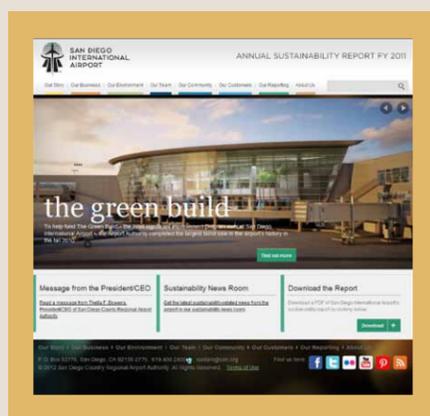




Finally, the Airport Authority released its first sustainability report. In addition to the more traditional environmental topics, the sustainability report covers issues that relate to the community and sustainable business practices—everything from wildlife management to customer service initiatives. The comprehensive report

Annual Sustainability Report

<http://sustain.san.org>



complies with the rigorous international standards of the Global Reporting Initiative, and San Diego International Airport is the first airport in the country to issue such a report.

These achievements, in addition to the countless efforts made on a daily basis, ensure that the airport and its unique natural environment are around for generations of passengers.

Reflections

2012 Business Highlights



January 10

The Airport Authority achieves LEED Gold Certification on its remodel of the Facilities Maintenance Department building. It is the Airport Authority's first LEED rating.

February 15

The Airport Authority and Japan Airlines announce the first ever nonstop route between San Diego and Asia.

February 16

Landmark Aviation is awarded the lease to design, build and operate the new general aviation facility at San Diego International Airport. The new fixed-base operator building is scheduled to open in 2014.

March 1

The Airport Authority is awarded the statewide Region 9 Outstanding Energy Project Award from the American Society of Civil Engineers for its successful installation of energy-efficient airfield signage, taxiway lights and runway guard lights.

May 31

In a red and black celebration, Alaska Airlines unveils its "Aztec 1" plane, a Bombardier Q400 turboprop plane emblazoned with the San Diego State University logos.

June 4

Alaska Airlines begins service from San Diego to three intra-California destinations: Fresno, Monterey and Santa Rosa/Sonoma.

June 14

The Airport Authority receives two first-place wins and a second-place finish at the Airports Council International-North America (ACI-NA) Marketing and Communications Conference. The Airport Authority was recognized in the categories of Creative Innovations-Promotional Items, Public Relations Campaigns and Airport Aviation and Education Programs.

June 19

The Airport Authority hosts a media event to view The Green Build's spectacular glass architectural feature, Sunset Cove. As several local outlets watch construction workers install the final piece of glass on the centerpiece of The Green Build Terminal 2 expansion.

Reflections

2012 Business Highlights



June 21

Spirit Airlines inaugurates service between San Diego and Dallas Ft. Worth, Texas, providing additional service to the more than 270,000 passengers who fly the route annually.

June 26

The Airport Authority launches its first comprehensive sustainability report. The report complies with the rigorous international standards of the Global Reporting Initiative, and San Diego International Airport is the first airport in the country to issue such a report.

July 12

US Airways celebrates its new air service to Washington Reagan National Airport with a ribbon-cutting and reception. Prior to the commencement of service, San Diego was the largest market in the nation without nonstop service to Washington National.

July 26

The airport's Quieter Home Program celebrates a major milestone: the renovation of its 2,000th home.

July 27

The short-term parking lot in front of Terminal 2 – which had been relocated for 15 months as part of The Green Build construction – reopens to airport visitors.

July 31

San Diego International Airport launches Customs and Border Protection program Global Entry. Now, frequent international travelers enrolled in Global Entry can bypass passport and baggage control lines by using an automated self-service kiosk.

September 18

Frontier Airlines launches nonstop service between San Diego and Colorado Springs, Colorado.

October 12

Alaska Airlines begins nonstop service between San Diego and Orlando, Florida. Until this route, Orlando was San Diego's largest unserved market.

October 23

San Diego International Airport, in conjunction with the California Center for Sustainable Energy, wins an Environmental Excellence Award from the Industrial Environmental Association. The organizations are honored for their work on the "Green Taxi Initiative" at the airport.

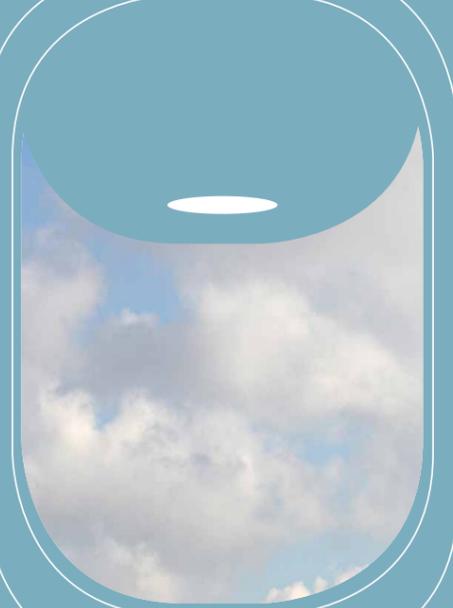
Reflections

2012 Business Highlights



NEW
SHOPPING
AND DINING
TAKE
FLIGHT
@SAN

**IN
WITH
THE
NEW
2013**



October 24

The Airport Authority receives the 19th Annual Achievement of Excellence in Procurement Award for 2012 from the National Procurement Institute. It is the Airport Authority's third consecutive time receiving the award.

November 8

Spirit Airlines launches nonstop service to both Portland, Oregon, and Los Cabos, Mexico.

November 14

The Airport Authority opens the doors of its new Receiving and Distribution Center, which consolidates goods coming into the airport, making the process more efficient and environmentally friendly.

December 1

The airport begins its Concession Development Plan, which when complete, will provide travelers with 87 new shopping and dining options.

December 2

San Diego International Airport launches historic nonstop service between San Diego and Tokyo.

The Japan Airlines route is San Diego's first nonstop flight to Asia.

December 10

The airport celebrates the opening of its first duty-free store. The new store, located in Terminal 2 East, sells tax-free luxury goods to international travelers.

December 21

For the fifth consecutive year, the Airport Authority offers free gift wrapping for travelers coming through San Diego International Airport.

2012 Board and Executive Management

Airport Authority Board

Executive Committee

Robert H. Gleason (Chair)
Tom Smisek (Vice Chair)
Greg Cox, San Diego County Supervisor

Appointing Authority

Mayor, City of San Diego
South County area mayors
San Diego County Board of Supervisors

General Members

Bruce R. Boland (ret.)
Jim Desmond, City of San Marcos Mayor
Lloyd B. Hubbs
Jim Panknin
Paul Robinson
Anthony Young, San Diego City Council President

Mayor, City of San Diego
North Inland area mayors
North Coastal area mayors
East County area mayors
Governor, State of California
Mayor, City of San Diego

Ex-Officio Members

Laurie Berman
Colonel Frank A. Richie
Pedro Reyes

Representative Authority

California Department of Transportation, District 11
United States Navy
California Department of Finance

Executive Staff

Thella F. Bowens, President/CEO
Brent Buma, Vice President, Marketing & Communications
Bryan Enarson, Vice President, Development
Vernon D. Evans, Vice President, CFO/Treasurer, Finance
Matt Harris, Senior Director, Executive Office
Jeffrey Lindeman, Senior Director, Organizational Performance & Development
Angela Shafer-Payne, Vice President, Planning and Operations
Jeffrey Woodson, Vice President, Administration

Mark Burchyett, Chief Auditor
Breton K. Lobner, General Counsel

Thank you

to the many people who contributed to this year's interactive annual report.

Featured Photographers:

Bill Sandke

Crown City Photographers

Children at window (pg. 2)

Family at window (pg. 3)

Family by wall ads (pgs. 10, 12)

Children at airport's YMCA Camp (pg. 26)

JAL Inaugural transitions (pg. 37)

Family by window (pg. 39)

Joel Zwink

Quiter Home Program (pg 28)



Frank Rogozienski

Cover image

Skylight window (pg. Table of Contents)

Airport employees (pg. 3)

Friends meet curbside (pgs. 5, 6, 8, 39)

Couple on airplane ramp (pg. 6)

Airport reflections (pgs. 6, 38, 39, 42)

Passengers boarding (pg. 7)

Terminal 2 windows and baggage claim area (pg. 8)

Construction images (pgs. 14 – 18, 20)

Movie covers (pgs. 16, 23, 34)

Flash mob performance (pg. 24)

Terminal 2 parking (pgs. test, 36)

Mark Hopkins

Receiving and Distribution Center (pgs. 19, 29, 30)



Thank you

to the many people who contributed to this year's interactive annual report.

Employee & Volunteer Photographers

Daisy Nehl

Concessions installation (pg. 11)

Eric Van Pelt

Window installation (pgs. 25, 28)

Sound testing (pg. 28)

Thella Bowens at Quieter Home Program

2,000th Home Celebration (2nd transition pg. 36)

Rebecca Bloomfield

Facilities Management (lower right pg. 30)

Alaska Airlines "Aztec 1" plane (pg. 35)

US. Airways Washington National Inaugural (pg. 36)

Spirit Airlines CABO Inaugural (pg. 37)



Roy Ang

Curbside baggage handler (pg. 4)

Passengers boarding airplane (pg. 6)

BizTown (slides 2 & 4, pg. 27)

Storm water testing (full page; upper right images, pg. 32)

Commuter Terminal, airplane, passengers and city scape (pg. 39)

Sharon Gonzales

Test movie cover (pg. Test)

Airplane (pg. 2, 8)

Passenger by FID screens (pg. 4)

Window reflection (pg. 4)

Terminal 2 East departure pavilion (pg. 22)

Tuna! Celebrating San Diego's Famous

Fishing Industry art exhibit (pg. 24)

Airport tour (pg. 27)

BizTown (slides 1 & 3, pg. 27)

Facilities Management building (transition and lower left image, pg. 30)

Storm water testing (lower right images, pg. 32)

Terminal 2 window (pg. 34)

Dreamliner 787 (pg. 35)

Runway lights (pg. 35)

Children with balloon (pg. 36)

Airplane takeoff (pg. 36)

Duty Free Store (pg. 37)

Background image (pg. 39)

Construction workers (pg. 39)

Stephanie Nowinski

Green taxi images (pg. 33)

Thank you

to the many people who contributed to this year's interactive annual report.

Volunteer Employee Models

Airplane passengers (pg. 7, 39):

Cheryl Brown, Peggy Cooper, Mary De Felice, Dan Frazee, Jon Graves, Garret Hollarn, Ryan Hall, Cynthia Hawthorne, Katie Jones, Vatana Kang, Mike Kulis, Judy McSweeney, Mary McCoy, Michelle McGowan, Daisy Nehl, Dominique Sheck, Steve Shultz, Ann Tamashiro, Lynda Tamura, Susanna Peredo, Tony Russell, Joan Ward, Isabel Wiseman

Couple boarding plane (pg. 6):

Jon Graves, Susanna Peredo

Friends meeting curbside at Terminal 2: (pgs. 5, 6, 8, 39):

Jill Geboy, Melissa Huapaya, Daisy Nehl, Stephanie Nowinski

Children at window (pg. 2, 39):

Gannon and Lila Kaminetz



Family at window (pgs. 3):

Lee & Lila Kaminetz with children, Cass, Eagan & Gannon

Family walking by wall ads (pgs. 10, 12, 13):

Lee & Lila Kaminetz with children, Cass, Eagan & Gannon



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Featured Movies:

Channel 7 News

Japan Airlines' Inaugural Event (pg. 9)

Channel 10 News

Quieter Home Program 2,000th Home Celebration (pg. 28)

KUSI News

The Greening of Lindbergh Field (pg. 34)



Stephanie Nowinski

Test movie (pg. Test)

Concession Development Program:
Barricade Wall Wraps (pg. 13)

Concession Development Program:
Receiving and Distribution Center
Ribbon-cutting (pg. 19)

Stephanie Nowinski with Sharon Gonzales

Portal to San Diego's Growing
Convention Industry (pg. 9)

Wayne Smith Studios

Spirit Airlines: San Diego to Cabo (pg. 9)
Terminal 2 West Pedestrian Bridge
Installation (pg. 16)

Courtesy of **Carlos Gonzales,
California Peruvian Center**

Peruvian Flash Mob Event (pg. 24)

White Light, Incorporated

"The Journey" (pg. 23)



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to the many people who contributed to this year's interactive annual report.

Other

Katie Jones

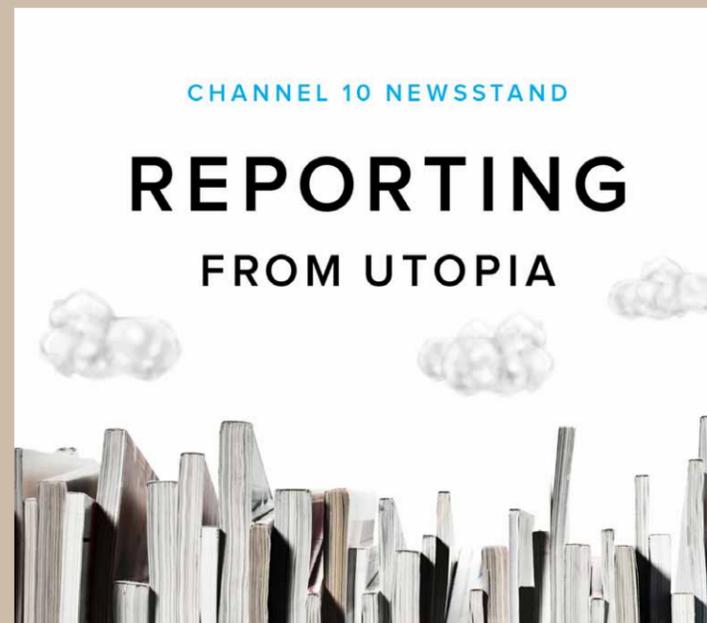
Author

Sharon Gonzales

Designer

REACH A NEW
CRUISING
ATTITUDE

RYAN BROS. COFFEE



Greenhaus Marketing

Concession development wall ads
(pg. 11, 12, 13, 37, 39)

HNTB

Illustration of "The Journey" (pg 23)

Sharon Gonzales

Design of "2012 Financial Report" (pg 39)