

Revised 05/08/2025

Special Board Meeting Agenda

**Thursday, May 15, 2025
9:00 AM**

San Diego County Regional Airport Authority
Administration Building
First Floor – Board Room
2417 McCain Road
San Diego, California 92101

Board Members

Gil Cabrera (Chair)
James Sly (Vice-Chair)
Whitney Benzian
Lidia S. Martinez
Monica Montgomery Steppe
Rafael Perez
Esther C. Sanchez
Steve Vaus
Marni von Wilpert

Ex-Officio Board Members

Ann Fox
Col. R. Eric Herrmann
Michele Perrault

President/CEO

Kimberly J. Becker

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. **Please note that agenda items may be taken out of order.** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Board Services and are available for public inspection.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Board Services/Authority Clerk Department.

PLEASE COMPLETE A SPEAKER SLIP PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. **PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.**

The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Board Services /Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.

Special Board Meeting Agenda

Thursday, May 15, 2025

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CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

BUDGET WORKSHOP:

1. **DISCUSSION REGARDING THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FISCAL YEAR 2026 PROPOSED BUDGET AND FISCAL YEAR 2027 PROPOSED CONCEPTUAL BUDGET:**
RECOMMENDATION: Discuss the Fiscal Year 2026 Proposed Budget and Fiscal Year 2027 Proposed Conceptual Budget.
(Finance & Risk Management: John Dillon, Director; Maya Dayan, Director, Capital Financial Planning and Airline Relations)

CLOSED SESSION:

2. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9
Number of potential cases: 1

REPORT ON CLOSED SESSION:

BOARD COMMENT:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall submit a speaker slip to the Clerk prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to submit a speaker slip shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.

After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2550 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Commission meeting, parking is available in the Airport Administration Building Parking Lot (entrance on the east side of McCain Road). Visitors can park in the lot from 8:00 a.m. to 5:00 p.m.

You may also reach the SDCRAA Building by using public transit via the San Diego MTS System, Route 923. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

Revised 05/15/2025

San Diego County Regional Airport Authority FY 2026 Proposed Budget & FY 2027 Proposed Conceptual Budget

Budget Workshop

May 15, 2025



Agenda

1. Strategic Plan
2. Economic, Industry, and Credit Overview
3. Budget Process
4. Budget Overview
 - Revenue
 - Expenses
5. Budget Summary
6. Capital Program Budget
7. Plan of Finance FY 2025-2030
8. Conclusion





Strategic Plan

Strategic Plan - Focus Areas



Advance Airport
Development



Transform the
Customer Experience



Optimize Ongoing
Business



Cultivate the Culture

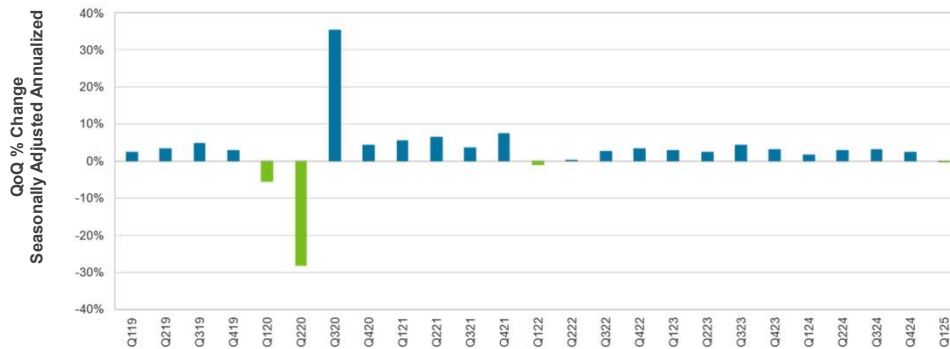


Economic, Industry, and Credit Overview

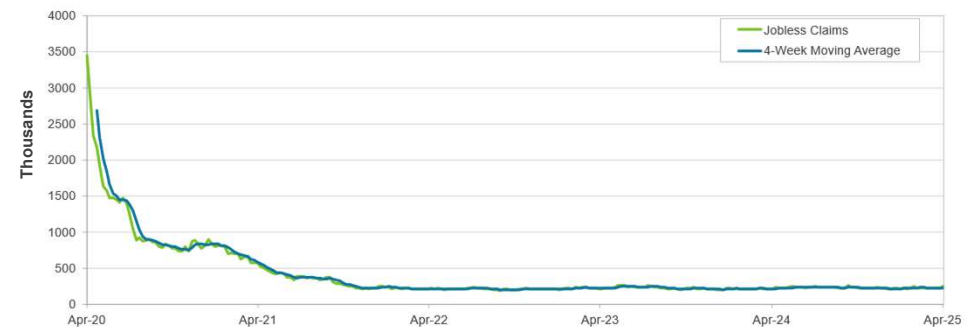
US Economy - GDP & Unemployment

- Main economic indicators:
 - 1st Quarter of 2025 U.S. GDP decreased at an annual rate of 0.3%
 - As of March 2025, U.S. unemployment rate increased to 5.3% compared to 5.2% last year
 - As of March 2025, SD unemployment rate increased to 4.2% compared to 4.1% last year

U.S. Gross Domestic Product



U.S. Unemployment Rates



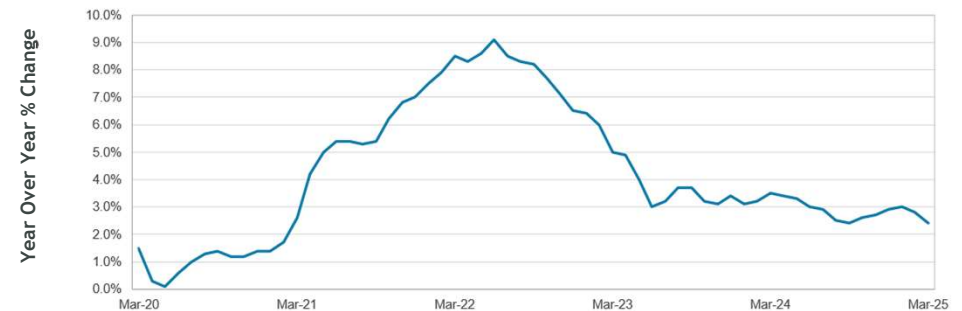
US Economy - Index & Inflation

- Calendar 2025 equity markets decreased:
 - DJIA: 3.3%
 - S&P 500: 4.3%
- Inflation:
 - CPI for all items 2.4% YoY in March 2025
 - CPI for Los Angeles/Anaheim 3.0% in March 2025

Dow Jones Industrial Avg. and S&P 500 Indices



Consumer Price Index



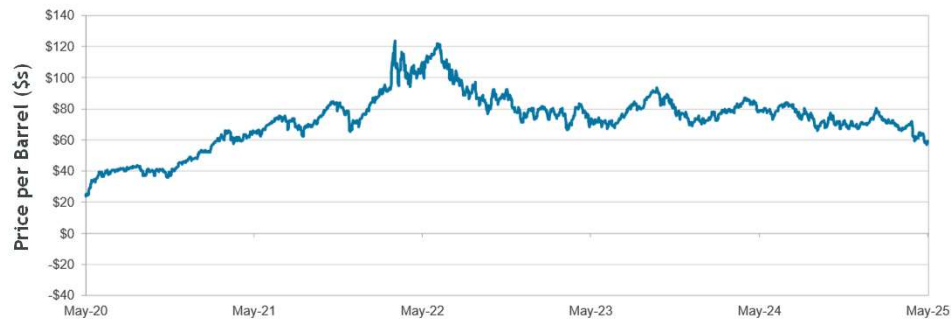
US Economy - CPI and GDP Forecasts

	Actual	Projections	
YoY	2024	2025	2026
Real GDP	2.80%	1.80%	1.90%
CPI	3.00%	3.00%	2.70%

Oil Prices & Interest Rates

- Current oil price trades in the \$58.07+/- range per barrel, below its 12-month average of \$72.19
- In May 2025, Treasury yields have declined 52 basis points on 5-year Treasury and declined 46 basis points on 2-year Treasury.

WTI Crude Oil Price (Per Barrel)



U.S. Treasury Yields



Rating Agencies: U.S. Airport Outlook

Moody's – Negative/Fitch-Neutral

Key Drivers:

- Passenger traffic will decline modestly in 2025 due to a deceleration in economic growth
- Airlines will reduce capacity growth due to lower demand in domestic leisure market
- Tariffs and trade tensions will curtail leisure and business travel
- Airports' financial strength provide a buffer to withstand the sector's 2025 challenges

SDCRAA Credits

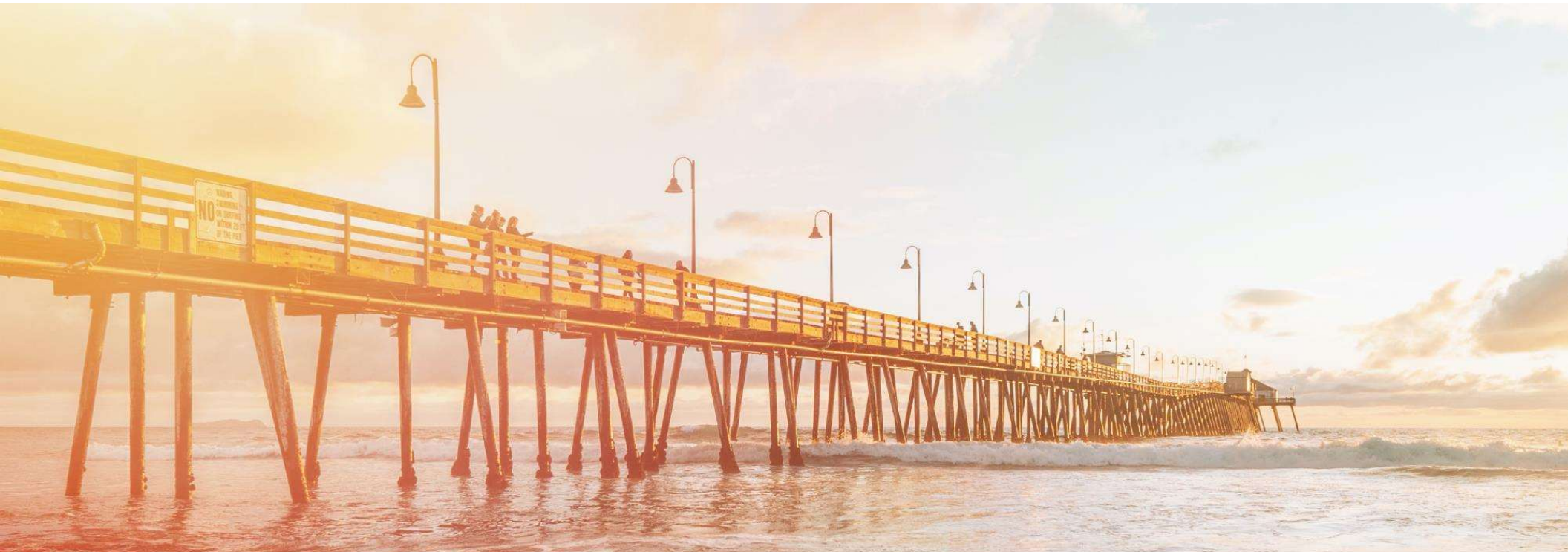
Fitch:

AA- Senior and A+ Subordinate ratings with a Stable outlook

Moody's:

Aa3 Senior and A1 Subordinate ratings with a Positive outlook; and,

A3 rating for CFC special facility bonds with a Stable outlook



Budget Process

Budget Process



Expense Budget

- Review current expenses
- Discuss future needs
- Consider alternative methods and solutions
- Identify risks and opportunities



Revenue Budget

- Review current non-airline revenue trends
- Forecast future enplanements and landed weight growth
- Meet with internal business partners to evaluate future trends
- Review expense budget, amortization, and debt service allocations to calculate airlines rates, fees, and charges



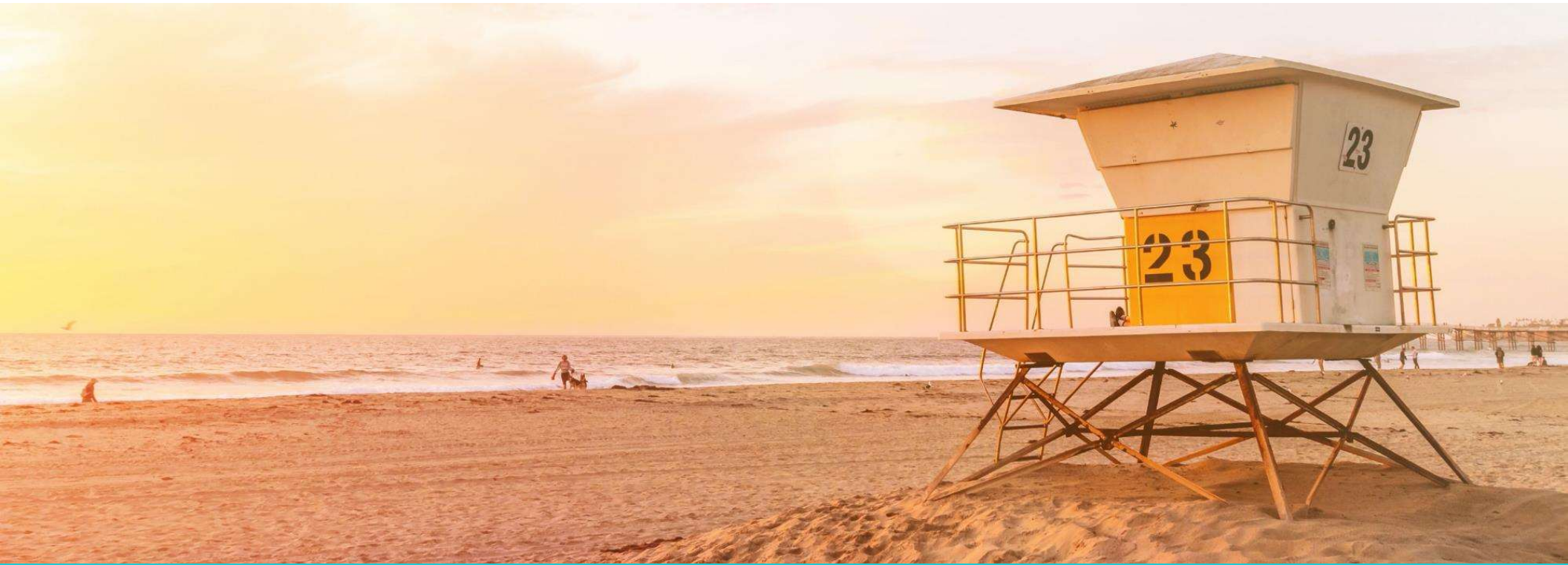
Capital Budget

- Annual validation of current CIP
- Planning for future needs (new CIP projects)
- Project cost estimation and evaluation of funding sources
- Business Case analysis



Financial Metrics Review

- Cost per Enplaned Passenger (CPE)
- Debt Service Coverage
- Debt per Enplaned Passenger
- Net Debt/CFADS
- Days Cash on Hand (DCOH)

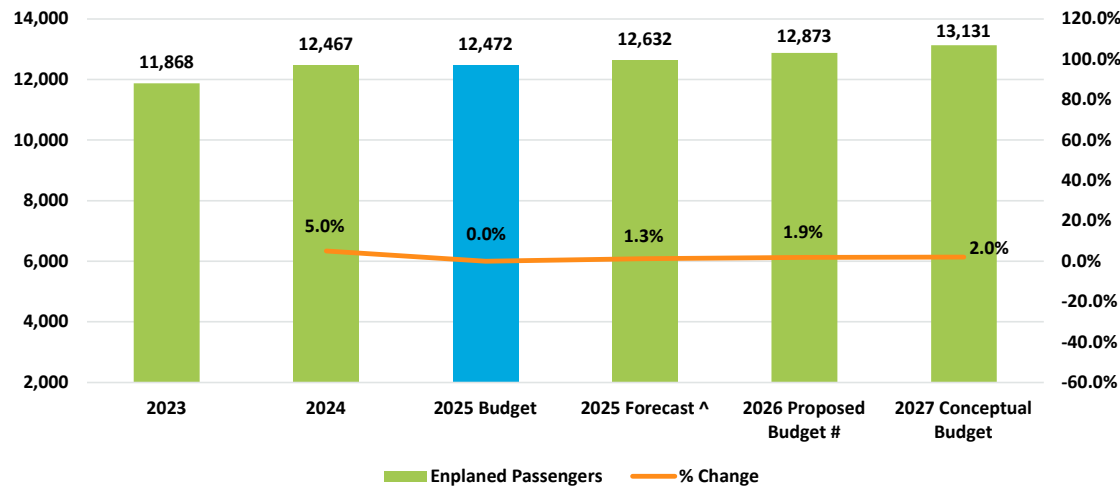


Revenue Budget Overview

Annual Enplaned Passenger Traffic

- FY 2026 Proposed Budget of 12.9M, 1.9% increase vs. FY 2025 Forecast of 12.6M and 3.2 % increase vs. FY 25 Budget of 12.5M
- FY 2027 Proposed Conceptual Budget of 13.1M, 2.0% increase vs. FY 2026 Budget of 12.9M

(in thousands)



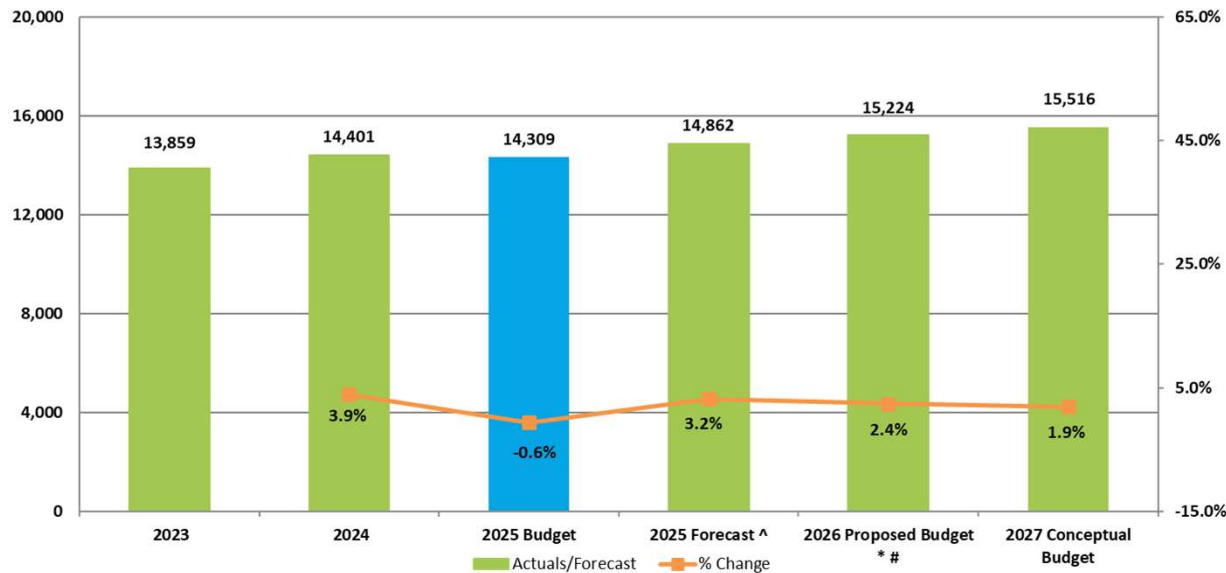
Fiscal Year	Enplaned Passengers	% Change
2023	11,868	19.2%
2024	12,467	5.0%
2025 Budget	12,472	5.1%
2025 Forecast ^	12,632	1.3%
2026 Proposed Budget #	12,873	1.9%
2027 Conceptual Budget	13,131	2.0%

- ^ FY25 Forecast is 1.3% higher than FY25 budget of 12.5M and 1.3% higher than FY24
- # FY26 Proposed Budget is 1.9% higher than FY25 Forecast and 3.2% higher than FY25 Budget

Landed Weight

- FY 2026 Proposed Budget of 15.2M, 2.4% increase vs. FY 2025 Forecast of 14.9M and 6.4% increase vs. FY 25 budget of 14.3M
- FY 2027 Proposed Conceptual Budget of 15.5M, 1.9% increase vs. FY 2026 Budget of 15.2M

¹ in million pounds



Fiscal Year	Landed Weight ¹	% Change
2023	13,859	17.8%
2024	14,401	3.9%
2025 Budget	14,309	-0.6%
2025 Forecast ^	14,862	3.2%
2026 Proposed Budget * #	15,224	2.4%
2027 Conceptual Budget	15,516	1.9%

- ^ FY25 Projected is 3.9% higher than FY25 budget of 14.3M and 3.2% higher than FY24
- # FY26 Proposed Budget is 2.4% higher than FY25 Forecast and 6.4% higher than FY25 Budget

FY 2026 - FY 2027 Proposed Revenue Budget Summary

(in thousands)

Operating Revenue

Airline Revenue

	FY2023 Actuals	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
Landing Fees	\$ 44,741	\$ 53,873	\$ 62,874	\$ 59,429	\$ (3,445)	-5.5%	\$ 61,219	\$ 1,790	3.0%
Aircraft Parking Fees	11,189	13,612	15,718	14,857	(861)	-5.5%	15,305	447	3.0%
Building Rentals	129,744	145,169	156,370	190,137	33,767	21.6%	200,036	9,899	5.2%
Common Use Fees	10,951	10,094	10,507	16,920	6,413	61.0%	18,968	2,048	12.1%
Other Aviation Revenue	(3,828)	(1,528)	(1,454)	(2,248)	(793)	54.5%	(2,269)	(22)	1.0%
Total Airline Revenue	192,797	221,220	244,015	279,095	35,080	14.4%	293,257	14,163	5.1%

Non-Airline Revenue

Terminal Rent Non-Airline	2,729	2,730	2,745	3,031	286	10.4%	3,128	97	3.2%
Terminal Concessions	31,850	34,616	33,281	40,977	7,696	23.1%	42,976	1,999	4.9%
Rental Car License Fees	43,124	41,640	44,019	41,352	(2,667)	-6.1%	42,363	1,011	2.4%
License Fees - Other	8,661	9,818	9,364	10,853	1,489	15.9%	11,078	225	2.1%
Parking Revenue	46,325	50,797	63,006	62,658	(347)	-0.6%	68,606	5,947	9.5%
Ground Transportation Permits and Citations	19,090	21,687	20,603	25,549	4,945	24.0%	28,706	3,157	12.4%
Ground Rentals	25,063	26,408	26,741	27,686	945	3.5%	27,987	302	1.1%
Grant Reimbursements	292	254	-	-	-	0.0%	-	-	0.0%
Other Operating Revenue	3,443	2,969	1,861	2,179	318	17.1%	2,265	86	4.0%
Total Non-Airline Revenue	180,576	190,918	201,620	214,284	12,664	6.3%	227,108	12,824	6.0%

Total Operating Revenue

	373,373	412,138	445,634	493,379	47,745	10.7%	520,366	26,987	5.5%
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Interest Income

	45,387	66,647	89,258	92,749	3,492	3.9%	65,287	(27,462)	-29.6%
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Non-Operating Revenue

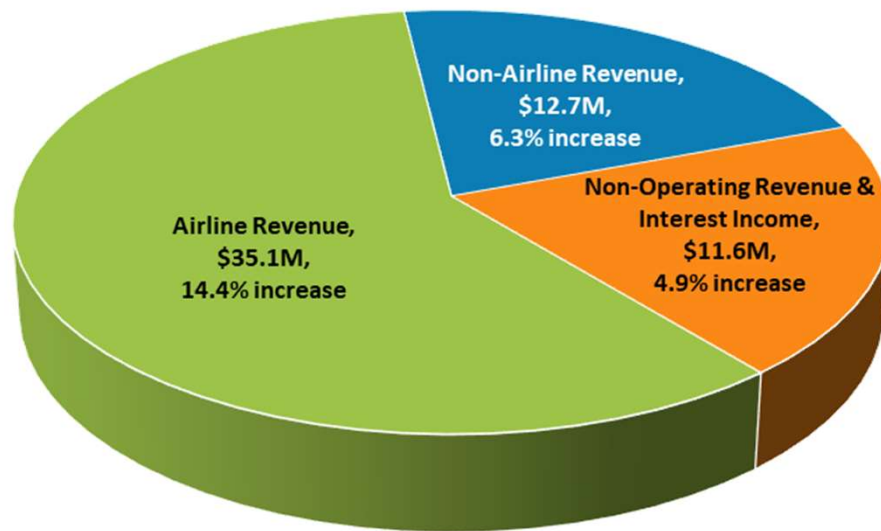
Passenger Facility Charges	46,755	49,200	49,120	50,959	1,839	3.7%	51,978	1,019	2.0%
Customer Facility Charges	34,375	35,913	35,438	36,693	1,254	3.5%	37,426	734	2.0%
Quieter Home Program	19,024	19,520	20,028	14,400	(5,628)	-28.1%	11,491	(2,909)	-20.2%
Capital Grant Contributions	52,287	128,361	44,160	54,756	10,596	24.0%	41,731	(13,025)	-23.8%
Other Non Operating Revenue	11,922	54,179	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Revenue	164,363	353,818	148,747	156,808	8,061	5.4%	142,627	(14,181)	-9.0%

Total Revenue

	\$ 583,123	\$ 832,604	\$ 683,638	\$ 742,936	\$ 59,298	8.7%	\$ 728,280	\$ (14,656)	-2.0%
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FY 2026 Budget Revenue Increase vs FY 2025 Budget

\$59.3M; 8.7%



FY 2026 Airline Revenue Increase

(in thousands)

Operating Revenue

Airline Revenue

Landing Fees

Aircraft Parking Fees

Building Rentals

Common Use Fees

Other Aviation Revenue

Total Airline Revenue

FY2025 Budget	FY2026 Proposed Budget	Inc / (Dec) FY26 Proposed vs FY25 Budget	% Change
\$ 62,874	\$ 59,429	\$ (3,445)	-5.5%
15,718	14,857	(861)	-5.5%
156,370	190,137	33,767	21.6%
10,507	16,920	6,413	61.0%
(1,454)	(2,248)	(793)	54.5%
244,015	279,095	35,080	14.4%

- **Landing Fees:** decrease predominantly due to lower net airfield debt service as a result of increased PFC offset
- **Aircraft Parking Fees:** decrease predominantly due to lower net airfield debt service as a result of increased PFC offset
- **Building Rentals:** increase due to higher expense and debt service
- **Common Use Fees:** increase due to higher expense and debt service

FY 2026 Non-Airline Revenue Increase

(in thousands)

	FY2025 Budget	FY2026 Proposed Budget	Inc / (Dec) FY26 Proposed vs FY25 Budget	% Change
Non-Airline Revenue				
Terminal Rent Non-Airline	2,745	3,031	286	10.4%
Terminal Concessions	33,281	40,977	7,696	23.1%
Rental Car License Fees	44,019	41,352	(2,667)	-6.1%
License Fees - Other	9,364	10,853	1,489	15.9%
Parking Revenue	63,006	62,658	(347)	-0.6%
Ground Transportation Permits and Citations	20,603	25,549	4,945	24.0%
Ground Rentals	26,741	27,686	945	3.5%
Other Operating Revenue	1,861	2,179	318	17.1%
Total Non-Airline Revenue	201,620	214,284	12,664	6.3%

- **Terminal Rent Non-Airline:** revenue growth due to CPI adjustment and the expansion of leasable square footage in NT1
- **Terminal Concessions:** increased revenue driven by enplanement growth, NT1 added Concessions and increase in Sales per Enplaned Passenger (SEP)
- **Rental Car License Fees:** decrease in line with FY25 pricing trends lower than budget
- **License Fees – Other:** increase driven by enplanement and ground operations growth
- **Parking:** reflecting FY 25 passenger behavior
- **Ground Transportation Permits and Citations:** increase driven by enplanement growth, Transportation Network Company (TNC) rate increase from \$4.25 in FY25 to \$4.50 in FY26 and rate standardization for all other transportation modes
- **Ground Rentals:** increase driven primarily by CPI growth of 2.8%
- **Other Operating Revenue:** Finger printing fees increasing with influx of new tenants, Fixed Based Operator fees increasing 2% over FY25 forecast

Ground Transportation Rate Increases

	FY 2025	FY 2026	FY 2027
TNC	\$4.25	\$4.50	\$5.00
Charter	NA	NA	
Taxi	\$3.97 (Base) \$2.98 (AFV) \$7.94 (Non-AFV)	\$4.75 (Base) \$3.56 (AFV) \$9.50 (Non-AFV)	\$5.00 (Base) \$3.75 (AFV) \$10.00 (Non-AFV)
Vehicle For Hire	\$3.16 (Base) \$2.37 (AFV) \$6.32 (Non-AFV)		
Courtesy & Off-Airport Parking Shuttle	\$1.94 (Base) \$1.46 (AFV) \$3.88 (Non-AFV)		
Off-Airport Rental Car Shuttle	NA	NA	

FY 2026 Parking Revenue Decrease

(in thousands)

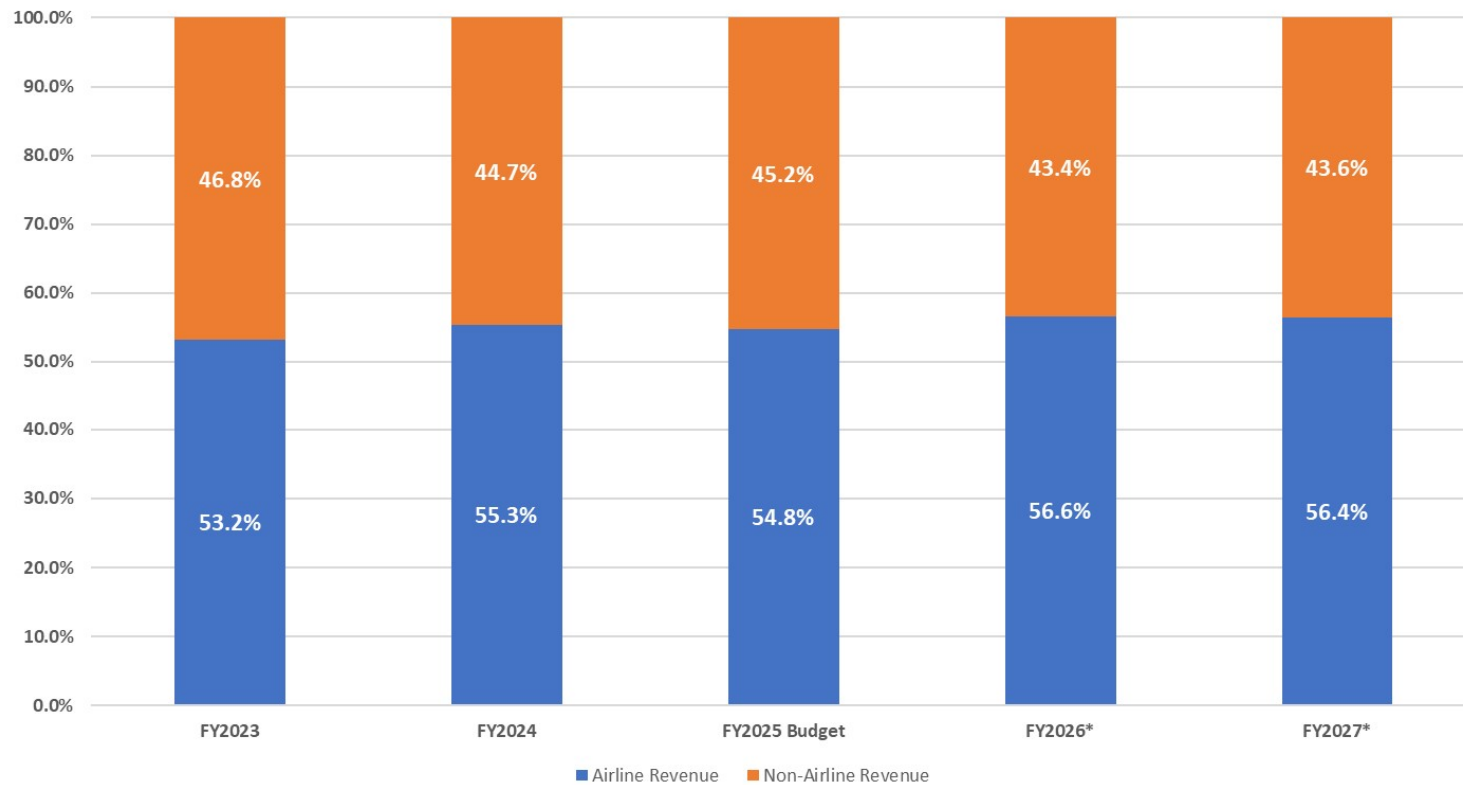
Non-Airline Revenue

Parking Revenue

FY2025 Budget	FY2026 Proposed Budget	Inc / (Dec) FY26 Proposed vs FY25 Budget	% Change
63,006	62,658	(347)	-0.6%

- Decrease of \$347K due to lower than expected utilization of the NT1 parking plaza, as seen in FY25
- FY26 budget increases \$7.7M (14%) over FY25 forecast (\$55M)
- Parking Revenue driven by:
 - Marketing spend and pre-book pricing optimization to increase passenger propensity to park at SAN
 - Parking capacity increases
 - Originating passenger growth
- Increase of ~11.7% transactions over FY25 forecast
- Increase in revenue per transaction due to pre-book transactions creating longer average duration

Revenue - Airline vs Non-Airline

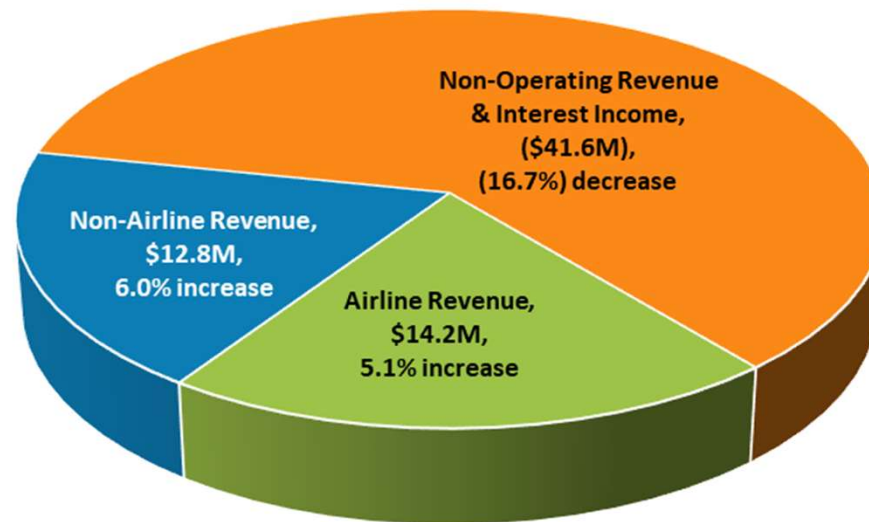


FY 2026 Interest Income & Non-Operating Revenue Increase

<i>(in thousands)</i>	FY2025 Budget	FY2026 Proposed Budget	Inc / (Dec) FY26 Proposed vs FY25 Budget	% Change
Interest Income	89,258	92,749	3,492	3.9%
Non-Operating Revenue				
Passenger Facility Charges	49,120	50,959	1,839	3.7%
Customer Facility Charges	35,438	36,693	1,254	3.5%
Quieter Home Program	20,028	14,400	(5,628)	-28.1%
Capital Grant Contributions	44,160	54,756	10,596	24.0%
Other Non Operating Revenue	-	-	-	0.0%
Total Non-Operating Revenue	148,747	156,808	8,061	5.4%

- **Interest Income:** increase driven by higher balances in the Bond funds due to anticipated issuance
- **Passenger Facility Charges (PFC)** : increase driven by enplanement growth
- **Customer Facility Charges (CFC)** : increase driven by enplanement growth
- **Quieter Home Program (QHP):** decrease due to expected grant funding levels
- **Capital Grant Contributions:** expected grant funding for T2E connector , NT1 Terminal and Roadways and T2W Crosswalk projects

FY 2027 Budget Revenue Decrease vs. FY 2026 Budget (\$14.7M); (2.0%)



FY 2027 Airline Revenue Increase

(in thousands)

	FY2026 Proposed Budget	FY2027 Conceptual Budget	Inc / (Dec) FY27 Conceptual vs FY26 Budget	% Change
Operating Revenue				
Airline Revenue				
Landing Fees	\$ 59,429	\$ 61,219	\$ 1,790	3.0%
Aircraft Parking Fees	14,857	15,305	447	3.0%
Building Rentals	190,137	200,036	9,899	5.2%
Common Use Fees	16,920	18,968	2,048	12.1%
Other Aviation Revenue	(2,248)	(2,269)	(22)	1.0%
Total Airline Revenue	279,095	293,257	14,163	5.1%

- **Landing Fees:** increase due to increased airfield expense
- **Aircraft Parking Fees:** increase due to increased airfield expense
- **Building Rentals:** increase due to higher expense and debt service
- **Common Use Fees:** increase due to higher expense and debt service

FY 2027 Non-Airline Revenue Increase

(in thousands)

	FY2026 Proposed Budget	FY2027 Conceptual Budget	Inc / (Dec) FY27 Conceptual vs FY26 Budget	% Change
Non-Airline Revenue				
Terminal Rent Non-Airline	3,031	3,128	97	3.2%
Terminal Concessions	40,977	42,976	1,999	4.9%
Rental Car License Fees	41,352	42,363	1,011	2.4%
License Fees - Other	10,853	11,078	225	2.1%
Parking Revenue	62,658	68,606	5,947	9.5%
Ground Transportation Permits and Citations	25,549	28,706	3,157	12.4%
Ground Rentals	27,686	27,987	302	1.1%
Other Operating Revenue	2,179	2,265	86	4.0%
Total Non-Airline Revenue	214,284	227,108	12,824	6.0%

- **Terminal Rent Non-Airline:** increase driven primarily by CPI growth of 2.0%
- **Terminal Concessions:** increase reflects higher enplanements and sales per enplaned passenger (SEP) with full year of New T1 Concessions
- **Rental Car License Fees:** increase due to higher enplanements and cost recovery
- **License Fees – Other:** increase driven by enplanement and ground operations growth
- **Parking:** increase reflects higher utilization of the T1 parking plaza
- **Ground Transportation Permits and Citations:** : increase driven by enplanement growth, Transportation Network Company (TNC) rate increase from \$4.50 in FY26 to \$5.00 in FY27 and 5% increase for all other transportation modes
- **Ground Rentals:** increase driven primarily by CPI growth of 2.0%

FY 2027 Parking Revenue Increase

(in thousands)

Non-Airline Revenue

Parking Revenue

FY2026 Proposed Budget	FY2027 Conceptual Budget	Inc / (Dec) FY27 Conceptual vs FY26 Budget	% Change
62,658	68,606	5,947	9.5%

- Increase of \$5.9M as parking occupancy continues to improve following FY26 strategy
- Parking Revenue driven by:
 - Marketing spend and pre-book pricing optimization to increase passenger propensity to park at SAN
 - Originating passenger growth

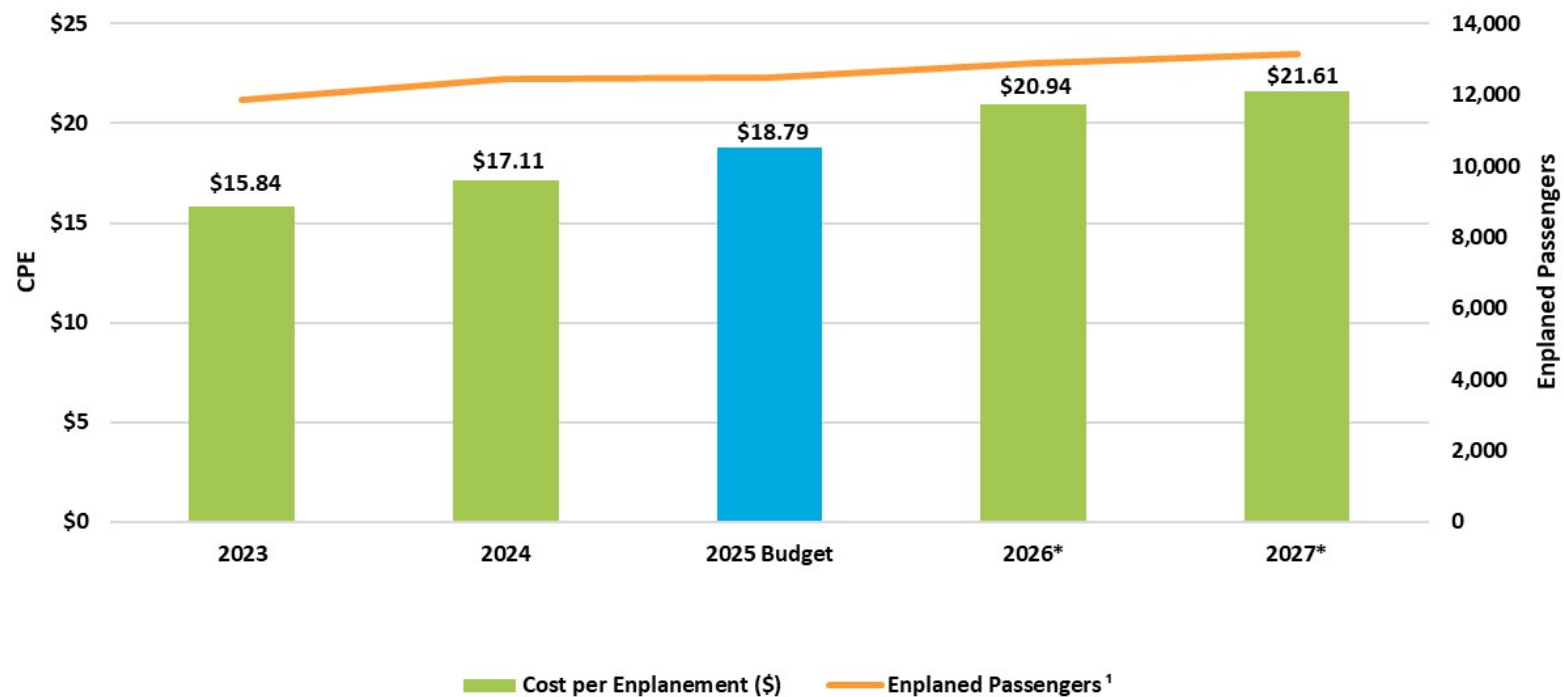
FY 2027 Interest Income & Non-Operating Revenue Decrease

(in thousands)

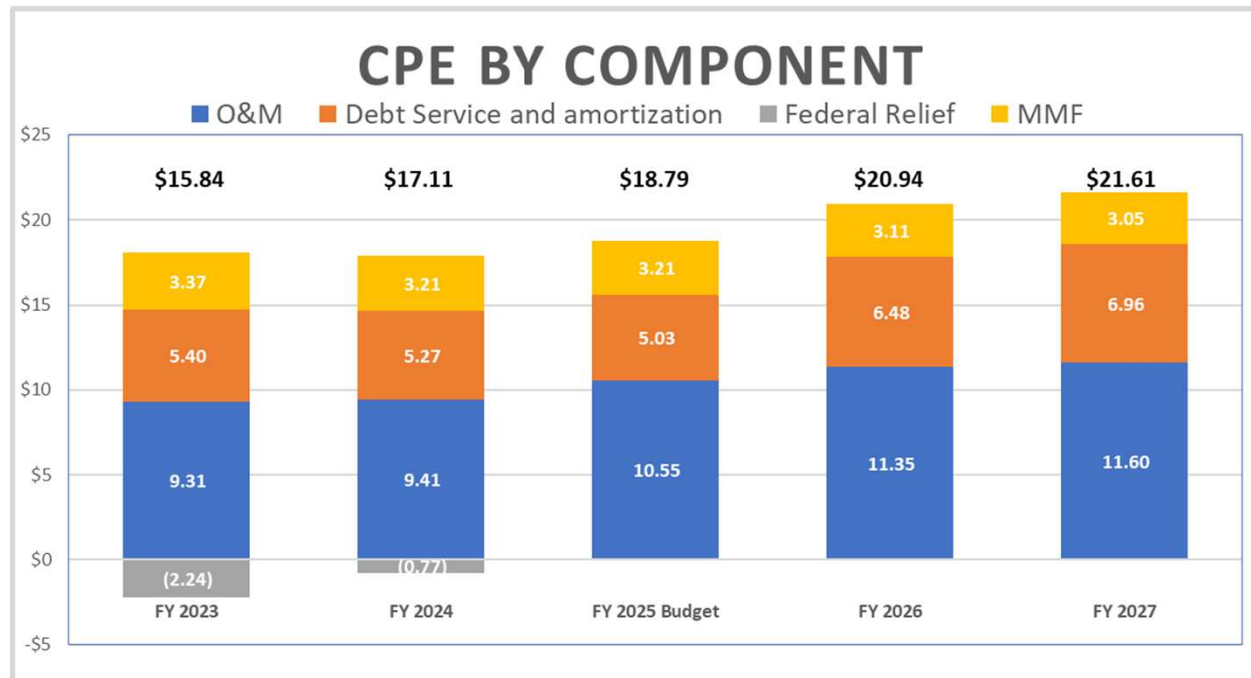
	FY2026 Proposed Budget	FY2027 Conceptual Budget	Inc / (Dec) FY27 Conceptual vs FY26 Budget	% Change
Interest Income	92,749	65,287	(27,462)	-29.6%
Non-Operating Revenue				
Passenger Facility Charges	50,959	51,978	1,019	2.0%
Customer Facility Charges	36,693	37,426	734	2.0%
Quieter Home Program	14,400	11,491	(2,909)	-20.2%
Capital Grant Contributions	54,756	41,731	(13,025)	-23.8%
Total Non-Operating Revenue	156,808	142,627	(14,181)	-9.0%

- **Interest Income:** decrease due to Bond funds draw down
- **Passenger Facility Charges (PFCs):** increase driven by 2.0% enplanement growth
- **Customer Facility Charges (CFCs):** increase driven by 2.0% enplanement growth
- **Quieter Home Program (QHP):** decrease due to expected grant funding levels
- **Capital Grant Contributions:** decrease due to timing of capital projects funded by grants

Airline Cost Per Enplaned Passenger



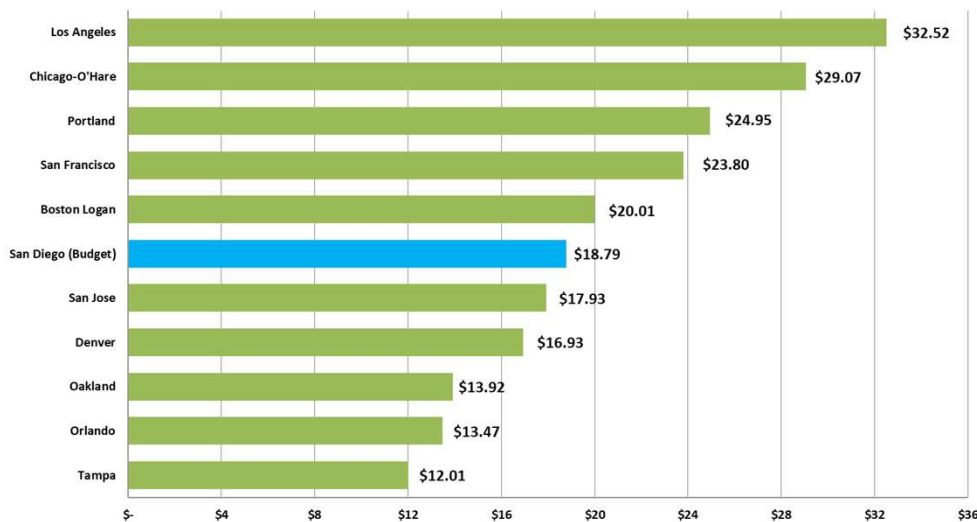
Airline Cost Per Enplaned Passenger



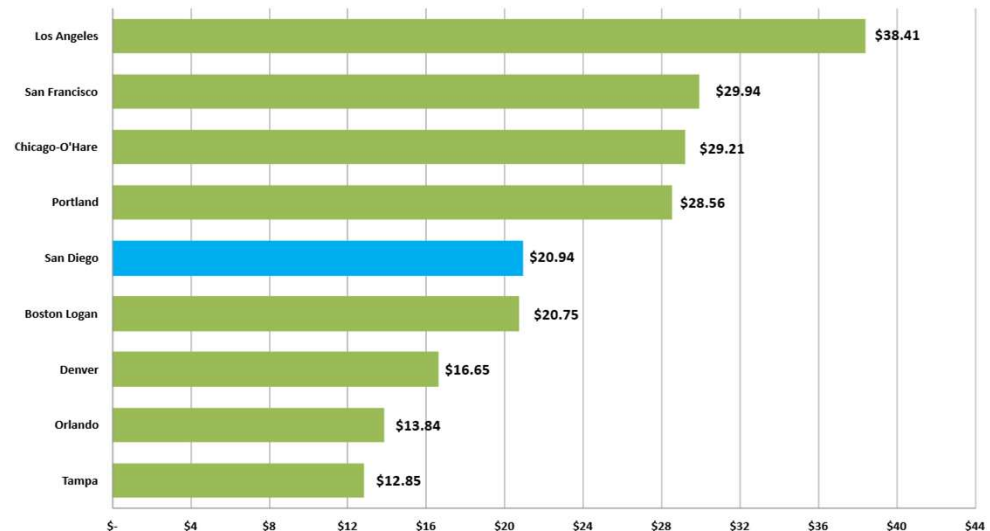
Airline Cost Per Enplaned Passenger

By Select Airports

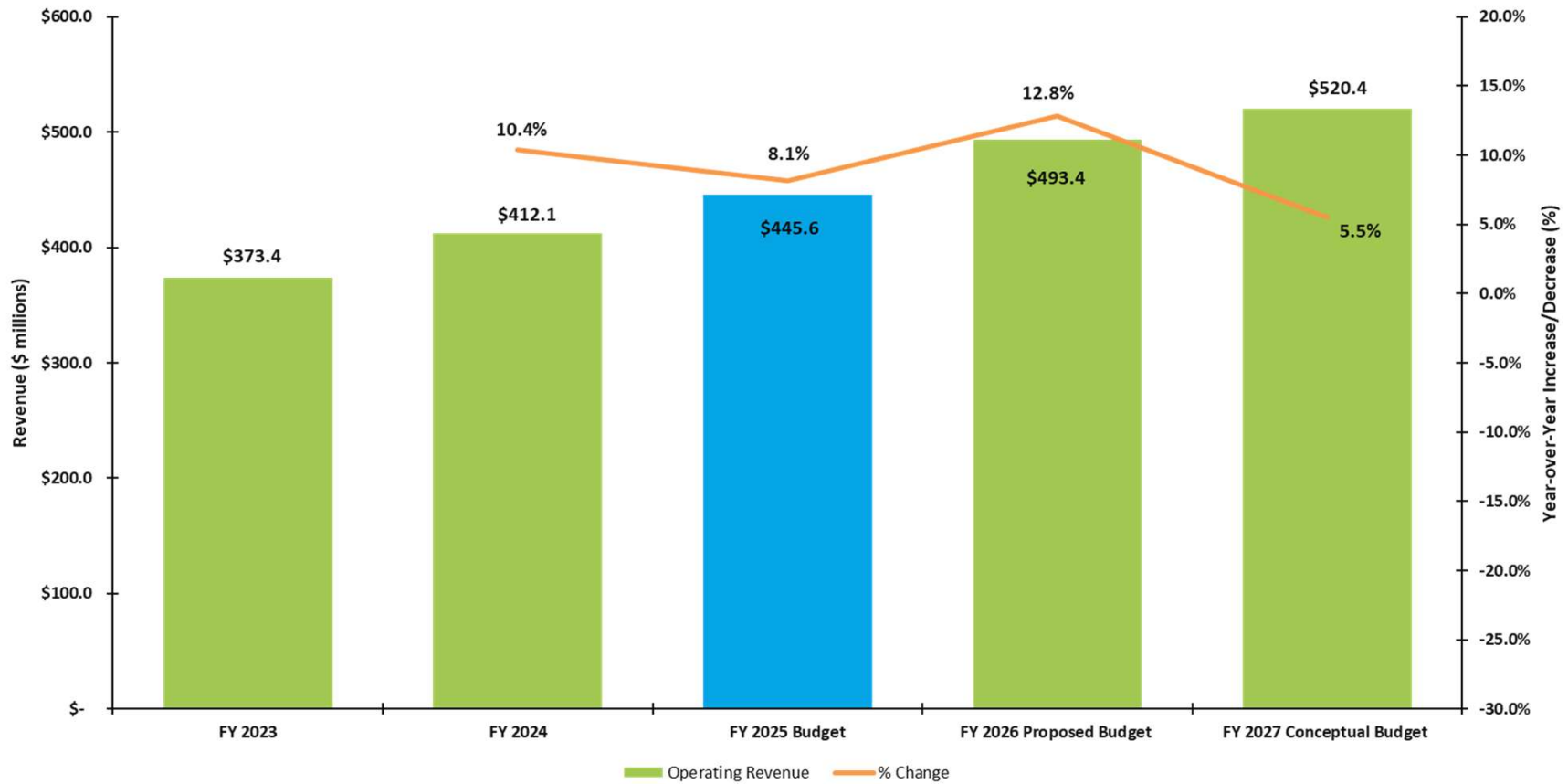
FY 2025*

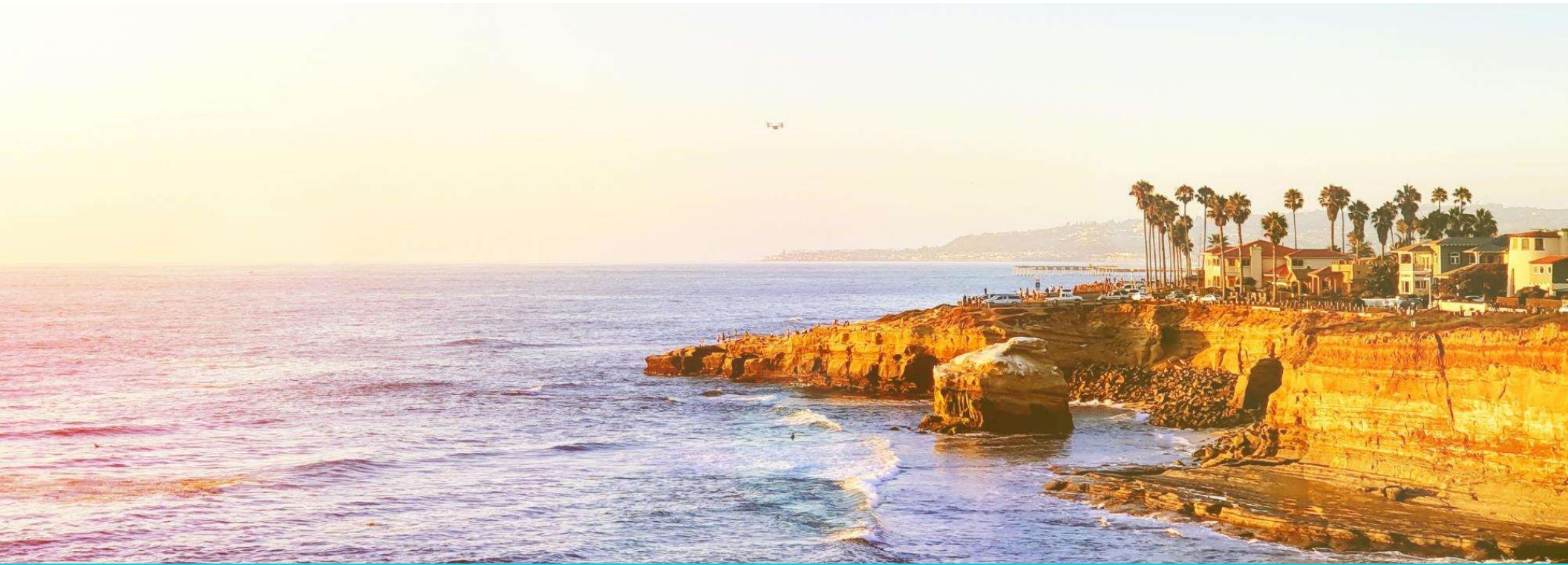


FY 2026*



Operating Revenue FY 2023 - FY 2027





Expense Budget Overview

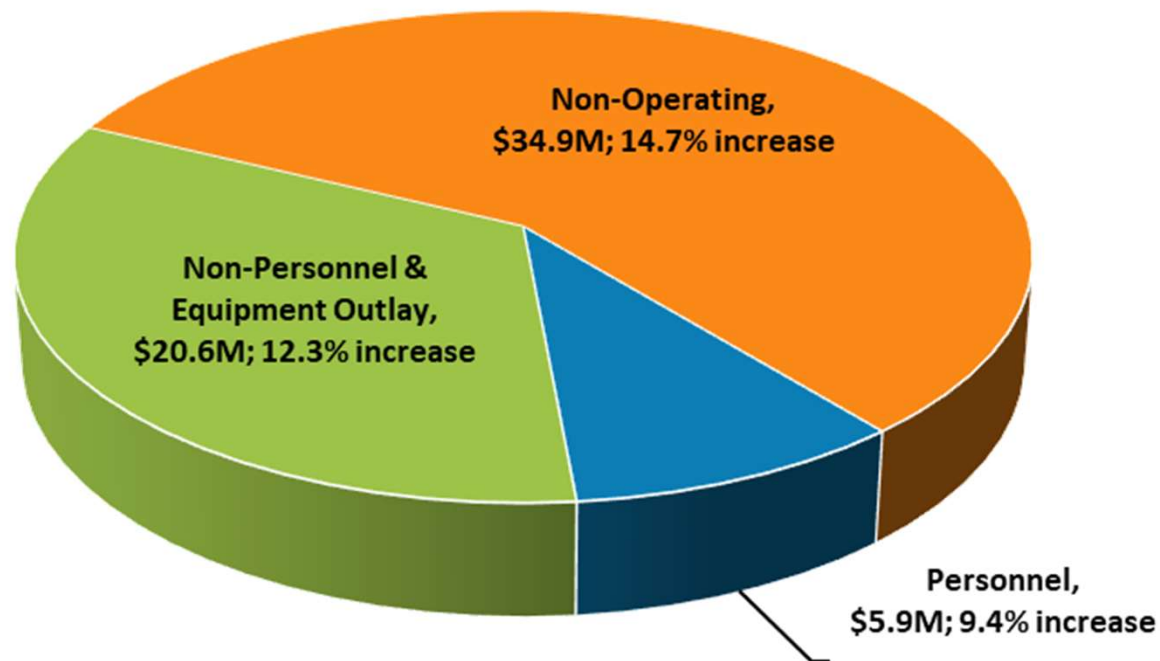
FY 2026 - FY 2027 Proposed Budget Expense Summary

(In Thousands)

	FY2023 Actuals	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	41,076	43,482	48,475	52,167	3,692	7.6%	55,337	3,169	6.1%
Benefits	19,816	20,618	22,056	24,591	2,535	11.5%	26,743	2,152	8.8%
Subtotal	60,892	64,100	70,531	76,759	6,227	8.8%	82,080	5,321	6.9%
Less: Capitalized Labor Recharge	(4,769)	(5,004)	(6,955)	(7,234)	(279)	4.0%	(7,703)	(469)	6.5%
Less: QHP Labor Recharge	(667)	(599)	(500)	(530)	(30)	6.0%	(557)	(27)	5.1%
Total Personnel Costs	55,456	58,497	63,076	68,995	5,919	9.4%	73,820	4,825	7.0%
Contractual Services	45,581	52,445	59,897	66,694	6,797	11.3%	68,468	1,775	2.7%
Safety and Security	33,043	36,778	39,828	45,761	5,933	14.9%	47,975	2,214	4.8%
Space Rental	10,805	11,037	11,024	11,073	48	0.4%	11,082	10	0.1%
Utilities	17,567	19,518	23,433	24,536	1,103	4.7%	27,180	2,644	10.8%
Maintenance	16,417	14,125	16,242	18,805	2,564	15.8%	19,845	1,040	5.5%
Operating Equipment & Systems	922	544	441	1,023	582	131.9%	736	(287)	-28.0%
Operating Supplies	661	651	823	1,200	377	45.7%	1,146	(54)	-4.5%
Insurance	1,997	2,314	2,568	3,183	616	24.0%	3,311	127	4.0%
Employee Development	681	731	1,007	1,199	191	19.0%	1,107	(92)	-7.7%
Business Development	1,916	2,280	3,908	5,214	1,306	33.4%	5,719	505	9.7%
Equipment Rentals and Repairs	3,392	3,702	4,623	5,975	1,352	29.2%	6,082	107	1.8%
Tenant Improvements	734	1,246	1,178	1,186	7	0.6%	1,233	47	4.0%
Total Non-Personnel Costs	133,715	145,373	164,974	185,850	20,876	12.7%	193,886	8,036	4.3%
Total Operating Expenses	189,171	203,869	228,050	254,845	26,795	11.7%	267,706	12,861	5.0%
Joint Studies / Sound Attenuation	21,075	21,365	23,028	18,000	(5,028)	-21.8%	15,000	(3,000)	-16.7%
Debt Service	150,152	169,330	214,614	254,578	39,964	18.6%	265,141	10,563	4.1%
Legal Settlement Expense	243	10	250	250	-	0.0%	250	-	0.0%
Other Non-Operating Expenses	1,658	(0)	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	173,128	190,705	237,892	272,828	34,936	14.7%	280,391	7,563	2.8%
Total Expenses	362,300	394,574	465,942	527,673	61,731	13.2%	548,097	20,424	3.9%
Equipment Outlay Expenditures	359	1,085	3,047	2,775	(272)	-8.9%	727	(2,049)	-73.8%
Total Authority Expenses Incl Equip Outlay	\$ 362,658	\$ 395,659	\$ 468,989	\$ 530,448	\$ 61,459	13.1%	\$ 548,823	\$ 18,375	3.5%

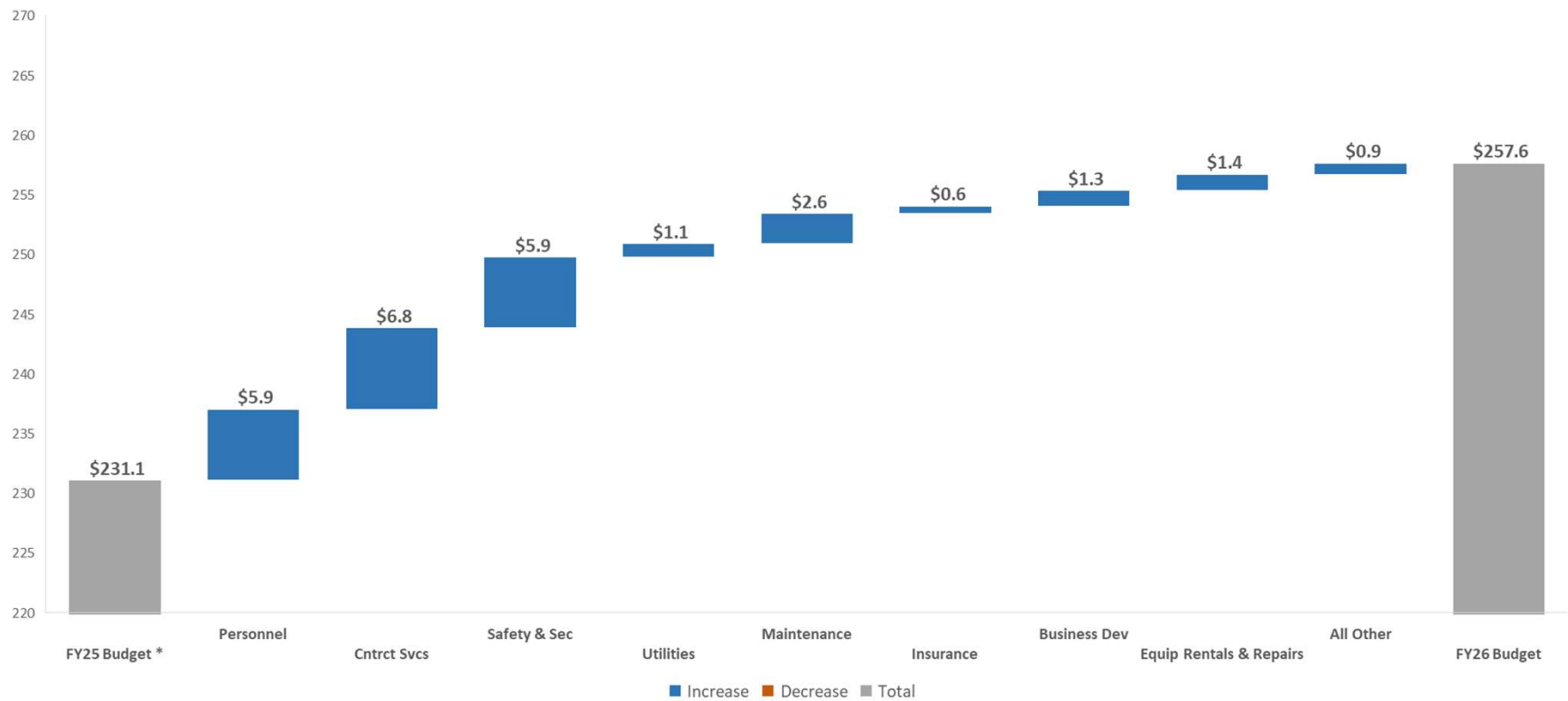
FY 2026 Budget Expense Increase vs. FY 2025 Budget

\$61.5M; 13.1%



Major Drivers of FY26 Budget vs FY25 Budget

Operating Expense +\$26.5M (11.5%)



FY 2026 Proposed Budget New Headcount



FY26 New Positions	New	Existing***	Total
Operations	13	225	238
Terminal Operations Coordinator	4		
Airport Traffic Officer	3		
Sr. Contracts Administrator	1		
Carpenter/Locksmith II (step 1)	1		
Cost Analyst	1		
Security & Public Safety Analyst II **	1		
Security & Public Safety Analyst I	1		
Resource Management Analyst	1		
Finance	9	87	96
Help Desk Technician *	6		
System Support Analyst I *	1		
Systems Support Analyst II **	1		
ITS Engineer **	1		
Data Scientist	1		
Administrative Assistant II	-1		
Revenue	5	42	47
Lost & Found Attendants	3		
Lost & Found Supervisor	1		
Customer Experience Coordinator	1		
Executive	1	31	32
Associate General Counsel III **	1		
Development	1	86	87
Associate Env Specialist (Compliance)	1		
TOTAL	29	471	500
Related to NT1	16 of 29 new		

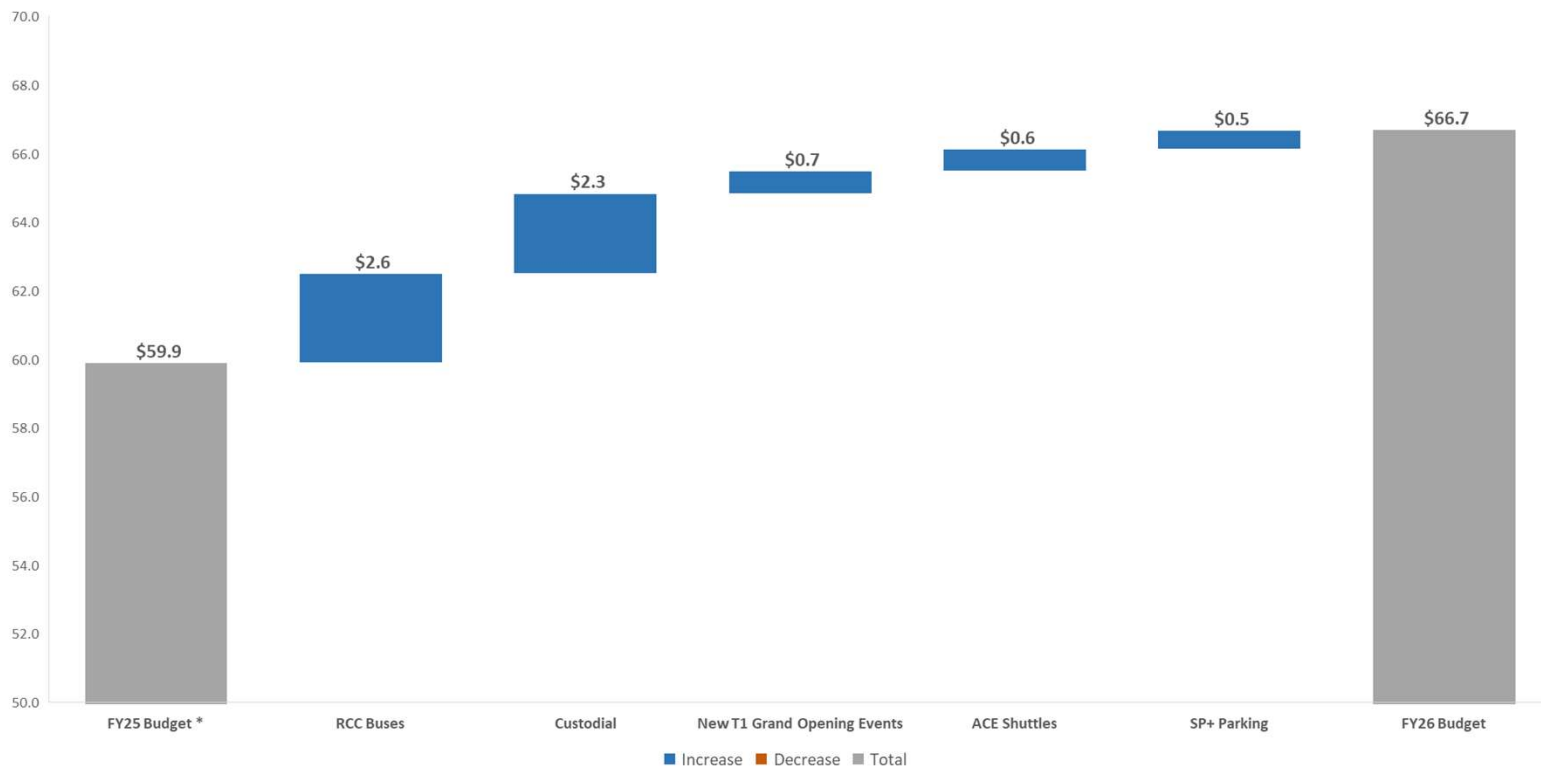
* Reduced Consulting spend by \$560K and Salary/burden incr \$589K

** No dollar impact, converted LD to Permanent

***Reflects FY25 budget but includes division transfers that were part of the Authority restructure

Major Drivers of FY26 Budget vs FY25 Budget

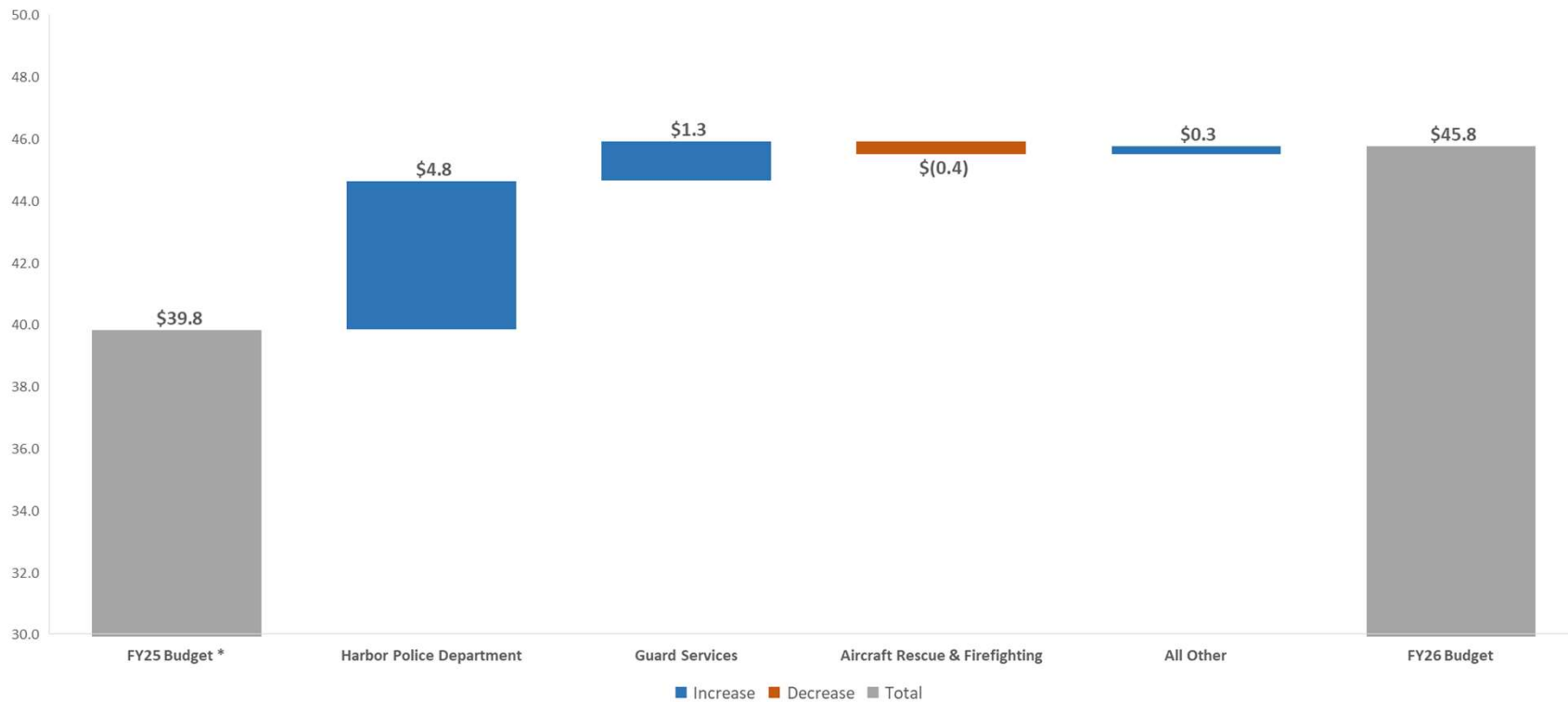
Contractual Services - Increase \$6.8M (11.3%)



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

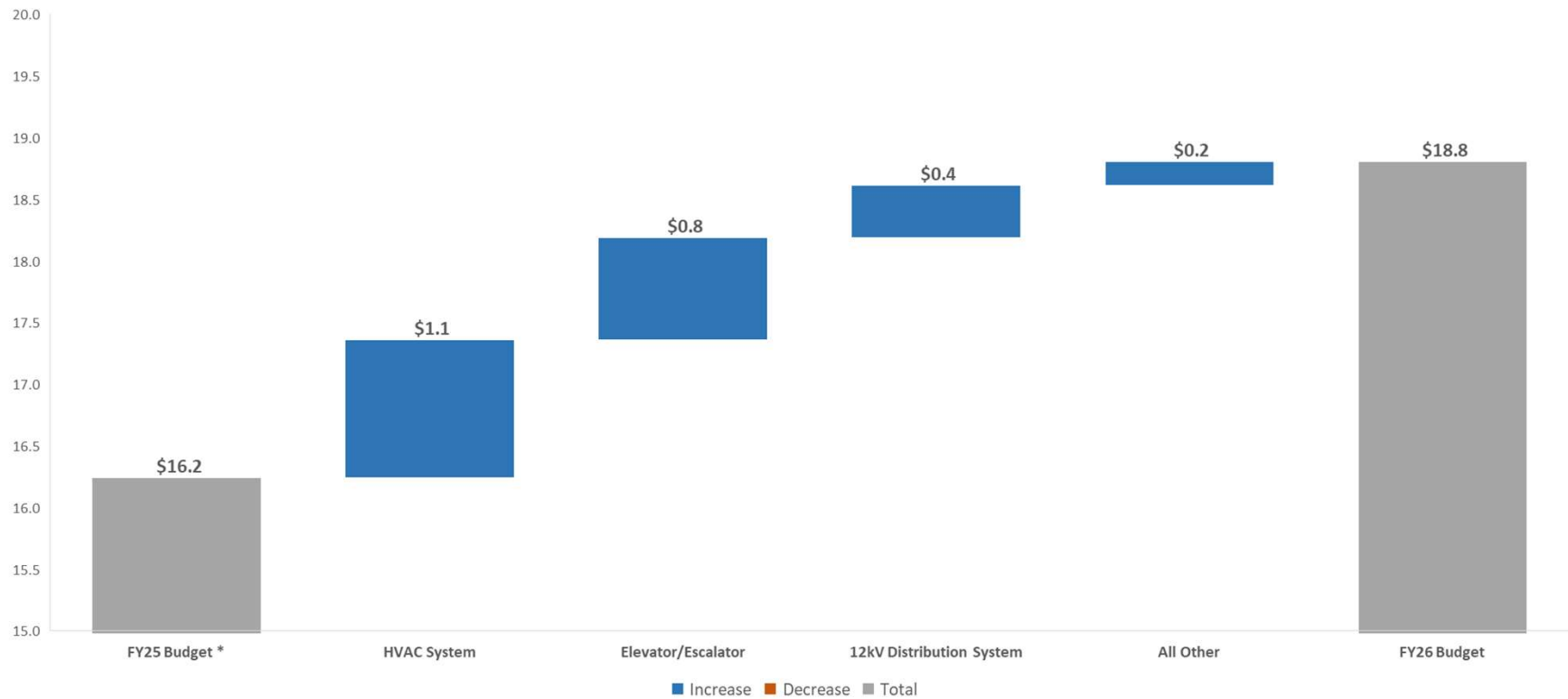
Major Drivers of FY26 Budget vs FY25 Budget

Safety & Security - Increase \$5.9M (14.9%)



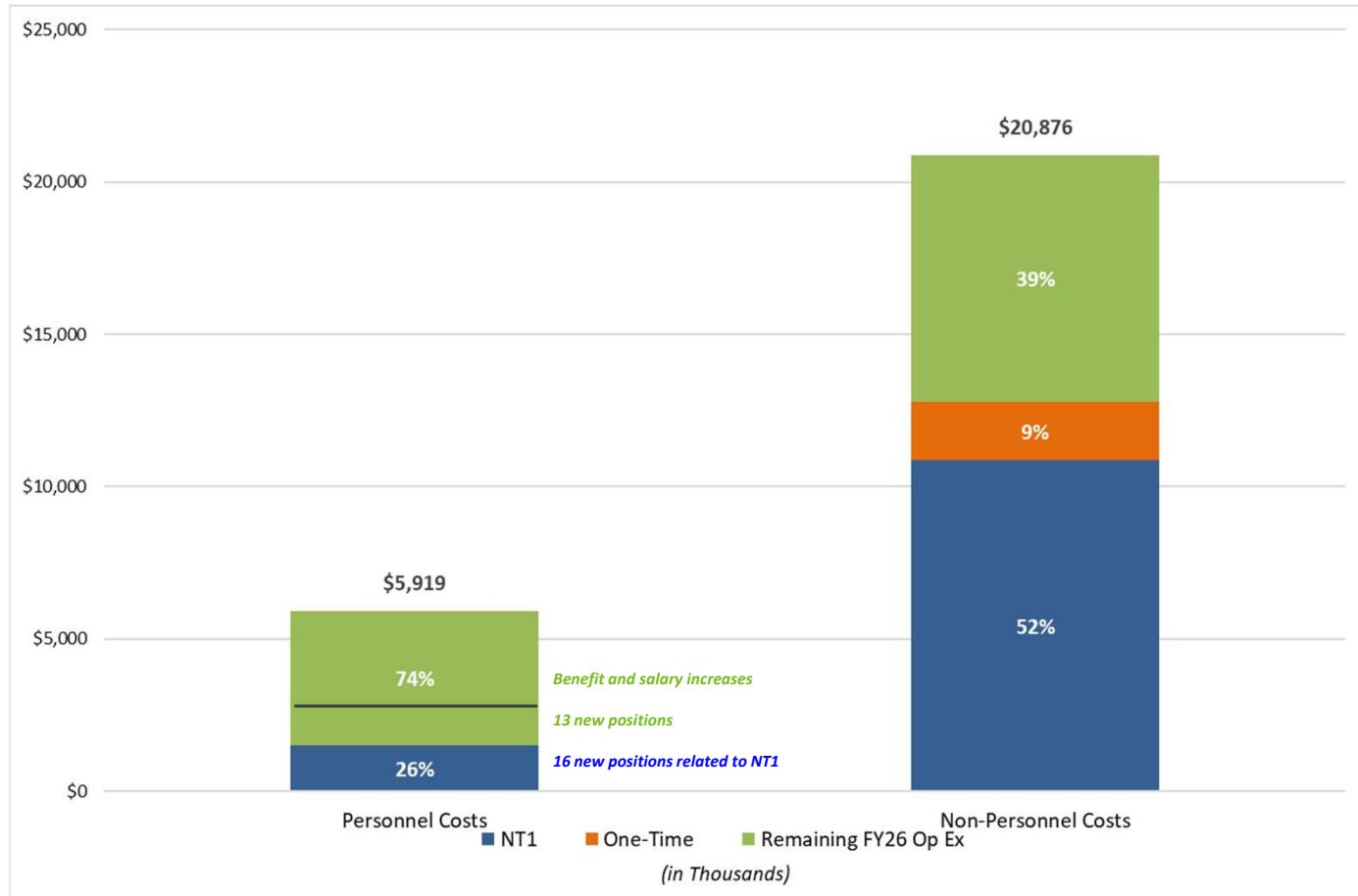
Major Drivers of FY26 Budget vs FY25 Budget

Maintenance +\$2.6M (15.8%)



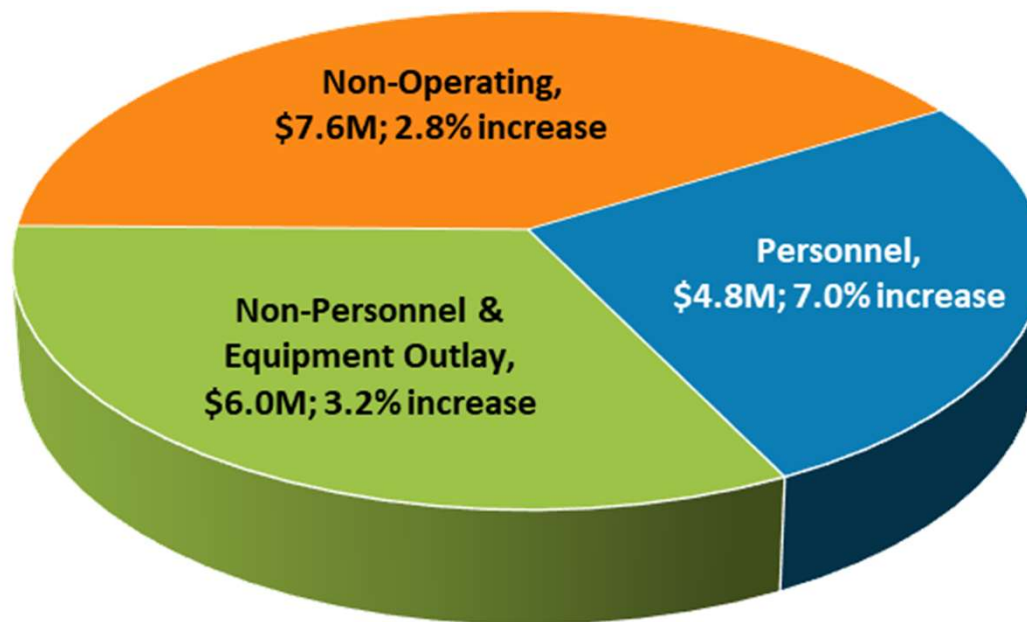
Major Drivers of FY26 Budget vs FY25 Budget

Segmentation of Variance



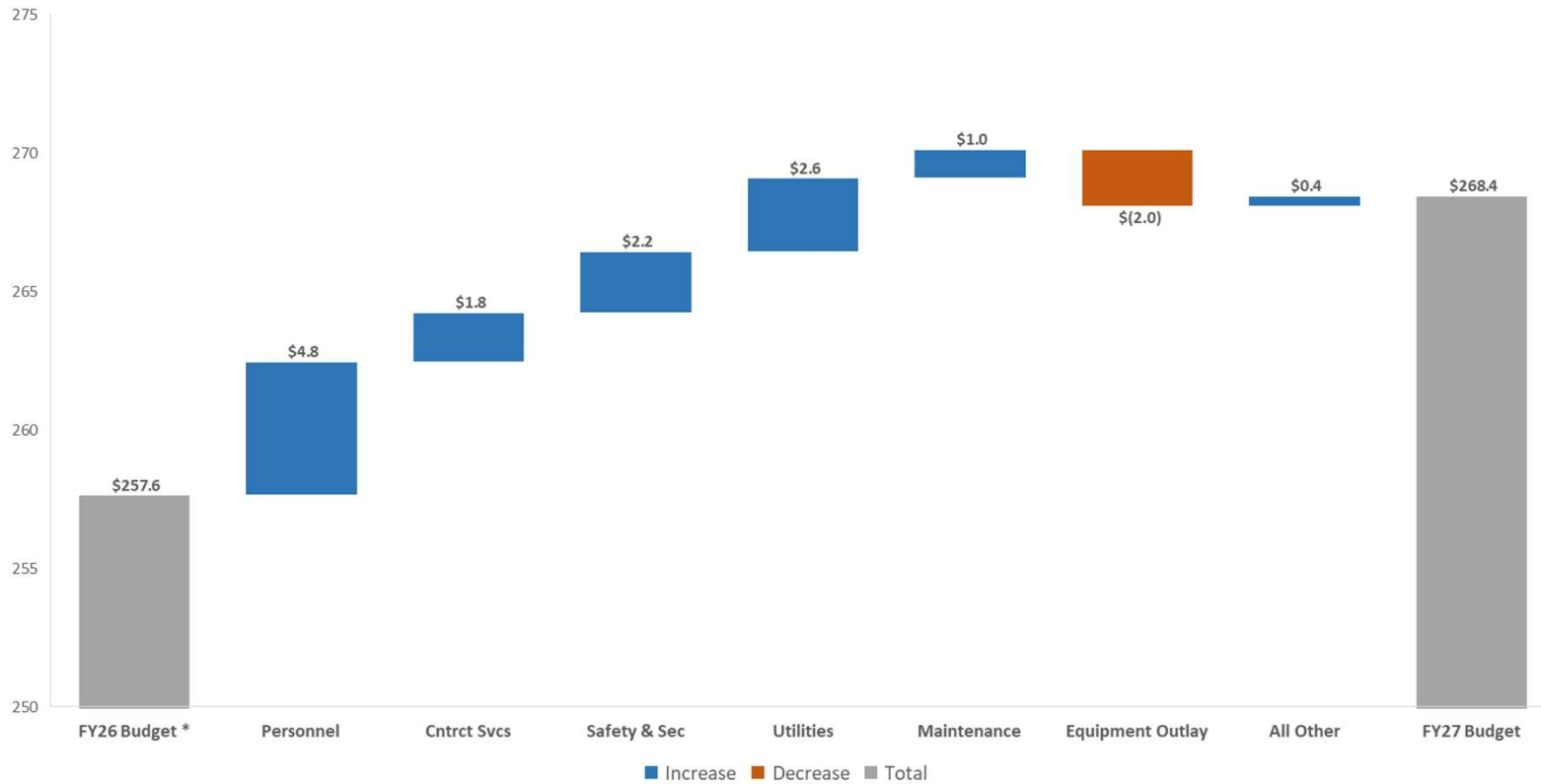
FY 2027 Budget Expense Increase vs. FY 2026 Budget

\$18.4M; 3.5%



Major Drivers of FY27 Budget vs FY26 Budget

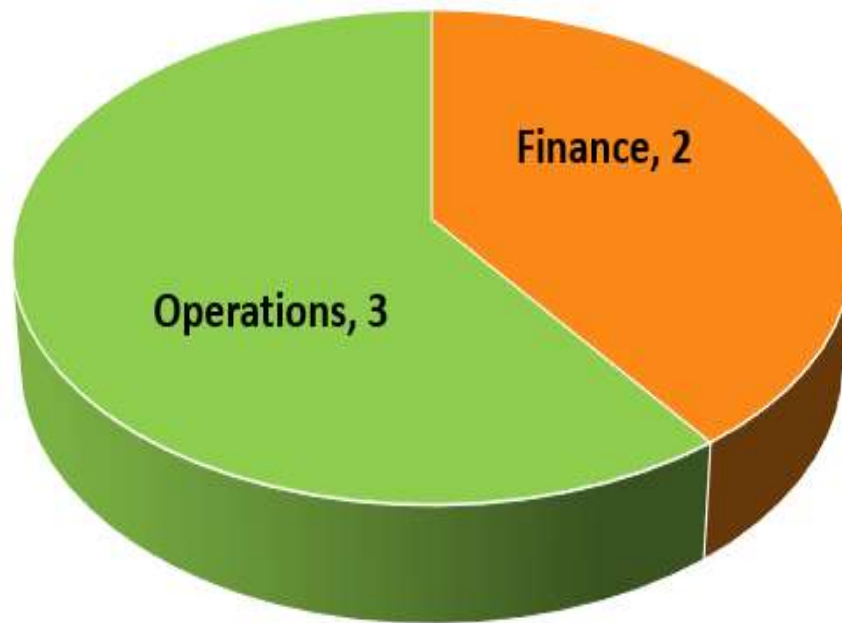
Operating Expense +\$10.8M (4.2%)



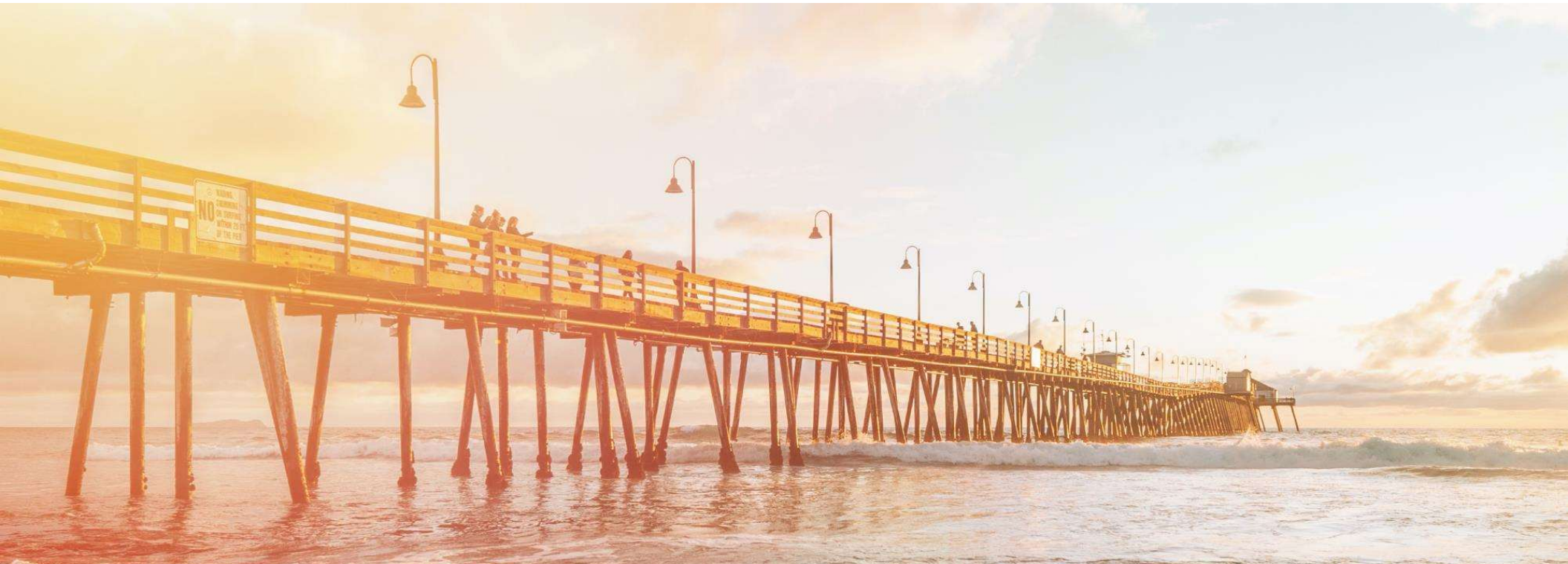
(in Millions)

* Budget starting point not indicative of scale

FY 2027 Proposed Budget New Headcount



Operations	3
Airport Traffic Officers	3
Finance	2
Help Desk Technician	2
TOTAL	5



Budget Summary

Budget Summary

Statement of Activity

(In Thousands)

	FY 2025 Budget	FY 2025 Forecast	Inc / (Dec) FY25 Forecast vs FY25 Budget	% Change	FY 2026 Proposed Budget	Inc / (Dec) FY26 Budget vs FY25 Forecast	% Change	FY 2027 Conceptual Budget	Inc / (Dec) FY27 Conc vs FY26 Prpsd	% Change
Operating Revenue										
Airline Revenue	\$ 244,015	\$ 240,172	\$ (3,842)	-1.6%	\$ 279,095	\$ 38,922	16.2%	\$ 293,257	\$ 14,163	5.1%
Non-Airline Revenue	201,620	197,177	(4,443)	-2.2%	214,284	17,107	8.7%	227,108	12,824	6.0%
Total Operating Revenue	445,634	437,349	(8,285)	-1.9%	493,379	56,030	12.8%	520,366	26,987	5.5%
Total Operating Expenses	228,050	220,799	7,251	3.2%	254,845	34,046	15.4%	267,706	12,861	5.0%
Depreciation & Amortization	117,200	117,200	-	0.0%	183,300	66,100	56.4%	269,600	86,300	47.1%
Operating Income/ (Loss)	100,384	99,350	(1,034)	-1.0%	55,234	(44,116)	-44.4%	(16,940)	(72,174)	-130.7%
Total Non-Operating Revenue/(Expenses), Net	2,732	26,627	23,895	874.7%	(35,207)	(61,834)	-232.2%	(69,164)	(33,957)	96.5%
Income/ (Loss) before Capital Grant Contributions	103,116	125,978	22,862	22.2%	20,027	(105,950)	-84.1%	(86,104)	(106,131)	-529.9%
Capital Grant Contributions	44,160	58,377	14,217	32.2%	54,756	(3,621)	-6.2%	41,731	(13,025)	-23.8%
Net Income/ (Loss) *	\$ 147,276	\$ 184,355	37,079	25.2%	\$ 74,784	(109,571)	-59.4%	\$ (44,372)	(119,156)	-159.3%

* Excludes principal payments on debt and capital outlay



Capital Program Budget Fiscal Years 2026-2030

Capital Program Overview

- 5 Year Program
- Reviewed by the Capital Improvement Program Oversight Committee (CIPOC)
- Approved by the Board annually
- Managed by the Executive Leadership Team - CEO & Vice Presidents
- **Current Capital Program - \$4.26 Billion**
 - FY 2025-2029 Capital Improvement Program (CIP) - \$430.04 Million
 - New T1 - \$3.83 Billion

Proposed New FY 2026 - 2030 CIP Projects

(in thousands)

Description	Expected Start Date	Estimated Budget
Terminal 2 East Connector	January 2028	\$ 180,000
Terminal 2 East Lounge	July 2026	\$ 24,000
Perimeter Fencing Enhancements & PIDS Realignment	July 2026	\$ 21,373
Airport IT Rooms Remediation	December 2025	\$ 6,310
Acquire Transit Buses (5)	July 2027	\$ 4,350
Terminal 2 West Revenue Optimization	April 2026	\$ 3,400
Access Control System Modernization	July 2025	\$ 2,230
Chilled Water Pipe Insulation - CUP	April 2026	\$ 881
		<u>\$ 242,544</u>

Proposed FY 2026 - 2030 Capital Program Budget Summary

(in thousands)

	New T1	CIP	Total
FY 2025 - 2029 Capital Program Budget	\$ 3,834,300	\$ 430,039	\$ 4,264,339
Closeouts and Adjustments	-	15,965	15,965
New Projects	-	242,544	242,544
FY 2026 - 2030 Capital Program Budget	\$ 3,834,300	\$ 688,547	\$ 4,522,847

Proposed FY 2026 - 2030 Capital Program

Projects Locations

(in thousands)

Location	New T1	CIP	Total
Terminal	\$2,964,670	\$340,036	\$3,304,706
Landside	409,525	155,090	564,615
Airside	353,309	112,564	465,873
Administrative	106,796	80,858	187,653
Total	\$3,834,300	\$688,547	\$4,522,847

Proposed FY 2026 - 2030 Capital Program

Sources of Funds

(in thousands)

Funding Source	New T1	CIP	Total
Airport Revenue Bonds	\$3,198,295	\$292,423	\$3,490,718
Airport Cash	312,023	245,633	557,657
Federal Grants	310,490	60,520	371,009
Major Maintenance Fund	-	84,786	84,786
Other	13,491	5,000	18,491
Passenger Facility Charges	-	185	185
Total	\$3,834,300	\$688,547	\$4,522,847



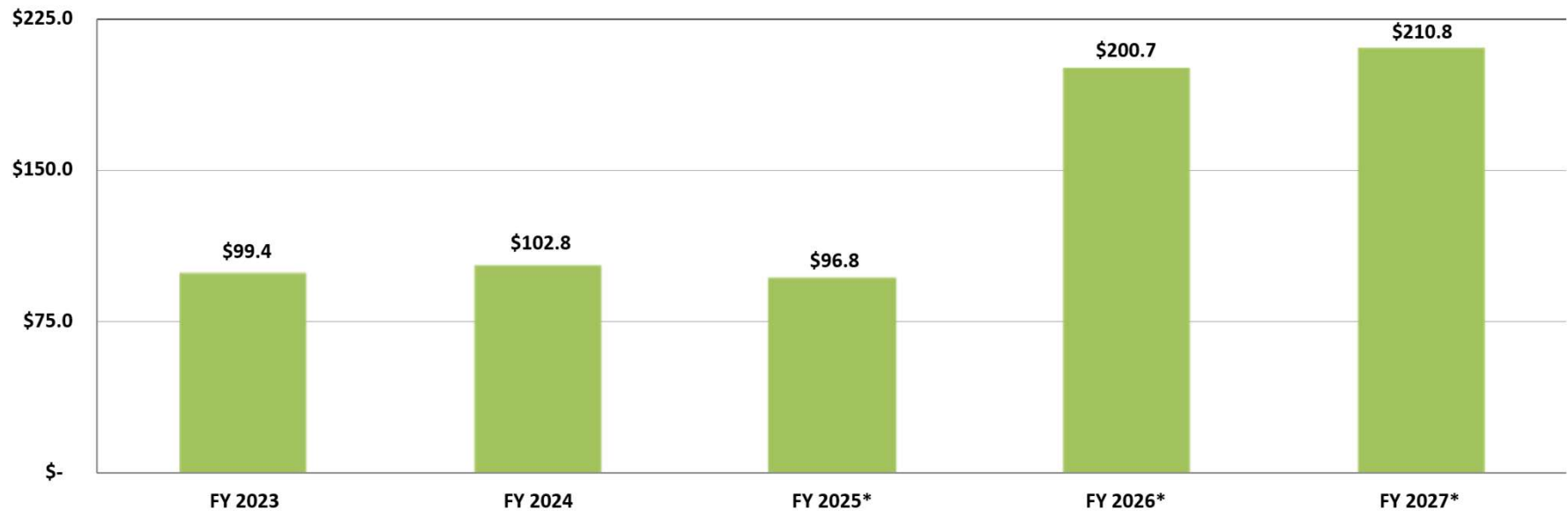
Plan of Finance Fiscal Years 2026 - 2030

General Airport Revenue Bonds Outstanding

Series	Lien	Principal Outstanding (Millions) ¹	Maturity	Major Funded Projects
2017 Bonds	Subordinate	\$255.1	2025 - 2047	T2W Parking Plaza and T2W FIS
2019 Bonds	Subordinate	\$442.1	2025-2049	Refunded 2010C bonds and New Money for Airport Support Facilities, Stormwater management, New T1 programatic documents, RON parking and Baggage Handling upgrades
2020 Bonds	Subordinate	\$181.2	2025-2049	Refunded 2010A/B bonds. 2010 bonds funded Green Build, T2E project, concessions infrastructure
2021 Bonds	Subordinate	\$1,862.9	2026-2056	All New T1 Program projects (\$1,585m), refunding of 2013A and 2013B (\$357m) senior Bonds, expansion of T2E, concessions infrastructure, new 12kV system, Washington St parking and access improvements, north side utilities infrastructure
2023 Bonds	Senior	\$1,059.8	2028-2058	All New T1 Program projects (\$782mm), repay revolving obligations (\$80.4m), and tender 2021C bonds (\$27.5m)
Total Current Debt		\$3,801.1		
New T1 additional Bond requirements		\$925.2	2028-2060	All New T1 projects
Total Anticipated Debt		\$4,882.7		

General Airport Revenue Bond (GARB) Debt Service

(in millions)

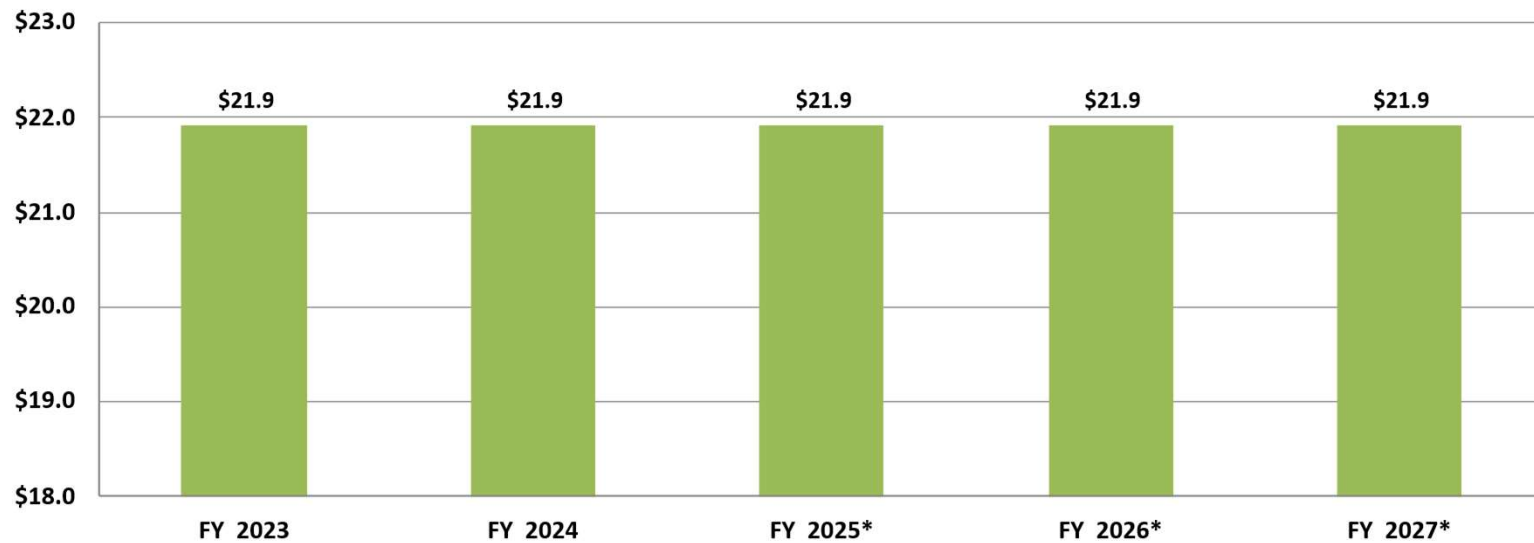


Special Facilities Bond Debt Outstanding

Series	Lien	Principal Outstanding (Millions) ¹	Maturity	Major Funded Projects
2014 Bonds	Senior	\$262.0	2025 - 2043	Rental Car Center (RCC)
Total		\$262.0		

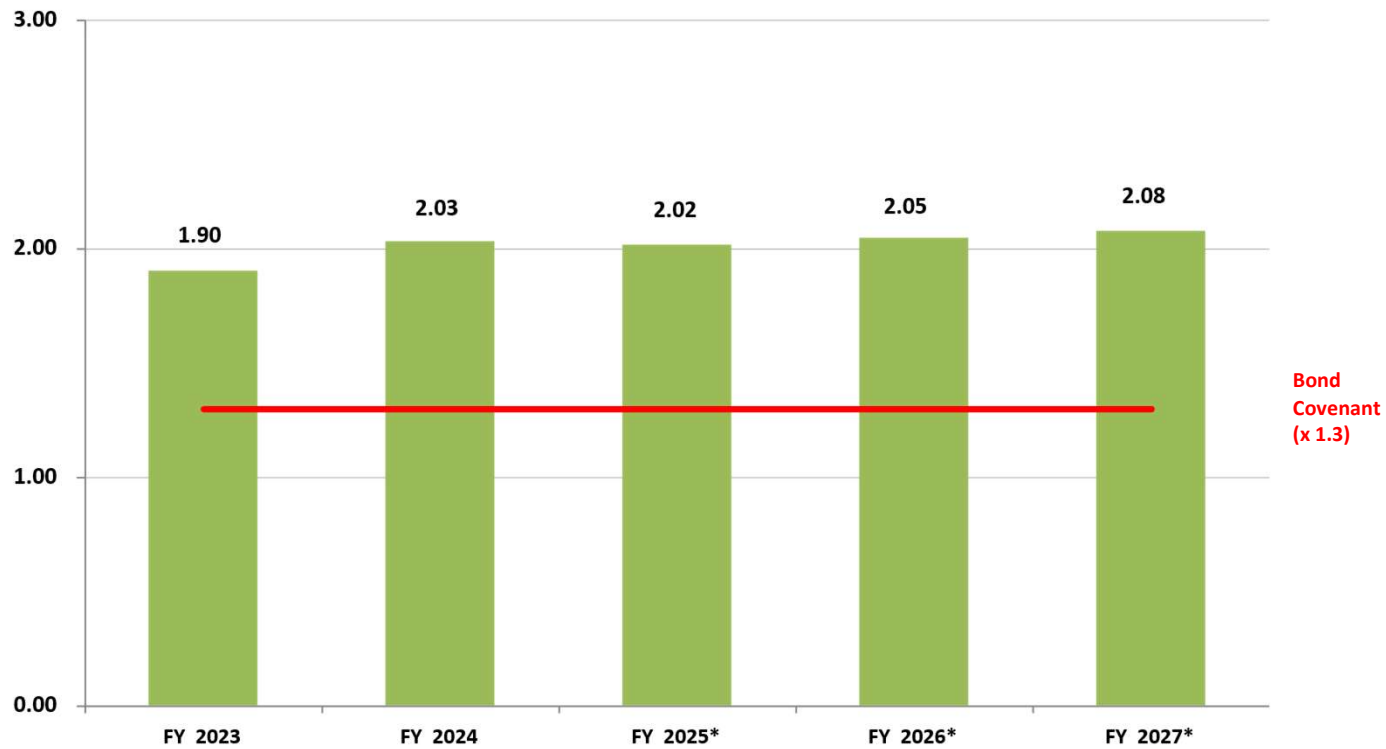
Special Facilities Debt Service for RCC

(in millions)

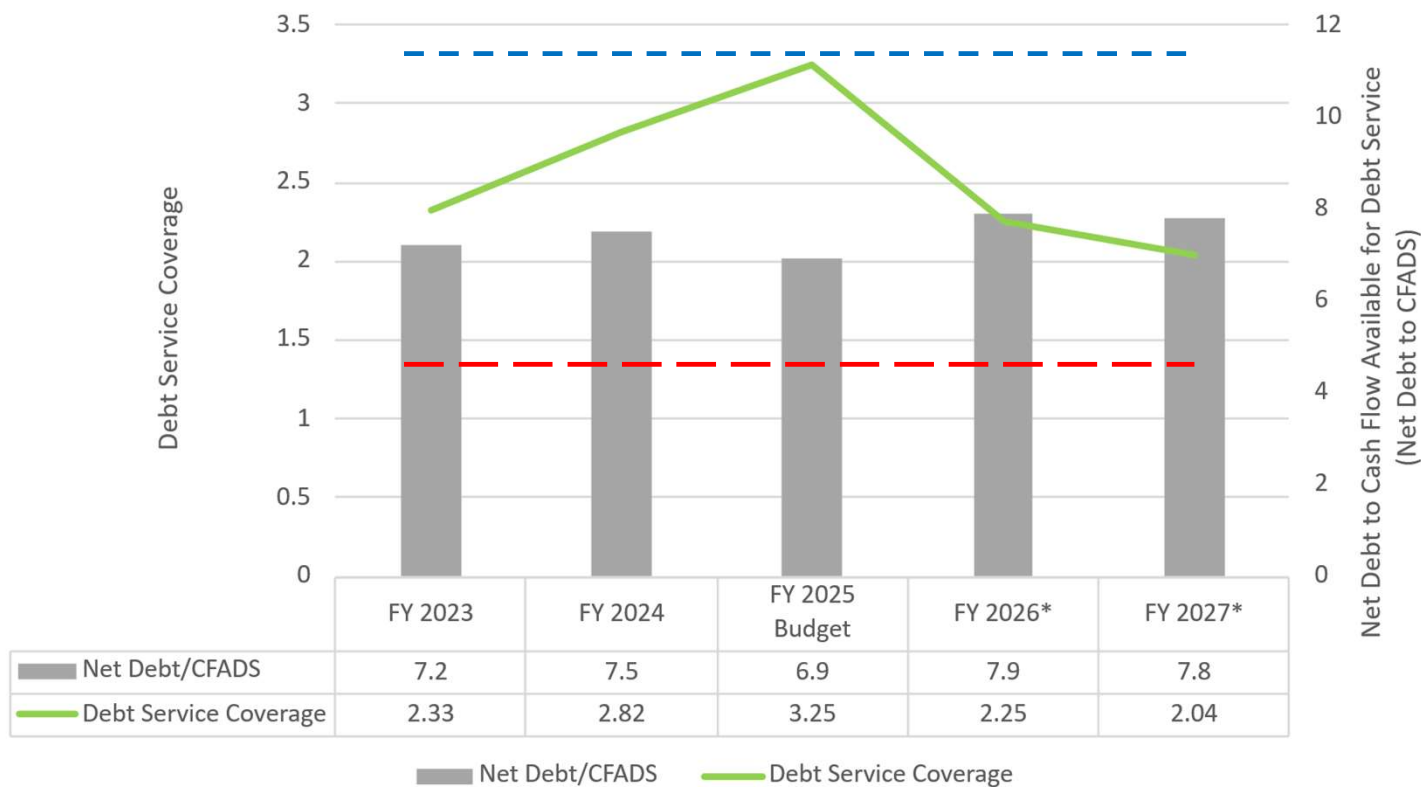


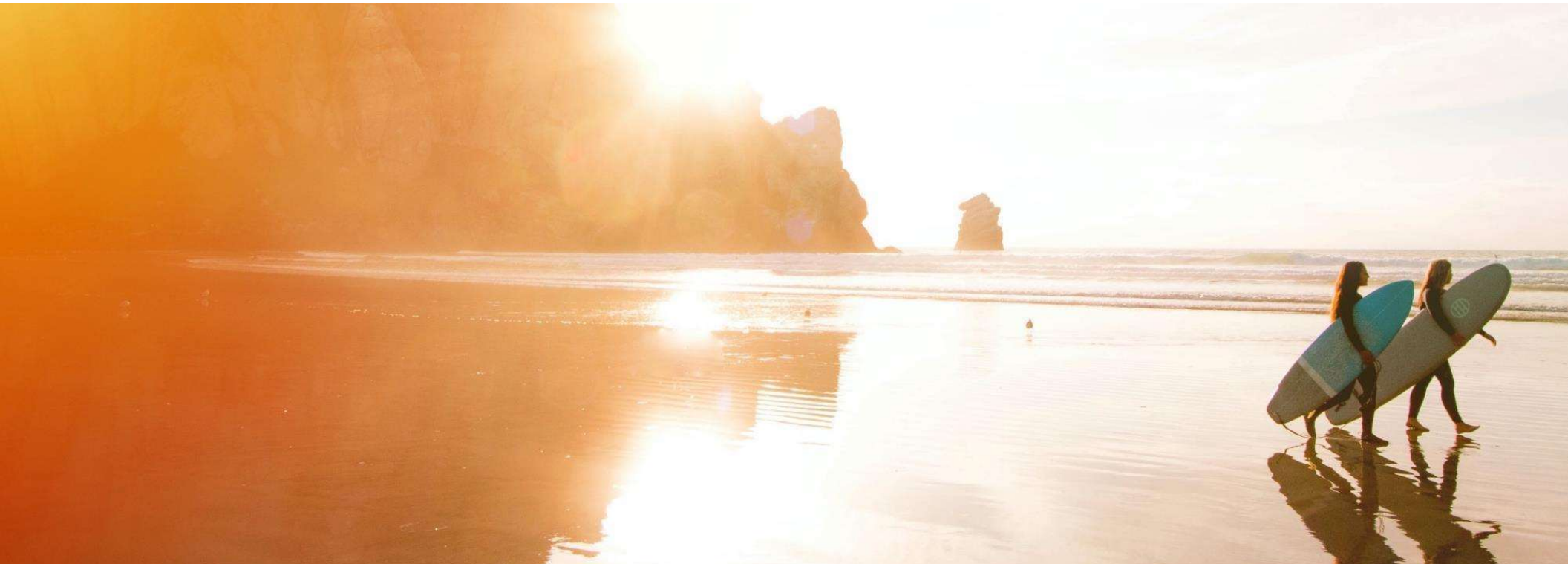
Special Facilities Debt Service Coverage

(Ratio of CFC Revenue over Debt Service)



Plan of Finance Metrics

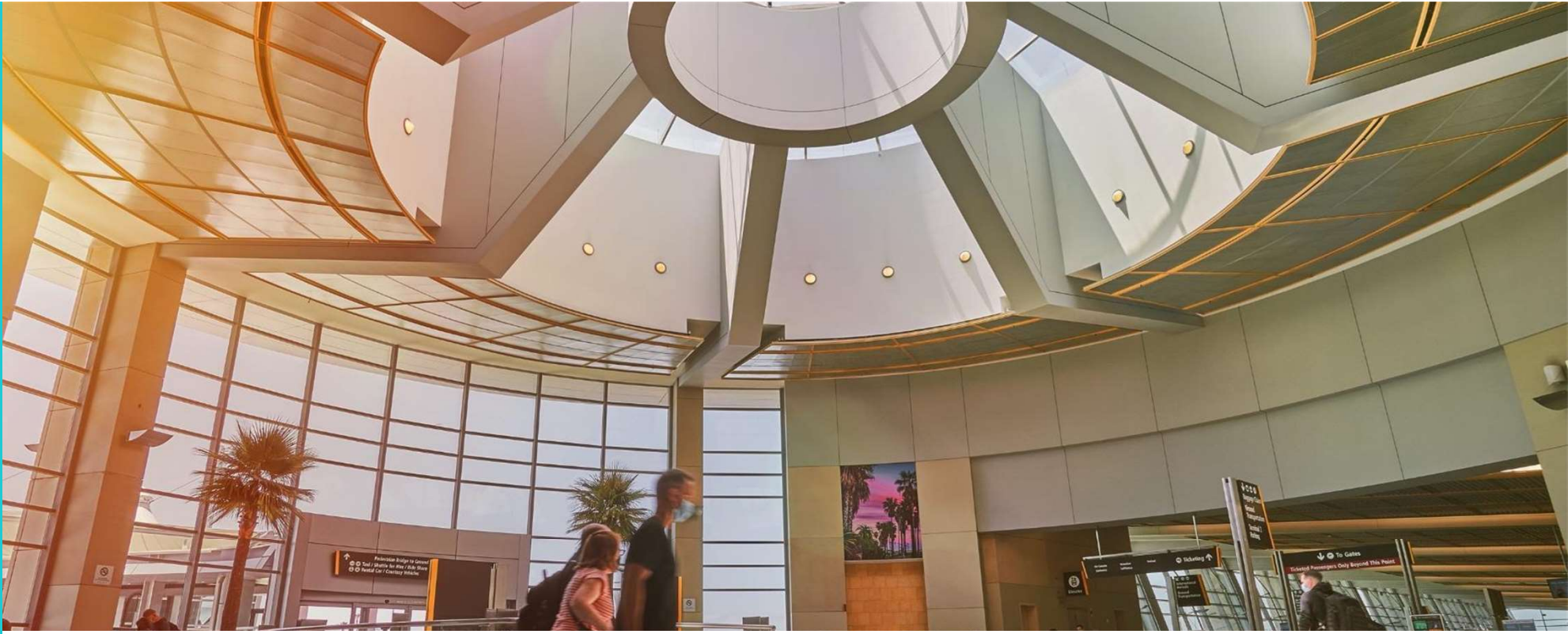




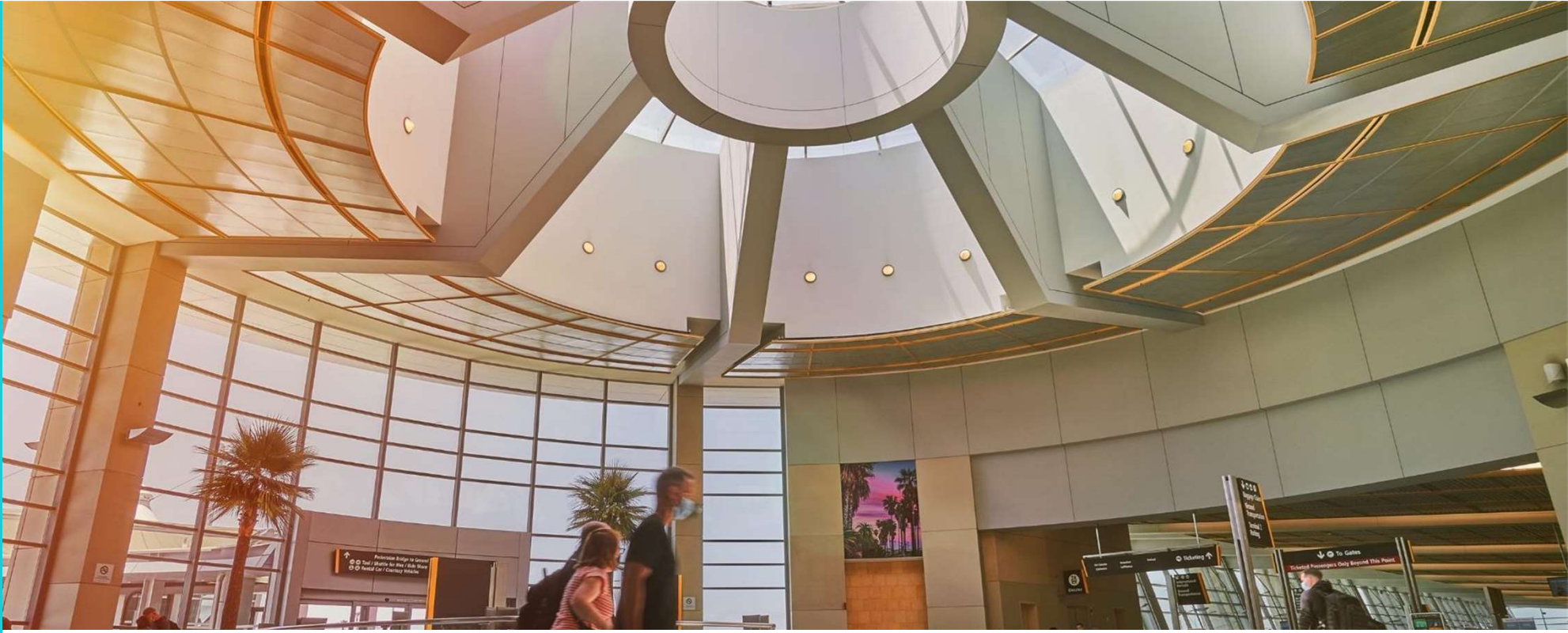
Conclusion

Conclusion

- Provides resources for:
 - The activation of the New T1
 - The construction of the New T1 Phase 1B
- Follows the Authority's legislative and regulatory mandates
- Reflects collaboration with business and community stakeholders
- Demonstrates the discipline necessary to remain a sustainable enterprise
- Advances the five-year Capital Plan
- Allocates funding to execute technology initiatives
- Continues cultivating our culture
- Invests in revenue and customer experience initiatives



Questions?



Thank You!

Public Comments

4

MEETING DATE: 5-15-2025

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPEAKER REQUEST FORM**

If you wish to speak during this meeting, please complete this form and submit it to the Authority Clerk prior to the initiation of the portion of the agenda containing the item to be addressed

- Please fill out a speaker slip for each separate item on which you would like to speak
- Speakers are limited to three (3) minutes
- **NOTE:** If you are the applicant, please indicate it next to your name. Applicants, groups and referring jurisdictions are limited to five (5) minutes. (Groups must register with the Authority prior to the meeting)
- You may speak only once under Public Comment

I WOULD LIKE TO SPEAK DURING: Public Comment X OR ON Agenda Item No. _____

AND

I WOULD LIKE TO SPEAK IN: Support _____ or Opposition _____ to this Item.

PLEASE PRINT CLEARLY AND LEGIBLY:

NAME: TONY HUBB

CITY OF RESIDENCE: SAN DIEGO

Address: _____ PHONE: (619) 231 - 1144
(Optional) (Optional)

SPEAKER SLIPS ARE PUBLIC RECORDS

1

MEETING DATE: 5/15/25

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I WOULD LIKE TO SPEAK DURING: Public Comment _____ OR ON Agenda Item No. GT. Fees Budget

AND

I WOULD LIKE TO SPEAK IN: Support _____ or Opposition X to this Item.

PLEASE PRINT CLEARLY AND LEGIBLY:

NAME: Carolyn Reynolds

CITY OF RESIDENCE: San Diego

Address: _____ PHONE: 219 417-6310
(Optional) (Optional)

____ Please check here if you are a registered lobbyist with the Authority.

SPEAKER SLIPS ARE PUBLIC RECORDS

MEETING DATE: 5/15/2025

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AND

I WOULD LIKE TO SPEAK IN: Support _____ or Opposition _____ to this Item.

PLEASE PRINT CLEARLY AND LEGIBLY:

NAME: ALFRED BANKS

CITY OF RESIDENCE: San Diego

Address: _____ PHONE: (619) 313-1052
(Optional) (Optional)

SPEAKER SLIPS ARE PUBLIC RECORDS

MEETING DATE: 5-15-2025

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPEAKER REQUEST FORM**

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I WOULD LIKE TO SPEAK DURING: Public Comment _____ OR ON Agenda Item No. 1
AND

I WOULD LIKE TO SPEAK IN: Support _____ or Opposition X to this Item.

PLEASE PRINT CLEARLY AND LEGIBLY:

NAME: ADRIAN KWIATKOWSKI

CITY OF RESIDENCE: SAN DIEGO

Address: _____ PHONE: () - _____
(Optional) (Optional)

SPEAKER SLIPS ARE PUBLIC RECORDS

MEETING DATE: MAY 15/2023

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPEAKER REQUEST FORM**

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I WOULD LIKE TO SPEAK DURING: Public Comment X OR ON Agenda Item No. Budget
AND
I WOULD LIKE TO SPEAK IN: Support _____ or Opposition _____ to this Item.

PLEASE PRINT CLEARLY AND LEGIBLY:

NAME: ABEL SEIFU

CITY OF RESIDENCE: SAN DIEGO

Address: _____ PHONE: () _____ - _____
(Optional) (Optional)

SPEAKER SLIPS ARE PUBLIC RECORDS

MEETING DATE: MAY 15/2023

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPEAKER REQUEST FORM**

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I WOULD LIKE TO SPEAK DURING: Public Comment X OR ON Agenda Item No. Budget
AND
I WOULD LIKE TO SPEAK IN: Support _____ or Opposition _____ to this Item.

PLEASE PRINT CLEARLY AND LEGIBLY:

NAME: HORACIO SANCHEZ HORACIO SANCHEZ

CITY OF RESIDENCE: BELLFLOWER, CA

Address: _____ PHONE: (43) 379-5337
(Optional) (Optional)

SPEAKER SLIPS ARE PUBLIC RECORDS



May 5, 2025

Marc Nicols, Director
Ground Transportation Department
San Diego County Regional Airport Authority
2417 McCain Road
San Diego, CA 92101

Dear Mr. Nicols,

On behalf of our members, I am submitting comments to the proposed Trip Fee and Permit increases, proposed annual automated fee and permit increases, and the proposed Drop Off fee as presented by Airport Authority Staff on May 6, 2025.

As you know, our members have had regularly scheduled hybrid quarterly meetings with Airport Staff with the most recent occurring on February 19, 2025. At no point in any of these meetings over the last year was the topic of proposed Trip Fees or Permit Fees increases, let alone any proposed new Drop Off Fees mentioned.

We just recently learned about these proposals and were completely surprised and are very disappointed in this unfortunate fact.

STRONGLY OPPOSED

Our organization is strongly opposed to the Trip Fee and Permit increases, proposed annual automated fee and permit increases and the Proposed Drop Off fee as presented.

\$100 MILLION AIRPORT PROFIT

With the Airport Authority projected to achieve, or exceed, yet another \$100 million profit for yet another fiscal year, these proposals are unwarranted, unacceptable and unjustifiable. There has been zero evidence presented justifying any of these new fees, permit increases and automatic annual increases.

No other local government agency enjoys year over year over year \$100 million + profits like the San Diego County Regional Airport Authority.

UNFAIR PLAYING FIELD

Once again, the Airport Authority continues promoting an unfair playing field between the legacy transportation modes and the TNC's. Any proposed Trip Fee and Permit Fee program should be consistent and fair across all mode types. TNC's do not have the same operating costs as legacy transportation providers, and they are barely regulated, if even at all.

There should not be First-Class citizens and Second-Class citizens promoted by the government.



PAGE TWO
Continued

PASS-THROUGH OR NOT

As you know, only the Taxi mode has the ability to pass through any increased operating costs to the consumer via the MTS meter. All other modes, Off-Airport Parking, Shuttles and Charter Operators, must incorporate any increased, or annually increased, operating costs into their own bottom lines without having the ability to pass it through to their customers.

ENVIRONMENTAL STEWARDSHIP / TNC "HONOR" SYSTEM

With the leadership of our organization, former Airport Authority Board Member / County Supervisor Greg Cox and the Center for Sustainable Energy, our members were able to transition their gas vehicles to Alternative Fuel Vehicles as mandated by the Airport Authority. This is how the taxi fleet adopted almost all Toyota Priuses and shuttle modes adopted propane vehicles.

Pioneering Leadership

Our members transitioned their vehicles to Alternative Fuel Vehicles even before the Airport Authority transitioned its own fleet. In addition, the current TNC environment program is based on a self-reporting "Honor" system. No other mode enjoys such autonomy and flexibility.

SOFTENING ECONOMY / LIKELY RECESSION

With the softening economy, and likely Recession on the horizon, now is not the time to raise any fees or permits or propose any new ones. This is bad timing for your legacy transportation partners who are already navigating growing economic challenges.

SUMMARY

As previously stated, and for the facts presented, our organization is strongly opposed to the proposed Trip Fee and Permit increases, proposed annual automated fee and permit increases and the Proposed Drop Off fee as presented. Thank you for your consideration.

Sincerely,

Adrian Kwiatkowski
President CEO

CC: Mike Anderson, Manager, Ground Transportation Department
Marie Cole, Contract Specialist, Landside Business Development / Revenue Division