



San Diego County Regional Airport Authority

FY 2027 ADOPTED BUDGET & FY 2028 APPROVED CONCEPTUAL BUDGET

San Diego, California



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INTRODUCTORY LETTER & EXECUTIVE SUMMARY



August 28, 2026

Lydia Ball, Airport Authority Board Chair
James Sly, Vice Chair
Daniel Kuperschmid
Steve Vaus
Esther C. Sanchez
Rafael Perez
Whitney Benzian
Monica Montgomery Steppe
Marni von Wilpert

Ex-Officio Members

Colonel R. Erik Herrmann
Ann Fox
Michelle Perrault

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 supported by new and resumed routes and expanded international service at San Diego International Airport (SAN). At the same time, we continue to advance the New Terminal 1 Program (New T1). Following the successful completion of Phase 1A in September 2026, we are now focused on delivering Phase 1B, the next major milestone in the transformation of SAN.

Amid leadership transitions, industry changes, and economic volatility, the Airport Authority remains committed to our purpose of creating an exceptional airport experience for our community and the world. Late in 2025, we embarked on the essential work of creating a new Strategic Plan to position the Airport Authority for long-term success. It will align leadership and staff around shared focus areas and desired outcomes and will guide efforts to build an enduring, resilient enterprise that continues to be a major economic engine and valued community partner to the region. The new Plan is anticipated to be completed and presented to the Board by the end of 2026.

Submitted herein is the Airport Authority's adopted Operating Budget for the Fiscal Year 2027, approved Conceptual Budget for Fiscal Year 2028 and FY 2027-2031 Capital Budget. The budget is an extensive, collaborative effort, which included workshops with 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 2027 Conceptual Budget, which was revised through this year's budget process. As the Airport Authority evaluated the organization's needs and business prospects, it developed revenue and expense assumptions that reflect anticipated passenger activity levels and the operational impacts of a full year of New Terminal 1 operations. After completing the Airport Authority's budget preparation and evaluation process, a revised Fiscal Year 2027 Budget was presented and discussed with the Airport Authority Board at the May 14, 2026, Budget Workshop and

at the June 4, 2026, formal adoption. In addition, the Fiscal Year 2028 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 Program (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.

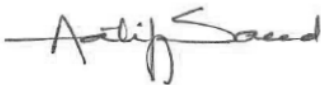
The Fiscal Year 2027 and Conceptual Fiscal Year 2028 Operating Expense budgets ("Budget") of \$538.2 million and \$574.0 million, respectively, mark the Airport Authority's 24th fiscal year operating budget. The Fiscal Year 2027 and Conceptual Fiscal Year 2028 total Revenue budgets are \$771.2 million and \$798.4 million, respectively.

Comprised of: 1) The New Terminal 1 (New T1), and 2) The Capital Improvement Program (CIP), the Airport Authority's Capital Program addresses SAN's current and future facility requirements. The total FY 2027-2031 Capital Budget is approximately \$4.58 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 2027 Budget and the Fiscal Year 2028 Conceptual Budget reflect the resources required for the Airport Authority to continue to successfully serve our community and drive regional prosperity through economic activity.

Respectfully submitted,



Atif Saeed

President | Chief Executive Officer



Scott M. Brickner, CPA

Vice President | Chief Financial Officer

Executive Summary

Draft Strategic Plan

Our Draft Strategic Plan is a blueprint that defines our focus areas and desired outcomes, 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.

The Fiscal Year 2027 (FY 2027) and Fiscal Year 2028 (FY 2028) Conceptual Budgets are aligned with the Airport Authority's Draft Strategic Plan and five overarching Focus Areas: Efficiency, Data-Driven Decision Making, Resilience, Customer Experience, and People. Investments and activities reflected in these budgets are intended to enhance operational effectiveness, strengthen the use of data and technology, maintain organizational and financial resilience, elevate the passenger experience, and attract, develop, and retain a highly engaged workforce. Together, these efforts support the Authority's long-term purpose and position SAN to meet future operational, customer, and community needs.

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

Passenger Satisfaction

At SAN, delivering an exceptional passenger experience is a top priority and a core component of the Airport Authority's Purpose Statement: creating an exceptional airport experience for our community and the world.

To better understand passenger needs and expectations, the Airport Authority launched the Airports Council International (ACI) Airport Service Quality (ASQ) program in 2023 for Terminal 2 passengers. As part of this internationally recognized benchmarking program, 350 passengers are surveyed each quarter to assess travel behaviors, experiences with airport services and facilities, and preferences for future amenities. Following the completion of New Terminal 1 (NT1) Phase 1A, the program expanded to include passengers in both terminals, providing a more comprehensive view of the customer experience and valuable insights to guide service improvements.

To further strengthen its customer-focused approach, the Airport Authority will launch a Customer Experience (CX) Council by the end of 2026. The Council will provide a forum for collaboration across the airport community, fostering engagement among tenants, stakeholders, and Airport Authority representatives to support a shared commitment to delivering an exceptional passenger experience. As part of this effort, the Airport Authority will develop customer experience key performance indicators (KPIs) and establish a framework to measure, monitor, and drive continuous improvements in service quality and passenger satisfaction.

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.

U.S. economic growth moderated in Calendar Year (CY) 2025 compared to CY 2024, with real GDP increasing 2.1% in CY 2025 following 2.8% growth in CY 2024 (see *Figure 61* in ***Supplemental Data***). Key drivers include trade

Executive Summary

uncertainty, moderating consumer spending, persistent inflation, and ongoing geopolitical conflicts that continue to create uncertainty in global energy markets. Fluctuations in oil prices resulting from supply concerns and international events may affect airline operating costs, travel demand, and broader economic activity. We continually monitor global, national, and local economic trends to evaluate potential impacts on Airport activity, revenues, and expenses.

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 3.28 million as of July 2025. 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.

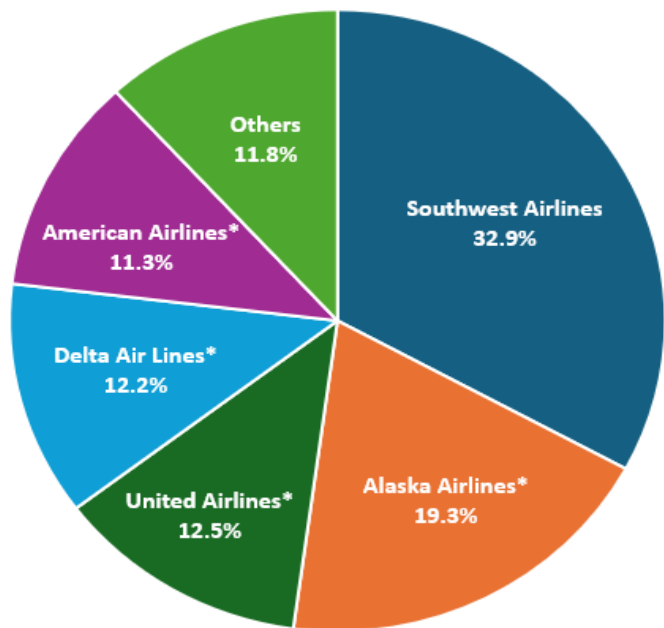
San Diego County continued to experience relatively stable economic climate. The U.S. Bureau of Labor Statistics notes that the county's average unemployment rate for April 2026 was 4.1%, compared to 5.3% for the State of California.

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 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 2025, air service was provided by 20 passenger airlines. Southwest Airlines, the largest carrier, served 32.9% of the passengers who traveled out of SAN (see *Figure 1*); its lead in market share is expected to continue.

In CY 2025, ultra-low-cost carriers accounted for 5.1% of seat capacity and 5.0% of enplaned passengers. Their presence in certain markets encourages pricing competition among all carriers, typically stimulating demand through lower fares.

SAN Enplaned Passengers in CY 2025



**Including regional affiliates*

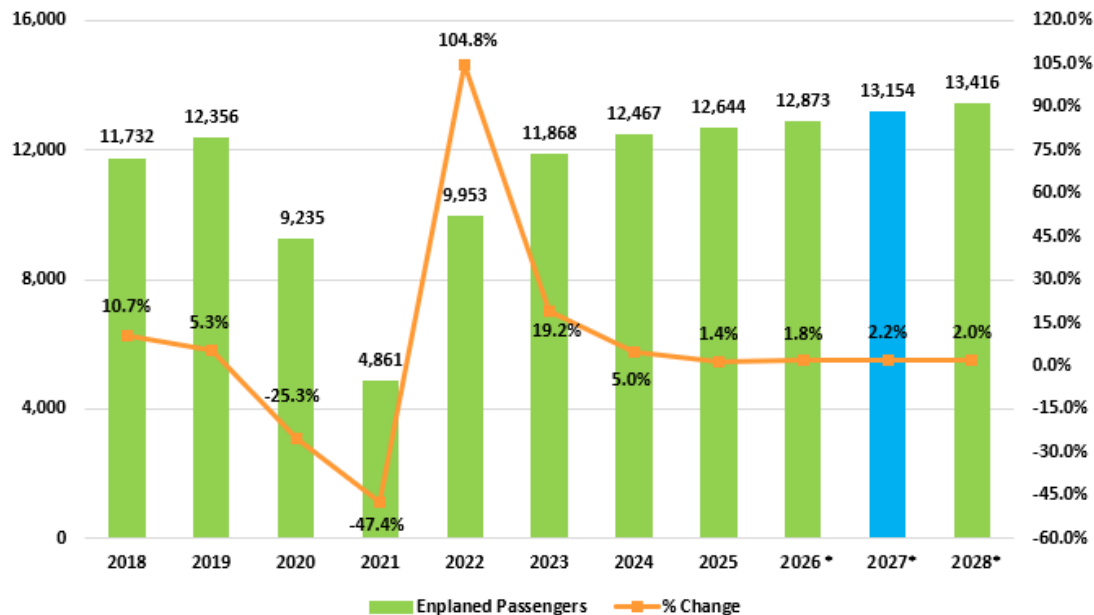
Figure 1 – SAN Enplaned Passengers by Carrier

In CY 2025, the airport saw the addition/resumption of 14 nonstop routes, including five (5) additional non-stop flight destinations – Amsterdam, Netherlands; Washington D.C. – DCA; Omaha, NE; Panama City, Panama; Sun Valley, ID. In FY 2026, SAN offered nonstop service to 79 domestic and 11 international destinations (including seasonal service). The Airport Authority’s Air Service Development team remains focused on preserving and growing current air service and attracting new international route opportunities.

Executive Summary

These economic and industry factors guide the assumptions used to develop the FY 2027 Budget and FY 2028 Conceptual Budget, including the current enplanement trends shown in *Figure 2*. SAN enplaned passenger traffic is projected to increase to 13.2 million in FY 2027 and by an additional 2.0% to 13.4 million in the FY 2028 Conceptual Budget.

Enplaned Passengers and Annual Growth by Fiscal Year



Budgeted FY 2026, FY 2027, & FY 2028

Figure 2 – Enplaned Passengers and Annual Growth

Executive Summary

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

Figure 3 – SDCRAA Budget Calendar

Executive Summary

Financial Plan

The financial plan includes the FY 2027 Budget and the FY 2028 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 2027 Budget and FY 2028 Conceptual Budget before depreciation, bond principal repayment, and capital equipment outlay.

<i>(In Thousands)</i>	FY 2025 Actuals	FY 2026 Budget	FY 2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY 2028 Conceptual Budget	Inc / (Dec) FY28 Conc vs FY27 Budget	% Change
Operating Revenue								
Airline Revenue								
Landing Fees-Revenue	\$ 59,046	\$ 59,429	\$ 62,489	\$ 3,060	5.1%	\$ 69,473	\$ 6,984	11.2%
Aircraft Parking Fees-Revenue	15,533	14,857	15,622	765	5.1%	17,368	1,746	11.2%
Building Rentals-Revenue	154,537	190,137	200,295	10,158	5.3%	237,845	37,550	18.7%
Common Use System Support Charges-Revenue	10,271	16,920	18,237	1,317	7.8%	21,361	3,124	17.1%
Other Aviation-Revenue	(260)	(2,248)	(1,863)	385	-17.1%	212	2,075	-111.4%
Total Airline Revenue	239,126	279,095	294,780	15,686	5.6%	346,259	51,479	17.5%
Non-Airline Revenue								
Terminal Rent Non-Airline	3,815	3,031	4,412	1,381	45.6%	4,435	23	0.5%
Terminal Concessions	36,634	40,977	44,380	3,403	8.3%	47,907	3,527	7.9%
Rental Car License Fees	40,265	41,352	38,846	(2,506)	-6.1%	39,866	1,020	2.6%
License Fees - Other	11,001	10,853	13,312	2,459	22.7%	13,574	262	2.0%
Parking Revenue	57,981	62,658	73,256	10,597	16.9%	75,453	2,198	3.0%
Ground Transportation Permits and Citations	23,588	25,549	30,904	5,356	21.0%	32,890	1,986	6.4%
Ground Rentals	27,108	27,686	28,112	427	1.5%	28,503	391	1.4%
Other Operating Revenue	2,971	2,179	1,889	(289)	-13.3%	1,907	18	0.9%
Total Non-Airline Revenue	195,066	214,284	235,112	20,828	9.7%	244,535	9,423	4.0%
Total Operating Revenue	434,192	493,379	529,892	36,513	7.4%	590,795	60,902	11.5%
Operating Expenses								
Personnel Costs	62,030	68,995	72,947	3,951	5.7%	79,675	6,729	9.2%
Contractual Services	54,886	66,694	67,877	1,183	1.8%	68,225	348	0.5%
Safety and Security	39,541	45,761	50,756	4,995	10.9%	53,914	3,157	6.2%
Space Rental	11,080	11,073	11,084	11	0.1%	11,093	9	0.1%
Utilities	20,497	24,536	27,711	3,175	12.9%	31,241	3,529	12.7%
Maintenance	16,575	18,805	18,336	(469)	-2.5%	20,397	2,061	11.2%
Operating Equipment & Systems	325	1,023	1,033	9	0.9%	1,015	(18)	-1.7%
Operating Supplies	652	1,200	1,067	(133)	-11.1%	1,184	117	11.0%
Insurance	2,579	3,183	3,567	384	12.1%	3,718	151	4.2%
Employee Development	910	1,199	1,254	55	4.6%	1,248	(6)	-0.5%
Business Development	3,129	5,214	5,265	51	1.0%	5,542	277	5.3%
Equipment Rentals and Repairs	4,388	5,975	6,000	25	0.4%	6,442	442	7.4%
Tenant Improvements	1,167	1,186	1,292	107	9.0%	1,344	52	4.0%
Total Operating Expenses before Depreciation & Amortization	217,759	254,845	268,190	13,345	5.2%	285,038	16,848	6.3%
Income from Operations before Depreciation & Amortization	216,433	238,534	261,702	23,168	9.7%	305,756	44,054	16.8%
Non-Operating Revenue/(Expenses)								
Passenger Facility Charges	49,255	50,959	51,973	1,014	2.0%	53,008	1,036	2.0%
Customer Facility Charges	36,479	36,693	48,189	11,497	31.3%	49,139	950	2.0%
QHP Revenue	15,683	14,400	14,400	-	0.0%	12,000	(2,400)	-16.7%
QHP Expense	17,560	18,000	18,000	-	0.0%	15,000	(3,000)	-16.7%
Interest Income	103,107	92,749	85,093	(7,657)	-8.3%	61,142	(23,951)	-28.1%
Interest Expense	201,209	236,230	231,619	(4,612)	-2.0%	227,936	(3,683)	-1.6%
Bond Amortization Costs	(25,125)	(24,473)	(25,778)	(1,305)	5.3%	(25,060)	717	-2.8%
Other Non Operating Revenue	8,297	-	-	-	0.0%	-	-	0.0%
Other Non Operating Expense	625	250	250	-	0.0%	250	-	0.0%
Total Non-Operating Revenue/(Expenses), Net	18,553	(35,207)	(24,437)	10,770	-30.6%	(42,836)	(18,399)	75.3%
Income/ (Loss) before Capital Grant Contributions	234,986	203,327	237,266	33,938	16.7%	262,921	25,655	10.8%
Capital Grant Contributions	2,543	54,756	41,609	(13,148)	-24.0%	32,351	(9,258)	-22.2%
Net Income/ (Loss) before Depreciation, Principal & Capital Outlay	\$ 237,529	\$ 258,084	\$ 278,874	\$ 20,791	8.1%	\$ 295,272	\$ 16,397	5.9%

(Table excludes GASB non-cash entries)

Executive Summary

Total Operating revenues for FY 2027 are budgeted at \$529.9 million, an increase of \$36.5 million (7.4%) over the FY 2026 Budget. This revenue reflects two sources: 1) Airline revenue of \$294.8 million and 2) Non-Airline revenue of \$235.1 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 2028 operating revenues are budgeted at \$590.8 million, an increase of \$60.9 million (11.5%). Of this, \$346.3 million is from Airline revenue and \$244.5 million is from Non-Airline revenue.

Total FY 2027 Airline revenue includes an increase of \$15.7 million (5.6%) compared to the FY 2026 Budget. The increase is attributable to higher operating expenses and debt service requirements associated with supporting a full year of operations for NT1.

Total FY 2028 Airline revenue is budgeted to increase by \$51.5 million (17.5%) compared to FY 2027. This net increase is driven from higher terminal O&M expenses and increased square footage due to opening of the NT1 Phase 1B, as well as increased landing fees from debt service and increased airfield expenses.

Total FY 2027 Non-Airline revenue projects a net increase of \$20.8 million (9.7%) from the FY 2026 Budget. The increases are driven by a \$10.6 million increase in parking revenue attributable to drive-up rate increases, marketing strategy, and enplanements growth; a \$5.4 million increase in ground transportation permits and citations due to increased passenger activity and increased rates; a \$3.4 million increase in concessions revenue, driven by enplanement growth, a full year of NT1 concessions, and an increase in Sales per Enplaned Passenger (SEP); and a \$2.5 million increase in license fees – other, driven by enplanements and ground operations growth. This increase is partially offset by a \$2.5 million decrease in rental car license fees, reflecting current industry trends.

Total FY 2028 Non-Airline revenue is budgeted to increase by \$9.4 million (4.0%) compared to FY 2027. This is driven by an increase of \$3.5 million in concessions revenue due to NT1 Phase 1B concessionaires; a \$2.2 million increase in parking revenue due to enplanements growth; a \$2.0 million increase in ground transportation permits and citations revenue; and an increase of \$1.0 million in rental car license fees revenue.

The operating expense budget of \$268.2 million reflects an increase of \$13.3 million (5.2%) in the FY 2027 operating expense Budget from the FY 2026 Budget. In addition, FY 2028 operating expenses are projected to increase by \$16.8 million (6.3%) over the FY 2027 Budget.

The FY 2027 Operating Expense increase of \$13.3 million (5.2%) is driven by several factors. First, Personnel expenses are projected to increase by \$4.0 million (5.7%), primarily driven by four (4) net new positions and benefits renewal increases partially offset by the removal of a 1.0% additional retirement contribution. Non-personnel expenses are projected to increase by \$9.4 million (5.1%), driven in part by a \$5.0 million (10.9%) increase in safety and security costs primarily associated with an increase in the Port Harbor Police budget. Utilities are expected to increase by \$3.2 million (12.9%), reflecting increased electrical rates and usage with a full year of NT1. Contractual services are expected to increase by \$1.2 million (1.8%), primarily due to an increase in parking operations and shuttle services.

FY 2028 Operating Expenses are budgeted to increase by \$16.8 million (6.3%). This growth is primarily driven by the anticipated operational impacts of New Terminal 1 (NT1) Phase 1B. Operating expenses are projected to increase due to higher personnel costs tied to the reinstatement of the 1.0% retirement catch-up contribution and the addition of ten (10) placeholder positions to support Phase 1B operations. Non-personnel expenses are expected to increase reflecting higher safety and security, utility, and maintenance costs associated with expanded facilities and increased operational activity.

Executive Summary

FY 2027 Non-Operating revenue/(expense) is projected to increase by \$10.8 million (-30.6%) from the FY 2026 Budget, primarily reflecting an increase of \$11.5 million in Customer Facility Charges (CFCs) due to increased fees, a decrease of \$4.6 million in interest expense, an increase of \$1.3 million in bond amortization, and an increase of \$1.0 million in passenger facility charges (PFCs), offset by a \$7.7 million decrease in interest income.

FY 2028 Non-Operating revenue/(expense) is budgeted to decrease by \$18.4 million (75.3%) versus the FY 2027 Budget, mainly due to \$24.0 million decrease in Interest Income, and a \$2.4 million decrease in QHP revenue a \$3.7 million decrease in interest expense, a \$3.0 million decrease in QHP expense, and a \$1.0 million increase in both CFC's and PFC's respectively.

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 2027 cash and investments will decrease by \$458.7 million to \$2,291.2 million versus the FY 2026 Projected balance of \$2,749.9 million. This decrease of 16.7% from the FY 2026 Projected balance is mostly due to the use of bond funds to pay for the New T1 project and higher debt service commitments. FY 2028 cash and investments are projected to decrease by \$225.1 million, 9.8% to \$2,066.1 million, mainly due to the use of bond funds to pay for the New T1 project and higher debt service commitments.

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 2027, as well as new projects to be undertaken at SAN between FY 2027 and FY 2031, including but not limited to the New Terminal 1 (New T1), at an estimated total cost of approximately \$4,583.5 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 Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport operating revenues, Airport revenue bonds, and short-term borrowing using a revolving line of credit.

Executive Summary

Sources of Funds

In millions

Airport Revenue Bonds	\$3,480.1
Airport Cash	635.2
Federal Grants	353.6
Major Maintenance Fund	59.7
Customer Facility Charges	37.6
Other	17.0
Passenger Facility Charges	0.2
Total Sources of Funds	\$4,583.5

Uses of Funds by Location

In thousands

Terminal	\$3,235.2
Landside & Ancillary	591.4
Airside	527.0
Administrative	229.9
Total Use of Funds	\$4,583.5

The projected FY 2027 Capital Program expenditures total \$581.0 million, and the projected FY 2028 expenditures are \$364.3 million. The section titled **Capital Program** discusses these expenditures and provides detailed descriptions.

Replacement of Terminal 1 (New T1)

The New T1 Program reached a significant milestone on September 23, 2025, with the opening of Phase 1A of the new Terminal 1 and the successful transition of airline operations into the facility. The nearly one-million-square-foot Phase 1A facility opened with 19 new gates, expanded passenger amenities, and enhanced operational capabilities, with three additional gates scheduled to open in 2026.

Following the opening, the original Terminal 1 was decommissioned and demolished, clearing the site for construction of Phase 1B, the next stage of the program. This achievement marked a major step forward in modernizing San Diego International Airport and advancing the Airport Authority's long-term vision of providing a more efficient, resilient, and customer-focused airport.

The New T1 Program also includes significant roadway and airfield improvements, as well as a designated transit station area to support future regional transportation connections. When completed in early 2028, the program will optimize the airport's 661-acre footprint, increase efficiency, and support continued passenger growth while maintaining a high-quality passenger experience.

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 2027 Budget	FY 2028 Conceptual Budget
Landing Fee	1,000 lbs	\$3.89	\$4.24
Aircraft Parking Position Rental Rate	per space	\$219,487.54	\$227,610.94
Aircraft Parking Position Turn Fee	per turn	\$156.58	\$196.34
Aircraft Parking Position Overnight Fee	per overnight	\$469.74	\$589.01
Terminal Rental Rate	sq ft.	\$260.99	\$302.93
Joint Use Fee (90%)	per enplanement	\$11.38	\$13.26
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$1,914,828.49	\$2,276,067.27
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$333,427.85	\$396,330.12
Common Use Fee	per enplanement	\$1.38	\$1.59
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 \$21.71 for FY 2027 and \$24.95 for FY 2028 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 airline's 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, 2026, the Airport Authority's outstanding long-term debt will consist of \$2,705.3 million of subordinate airport revenue bonds (Series 2017, 2019, 2020, and 2021 Bonds), \$1,841.3 million of senior bonds (Series 2023 and 2025 Bonds), and \$254.6 million of 2014 Series senior special facility revenue bonds. 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 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

Executive Summary

1.40 times. The Airport Authority Board-approved target includes PFCs used to pay debt service, rather than deducting them 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 2027, debt service coverage on revenue method aggregate debt is projected to be 2.01 times and 1.75 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 2025 Actuals	FY 2026 Budget	FY 2027 Budget	FY 2028 Conceptual Budget
Aggregate Debt Service Coverage - Revenue Method (x)	2.86	2.04	2.01	1.75
Senior Lien Debt Service Coverage (x)	66.20	28.50	62.80	6.00
Subordinate Lien Debt Service Coverage (x)	2.95	2.68	2.58	2.52

Figure 5 – Debt Service Coverage

Twenty First Consecutive Award of the GFOA Distinguished Budget Presentation Award

The Airport Authority received its twenty first consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual Budget for the fiscal year beginning July 1, 2025. 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, 2025

Christopher P. Morill

Executive Director

AIRPORT AUTHORITY OVERVIEW



Airport Authority Overview

Board of Directors

Lydia Ball, Airport Authority Board Chair

James Sly, Vice Chair

Daniel Kuperschmid

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

Atif Saeed

PRESIDENT / CHIEF EXECUTIVE OFFICER

Lee Kaminetz

GENERAL COUNSEL

Lee Parravano

CHIEF AUDITOR

Scott Brickner

VICE PRESIDENT / CHIEF FINANCIAL OFFICER

Finance Division

Hampton Brown

VICE PRESIDENT / CHIEF REVENUE OFFICER

Revenue Division

Brendan Reed

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

Hampton Brown

INTERIM DIRECTOR

Terminal Business Development

Andre Bruckner

DIRECTOR

Business Intelligence

Maya Dayan

DIRECTOR

Finance & Airline Relations

John Dillon

DIRECTOR

Accounting & 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

Elizabeth Stewart

DIRECTOR

Accounting & Risk Management

Jana Vargas

DIRECTOR

Procurement

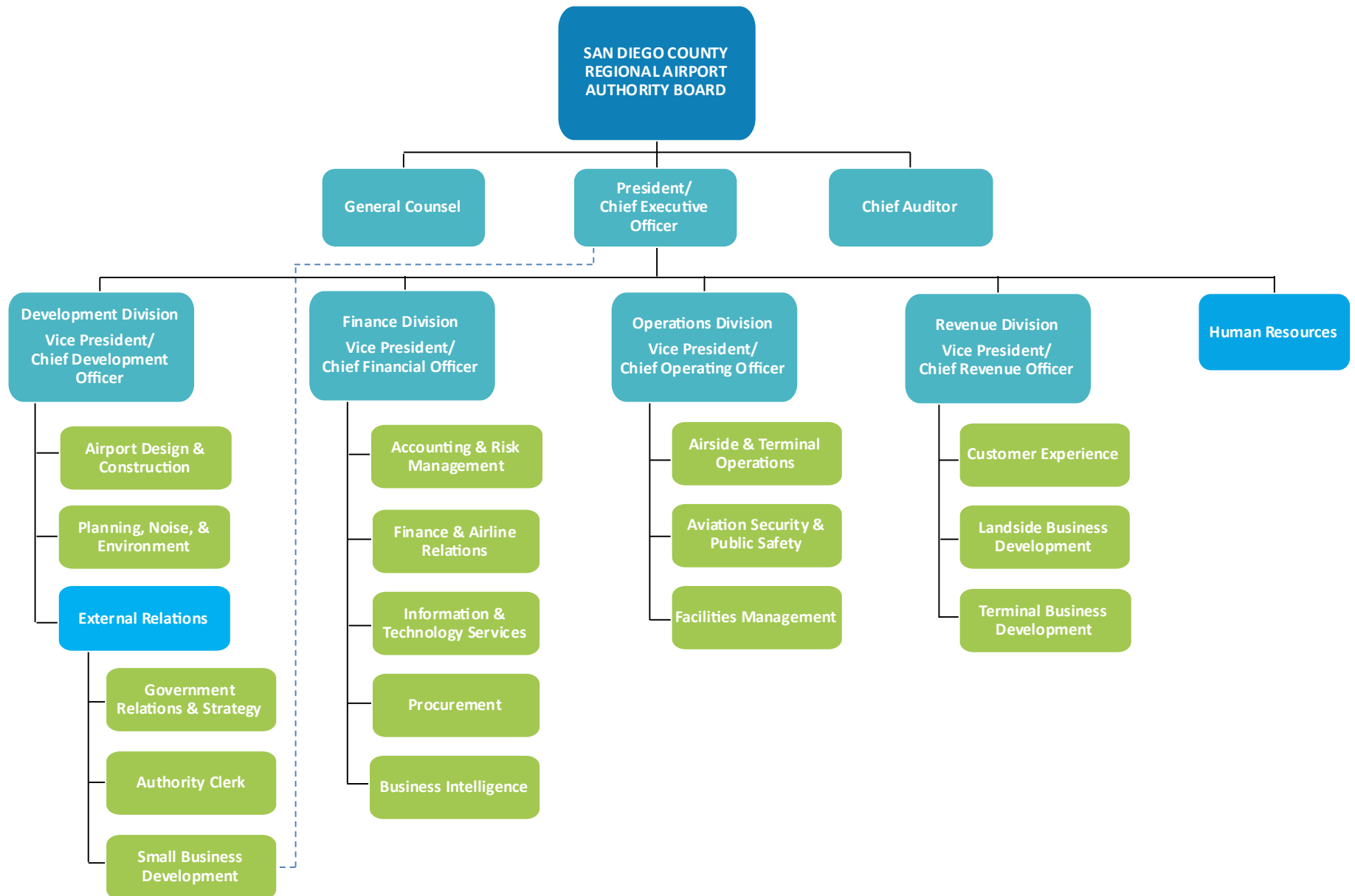
Clint Welch

DIRECTOR

Aviation Security & Public Safety

Airport Authority Overview

SDCRAA Organizational Structure



Airport Authority Overview

Purpose, Culture & Mindsets

The Authority's Purpose Statement, Culture Statement, and Leadership Mindsets provide a shared foundation for how the organization conducts business, serves the community, and advances its goals.

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 believe in the best in people, actively listen, collaborate, show empathy, and make thoughtful decisions.

Organizational Strategic Planning Efforts

Earlier this year, the Airport Authority began the process of creating a new Strategic Plan and anticipates the document will be completed and approved by the Authority Board by the end of calendar year 2026. As of this writing, the Strategic Plan prioritizes the following Focus Areas and Outcomes:

Efficiency

Focuses on improving systems, processes, infrastructure, and technology to maximize effectiveness and reduce friction.

- Optimize Use of Constrained Physical Resources
- Optimize Airport Ecosystem
- Optimize And Standardize Workflows
- Maximize Value from Integrated Systems and Technology

Data Driven Decision Making

Emphasizes the use of data, analytics, and forecasting to inform planning, prioritization, and decisions across the Authority.

- Build a Centralized Data Platform
- Develop Trusted and Well-Managed Data
- Develop Data Reporting Capability

Resilience

Addresses the Authority's ability to anticipate, withstand, and recover from environmental, financial, operational, and reputational challenges.

- Ensure Flexible, Secure, and Sustainable Operations
- Maintain Financial Strength
- Reduce Environmental Vulnerability
- Strengthen Airport-Wide Preparedness and Response Capability
- Sustain Community Trust

Airport Authority Overview

Customer Experience

Encompasses enhancement to the end-to-end traveler journey, including facilities, digital experiences, and amenities.

- Ensure Passengers Seamlessly Navigate SAN Intuitively and Confidently
- Create Value at Every Touchpoint
- Create A Sense of Place That Passengers Recognize & Remember
- Modernize Facilities to be Both Functional and Aesthetically Appealing
- Deliver A Warm and Welcoming Hospitality Experience At SAN

People

Includes workforce development, engagement, leadership, and culture.

- Attract High-Quality Talent
- Develop Intentional, Comprehensive Training Programs
- Foster An Engaged, Connected, And Collaborative Workforce
- Retain Reliable and High-Performing Employees

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 2020	FY 2021	FY 2022	FY 2023	FY2024	FY 2025	FY 2026 Projected
Unrestricted & Undesignated Cash and Available Funds	\$ 386,267	\$ 322,300	\$ 390,719	\$ 517,197	\$ 321,973	\$ 435,399	\$ 516,295
Unrestricted & Designated for Specific Capital Projects & Other Commitments	\$ 11,686	\$ 22,494	\$ 16,190	\$ 16,004	\$ 104,858	\$ 37,763	\$ 35,903
O&M and R&R Reserves	\$ 63,145	\$ 62,380	\$ 65,948	\$ 69,675	\$ 76,270	\$ 84,463	\$ 84,463
Total Unrestricted & Available Funds per Board Policy	\$ 461,098	\$ 407,175	\$ 472,857	\$ 602,876	\$ 503,101	\$ 557,625	\$ 636,661
Operating Expenses	\$ 152,679	\$ 139,602	\$ 156,925	\$ 178,214	\$ 189,266	\$ 201,603	\$ 230,314
Days Cash on Hand	1,102	1,065	1,100	1,235	970	1,010	1,009

Figure 6 – FY 2020 to FY 2026 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 2027 cash and investments will decrease by \$458.7 million to \$2,291.2 million versus the FY 2026 Projected balance of \$2,749.9 million. This decrease of 16.7% from the FY 2026 Projected balance is mostly due to the use of bond funds to pay for the New T1 project and higher debt service commitments. FY 2028 cash and investments are projected to decrease by \$225.1 million, 9.8% to \$2,066.1 million, mainly due to the use of bond funds to pay for the New T1 project and higher debt service commitments.

(Table excludes GASB non-cash entries)

(in thousands)	FY 2025 Actual	FY 2026 Budget	FY 2026 Projected	FY 2027 Budget	FY 2028 Conceptual Budget
Beginning Fund Balance:	\$2,606,505	\$2,064,116	\$2,128,284	\$2,749,921	\$2,291,192
Source of Funds					
Operating Revenue:					
Receipts from customers	442,461	493,379	493,635	529,892	588,898
Total Operating Revenue	442,461	493,379	493,635	529,892	588,898
Non-Operating Revenue & Other Financing:					
Federal Grants received (excluding Quieter Home Program)	51,677	54,256	27,846	41,609	32,351
Passenger Facility Charges Receipts	48,319	50,959	51,160	51,973	53,008
Customer Facility Charges Receipts	36,541	36,693	41,870	48,189	49,139
Bond Proceeds	-	886,082	821,856	-	-
Principal Payments received on Notes Receivable	5,092	2,833	2,833	2,937	3,045
Interest Received from Notes Receivable & Investments	120,473	93,028	100,119	85,093	61,142
Other Funding Sources	9,379	11,560	10,022	1,943	6,102
Total Non-Operating Revenue	271,482	1,135,410	1,055,705	231,744	204,788
Total Revenues	713,943	1,628,789	1,549,340	761,636	793,686
Use of Funds					
Operating Expenses:					
Payments to Suppliers & Employees	(184,683)	(237,388)	(230,314)	(250,978)	(267,758)
Total Operating Expenses	(184,683)	(237,388)	(230,314)	(250,978)	(267,758)
Non-Operating Expenses:					
Capital Expenditures	(85,135)	(87,788)	(64,179)	(116,893)	(96,509)
Capital Expenditures Financed from Bond Proceeds	(612,668)	(461,481)	(326,375)	(413,266)	(211,219)
Capital Expenditures Financed from other Sources	(51,677)	(54,256)	(35,508)	(41,609)	(32,351)
Capital Expenditures Financed from Major Maintenance Fund	(3,817)	(32,972)	(14,710)	(23,362)	(13,200)
Debt Refunding	-	-	-	(79,660)	(73,000)
Quieter Home Program, net and Joint Studies	(3,000)	(3,500)	(5,798)	(3,500)	(3,000)
Customer Facility Charges (CFC) Expenditures	(14,538)	(17,768)	(17,054)	(18,508)	(18,508)
Principal on Bonds and Variable rate debt paid	(43,385)	(34,500)	(34,500)	(36,240)	(36,240)
Interest and Debt Fees Paid (excl PFC funding)	(72,482)	(125,450)	(132,134)	(176,966)	(208,888)
Capitalized Interest Debt Service Payment	(119,902)	(59,951)	(66,254)	(58,506)	(57,198)
Payment of capital lease	(877)	(877)	(878)	(877)	(877)
Total Non-Operating Expenses	(1,007,481)	(878,545)	(697,390)	(969,387)	(750,990)
Total Expenses	(1,192,164)	(1,115,933)	(927,703)	(1,220,365)	(1,018,748)
Excess (Deficit) of Source over Use of Funds	(478,221)	512,857	621,637	(458,729)	(225,062)
Ending Fund Balance	\$2,128,284	\$2,576,973	\$2,749,921	\$2,291,192	\$2,066,130
Unrestricted Cash and Investments	\$473,163	\$580,075	\$598,106	\$597,443	\$569,551
Total Bonds Reserves	1,128,340	1,405,532	1,553,618	1,067,668	768,924
Total Other Restricted Funds	526,781	591,366	598,196	626,081	727,654
Ending Fund Balance	\$2,128,284	\$2,576,973	\$2,749,921	\$2,291,192	\$2,066,130

FINANCIAL PROJECTIONS



Financial Projections

Based on the actual results experienced by the Airport Authority during FY 2025 and the budgets for FY 2026, FY 2027 and FY 2028, the following table shows projections for FY 2029.

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 2025 Actuals	FY 2026 Budget	FY 2027 Budget	FY 2028 Conceptual Budget	FY 2029 Projected
Total Airline Revenue	239,126	279,095	294,780	346,259	373,544
Total Non-Airline Revenue	203,362	214,284	235,112	244,535	249,918
Total Operating Revenue	442,488	493,379	529,892	590,795	623,462
Total Operating Expenses before Depreciation & Amortization	213,540	254,845	268,190	285,038	301,889
Income from Operations before Depreciation & Amortization	228,948	238,534	261,702	305,756	321,573
Non-Operating Revenue/(Expenses)					
Passenger Facility Charges	49,255	50,959	51,973	53,008	54,068
Customer Facility Charges	36,479	36,693	48,189	49,139	50,118
Quieter Home Program (Net) & Joint Studies	(1,876)	(3,600)	(3,600)	(3,000)	(3,240)
QHP Revenue	15,683	14,400	14,400	12,000	11,760
QHP Expense	(17,560)	(18,000)	(18,000)	(15,000)	(15,000)
BAB Interest Rebate	-	-	-	-	-
Interest Income	103,107	92,749	85,093	61,142	34,351
Interest Expense	(201,209)	(236,230)	(231,619)	(227,936)	(224,113)
Bond Amortization Costs	25,125	24,473	25,778	25,060	23,133
Other Non Operating Revenue	8,297	-	-	-	-
Other Non Operating Expense	625	250	250	250	250
Total Non-Operating Revenue/(Expenses), Net	18,553	(35,207)	(24,437)	(42,836)	(65,932)
Income/ (Loss) before Capital Grant Contributions and Federal Relief	247,501	203,327	237,266	262,921	255,641
Capital Grant Contributions	2,543	54,756	41,609	32,351	17,988
Net Income/ (Loss) before Depreciation, Principal & Capital Outlay	\$ 250,044	\$ 258,084	\$ 278,874	\$ 295,272	\$ 273,628

(Table excludes GASB non-cash entries)

Financial Projections

	Unit	FY 2025 Actuals	FY 2026 Budget	FY 2027 Budget	FY 2028 Conceptual Budget
Landing Fee	1,000 lbs	\$3.94	\$3.88	\$3.93	\$4.24
Aircraft Parking Position Rental Rate	per space	\$205,605	\$217,831	\$219,488	\$227,611
Aircraft Parking Position Turn Fee	per turn	\$157.31	\$166.56	\$156.58	\$196.34
Aircraft Parking Position Overnight Fee	per overnight	\$471.94	\$499.69	\$469.74	\$589.01
Terminal Rental Rate	sq ft.	\$298.24	\$275.73	\$260.99	\$302.93
Joint Use Fee (90%)	per enplanement	\$6.60	\$10.40	\$11.38	\$13.26
Joint Use Charges - 10% Share (MORE THAN 1% OF ENPLANEMENTS)	per airline	\$720,330	\$1,253,728	\$1,914,828	\$2,276,067
Joint Use Charges - 10% Share (1% OR LESS ENPLANEMENTS)	per airline	\$185,990	\$298,507	\$333,428	\$396,330
Common Use Fee	per enplanement	\$1.16	\$1.42	\$1.38	\$1.59
Federal Inspection Services (FIS) Fee	per available seat	\$10.00	\$10.00	\$10.00	\$10.00
Cost Per Enplanement		\$18.18	\$20.94	\$21.71	\$24.95
Debt Service Coverage		2.86	2.04	2.01	1.75
Enplanements *		12,644	12,873	13,154	13,416
% Increase in Enplanements versus prior year		1.4%	1.8%	2.2%	2.0%

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

* In thousands

Figure 7 – FY 2025 Actuals to FY 2028 Conceptual Budget

BUDGET OVERVIEW: REVENUE



Revenue Overview

FY 2027 Revenue Budget – FY 2028 Conceptual Revenue Budget

(in thousands)

	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Proposed vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Revenue								
Airline Revenue								
Landing Fees	\$ 59,046	\$ 59,429	\$ 62,489	\$ 3,060	5.1%	\$ 69,473	\$ 6,984	11.2%
Aircraft Parking Fees	15,533	14,857	15,622	765	5.1%	17,368	1,746	11.2%
Building Rentals	154,537	190,137	200,295	10,158	5.3%	237,845	37,550	18.7%
Common Use Fees	10,271	16,920	18,237	1,317	7.8%	21,361	3,124	17.1%
Other Aviation Revenue	(260)	(2,248)	(1,863)	385	-17.1%	212	2,075	-111.4%
Total Airline Revenue	239,126	279,095	294,780	15,686	5.6%	346,259	51,479	17.5%
Non-Airline Revenue								
Terminal Rent Non-Airline	3,815	3,031	4,412	1,381	45.6%	4,435	23	0.5%
Terminal Concessions	36,634	40,977	44,380	3,403	8.3%	47,907	3,527	7.9%
Rental Car License Fees	40,265	41,352	38,846	(2,506)	-6.1%	39,866	1,020	2.6%
License Fees - Other	11,001	10,853	13,312	2,459	22.7%	13,574	262	2.0%
Parking Revenue	57,981	62,658	73,256	10,597	16.9%	75,453	2,198	3.0%
Ground Transportation Permits and Citations	23,588	25,549	30,904	5,356	21.0%	32,890	1,986	6.4%
Ground Rentals	27,108	27,686	28,112	427	1.5%	28,503	391	1.4%
Grant Reimbursements	-	-	-	-	0.0%	-	-	0.0%
Other Operating Revenue	2,971	2,179	1,889	(289)	-13.3%	1,907	18	0.9%
Total Non-Airline Revenue	203,362	214,284	235,112	20,828	9.7%	244,535	9,423	4.0%
Total Operating Revenue	442,488	493,379	529,892	36,513	7.4%	590,795	60,902	11.5%
Interest Income	103,107	92,749	85,093	(7,657)	-8.3%	61,142	(23,951)	-28.1%
Non-Operating Revenue								
Passenger Facility Charges	49,255	50,959	51,973	1,014	2.0%	53,008	1,036	2.0%
Customer Facility Charges	36,479	36,693	48,189	11,497	31.3%	49,139	950	2.0%
Quieter Home Program	15,683	14,400	14,400	-	0.0%	12,000	(2,400)	-16.7%
Capital Grant Contributions	2,543	54,756	41,609	(13,148)	-24.0%	32,351	(9,258)	-22.2%
Other Non Operating Revenue	8,297	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Revenue	215,365	156,808	156,171	(637)	-0.4%	146,499	(9,672)	-6.2%
Total Revenue	\$ 760,960	\$742,936	\$ 771,156	\$ 28,220	3.8%	\$ 798,435	\$ 27,280	3.5%

(Table excludes GASB non-cash entries)

Revenue Overview

FY 2027 Revenue Budget Increase vs FY 2026 Budget

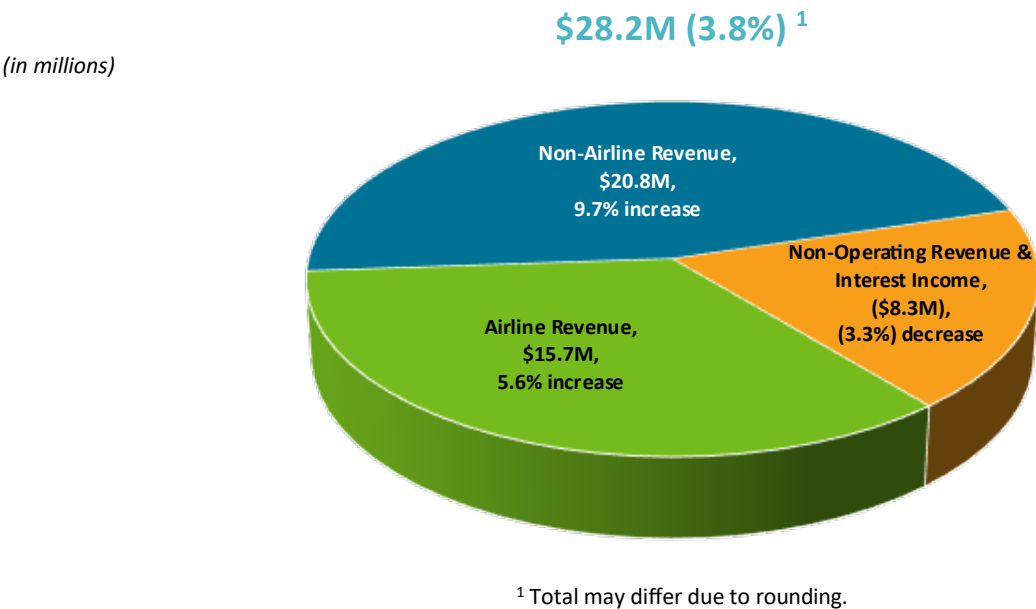


Figure 8 – FY 2027 Revenue Variance

FY 2028 Revenue Budget Increase vs FY 2027 Budget

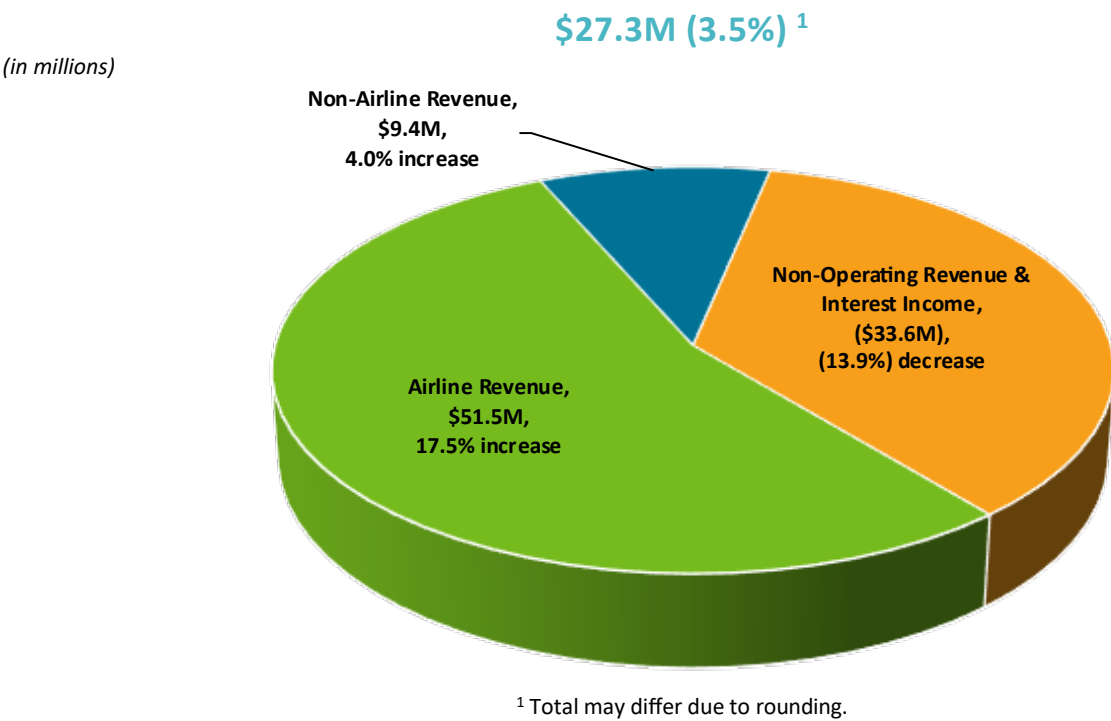


Figure 9 – FY 2028 Revenue Variance

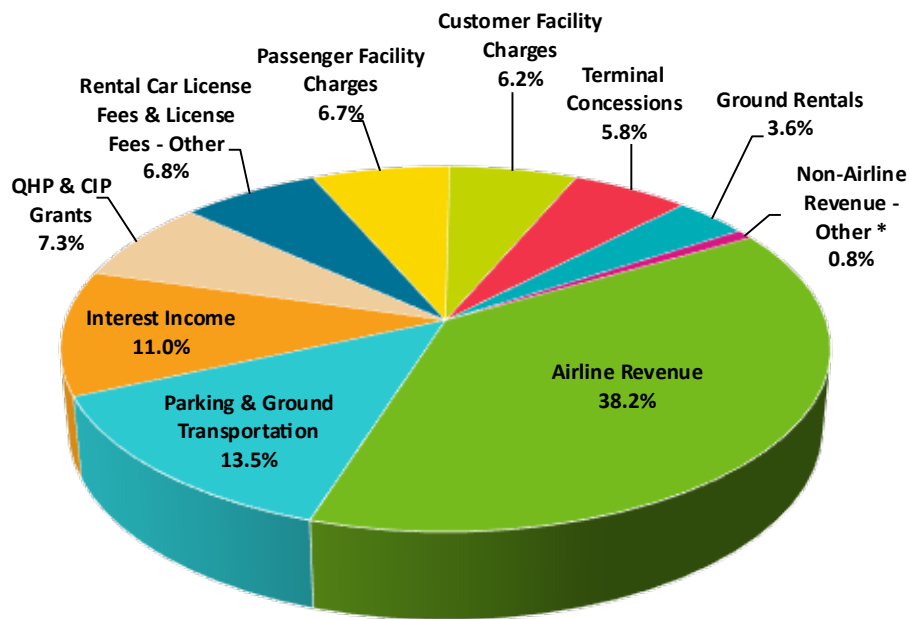
Revenue Overview

FY 2027 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2027 Budget
Airline Revenue	\$ 294,780
Parking & Ground Transportation	\$ 104,160
Interest Income	\$ 85,093
QHP & CIP Grants	\$ 56,009
Rental Car License Fees & License Fees - Other	\$ 52,158
Passenger Facility Charges	\$ 51,973
Customer Facility Charges	\$ 48,189
Terminal Concessions	\$ 44,380
Ground Rentals	\$ 28,112
Non-Airline Revenue - Other *	\$ 6,302
Total Revenue ¹	\$ 771,156

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 2027 Revenue Budget by Sources

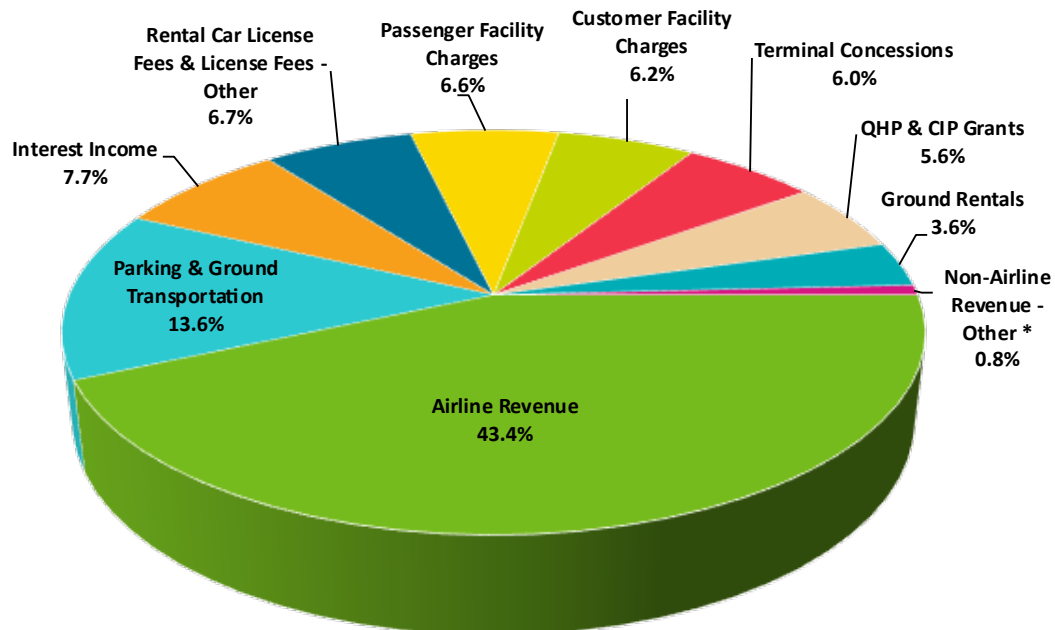
Revenue Overview

FY 2028 Revenue Budget by Major Sources

(in thousands)

Revenue by Major Sources	FY 2028 Conceptual Budget
Airline Revenue	\$ 346,259
Parking & Ground Transportation	\$ 108,343
Interest Income	\$ 61,142
Rental Car License Fees & License Fees - Other	\$ 53,440
Passenger Facility Charges	\$ 53,008
Customer Facility Charges	\$ 49,139
Terminal Concessions	\$ 47,907
QHP & CIP Grants	\$ 44,351
Ground Rentals	\$ 28,503
Non-Airline Revenue - Other *	\$ 6,342
Total Revenue ¹	\$ 798,435

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 2028 Revenue Budget by Sources

Revenue Overview

Overview

Operating and Non-Operating revenues for FY 2027 are projected to be \$771.2M, an increase of \$28.2M (3.8%) above the FY 2026 Budget. FY 2028 Conceptual Operating and Non-Operating revenues are budgeted to increase by \$27.3M (3.5%) over the FY 2027 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).

FY 2027 landing fee revenues are projected to increase to \$62.5M, by \$3.1M (5.1%) above the FY 2026 Budget, due to increased airfield-related O&M expenses and higher debt service. Estimated landed weight for FY 2027 is projected to increase to 15,988 (million-pound units), a 5.0% increase from FY 2026 Budget.

The FY 2027 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to be \$3.89, a 0.2% increase over the FY 2026 Budget.

FY 2028 landing fee revenues are projected to increase by \$7.0M (11.2%) over the FY 2027 Budget. The increase in fees is primarily due to higher debt service and increased airfield expense driven by the opening of New Terminal 1 Phase 1B. Estimated landed weight for FY 2028 is projected to increase 1.9% to 16,225 (million-pound units).

The FY 2028 signatory landing fee rate (per 1,000 pounds of maximum gross landed weight) is projected to increase to \$4.24, a 9.1% increase over the FY 2027 budgeted landing fee, reflecting a combination of increased net airfield costs, and a 1.9% increase in projected landed weight to 16,299 (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

Revenue Overview

rewards carriers who efficiently use their gates and schedule flights with departures outside the morning peak period.

In FY 2027, aircraft parking and turn fees are projected to generate revenues of \$15.6M, a \$0.8M (5.1%) increase over the FY 2026 Budget due to higher debt service and increased airfield-related O&M expenses. FY 2027 aircraft position rental signatory rate is \$219,487.54 annually per space, aircraft parking position signatory turn fee is \$156.58 per turn, and aircraft parking position signatory overnight fee is \$469.74 per overnight stay.

In FY 2028, aircraft parking and turn fees are projected to increase by \$1.7M (11.2%) over the FY 2027 Budget due to increases in debt service and net airfield costs driven by the opening of New Terminal 1 Phase 1B.

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 2027, Building Rental revenue is projected to increase to \$200.3M, an increase of \$10.2M (5.3%) over the FY 2026 Budget. FY 2027 Building Rental revenue reflects increases in terminal operations expenses and debt service. The FY 2027 signatory terminal rental rate is \$260.99 per square foot, and the joint use fee is \$11.38 per enplanement.

In FY 2028, Building Rental revenue is projected to increase by \$37.6M (18.7%) over the FY 2027 Budget due to higher terminal O&M expenses and increased square footage due to the opening of Phase 1B. The FY 2028 terminal rental signatory rate is projected to increase to \$302.93 per square foot, and the joint use fee is \$13.26 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.

In FY 2027, Common Use Fee revenue is projected to be \$18.2M, an increase of \$1.3M (7.8%) over the FY 2026 Budget. The increase in FY 2027 Common Use Fee revenue is due to a full year of NT1 common use ticket counters. FY 2026 Common Use signatory fee is \$1.38 per enplanement.

In FY 2028, the Common Use Fee revenue is projected to increase by \$3.1M (17.1%) over the FY 2027 Budget due to higher expense and amortization of cash funded projects. The FY 2027 Common Use signatory fee is \$1.59 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 2027, Other Aviation Revenue is projected to be a net credit of (\$1.9M), representing an increase of \$0.4M (17.1%) from the FY 2026 Budget. The increase is primarily due to fewer flights qualifying for incentives under the Air Service Incentive Program. The program provides operating credits to airlines that are new to serving SAN or

Revenue Overview

that introduce non-stop service from SAN to previously unserved markets, with these credits reflected as reductions to revenue.

In FY 2028, Other Aviation revenue is projected to be \$0.2M, reflecting the anticipation of no eligible flights qualifying for incentives under the Air Service Incentive Program.

Non-Airline Operating Revenue

The Non-Airline Operating revenue budget was derived by analyzing current agreements, recent trends, projected future events, historic revenue patterns, and considering the projected FY 2027 enplaned passenger traffic.

The FY 2027 Budget assumes 13.2M enplaned passengers, a 2.2% increase over the FY 2026 Budget enplanements of 12.9M and a 0.5% increase over the FY 2026 year-end projected enplanements of 13.1M. FY 2028 enplanements are projected to grow to 13.4M, a 2.0% increase over the FY 2027 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 2027, Terminal Rent Non-Airline revenue is projected to be \$4.4M, a \$1.4M (45.6%) increase over the FY 2026 Budget of \$3.0M due to CPI increase and renewed agreements.

In FY 2028, Terminal Rent Non-Airline revenue is projected to stay relatively flat from the FY 2027 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 2027 Budget for Terminal Concessions is \$44.4M, an increase of \$3.4M (8.3%) over the FY 2026 Budget, reflecting revenue based on gross sales. The increase is driven by enplanement growth, a full year of NT1 concessions, and an increase in Sales per Enplaned Passenger (SEP).

The FY 2028 Terminal Concession revenue is projected to increase by \$3.5M (7.9%) over the FY 2027 Budget, reflecting higher enplanements, opening of NT1 phase 1B, and Sales Per Enplaned Passenger growth.

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

Revenue Overview

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 2027, rental car license fees are projected at \$38.8M, a decrease of (\$2.5M) (-6.1%) from the FY 2026 Budget, reflecting revenue based on gross sales. The decrease is in line with the industry-wide recent trends.

In FY 2028, revenue is projected to increase by \$1.0M (2.6%) over the FY 2027 Budget, due to higher enplanements and higher cost recovery.

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.

In FY 2027 revenue is budgeted at \$13.3M, an increase of \$2.5M (22.7%) over the FY 2026 Budget, driven by enplanements and ground operations growth.

In FY 2028, license fee revenue is projected to increase by \$0.3M (2.0%) over the FY 2027 Budget, 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 2027 revenue is budgeted at \$73.3M, an increase of \$10.6M (16.9%) over the FY 2026 Budget, due to drive-up rate increases, marketing strategies, and enplanements growth.

The FY 2028 Budget is \$75.5M, a projected increase of \$2.2M (3.0%) over the FY 2027 Budget, driven by enplanements growth.

Ground Transportation Trip Fees and Citations

Ground Transportation revenue includes 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 2027 is budgeted at \$30.9M, an increase of \$5.4M (21.0%) over the FY 2026 Budget, due to higher rates for all vehicle modes and the addition of drop-off fees for non-TNC's.

FY 2028 is budgeted at \$32.9M, an increase of \$2.0M (6.4%) over the FY 2027 Budget, driven by increased rates and enplanements.

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.

Revenue Overview

FY 2027 revenue is budgeted at \$28.1M, an increase of \$0.4M (1.5%) over the FY 2026 Budget, driven primarily by CPI growth.

FY 2028 revenue is budgeted at \$28.5M, an increase of \$0.4M (1.4%) over the FY 2027 Budget, driven primarily by CPI growth.

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 2027 and FY 2028, 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 2027, these revenues are budgeted at \$1.9M, with a decrease of (\$0.3M) (-13.3%) from the FY 2026 Budget, due to lower shared tenant services revenue.

In FY 2028, other operating revenue is projected to stay relatively flat from the FY 2027 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 2027, interest income is budgeted at \$85.1M, a projected decrease of (\$7.7M) (-8.3%) from the FY 2026 Budget, driven by lower balances in the Bond funds, due to use of construction funds for NT1.

FY 2028 interest income revenue is projected to decrease by (\$24.0M) (-28.1%) from the FY 2027 Budget, due to Bond funds draw down.

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 2027 and FY 2028 Budgets are based on the projected number of enplaned passengers at an estimated collection rate of 90%. Certain types of passengers, including military, are excluded from paying the PFCs.

FY 2027 PFC revenues are budgeted at \$52.0M, an increase of \$1.0M (2.0%) over the FY 2026 Budget, due to enplanement growth.

Revenue Overview

FY 2028 PFC revenue is projected to increase by \$1.0M (2.0%) over the FY 2027 Budget, due to higher enplanement growth.

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 February 2026, in accordance with state statute, the fees changed from \$9.00 per rental day to \$12.00 per rental day (up to a maximum of five days).

For FY 2027, CFC revenues are projected at \$48.2M, an increase of \$11.5M (31.3%) over the FY 2026 Budget, driven by an increase in fees.

In FY 2028, CFC revenues are budgeted at \$49.1M, an increase of \$1.0M (2.0%) over the FY 2027 Budget, reflecting 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%.

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 2027 QHP revenue will remain as \$14.4M and FY 2028 QHP revenue will decrease (\$2.4M) (-16.7%) to \$12.0M.

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%.

FY 2027 capital grant contributions decreased by (\$13.1M) (-24.0%) to \$41.6M due to NT1 Airside, NT1 Terminal, and timing across other capital projects funded by grants.

FY 2028 capital grant contributions are budgeted to decrease by (\$9.3M) (-22.2%) due to NT1 Airside, offset by timing for T2E Connector project.

BUDGET OVERVIEW: EXPENSES



Expense Overview

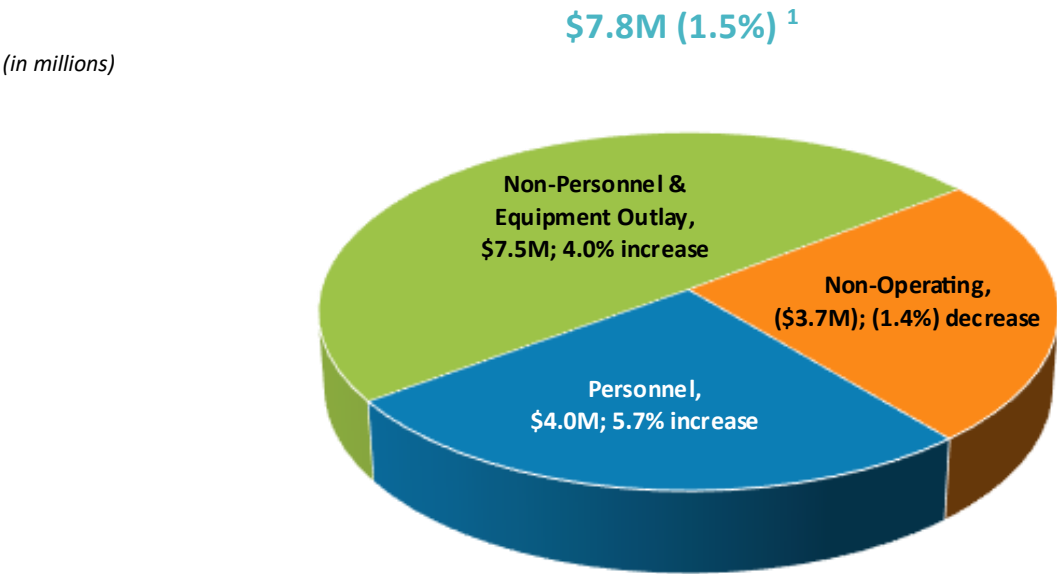
FY 2027 Expense Budget – FY 2028 Conceptual Expense Budget

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Proposed vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	47,695	52,167	58,421	6,254	12.0%	61,161	2,740	4.7%
Benefits	20,414	24,591	22,561	(2,030)	-8.3%	27,215	4,654	20.6%
Less: Capitalized Labor Recharge	(5,485)	(7,234)	(7,430)	(196)	2.7%	(8,031)	(601)	8.1%
Less: QHP Labor Recharge	(593)	(530)	(606)	(76)	14.4%	(669)	(63)	10.4%
Total	62,030	68,995	72,947	3,951	5.7%	79,675	6,729	9.2%
Contractual Services	54,886	66,694	67,877	1,183	1.8%	68,225	348	0.5%
Safety and Security	39,541	45,761	50,756	4,995	10.9%	53,914	3,157	6.2%
Space Rental	11,080	11,073	11,084	11	0.1%	11,093	9	0.1%
Utilities	20,497	24,536	27,711	3,175	12.9%	31,241	3,529	12.7%
Maintenance	16,575	18,805	18,336	(469)	-2.5%	20,397	2,061	11.2%
Operating Equipment & Systems	325	1,023	1,033	9	0.9%	1,015	(18)	-1.7%
Operating Supplies	652	1,200	1,067	(133)	-11.1%	1,184	117	11.0%
Insurance	2,579	3,183	3,567	384	12.1%	3,718	151	4.2%
Employee Development	910	1,199	1,254	55	4.6%	1,248	(6)	-0.5%
Business Development	3,129	5,214	5,265	51	1.0%	5,542	277	5.3%
Equipment Rentals and Repairs	4,388	5,975	6,000	25	0.4%	6,442	442	7.4%
Tenant Improvements	1,167	1,186	1,292	107	9.0%	1,344	52	4.0%
Total Non-Personnel Costs	155,729	185,850	195,244	9,394	5.1%	205,363	10,119	5.2%
Total Operating Expenses	217,759	254,845	268,190	13,345	5.2%	285,038	16,848	6.3%
Joint Studies / Sound Attenuation	17,560	18,000	18,000	-	0.0%	15,000	(3,000)	-16.7%
Debt Service	214,337	254,578	250,886	(3,692)	-1.5%	272,529	21,643	8.6%
Legal Settlement Expense	621	250	250	-	0.0%	250	-	0.0%
Other Non-Operating Expenses	4	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	232,522	272,828	269,136	(3,692)	-1.4%	287,779	18,643	6.9%
Total Expenses	450,282	527,673	537,326	9,653	1.8%	572,817	35,491	6.6%
Equipment Outlay Expenditures	1,329	2,775	885	(1,890)	-68.1%	1,140	255	28.8%
Total Authority Expenses Incl Equip Outlay	451,610	530,448	538,211	7,763	1.5%	573,957	35,746	6.6%

(Table excludes GASB non-cash entries)

Expense Overview

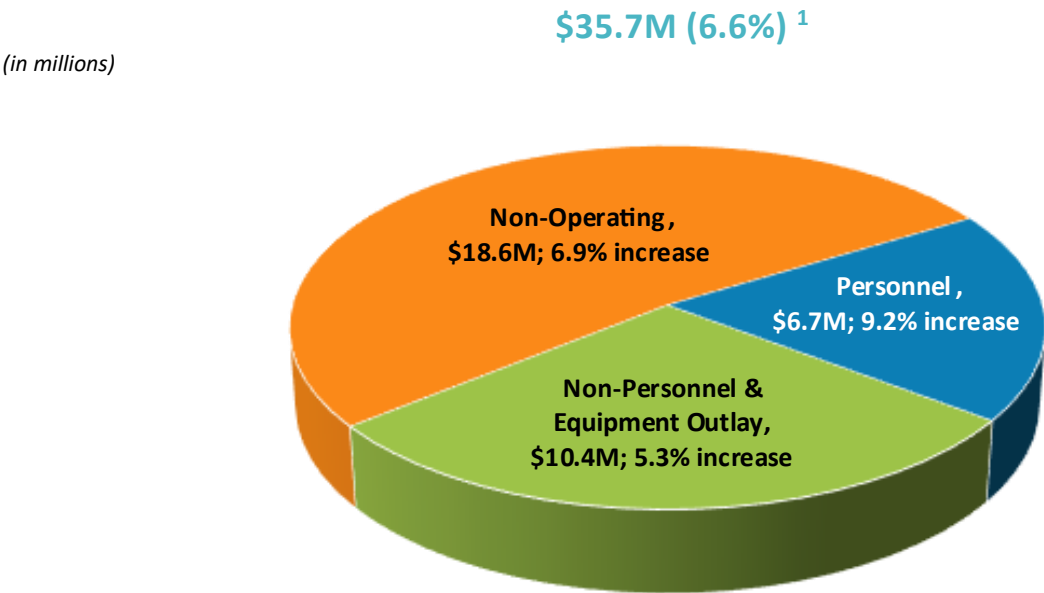
FY 2027 Expense Budget Increase vs FY 2026 Budget



¹ Total may differ due to rounding.

Figure 12 – FY 2027 Expense Variance

FY 2028 Expense Budget Increase vs FY 2027 Budget

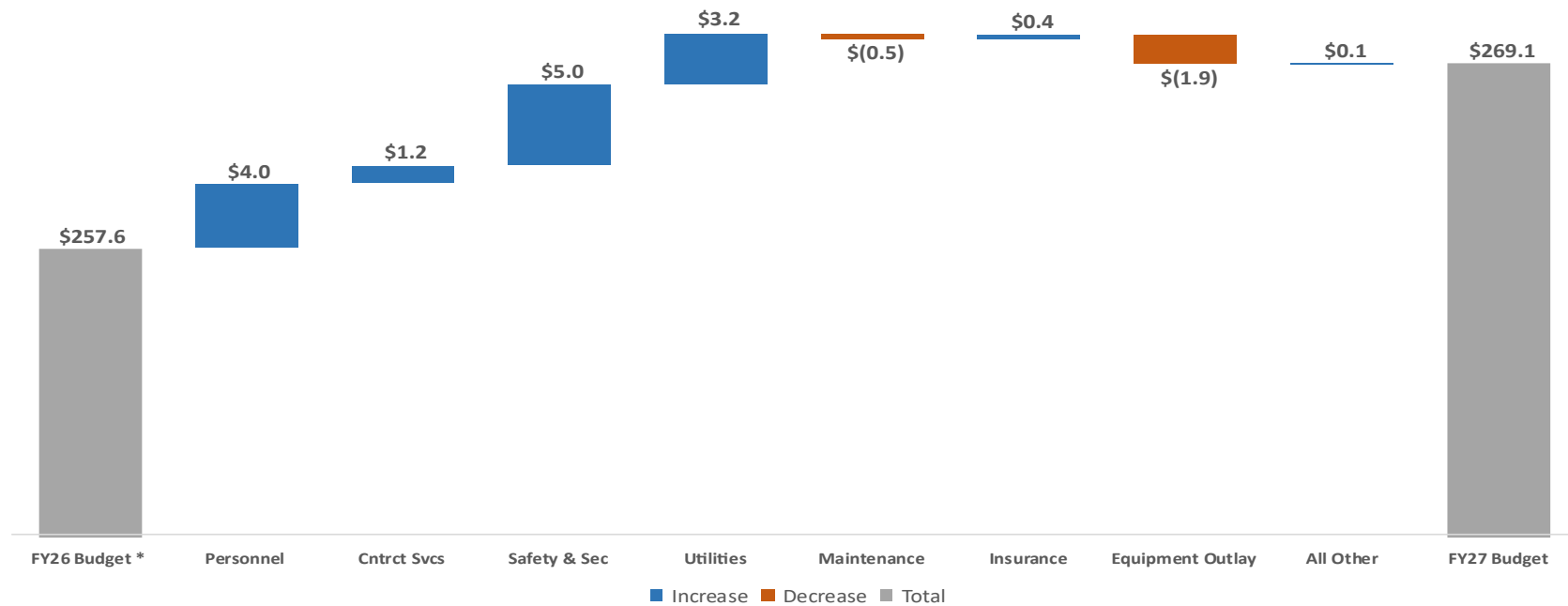


¹ Total may differ due to rounding.

Figure 13 – FY 2028 Expense Variance

Expense Overview

Major Drivers of FY 2027 Operating Expenses Budget

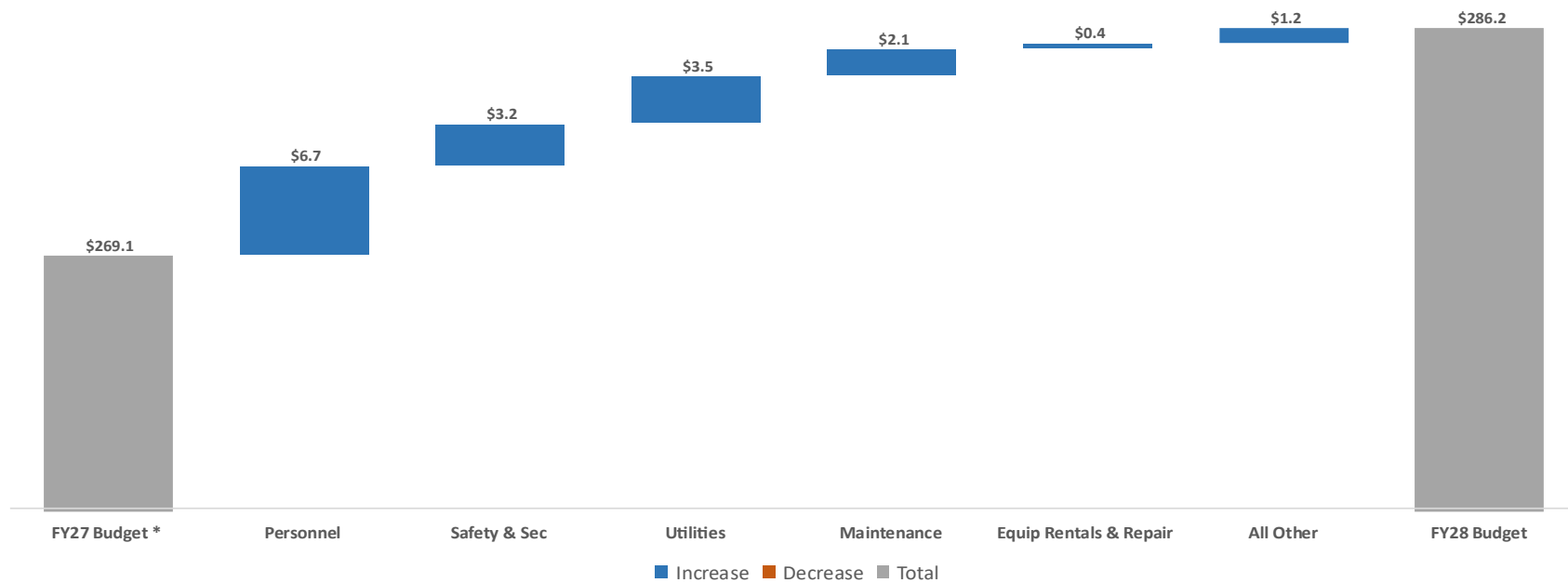


(in Millions)

* Budget starting point not indicative of scale; includes operating expenses and equipment outlay.

Expense Overview

Major Drivers of FY 2028 Operating Expenses Conceptual Budget



(in Millions)

* Budget starting point not indicative of scale; includes operating expenses and equipment outlay.

Expense Overview

Overview

In FY 2027, Authority total expenses, including debt service and equipment outlay, are projected to increase to \$538.2M from \$530.4M in the FY 2026 Budget. This represents an increase of \$7.8M (1.5%). The FY 2028 Conceptual Budget anticipates total expenses increasing to \$574.0M, representing an increase of \$35.7M (6.6%).

Operating Expenses

Personnel Expenses

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

In FY 2027, Salaries and Wages, including overtime, are projected to increase by \$6.3M (12.0%) over the FY 2026 Budget. The increase primarily reflects implementation of the compensation study, the addition of 4 new positions, wage and salary increases required under union contract agreements and pay-for-performance increases for non-union employees. Employee benefits are projected to decrease by \$2.0M (-8.3%) from the FY 2026 Budget, primarily reflecting a removal of a one percent additional retirement contribution, partially offset by other benefits increase. These combined factors, together with higher capitalized labor expenses, resulted in a net increase of \$4.0M (5.7%) in FY 2027.

In FY 2028, Salaries and Wages, including overtime, are projected to increase by \$2.7M (4.7%), reflecting 10 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 \$4.7M (20.6%) over the FY 2027 Budget, primarily reflecting increased costs associated with health insurance benefits and adding back the one percent additional retirement contribution. These combined factors, together with higher capitalized labor expenses, are projected to result in a net increase of \$6.7M (9.2%) in FY 2028.

Non-Personnel Expenses

Contractual Services

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

In FY 2027, Contractual Services are budgeted to have a net increase of \$1.2M (1.8%) over the FY 2026 Budget, driven by a full year of NT1 phase 1A, higher hourly rates for RCC buses, SP+ parking, and extended shuttle bus hours.

In FY 2028, Contractual Services are budgeted to increase by \$0.3M (0.5%) over the FY 2027 Budget.

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.

Expense Overview

In FY 2027, Safety and Security costs are projected to increase by \$5.0M (10.9%) over the FY 2026 Budget, due to Harbor Police Department (HPD) expenses and guard services with a full year of NT1.

FY 2028 Safety and Security costs are projected to increase by \$3.2M (6.2%) over the FY 2027 Budget, due to HPD and guard services new positions for NT1 phase 1B.

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 2027 Space Rental expenses are projected to remain relatively flat from the FY 2026 Budget.

FY 2028 Space Rental costs are projected to remain relatively from the FY 2027 Budget.

Utilities

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

FY 2027 utility costs are projected to increase by \$3.2M (12.9%) over the FY 2026 Budget, due to rate increases for electric, gas, and water with increased consumption from a full year of NT1 Phase 1A.

FY 2028 utility costs are budgeted to increase by \$3.5M (12.7%) over the FY 2027 Budget, due to rate increases and added usage with NT1 Phase 1B.

Maintenance

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

FY 2027 Maintenance expense is projected to decrease by \$0.5M (-2.5%) from the FY 2026 Budget, driven by updated NT1 maintenance cost assumptions informed by first-year operational experience.

FY 2028 Maintenance expense is projected to increase by \$2.1 million (11.2%) compared to the FY 2027 Budget, reflecting costs associated with green oval painting, expanded airfield maintenance, contractual service increases, and the opening of NT1 Phase 1B in early 2028.

Operating Equipment and Systems

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

FY 2027 Operating Equipment and Systems expenses are projected to be relatively flat from the FY 2026 Budget.

FY 2028 Operating Equipment and Systems expenses are projected to decrease by \$0.02M (-1.7%) from the FY 2027 Budget.

Operating Supplies

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

FY 2027 Operating Supplies expenses are projected to decrease by \$0.13M (-11.1%) from the FY 2026 budget primarily due to the decrease in purchase of Common use paper stock.

Expense Overview

FY 2028 Operating Supplies expenses are projected to increase by \$0.12M (11.0%) over the FY 2027 Budget due to increased usage of Common use stock with the opening of NT1 phase 1B.

Insurance

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

FY 2027 Insurance expense is projected to increase by \$0.4M (12.1%) over the FY 2026 Budget, due to increases in premiums and the addition of a pollution policy.

FY 2028 Insurance expense is projected to increase by \$0.2M (4.2%) over the FY 2027 Budget, due to anticipated increases in premiums and property values due to the opening of NT1 phase 1B.

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 2027 Employee Development expense is projected to increase by \$0.05M (4.6%) over the FY 2026 Budget, driven primarily by seminars and training.

FY 2028 Employee Development expense is projected to remain relatively flat from the FY 2027 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 2027 Business Development expense is projected to remain relatively flat from the FY 2026 Budget.

FY 2028 Business Development expense is projected to increase by \$0.3M (5.3%) over the FY 2027 Budget, primarily due to increased promotional activities.

Equipment Rentals and Repairs

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

FY 2027 Equipment Rentals and Repairs expenses are projected to remain relatively flat from the FY 2026 Budget.

FY 2028 Equipment Rentals and Repairs expenses are projected to increase by \$0.4M (7.4%) over the FY 2027 Budget due to increase in licenses and software renewals.

Tenant Improvements

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

FY 2027 Tenant Improvements expense is projected to increase by \$0.1M (9.0%) over the FY 2026 Budget due to increase in tenant improvement projects oversight.

FY 2028 Tenant Improvements expense is projected to increase by \$0.05M (4.0%) over the FY 2027 Budget due to further increase in tenant improvement projects oversight.

Expense Overview

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 2027 Joint-Studies/Sound Attenuation expense is projected to remain flat from the FY 2026 Budget.

FY 2028 Joint-Studies/Sound Attenuation expense is projected to decrease by (\$3.0M) (-16.7%) from the FY 2027 Budget driven by anticipated grant funding levels.

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 2027 Debt Service costs are projected to decrease by (\$3.7M) (-1.5%) from the FY 2026 Budget due to lower debt issuance costs in FY 2027 and higher amortization of bond premiums.

FY 2028 Debt Service costs are projected to increase by \$21.6M (8.6%) over the FY 2027 Budget primarily due to higher debt amortization in FY 2028 following completion of the NT1 project.

Equipment Outlay

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

FY 2027 Equipment Outlay expenses are projected to decrease by (\$1.9M) (-68.1%) from the FY 2026 Budget primarily due to one-time FY 2026 purchases.

FY 2028 Equipment Outlay expenses are projected to increase by \$0.3M (28.8%) over the FY 2027 Budget primarily due to vehicle purchases based on an aging fleet.

Expense Overview

FY 2027 Expense Budget by Division

(in thousands)

Divisions	FY 2027 Budget
Debt Service	\$250,886
Operations	\$142,426
Revenue	\$70,668
Development	\$35,034
Finance	\$28,671
Executive	\$10,525
Total ¹	\$538,211

1 Total may differ due to rounding

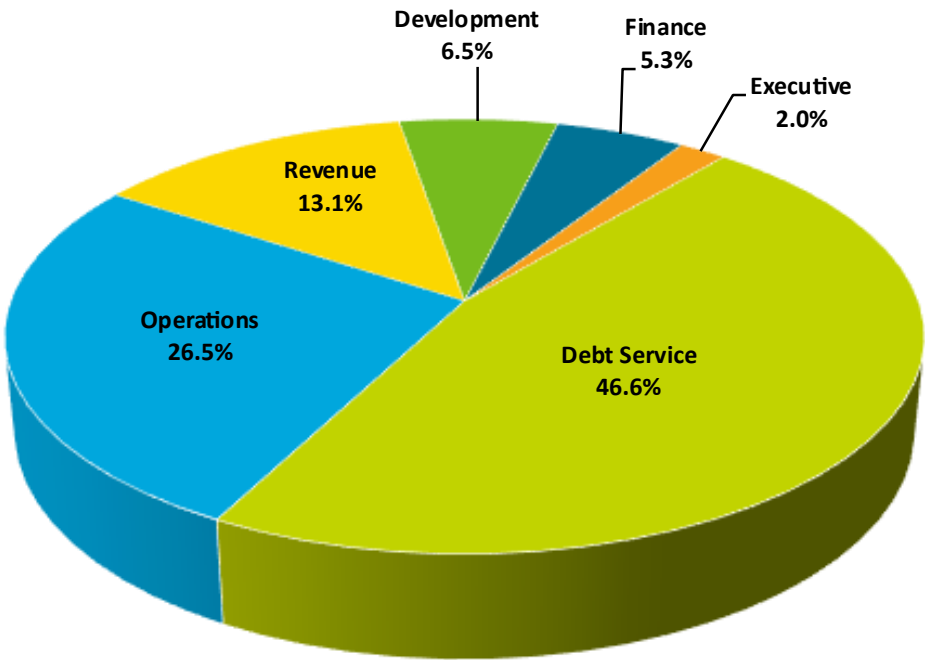


Figure 14 – FY 2027 Expense Budget by Division

Expense Overview

FY 2028 Expense Conceptual Budget by Division

(in thousands)

Divisions	FY 2028 Conceptual Budget
Debt Service	\$272,529
Operations	\$154,856
Revenue	\$71,802
Development	\$32,934
Finance	\$30,756
Executive	\$11,079
Total ¹	\$573,957

1 Total may differ due to rounding

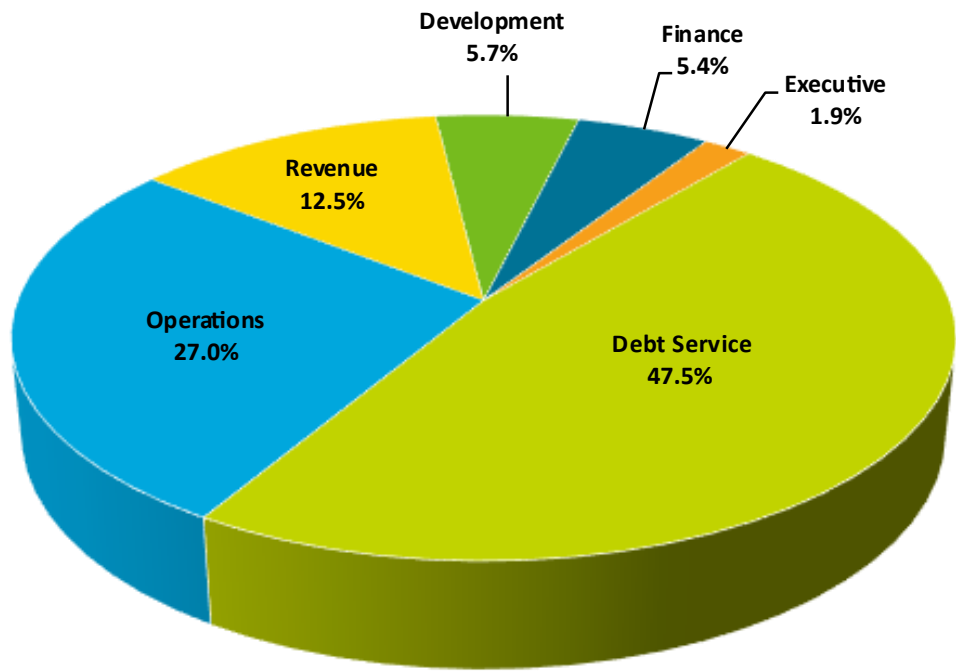


Figure 15 – FY 2028 Expense Conceptual Budget by Division

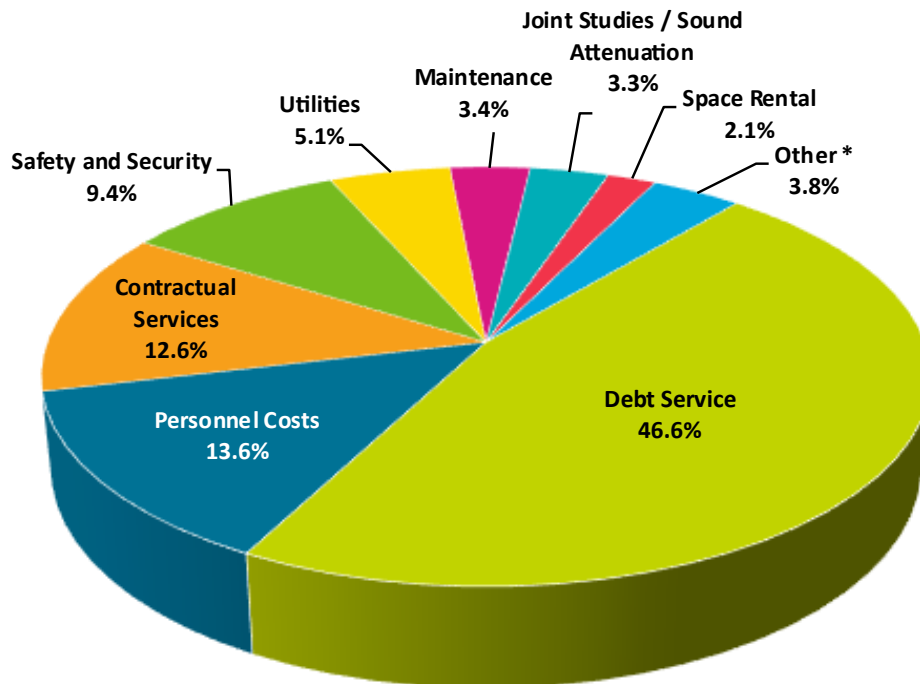
Expense Overview

FY 2027 Expense Budget by Category

(in thousands)

Category	FY 2027 Budget
Debt Service	\$250,886
Personnel Costs	\$72,947
Contractual Services	\$67,877
Safety and Security	\$50,756
Utilities	\$27,711
Maintenance	\$18,336
Joint Studies / Sound Attenuation	\$18,000
Space Rental	\$11,084
Other *	\$20,614
Total ¹	\$538,211

¹ Total may differ due to rounding



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

Figure 16 – FY 2027 Expense Budget by Category

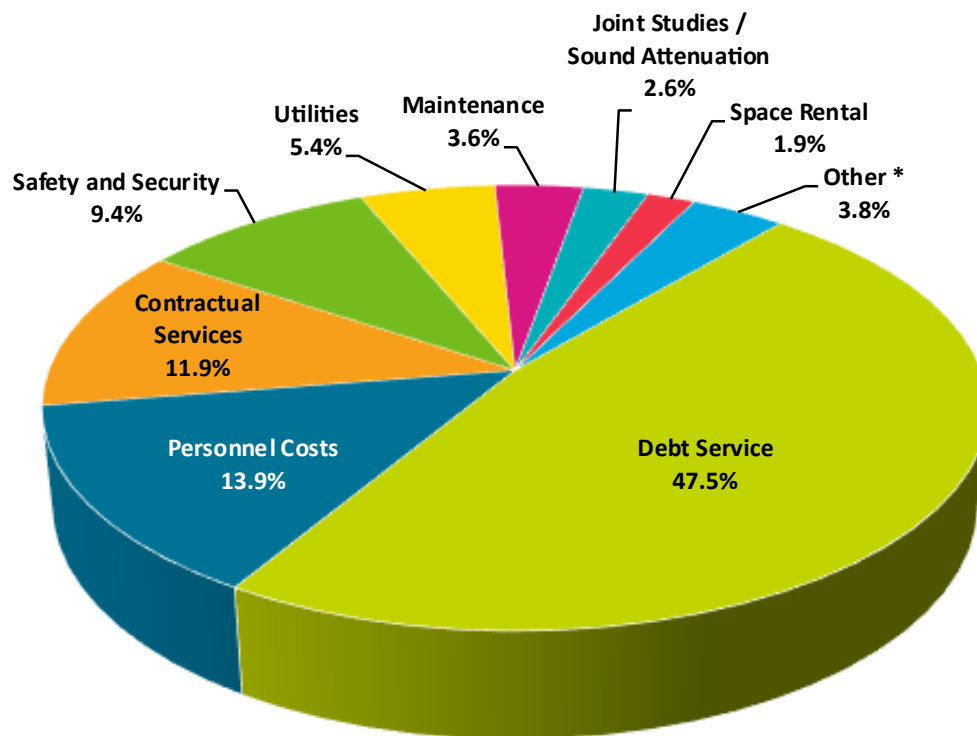
Expense Overview

FY 2028 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2028 Conceptual Budget
Debt Service	\$272,529
Personnel Costs	\$79,675
Contractual Services	\$68,225
Safety and Security	\$53,914
Utilities	\$31,241
Maintenance	\$20,397
Joint Studies / Sound Attenuation	\$15,000
Space Rental	\$11,093
Other *	\$21,883
Total ¹	\$573,957

¹ Total may differ due to rounding



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

Figure 17 – FY 2028 Expense Conceptual Budget by Category

Expense Overview

Personnel Summary by Division

	FY 2026 Budget	FY 2027 Budget New / (Eliminated)	Transfers	FY 2027 Budget	FY 2028 Budget New / (Eliminated)	FY 2028 Conceptual Budget
Executive Division						
Chief Auditor	7	-	-	7	-	7
Executive Office	2	-	-	2	-	2
General Counsel	7	-	-	7	-	7
Human Resources	16	-	-	16	-	16
Subtotal	32	-	-	32	-	32
Operations Division						
Aviation Security & Public Safety	105	4	-	109	4	113
Airside & Terminal Operations	34	-	1	35	-	35
Operational Readiness, Activation, & Transition*	2	(1)	(1)	-	-	-
Facilities Management	97	2	-	99	1	100
Subtotal	238	5	-	243	5	248
Finance Division						
Accounting & Risk Management	11	-	5	16	-	16
Capital Financial Planning & Airline Relations**	7	-	(7)	-	-	-
Information & Technology Svcs	41	2	-	43	-	43
Procurement	12	1	-	13	-	13
Finance & Airline Relations	15	-	2	17	-	17
Business Intelligence	10	-	-	10	-	10
Subtotal	96	3	-	99	-	99
Development Division						
Airport Design & Construction	41	-	-	41	-	41
Planning, Noise, & Environment	29	-	-	29	1	30
Government Relations & Strategy	7	-	1	8	-	8
Authority Clerk	7	-	(1)	6	-	6
Small Business Development	3	-	-	3	1	4
Subtotal	87	-	-	87	2	89
Revenue Management & Innovation Division						
Customer Experience	27	(4)	-	23	1	24
Landside Business Development	6	-	-	6	2	8
Terminal Business Development	14	-	-	14	-	14
Subtotal	47	(4)	-	43	3	46
Total Authority Positions	500	4	-	504	10	514

*Dept is now collapsed into Airside & Terminal Operations

**Dept is now collapsed into Finance & Airline Relations and Accounting & Risk Management

Expense Overview

FY 2027 Personnel Budget by Division

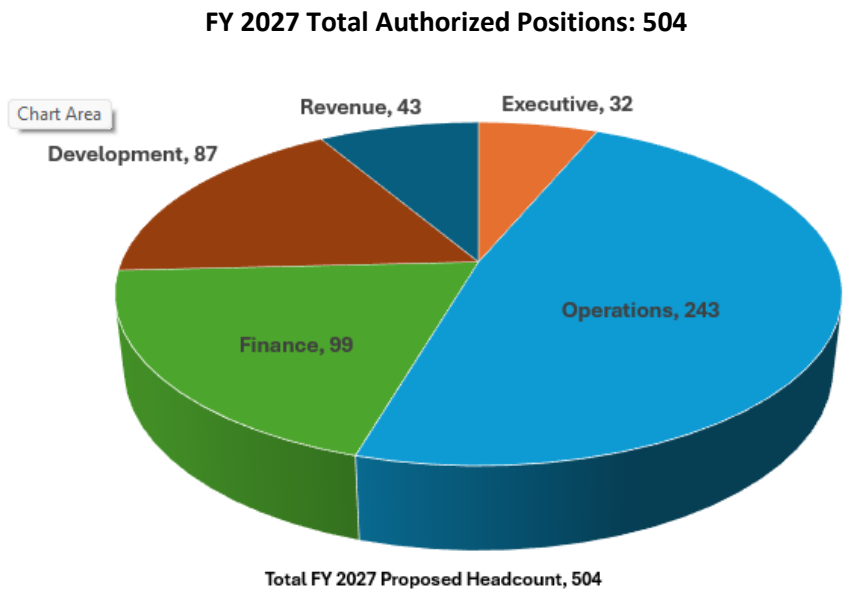


Figure 18 – FY 2027 Personnel Budget by Division

FY 2028 Personnel Conceptual Budget by Division

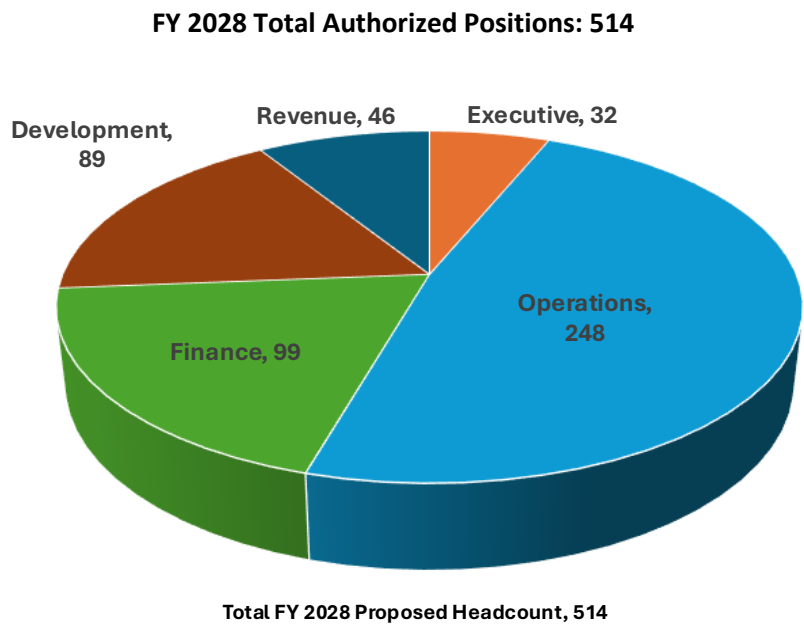


Figure 19 – FY 2028 Personnel Budget by Division

Expense Overview

FY 2027 Budget New Positions

Division	Department	#	New Positions
Operations	Landside Operations	3	Traffic Officer**
Operations	Aviation Security & Public Safety	1	ITS Administrator
Operations	Facilities Management	1	Sr. Engineering Technician
Operations	Facilities Management	1	Electrician
Finance	Information & Technology Svcs	2	Help Desk Technician**
Finance	Procurement	1	Procurement Coordinator
Revenue	Customer Experience	(4)	Lost & Found Attendants/Supervisor
Operations	Operational Readiness, Activation, & Transition*	(1)	Senior Director
*Dept is now collapsed into Airside & Terminal Operations			
Total FY 2027 New Positions		4	

Figure 20 – FY 2027 Budget New Positions

FY 2028 Budget New Positions

Division	Department	#	New Positions
Operations	Landside Operations	2	Traffic Officer Leads
Operations	Landside Operations	1	Security & Public Safety Analyst I
Operations	Aviation Security & Public Safety	1	Aviation Security and Public Safety Analyst I
Operations	Facilities Management	1	Sr. Engineering Technician
Development	Planning, Noise, & Environment	1	Assistant Airport Planner
Development	Small Business Dev	1	SBD Program Manager (Limited to Perm)
Revenue	Customer Experience	1	Senior Marketing Specialist
Revenue	Landside Business Development	1	Administrative Assistant II
Revenue	Landside Business Development	1	Systems Analyst
Total FY 2028 New Positions		10	

Figure 21 – FY 2028 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 the customer experience and guide the airport's overall success. Success is measured by ability to enhance the reputation and financial position of the airport while sustaining safe, secure and efficient operations.

The Executive Office also coordinates technical and staff support to the Authority Board; 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 to limit 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.

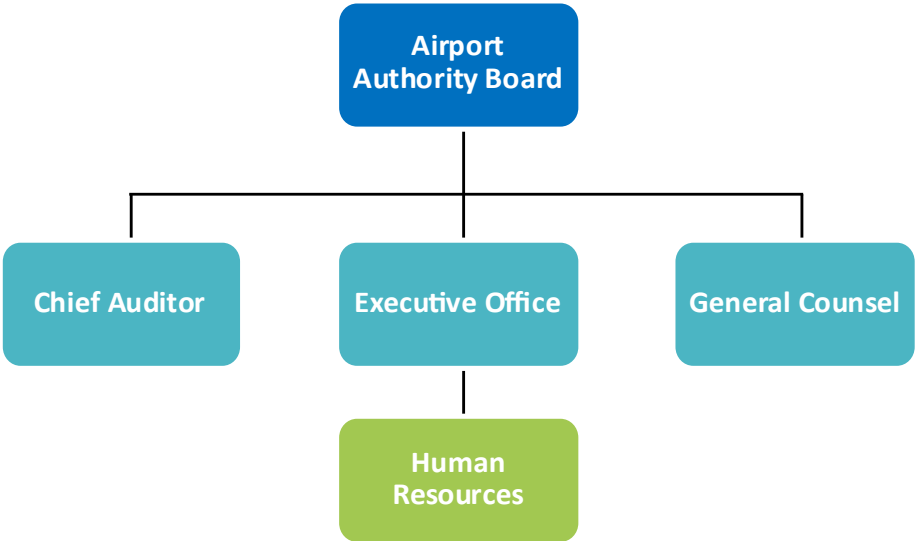
Executive Division

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.

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Executive Division

FY 2027 – FY 2028 Organizational Structure



Division Personnel Summary

	FY 2026 Budget	FY 2027 Budget New / (Eliminated)	FY 2027 Budget	FY 2028 Budget New / (Eliminated)	FY 2028 Conceptual Budget
Executive Division					
Chief Auditor	7		7		7
Executive Office	2		2		2
General Counsel	7		7		7
Human Resources	16		16		16
Total Positions	32	0	32	0	32

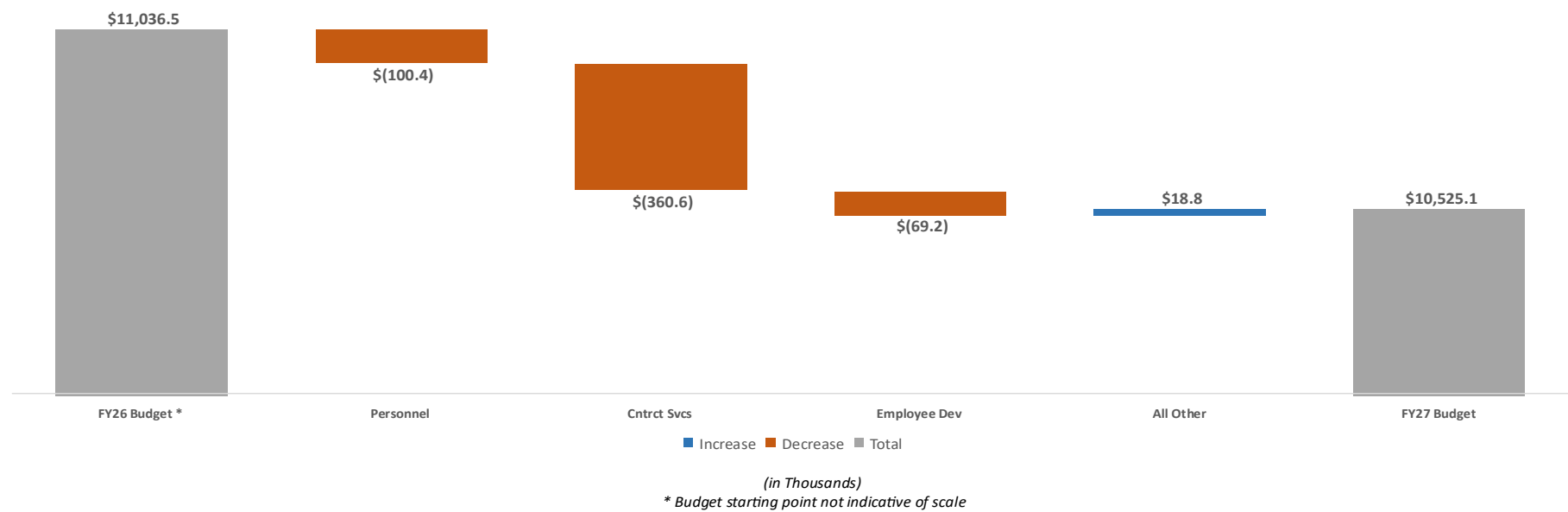
Executive Division

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	4,852	5,335	5,573	239	4.5%	5,767	193	3.5%
Benefits	1,842	2,121	1,782	(339)	-16.0%	2,143	361	20.3%
Subtotal	6,694	7,456	7,356	(100)	-1.3%	7,910	554	7.5%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	6,694	7,456	7,356	(100)	-1.3%	7,910	554	7.5%
Contractual Services	1,097	2,107	1,746	(361)	-17.1%	1,747	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	12	4	8	4	97.4%	4	(4)	-49.4%
Operating Supplies	16	17	19	2	12.7%	19	1	2.7%
Insurance	51	1	1	-	0.0%	1	-	0.0%
Employee Development	197	439	369	(69)	-15.8%	373	4	1.0%
Business Development	288	390	428	38	9.6%	426	(2)	-0.5%
Equipment Rentals and Repairs	325	373	348	(25)	-6.6%	349	1	0.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	1,987	3,330	2,919	(411)	-12.3%	2,919	(0)	0.0%
Total Operating Expenses	8,681	10,786	10,275	(511)	-4.7%	10,829	554	5.4%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Debt Service	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	621	250	250	-	0.0%	250	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	621	250	250	-	0.0%	250	-	0.0%
Total Expenses	9,302	11,036	10,525	(511)	-4.6%	11,079	554	5.3%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	9,302	11,036	10,525	(511)	-4.6%	11,079	554	5.3%

Executive Division

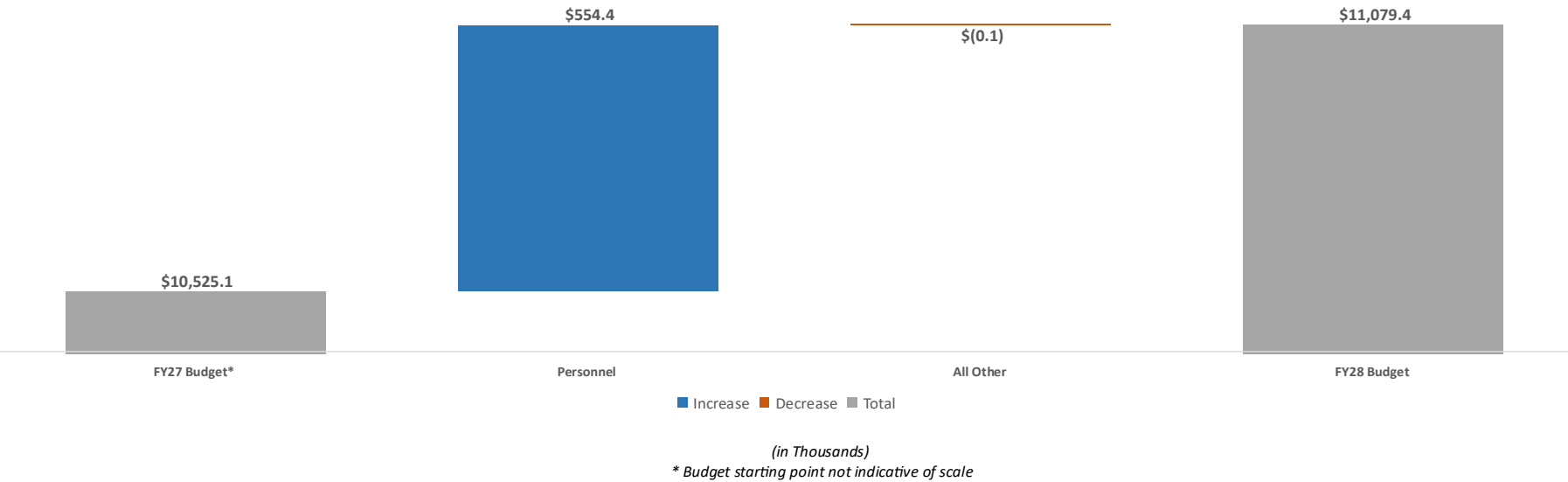
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: (\$500K) decrease in litigation experts partially offset by \$75K increase in cyber security pen testing
Employee Development: VP recruitment completed in FY26

Executive Division

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff

Executive Division

FY 2027 Expense Budget by Department

(in thousands)

Departments	FY 2027 Budget
Human Resources	\$4,071
General Counsel	\$3,539
Chief Auditor	\$1,687
Executive Office	\$1,229
Total ¹	\$10,525

¹ Total may differ due to rounding

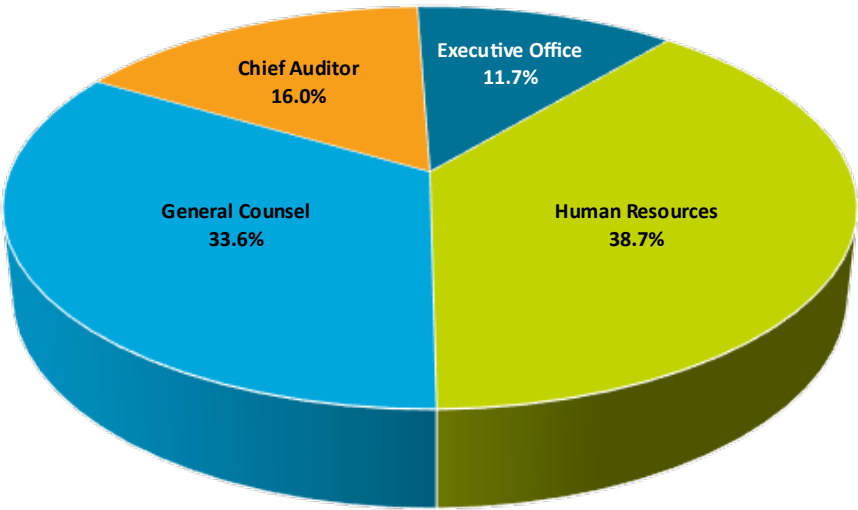


Figure 22 – FY 2027 Expense Budget by Department

Executive Division

FY 2028 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2028 Conceptual Budget
Human Resources	\$4,301
General Counsel	\$3,705
Chief Auditor	\$1,808
Executive Office	\$1,265
Total ¹	<u><u>\$11,079</u></u>

¹ Total may differ due to rounding

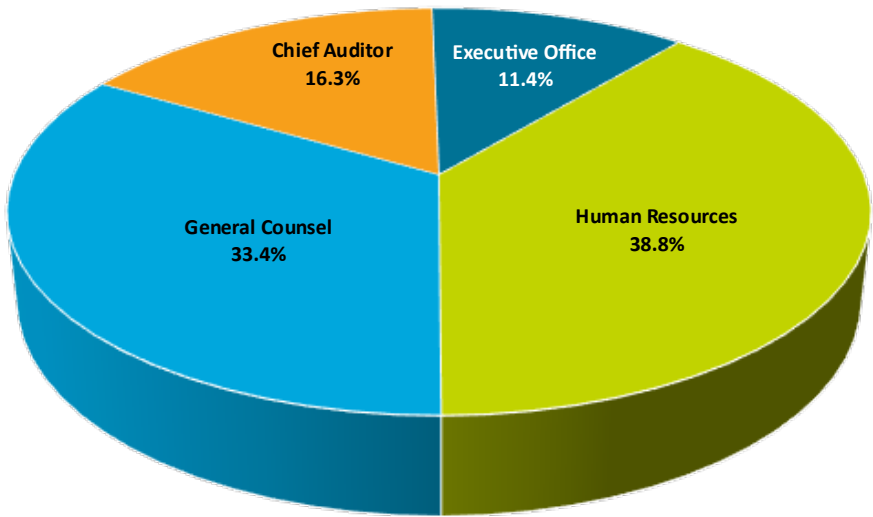


Figure 23 – FY 2028 Expense Conceptual Budget by Department

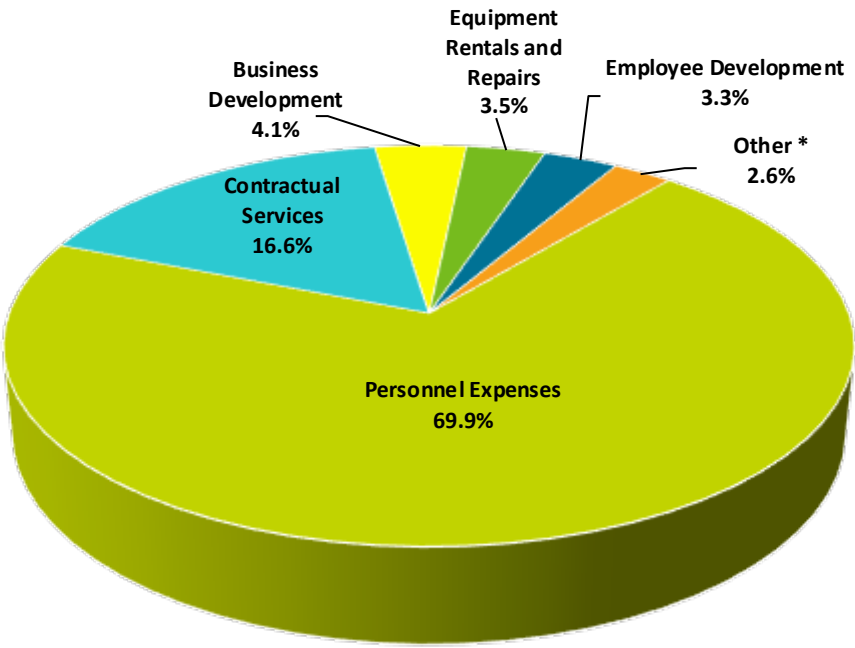
Executive Division

FY 2027 Expense Budget by Category

(in thousands)

Category	FY 2027 Budget
Personnel Expenses	\$7,356
Contractual Services	\$1,746
Business Development	\$428
Equipment Rentals and Repairs	\$369
Employee Development	\$348
Other *	\$278
Total ¹	\$10,525

¹ Total may differ due to rounding



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

Figure 24 – FY 2027 Expense Budget by Category

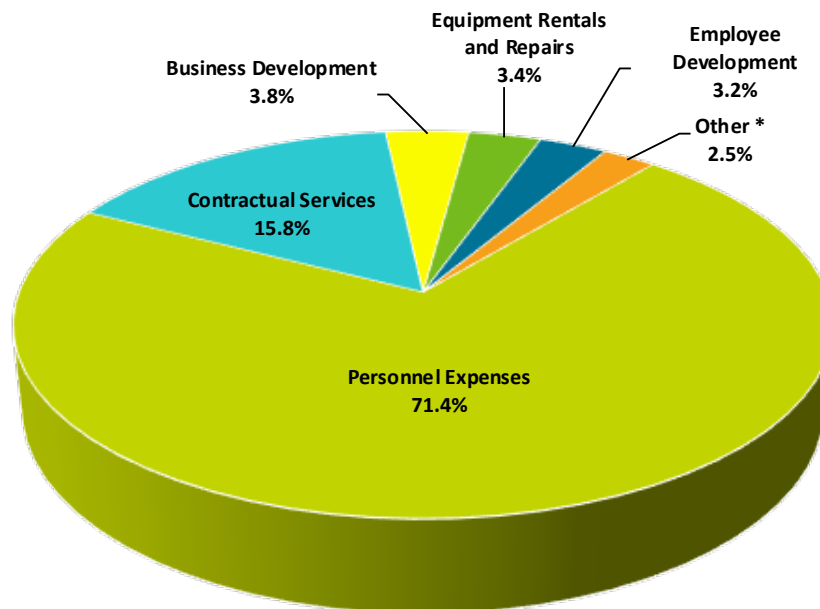
Executive Division

FY 2028 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2028 Conceptual Budget
Personnel Expenses	\$7,910
Contractual Services	\$1,747
Business Development	\$426
Equipment Rentals and Repairs	\$373
Employee Development	\$349
Other *	\$274
Total ¹	\$11,079

¹ Total may differ due to rounding

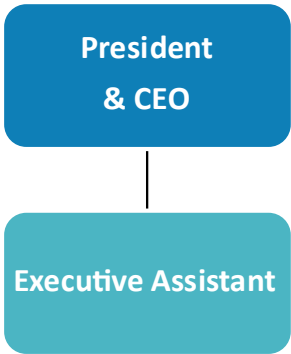


*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 25 – FY 2028 Expense Conceptual Budget by Category

Executive Division – Executive Office

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

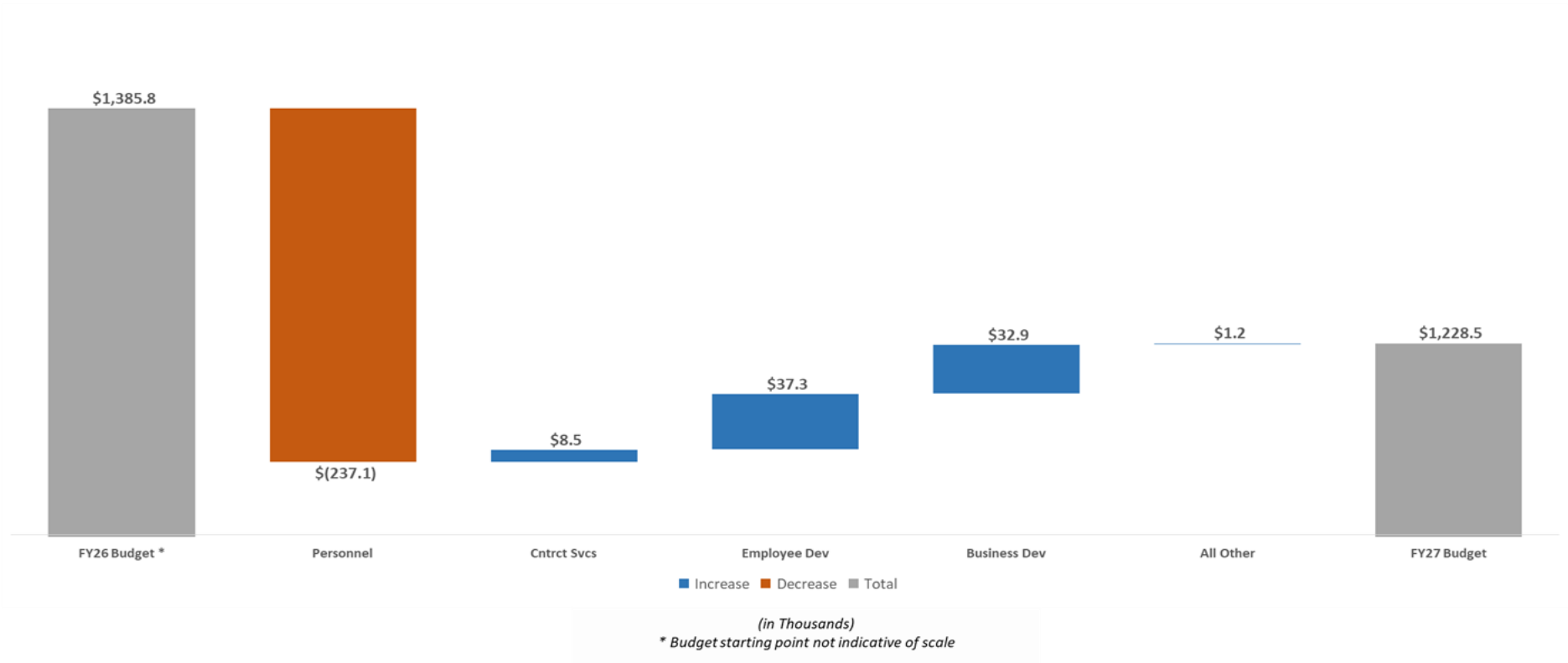
Executive Division – Executive Office

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)		FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses									
Salaries		743	749	637	(112)	-14.9%	643	6	0.9%
Benefits		243	247	121	(125)	-50.8%	151	30	24.9%
Subtotal		986	996	759	(237)	-23.8%	795	36	4.8%
Less: Capitalized Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Total		986	996	759	(237)	-23.8%	795	36	4.8%
Contractual Services		15	64	72	9	13.4%	72	-	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		2	1	3	1	92.3%	3	1	20.0%
Insurance		-	-	-	-	0.0%	-	-	0.0%
Employee Development		23	39	76	37	95.9%	78	1	1.9%
Business Development		214	286	319	33	11.5%	318	(1)	-0.5%
Equipment Rentals and Repairs		-	0	0	-	0.0%	0	-	0.0%
Tenant Improvements		-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs		253	390	470	80	20.5%	470	0	0.1%
Total Operating Expenses		1,238	1,386	1,229	(157)	-11.3%	1,265	37	3.0%
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		1,238	1,386	1,229	(157)	-11.3%	1,265	37	3.0%
Equipment Outlay Expenditures		-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay		1,238	1,386	1,229	(157)	-11.3%	1,265	37	3.0%

Executive Division – Executive Office

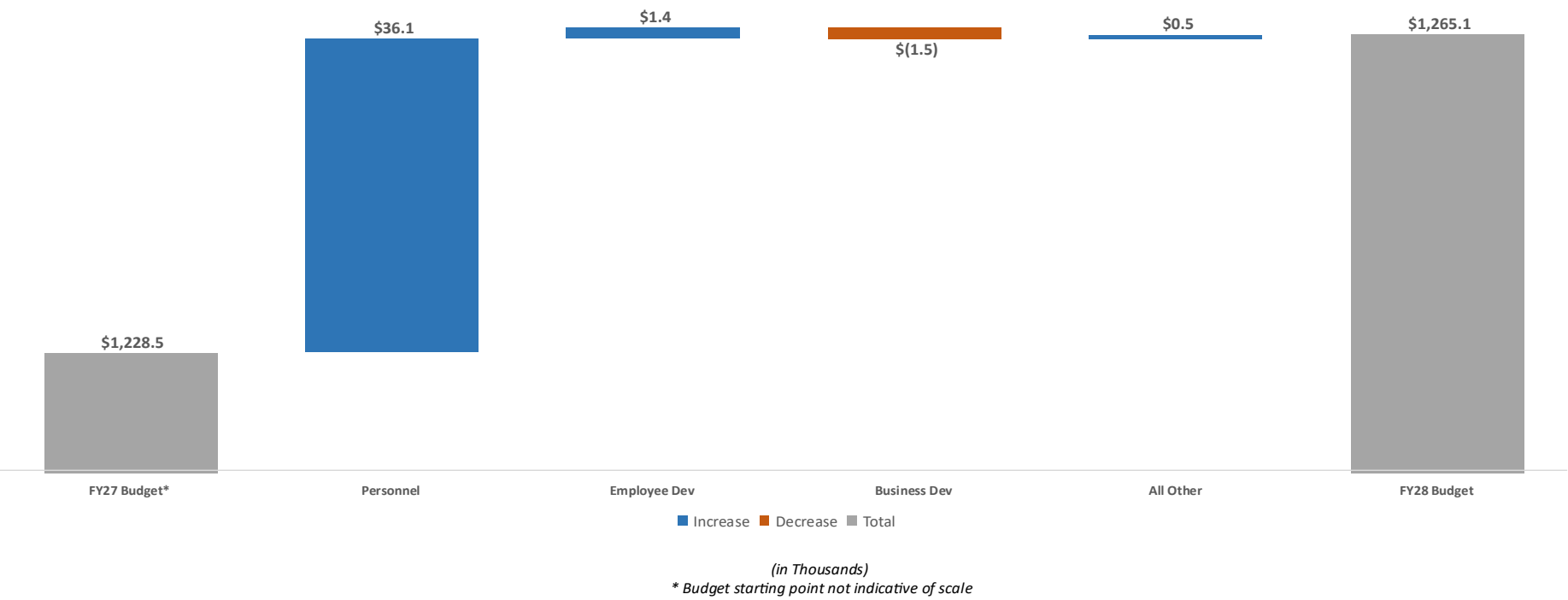
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Employee Development: \$37K increase in seminars/training
Business Development: \$25K increase in leadership retreat venue fees

Executive Division – Executive Office

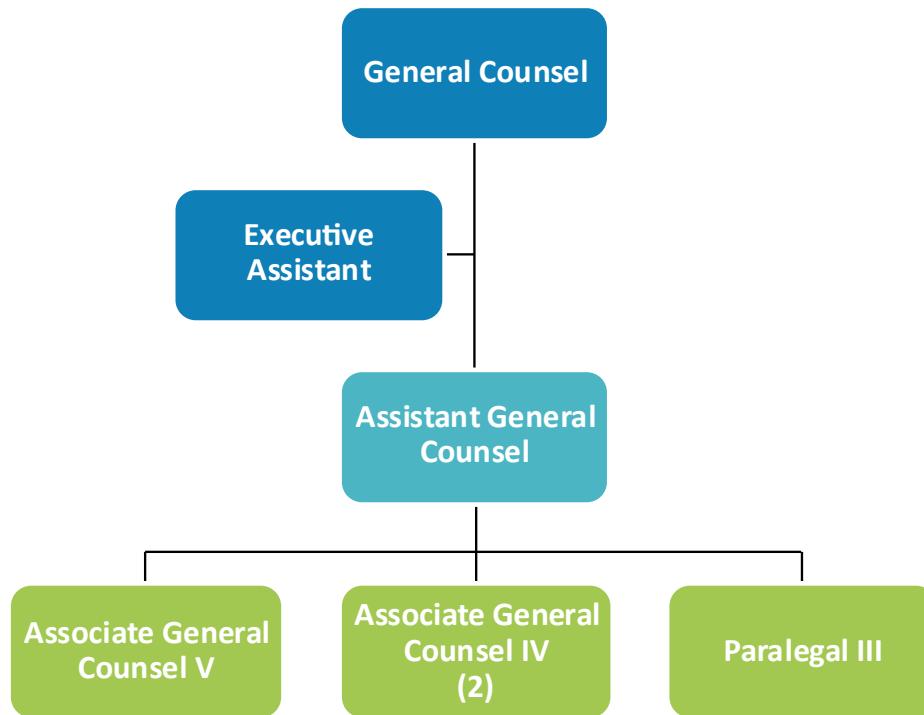
FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff

Executive Division – General Counsel

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

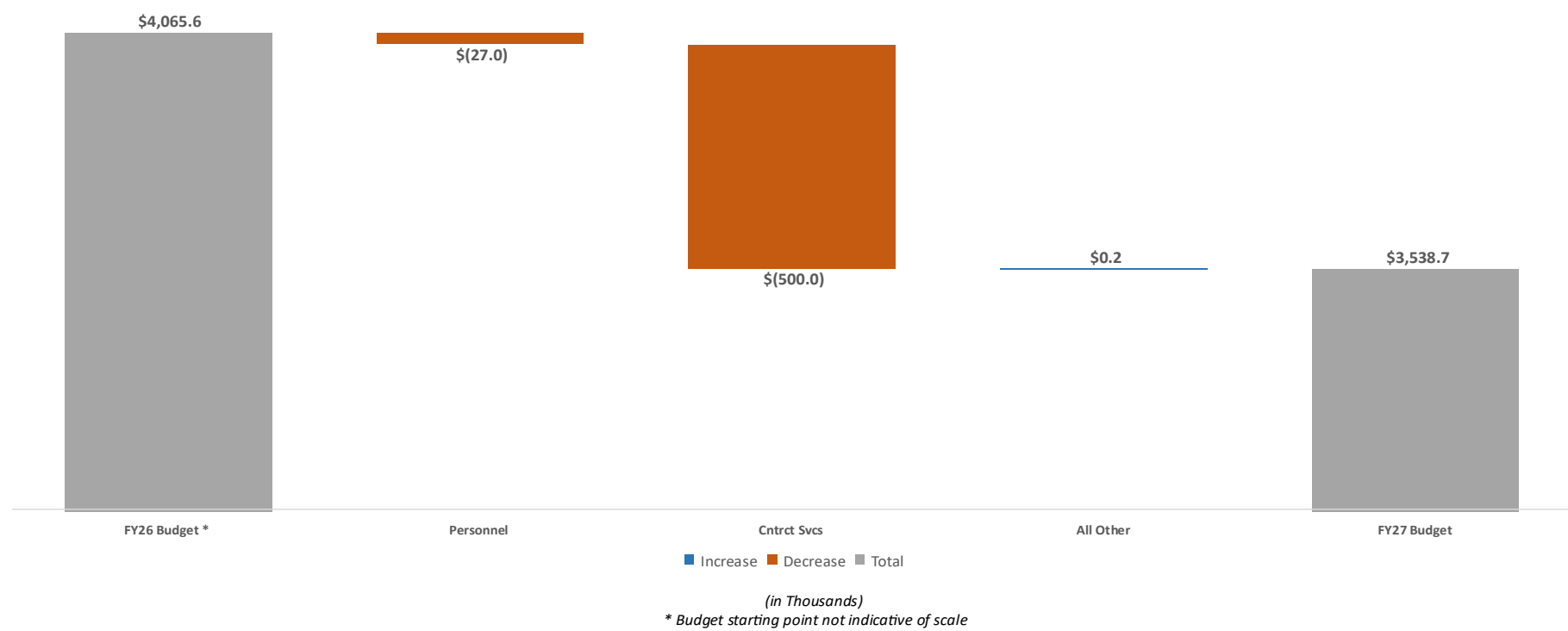
Executive Division – General Counsel

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025	FY2026	FY2027	Inc / (Dec)	%	FY2028	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY27 Budget vs FY26 Budget	Change	Conceptual Budget	FY28 Conceptual vs FY27 Budget	Change
Operating Expenses								
Salaries	1,465	1,629	1,701	72	4.4%	1,767	66	3.9%
Benefits	566	611	512	(99)	-16.2%	612	101	19.7%
Subtotal	2,031	2,240	2,213	(27)	-1.2%	2,380	167	7.5%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	2,031	2,240	2,213	(27)	-1.2%	2,380	167	7.5%
Contractual Services	639	1,500	1,000	(500)	-33.3%	1,000	-	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	2	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	45	65	64	(1)	-1.5%	65	1	1.2%
Business Development	13	10	11	1	12.1%	10	(1)	-7.4%
Equipment Rentals and Repairs	-	-	-	-	0.0%	-	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	698	1,576	1,076	(500)	-31.7%	1,076	(0)	0.0%
Total Operating Expenses	2,729	3,816	3,289	(527)	-13.8%	3,455	167	5.1%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	621	250	250	-	0.0%	250	-	0.0%
Other Non-Operating Expenses	-	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	621	250	250	-	0.0%	250	-	0.0%
Total Expenses	3,350	4,066	3,539	(527)	-13.0%	3,705	167	4.7%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	3,350	4,066	3,539	(527)	-13.0%	3,705	167	4.7%

Executive Division – General Counsel

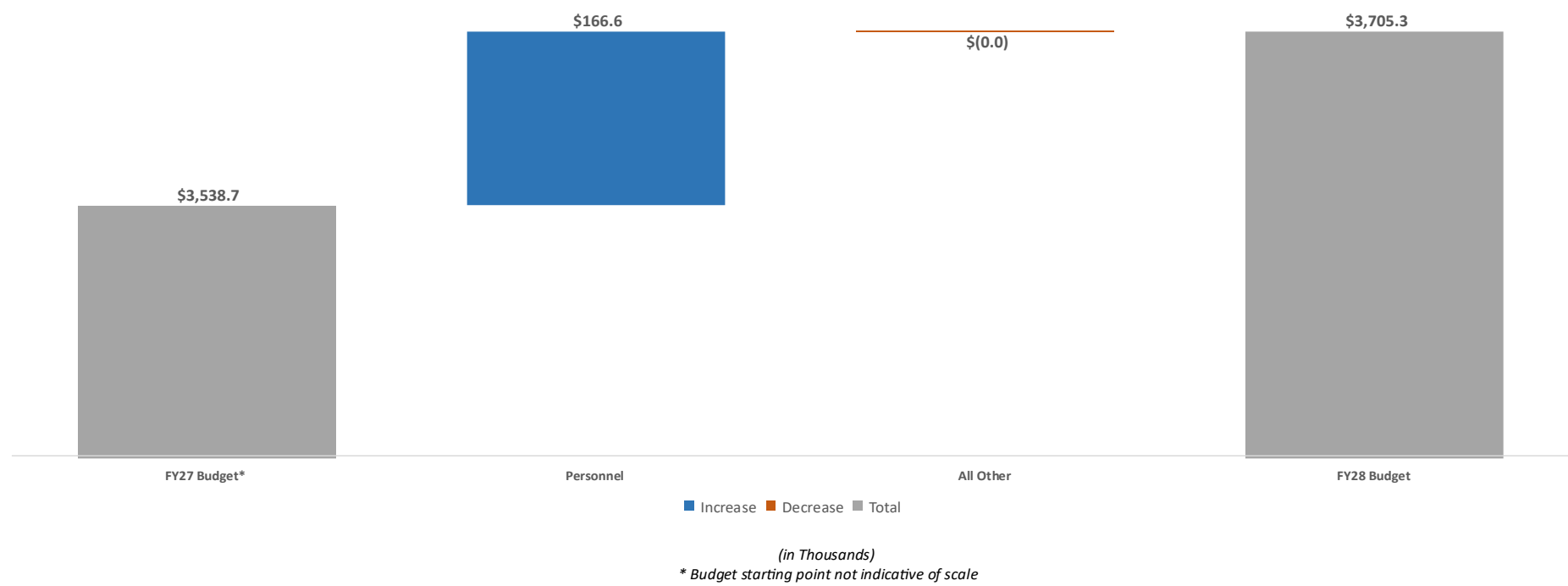
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual services: (\$500K) decrease based on historical usage

Executive Division – General Counsel

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Monitor changes in federal regulations and maintain compliance with federal grant assurances.		100%	100%
Provide effective and timely strategic advice and counsel to the Board and staff regarding existing and proposed contracts, leases, licenses, permits, entitlements.		100%	100%
Resolution of the defective pipe litigation.		100%	90%

Executive Division – General Counsel

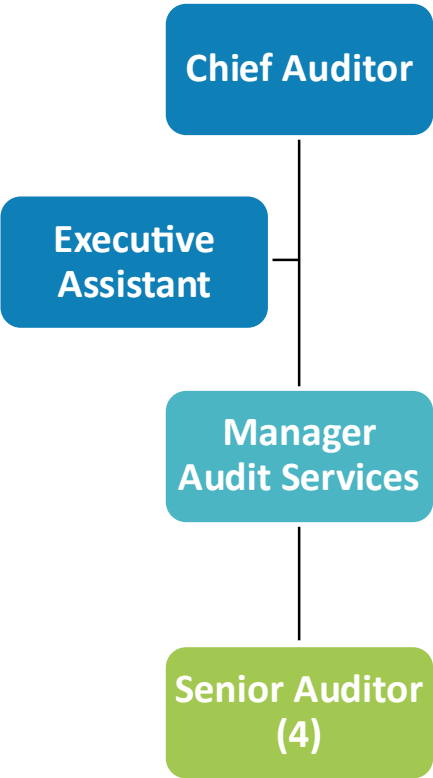
FOCUS AREAS

 CUSTOMER EXPERIENCE	 DATA-DRIVEN DECISION MAKING	 EFFICIENCY	 PEOPLE	 RESILIENCE
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Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Provide effective and timely strategic advice and counsel to the Board and staff regarding existing and proposed contracts, leases, licenses, permits and entitlements.		100%
Monitor changes in federal regulations and provide advice to maintain compliance with federal grant assurances.		100%
Participate in aviation industry groups to encourage and promote the Airport Authority, leverage industry knowledge and expertise, and ensure adoption of best practices.		100%
Resolution of defective pipe litigation.		100%
Hire and onboard a new attorney and ensure proper and appropriate training for all legal staff.		100%

Executive Division – Chief Auditor

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

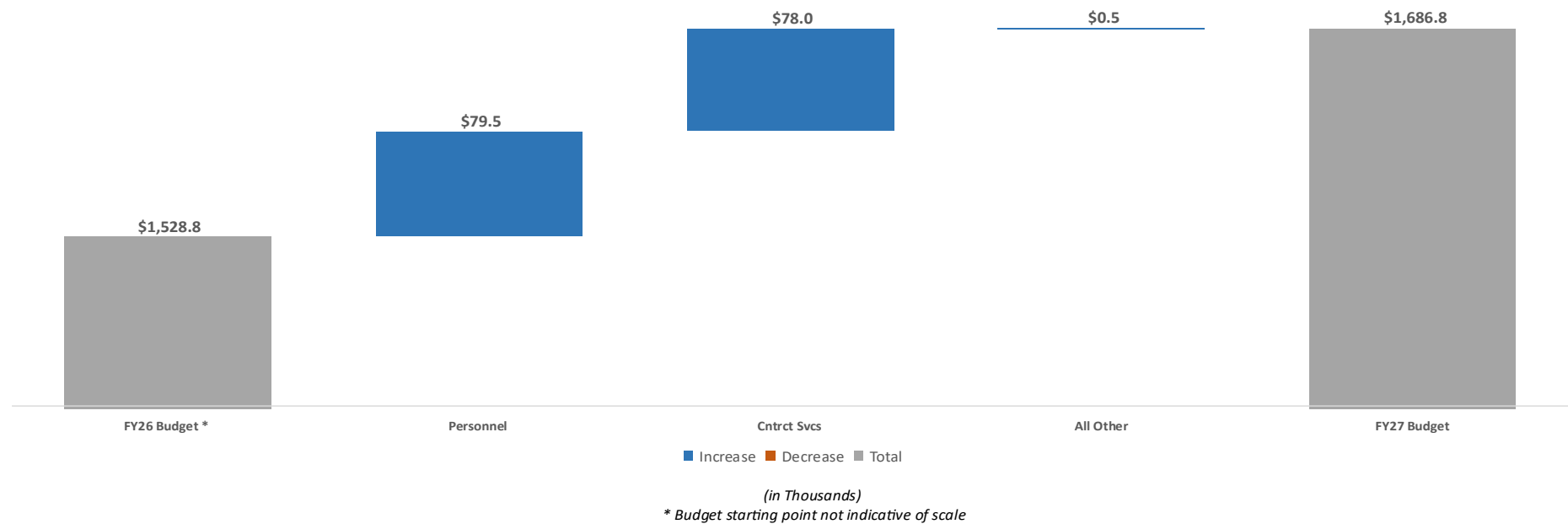
Executive Division – Chief Auditor

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025	FY2026	FY2027	Inc / (Dec)	%	FY2028	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY27 Budget vs FY26 Budget	Change	Conceptual Budget	FY28 Conceptual vs FY27 Budget	Change
Operating Expenses								
Salaries	881	998	1,106	108	10.8%	1,148	41	3.7%
Benefits	340	442	413	(28)	-6.4%	492	78	18.9%
Subtotal	1,221	1,440	1,520	80	5.5%	1,639	120	7.9%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	1,221	1,440	1,520	80	5.5%	1,639	120	7.9%
Contractual Services	46	35	113	78	222.9%	113	-	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	9	-	-	-	0.0%	-	-	0.0%
Operating Supplies	-	0	0	-	0.0%	0	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	17	30	32	2	5.3%	32	0	1.3%
Business Development	5	6	6	0	1.0%	6	0	5.7%
Equipment Rentals and Repairs	15	18	17	(1)	-6.7%	18	1	7.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	92	89	167	78	88.4%	169	2	1.1%
Total Operating Expenses	1,312	1,529	1,687	158	10.3%	1,808	121	7.2%
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	1,312	1,529	1,687	158	10.3%	1,808	121	7.2%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	1,312	1,529	1,687	158	10.3%	1,808	121	7.2%

Executive Division – Chief Auditor

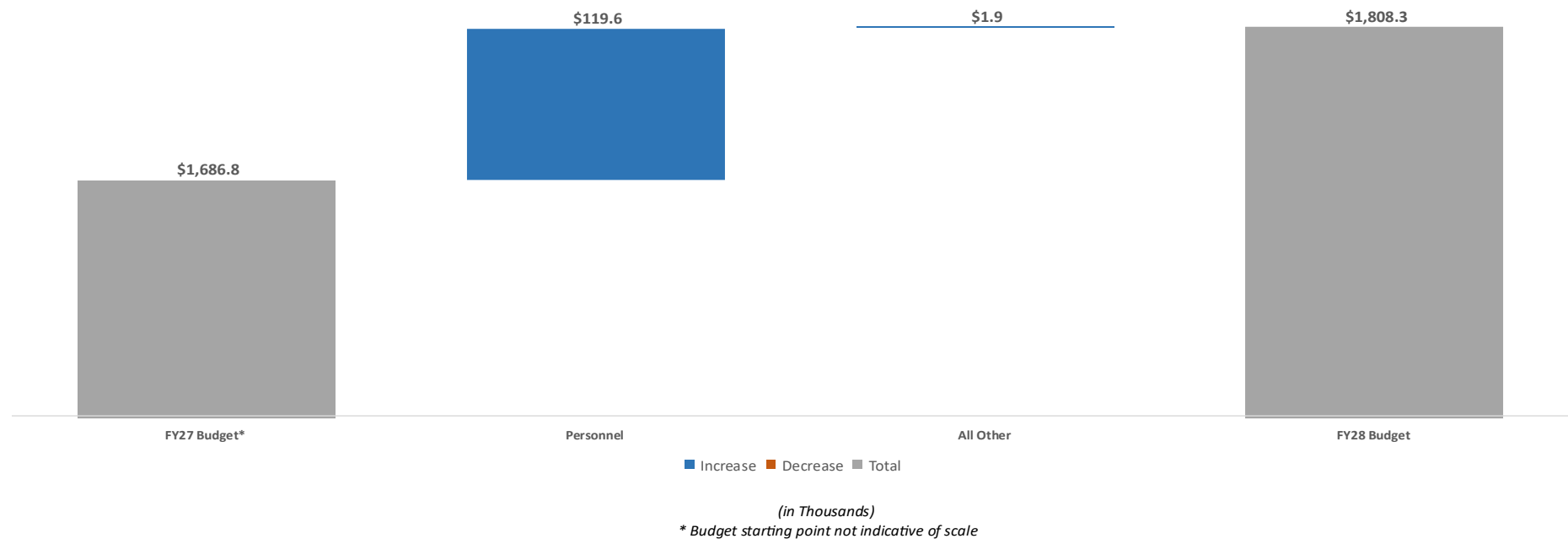
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: \$75K increase in cyber security pen testing

Executive Division – Chief Auditor

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Conduct audits and advisory engagements that focus on the key risk areas of the Authority.		Completion of Risk Assessment and Board Approved	Met
Provide audit recommendations that improve Authority operations or reduce risk, with 95% of audit recommendations agreed to by management.		95%	In Progress: 100% as of December 31, 2025
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	In Progress: 5.0 as of December 31, 2025

Executive Division – Chief Auditor

FOCUS AREAS

 CUSTOMER
EXPERIENCE

 DATA-DRIVEN
DECISION MAKING

 EFFICIENCY

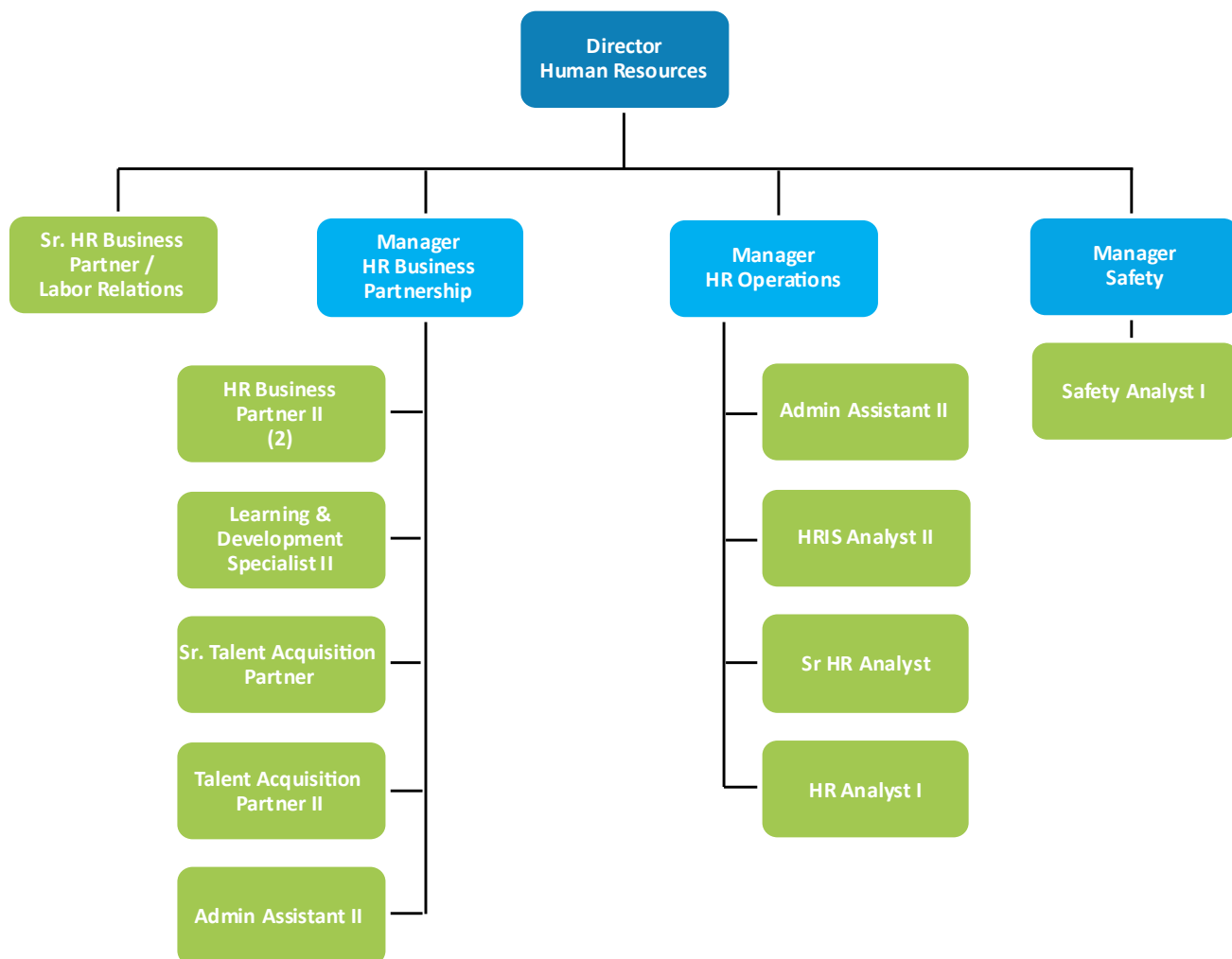
 PEOPLE

 RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Conduct audits and advisory engagements that focus on the key risk areas of the Authority.		<i>Completion of Risk Assessment and Board Approved Audit Plan</i>
Provide audit recommendations that improve Authority operations or reduce risk, with 95% of audit recommendations agreed to by management.		95%
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

Executive Division – Human Resources

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

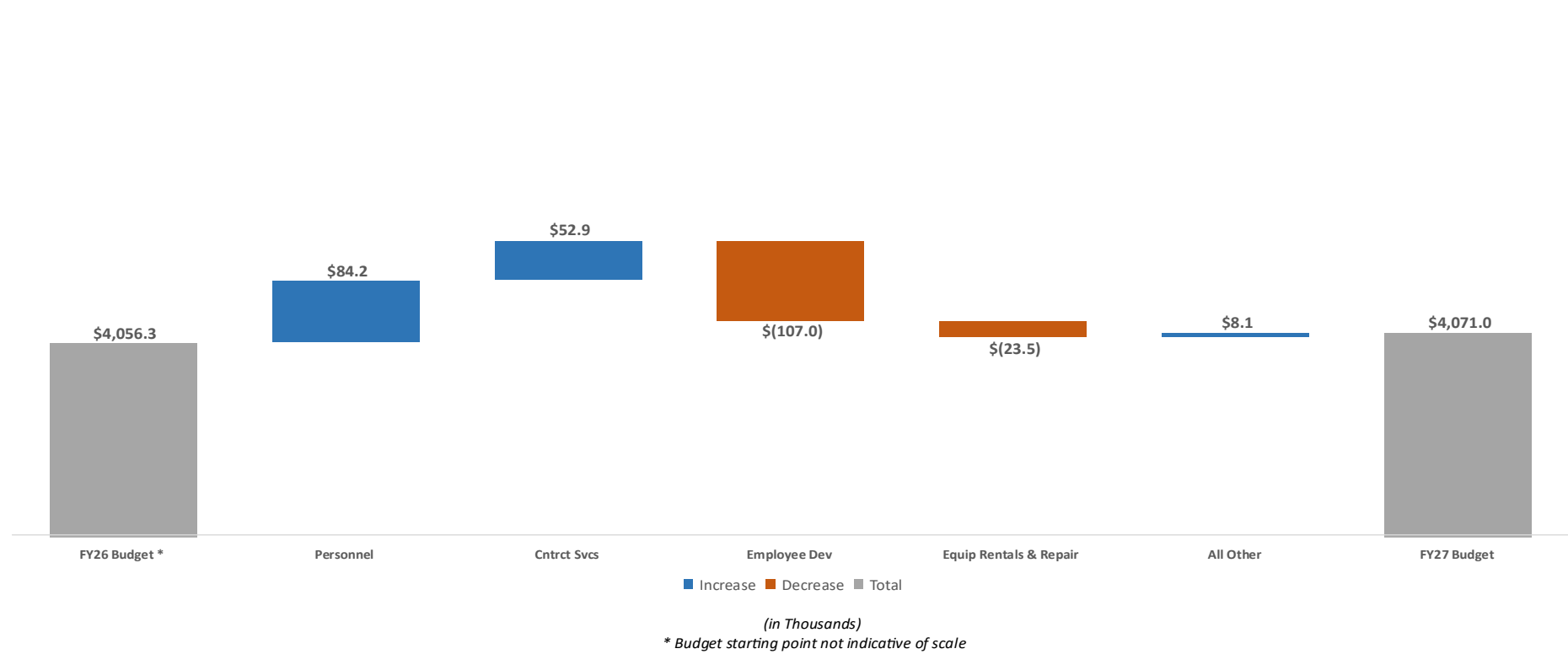
Executive Division – Human Resources

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	1,763	1,958	2,129	171	8.7%	2,209	80	3.8%
Benefits	694	823	736	(86)	-10.5%	888	152	20.6%
Subtotal	2,456	2,781	2,865	84	3.0%	3,097	232	8.1%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	2,456	2,781	2,865	84	3.0%	3,097	232	8.1%
Contractual Services	398	508	561	53	10.4%	562	0	0.1%
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	4	4	8	4	97.4%	4	(4)	-49.4%
Operating Supplies	12	15	15	1	6.2%	15	-	0.0%
Insurance	51	1	1	-	0.0%	1	-	0.0%
Employee Development	113	304	197	(107)	-35.2%	198	1	0.5%
Business Development	57	88	92	3	3.8%	92	-	0.0%
Equipment Rentals and Repairs	310	355	331	(24)	-6.6%	331	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	945	1,276	1,206	(70)	-5.4%	1,204	(2)	-0.2%
Total Operating Expenses	3,401	4,056	4,071	15	0.4%	4,301	230	5.6%
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	3,401	4,056	4,071	15	0.4%	4,301	230	5.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	3,401	4,056	4,071	15	0.4%	4,301	230	5.6%

Executive Division – Human Resources

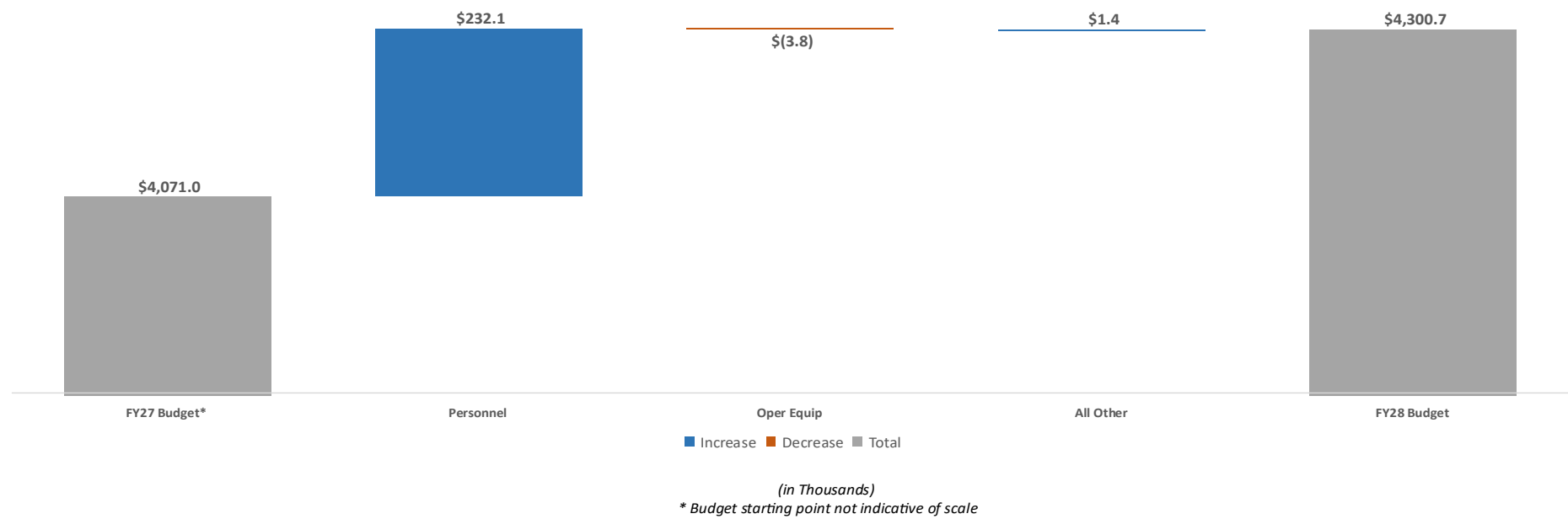
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: \$25K transfer of licenses from Equipment Rentals & Repairs due to combined contract. \$25L increase in pre-employment medical screening
Employee Development: (\$107) decrease in VP recruitment due to completion in FY26

Executive Division – Human Resources

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff

Executive Division – Human Resources

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
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%	Met/Complete!
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%	In Progress 85%
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%	Met/Complete!

Executive Division – Human Resources

FOCUS AREAS

 CUSTOMER EXPERIENCE	 DATA-DRIVEN DECISION MAKING	 EFFICIENCY	 PEOPLE	 RESILIENCE
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Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Launch the inaugural cohort of the SAN ASCEND Emerging Leaders Program to strengthen workforce development and ensure leadership continuity during periods of change.		100%
Strengthen our employer brand through a coordinated social media strategy, leveraging targeted and scheduled LinkedIn posts that showcase authentic employee stories, highlight SAN's culture, and are developed in close partnership with Marketing & Communications.		100%
Achieve Airports Council International Workforce Development Accreditation Level - 2, demonstrating our continued commitment to developing today's workforce while preparing for the future.		100%
Complete the annual compensation study to ensure our pay practices remain competitive, market-aligned, and supportive of attracting and retaining top talent.		100%

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 and 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

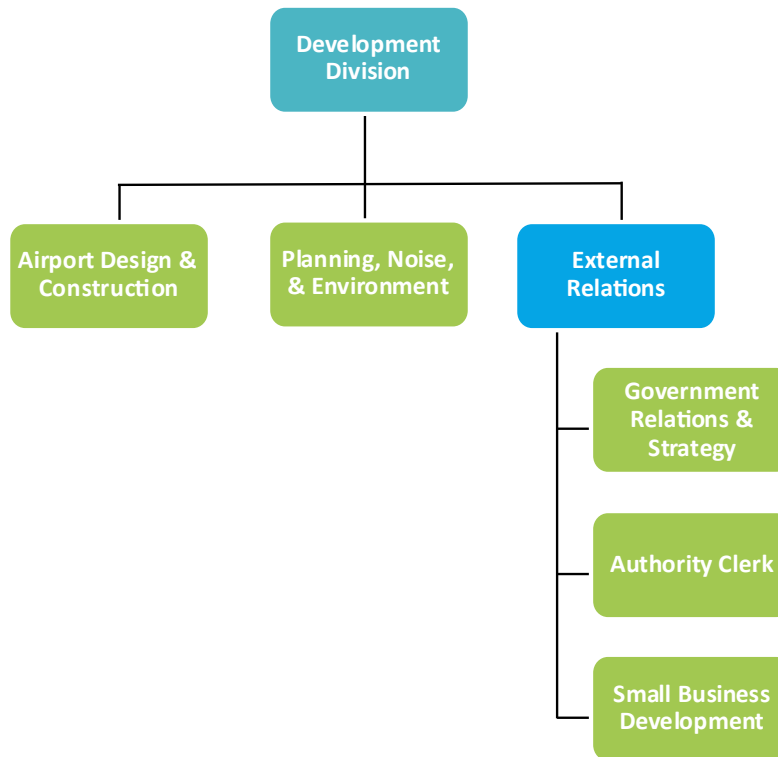
Development Division

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 2027 – FY 2028 Organizational Structure



Division Personnel Summary

Development Division

Airport Design & Construction
 Planning, Noise, & Environment
 QHP & Noise Mitigation
 Government Relations & Strategy
 Authority Clerk
 Small Business Development

Total Positions

FY 2026 Budget	FY 2027 Budget New / (Eliminated)	Transfers	FY 2027 Budget	FY 2028 Budget New / (Eliminated)	FY 2028 Conceptual Budget
41			41		41
21			21	1	22
8			8		8
7		(1)	6		6
7		1	8		8
3			3	1	4
87	0		87	2	89

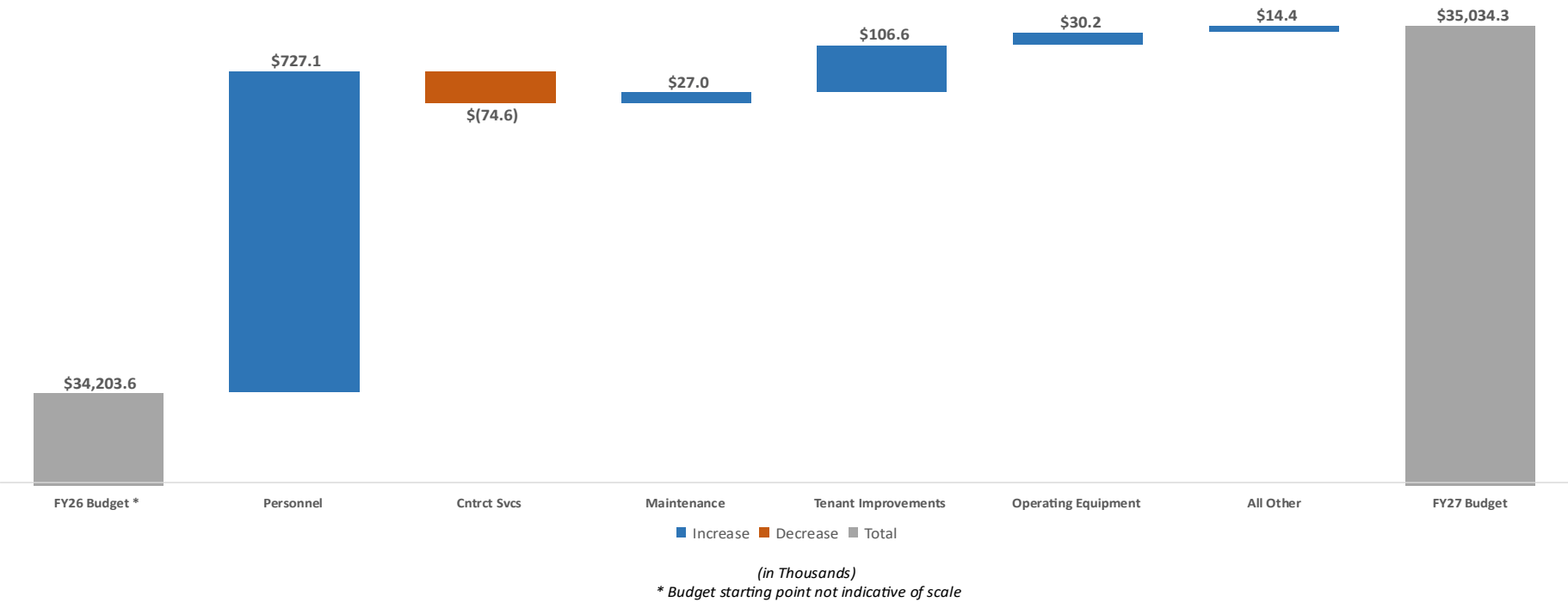
Development Division

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025	FY2026	FY2027	Inc / (Dec)	%	FY2028	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY27 Budget vs FY26 Budget	Change	Conceptual Budget	FY28 Conceptual vs FY27 Budget	Change
Operating Expenses								
Salaries	8,547	10,212	11,587	1,375	13.5%	12,070	482	4.2%
Benefits	3,651	4,473	4,066	(406)	-9.1%	4,917	851	20.9%
Subtotal	12,198	14,685	15,654	969	6.6%	16,987	1,333	8.5%
Less: Capitalized Labor Recharge	(5,160)	(6,696)	(6,861)	(165)	2.5%	(7,415)	(554)	8.1%
Less: QHP Labor Recharge	(593)	(530)	(606)	(76)	14.4%	(669)	(63)	10.4%
Total	6,445	7,459	8,186	727	9.7%	8,903	716	8.7%
Contractual Services	3,838	4,294	4,219	(75)	-1.7%	4,165	(53)	-1.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	12	12	13	1	8.3%	13	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,705	1,925	1,952	27	1.4%	2,062	110	5.6%
Operating Equipment & Systems	8	10	40	30	296.5%	61	20	49.7%
Operating Supplies	70	85	88	3	4.1%	90	2	2.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	145	196	205	9	4.6%	207	2	0.9%
Business Development	521	701	698	(4)	-0.5%	745	48	6.9%
Equipment Rentals and Repairs	332	321	340	20	6.1%	343	3	0.9%
Tenant Improvements	1,167	1,186	1,292	107	9.0%	1,344	52	4.0%
Total Non-Personnel Costs	7,798	8,729	8,848	119	1.4%	9,031	184	2.1%
Total Operating Expenses	14,243	16,189	17,034	846	5.2%	17,934	900	5.3%
Joint Studies / Sound Attenuation	17,560	18,000	18,000	-	0.0%	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	17,560	18,000	18,000	-	0.0%	15,000	(3,000)	-16.7%
Total Expenses	31,803	34,189	35,034	846	2.5%	32,934	(2,100)	-6.0%
Equipment Outlay Expenditures	-	15	-	(15)	-100.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	31,803	34,204	35,034	831	2.4%	32,934	(2,100)	-6.0%

Development Division

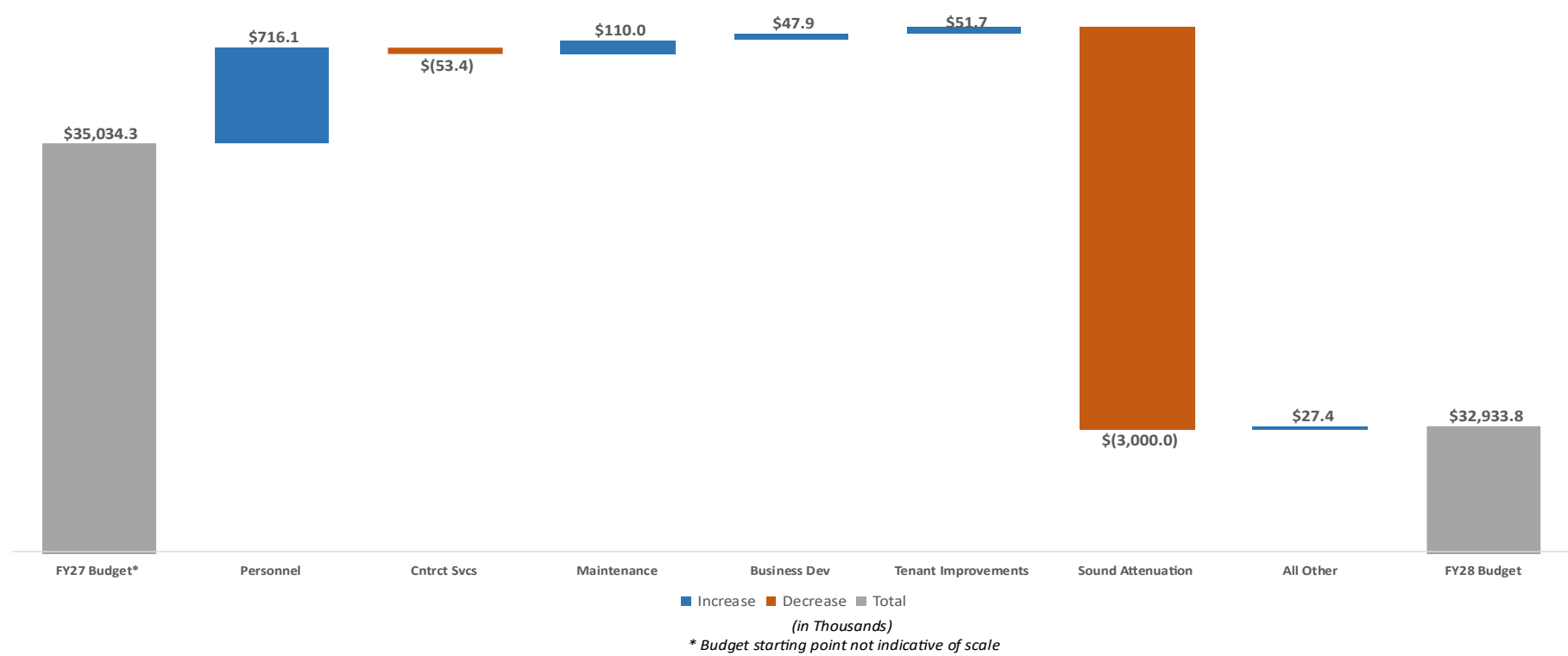
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Decrease includes (\$250K) in Rural/Urban ALUCP’s, (\$100K) in Adhoc Projects, and (\$100K) in Geographic Information System Tool Maintenance, partially offset by a \$115K increase in Stormwater Management Program, and \$106K in consultant contract renewals
Tenant Improvements: Increase driven by higher consultant hourly rates and an anticipated increase in Tenant Improvements project volume

Development Division

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Includes 2 additional positions requested in FY28

Maintenance: Increase includes \$60K in Bird & Pest Control, \$30K in Storm Drain Cleaning, and \$20K in Refuse & Hazardous Waste Disposal

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

Development Division

FY 2027 Expense Budget by Department

(in thousands)

Departments	FY 2027 Budget
Planning, Noise, & Environment	\$28,521
Airport Design & Construction	\$2,547
Government Relations & Strategy	\$2,129
Authority Clerk	\$1,266
Small Business Development	\$571
Total ¹	\$35,034

¹ Total may differ due to rounding

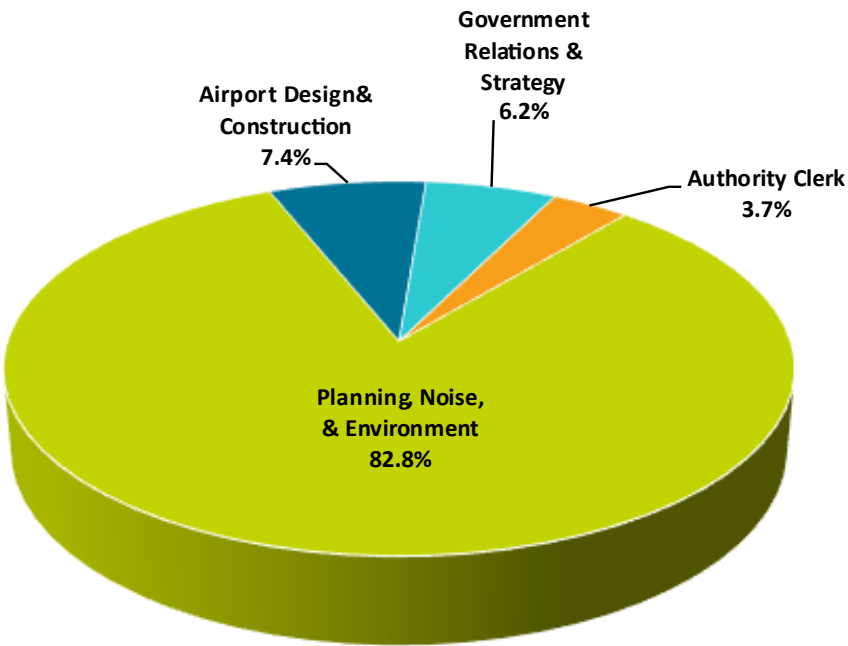


Figure 26 – FY 2027 Expense Budget by Department

Development Division

FY 2028 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2028 Conceptual Budget
Planning, Noise, & Environment	\$26,066
Airport Design & Construction	\$2,685
Government Relations & Strategy	\$2,189
Authority Clerk	\$1,389
Small Business Development	\$604
Total ¹	\$32,934

¹ Total may differ due to rounding

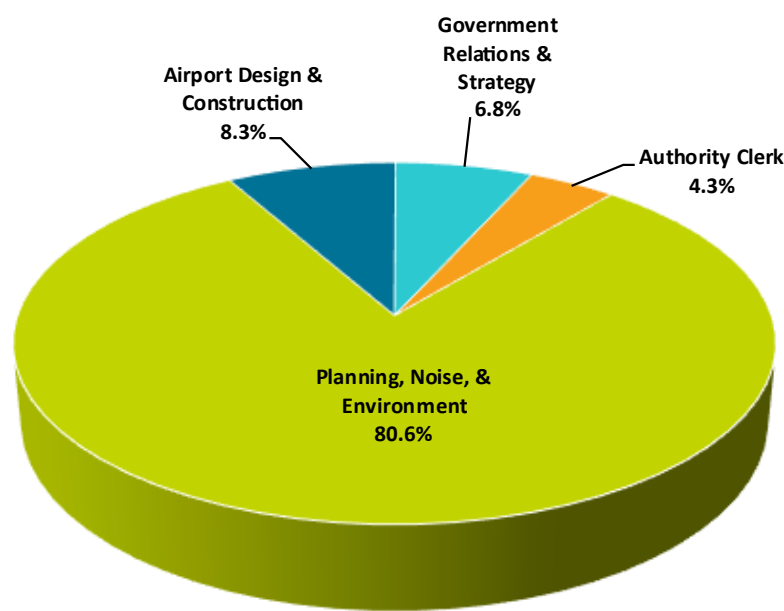


Figure 27 – FY 2028 Expense Conceptual Budget by Department

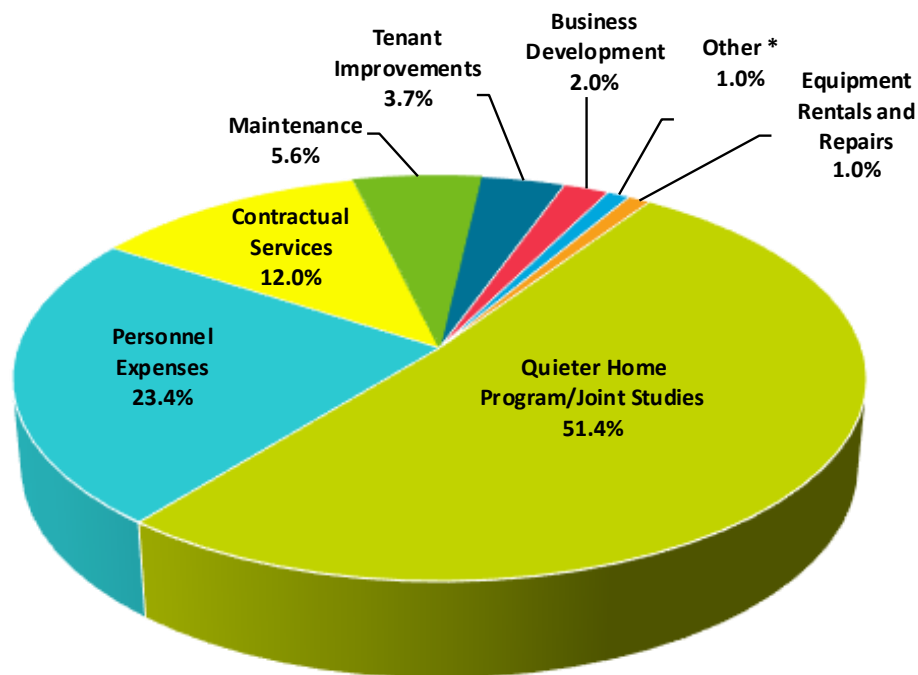
Development Division

FY 2027 Expense Budget by Category

(in thousands)

Category	FY 2027 Budget
Quieter Home Program/Joint Studies	\$18,000
Personnel Expenses	\$8,186
Contractual Services	\$4,219
Maintenance	\$1,952
Tenant Improvements	\$1,292
Business Development	\$698
Other *	\$347
Equipment Rentals and Repairs	\$340
Total ¹	\$35,034

¹ Total may differ due to rounding



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

Figure 28 – FY 2027 Expense Budget by Category

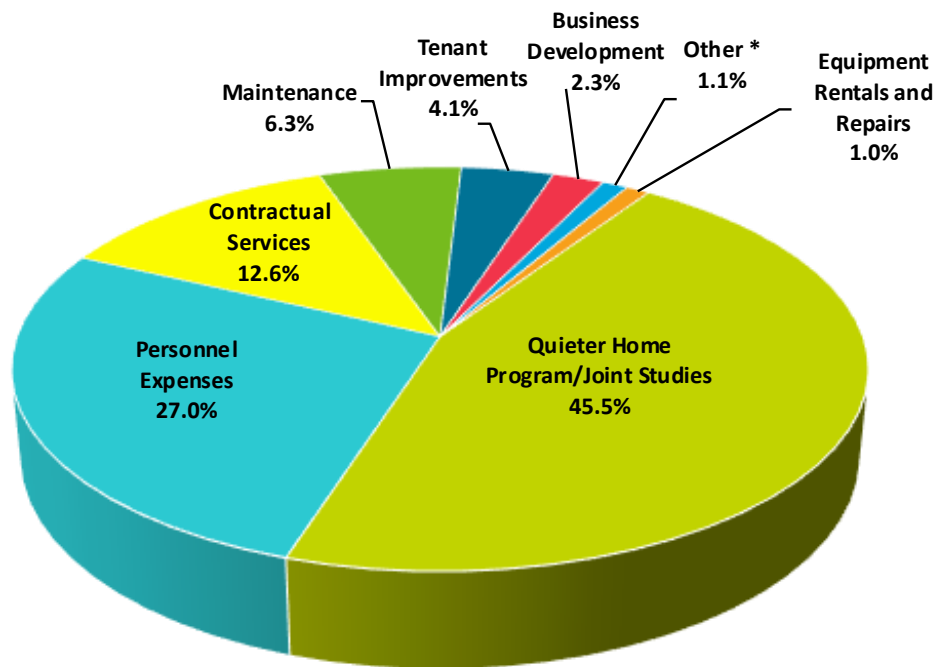
Development Division

FY 2028 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2028 Conceptual Budget
Quieter Home Program/Joint Studies	\$15,000
Personnel Expenses	\$8,903
Contractual Services	\$4,165
Maintenance	\$2,062
Tenant Improvements	\$1,344
Business Development	\$745
Other *	\$372
Equipment Rentals and Repairs	\$343
Total ¹	\$32,934

¹ Total may differ due to rounding

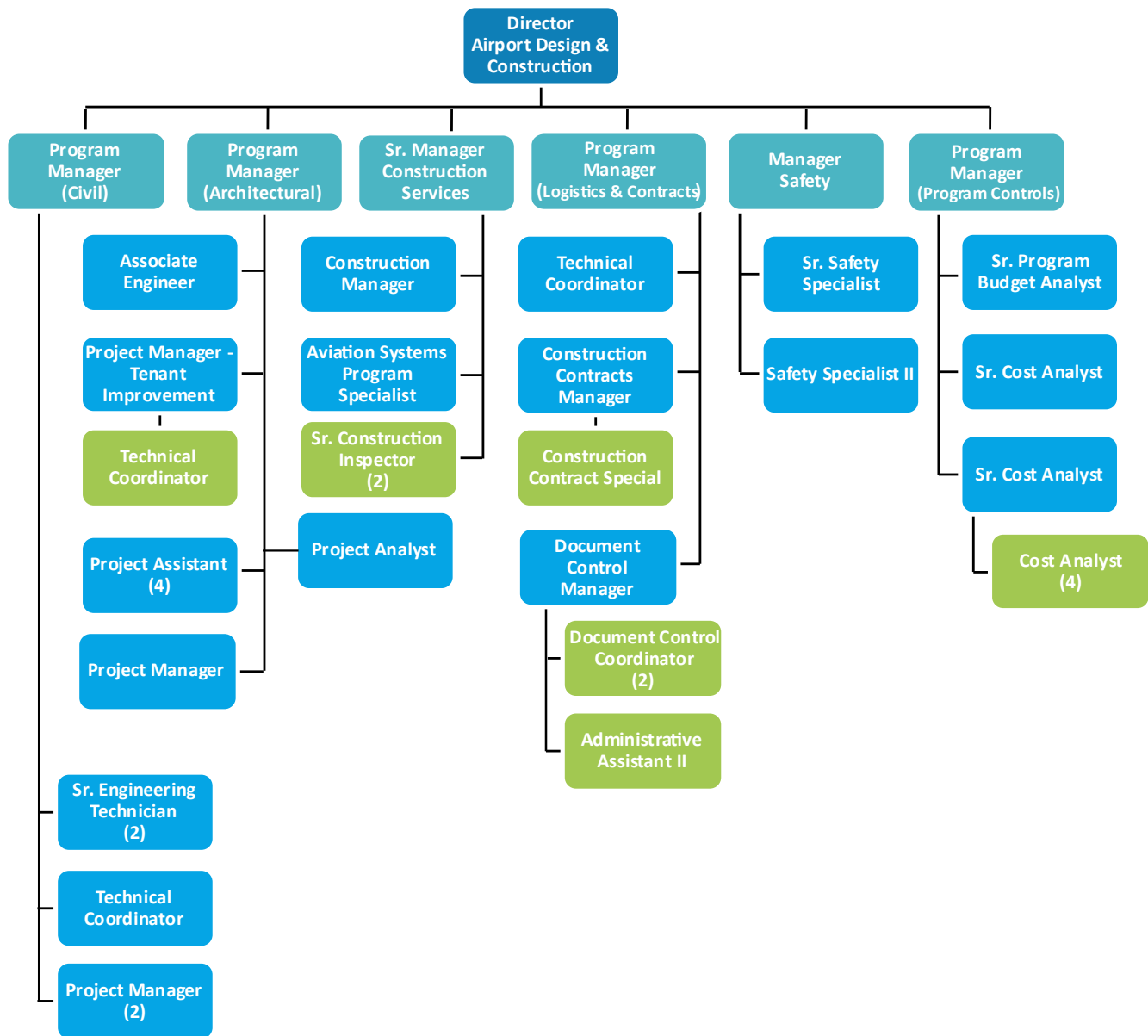


*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 29 – FY 2028 Expense Conceptual Budget by Category

Development Division – Airport Design & Construction

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

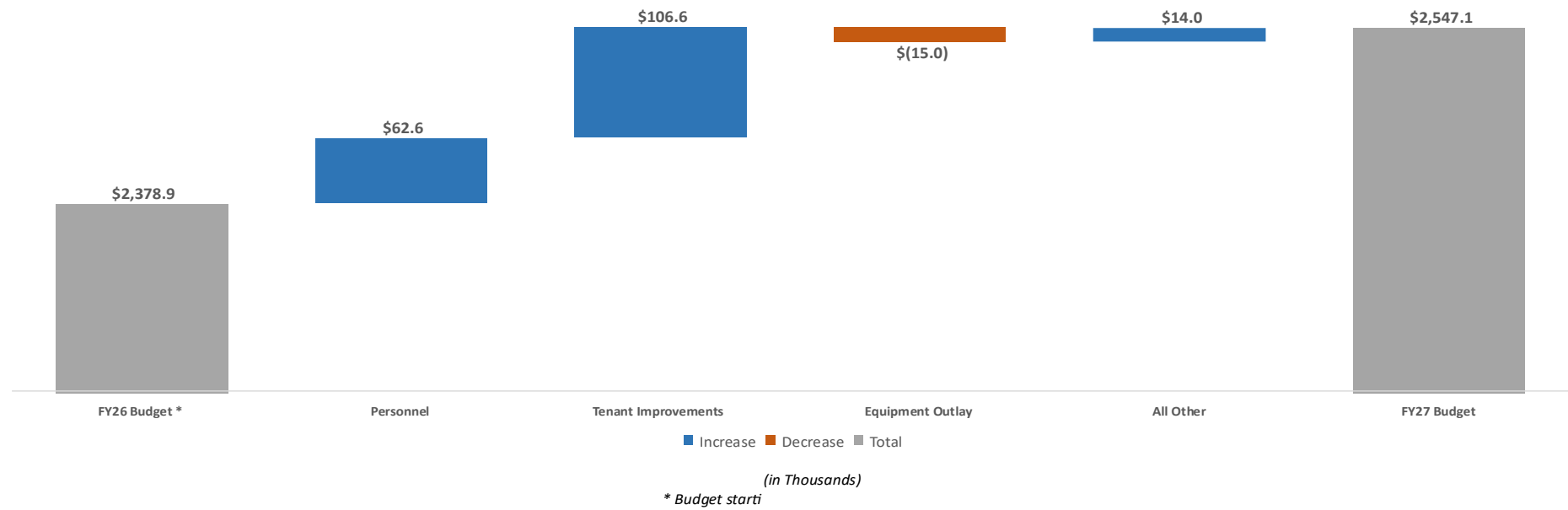
Development Division – Airport Design & Construction

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)		FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses									
Salaries		4,195	4,872	5,325	452	9.3%	5,538	213	4.0%
Benefits		1,838	2,135	1,887	(248)	-11.6%	2,268	381	20.2%
Subtotal		6,034	7,007	7,211	204	2.9%	7,805	594	8.2%
Less: Capitalized Labor Recharge		(5,014)	(6,096)	(6,238)	(142)	2.3%	(6,752)	(514)	8.2%
Less: QHP Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Total		1,019	911	974	63	6.9%	1,054	80	8.2%
Contractual Services		472	101	98	(2)	-2.2%	100	2	1.9%
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	3	3	-	0.0%	3	0	4.0%
Operating Supplies		57	58	58	(0)	-0.8%	60	2	4.0%
Insurance		-	-	-	-	0.0%	-	-	0.0%
Employee Development		25	32	34	3	8.2%	33	(2)	-4.8%
Business Development		29	35	37	2	5.7%	38	1	3.8%
Equipment Rentals and Repairs		108	39	51	12	30.9%	53	2	4.0%
Tenant Improvements		1,167	1,186	1,292	107	9.0%	1,344	52	4.0%
Total Non-Personnel Costs		1,858	1,453	1,574	121	8.3%	1,631	58	3.7%
Total Operating Expenses		2,877	2,364	2,547	183	7.8%	2,685	138	5.4%
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		2,877	2,364	2,547	183	7.8%	2,685	138	5.4%
Equipment Outlay Expenditures		-	15	-	(15)	-100.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay		2,877	2,379	2,547	168	7.1%	2,685	138	5.4%

Development Division – Airport Design & Construction

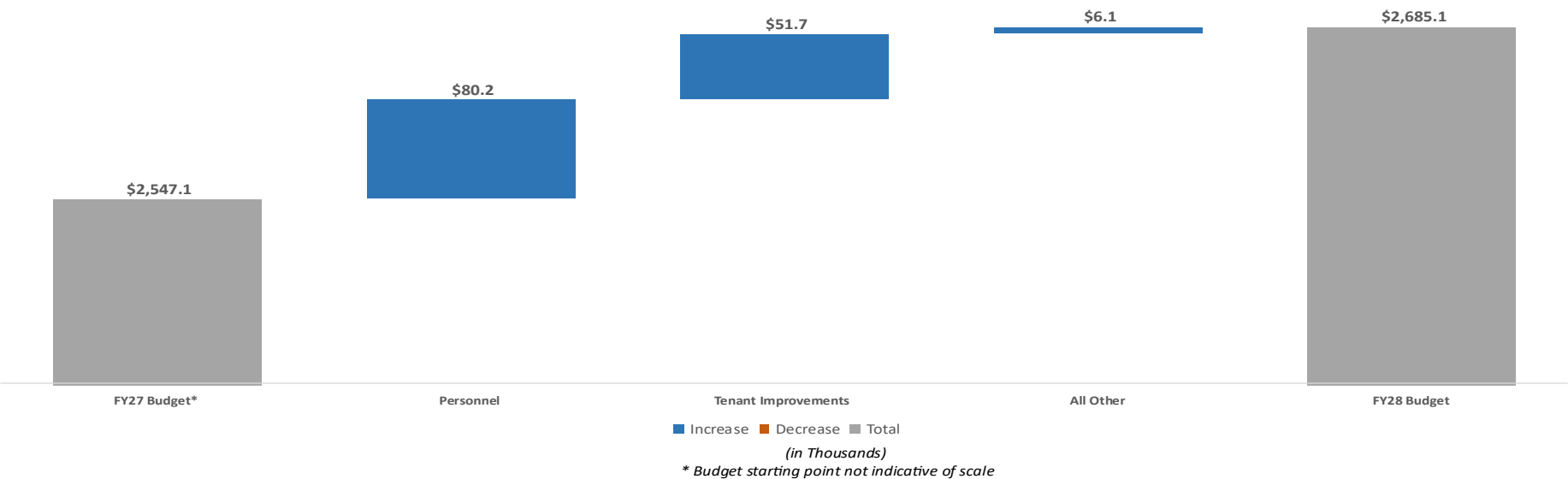
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Tenant Improvements: Increase driven by higher consultant hourly rates and an anticipated increase in Tenant Improvements project volume.
Equipment Outlay: Decrease due to no additional equipment purchases are planned for FY27.
All Other: Increase includes \$12K in Equipment Rental & Repairs due to AutoCAD license renewal.

Development Division – Airport Design & Construction

FY 2028 Major Drivers



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 2026 Goals	Focus Area	Target	Result
Program Definition Document for T2E Renovations		100%	Met
Connector and T2E Procurement Phase		100%	Met
Manage Schedule and design of T2E & Connector		100%	In Progress 10%

Development Division – Airport Design & Construction

FOCUS AREAS

 CUSTOMER
EXPERIENCE

 DATA-DRIVEN
DECISION MAKING

 EFFICIENCY

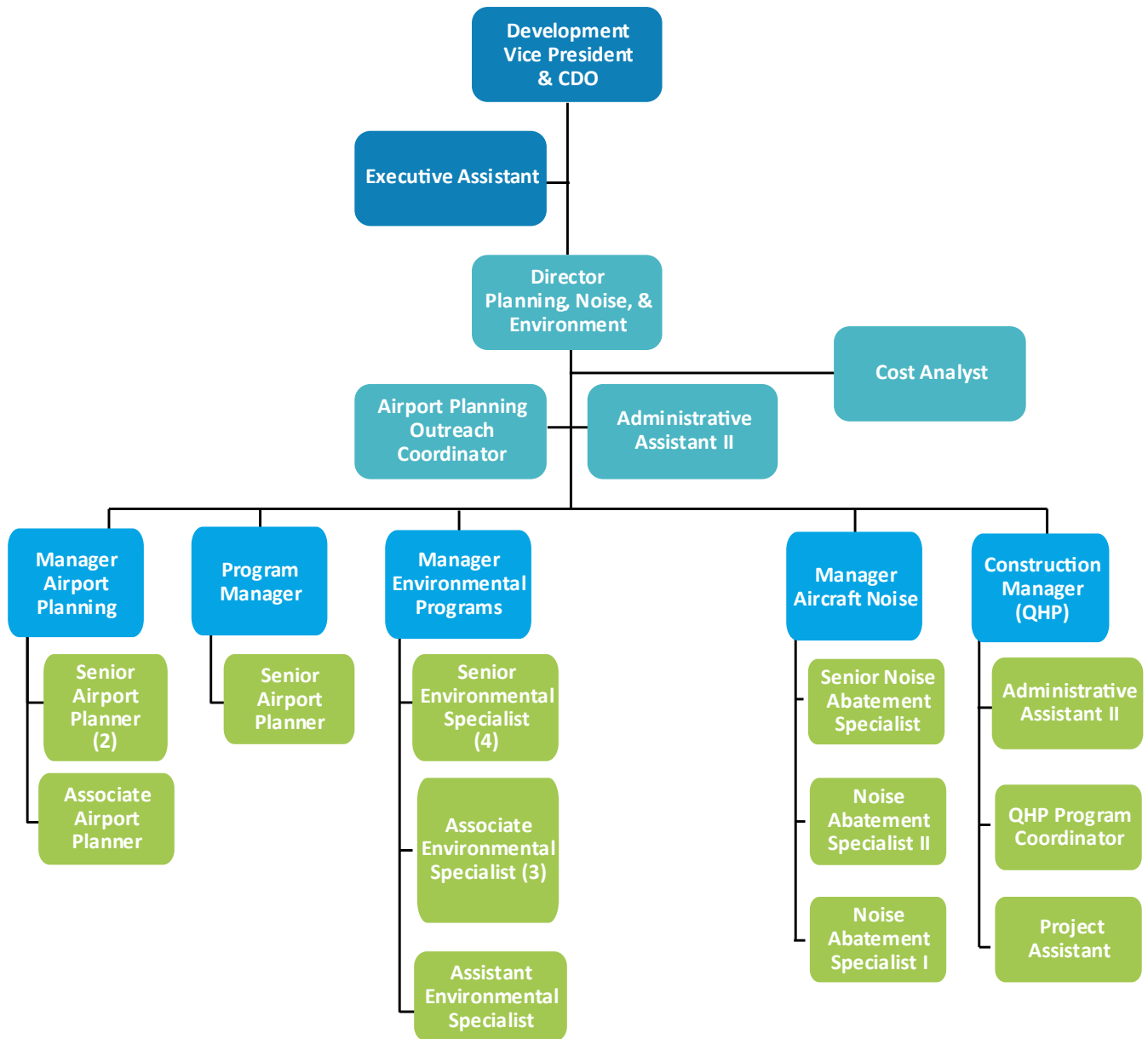
 PEOPLE

 RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Complete construction of last Gates of New Terminal 1 and final airfield improvements		FY2028
Complete design and start construction on Terminal 2 East Connector Project		FY2027
Complete upgrade of PMWeb		FY2027
Forward Estimating Methodology Implementation		FY2027

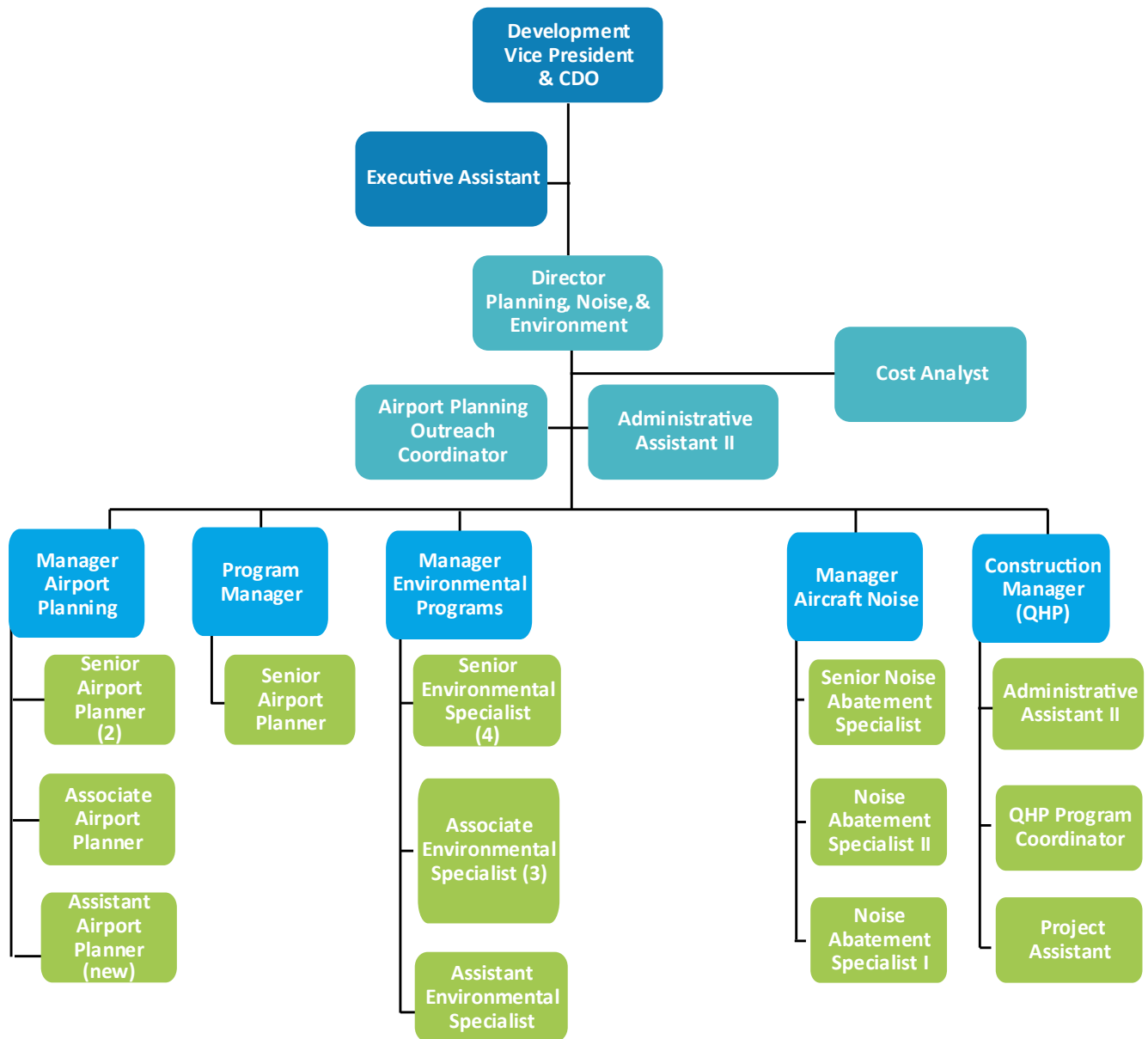
Development Division – Planning, Noise, & Environment

FY 2027 Organizational Structure



Development Division – Planning, Noise, & Environment

FY 2028 Organizational Structure



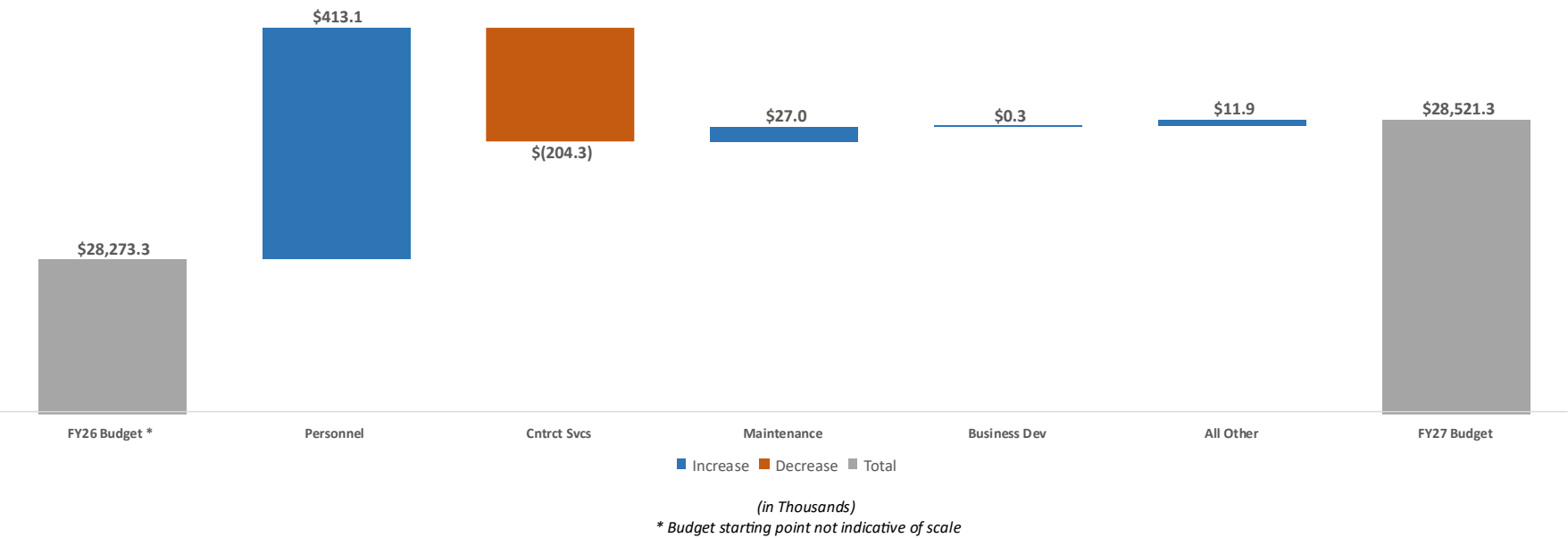
Development Division – Planning, Noise, & Environment

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	3,074	3,322	3,908	586	17.6%	4,139	231	5.9%
Benefits	1,249	1,480	1,395	(85)	-5.7%	1,714	319	22.9%
Subtotal	4,324	4,801	5,303	501	10.4%	5,853	550	10.4%
Less: Capitalized Labor Recharge	(37)	(126)	(138)	(12)	9.3%	(153)	(15)	10.8%
Less: QHP Labor Recharge	(593)	(530)	(606)	(76)	14.4%	(669)	(63)	10.4%
Total	3,694	4,145	4,558	413	10.0%	5,030	472	10.4%
Contractual Services	2,839	3,624	3,420	(204)	-5.6%	3,347	(73)	-2.1%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	12	12	13	1	8.3%	13	-	0.0%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	1,705	1,925	1,952	27	1.4%	2,062	110	5.6%
Operating Equipment & Systems	2	2	2	-	0.0%	2	-	0.0%
Operating Supplies	9	23	27	4	15.4%	27	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	61	71	77	6	8.1%	79	2	1.9%
Business Development	222	247	247	0	0.1%	282	35	14.1%
Equipment Rentals and Repairs	177	223	225	2	0.7%	225	0	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	5,027	6,128	5,963	(165)	-2.7%	6,036	73	1.2%
Total Operating Expenses	8,720	10,273	10,521	248	2.4%	11,066	545	5.2%
Joint Studies / Sound Attenuation	17,560	18,000	18,000	-	0.0%	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	17,560	18,000	18,000	-	0.0%	15,000	(3,000)	-16.7%
Total Expenses	26,280	28,273	28,521	248	0.9%	26,066	(2,455)	-8.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	26,280	28,273	28,521	248	0.9%	26,066	(2,455)	-8.6%

Development Division – Planning, Noise, & Environment

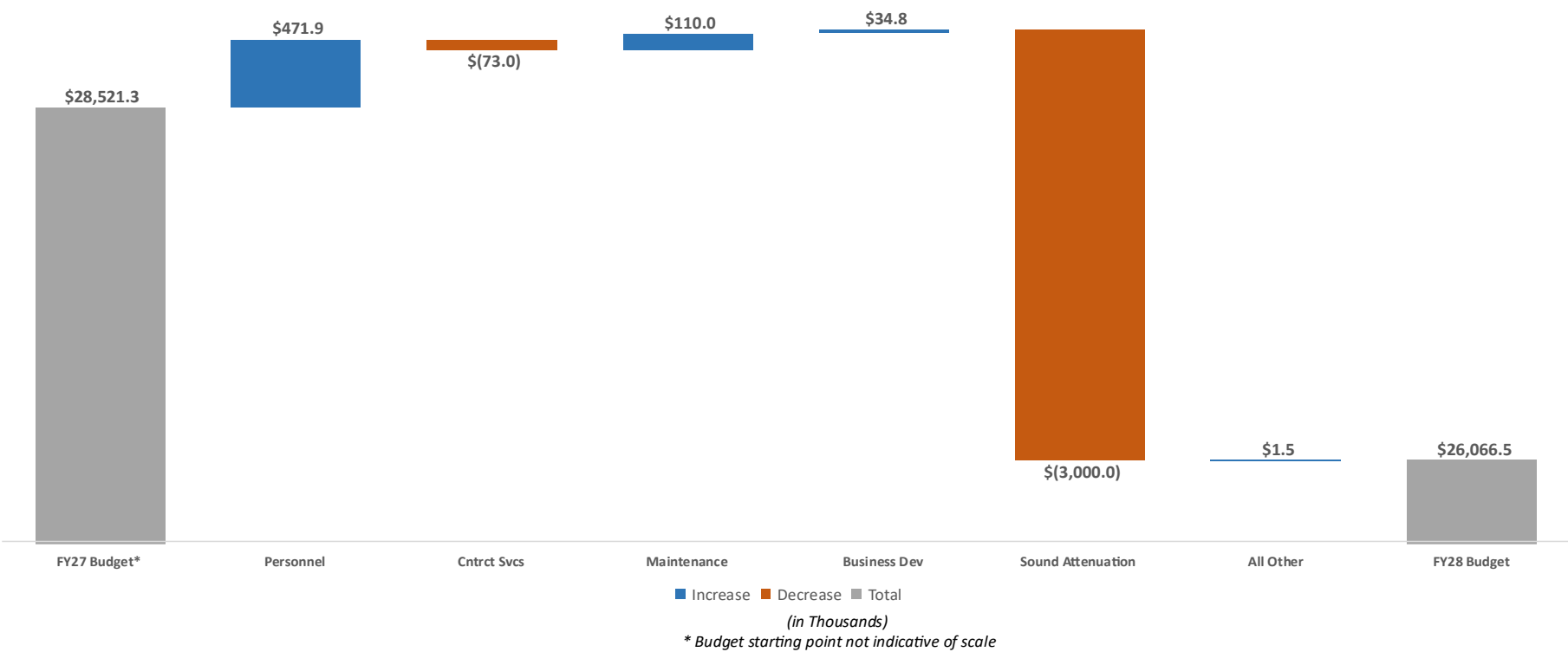
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Decrease includes (\$250K) in Rural/Urban ALUCP’s, (\$100K) in Adhoc Projects, and (\$100K) in Geographic Information System Tool Maintenance, partially offset by a \$115K increase in Stormwater Management Program
Maintenance: Increase includes \$45K in Bird and Pest Control, partially offset by an (\$20K) reduction in Refuse & Hazardous Waste Disposal

Development Division – Planning, Noise, & Environment

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Includes 1 additional position requested in FY28

Maintenance: Increase includes \$60K in Bird & Pest Control, \$30K in Storm Drain Cleaning, and \$20K in Refuse & Hazardous Waste Disposal

Business Development: \$20K increase in Airport Carbon Accreditation

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

Development Division – Planning, Noise, & Environment

FOCUS AREAS



Advance Airport
Development



Optimize
Ongoing Business



Transform the
Customer Experience



Cultivate
Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
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>	Met All “Opening Day” MM and CDP Special Conditions for Phase 1B Complete
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>	Met Environmental Process Started
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>	Met Study Will be Completed in December 2026

FOCUS AREAS

 CUSTOMER EXPERIENCE

 DATA-DRIVEN DECISION MAKING

 EFFICIENCY

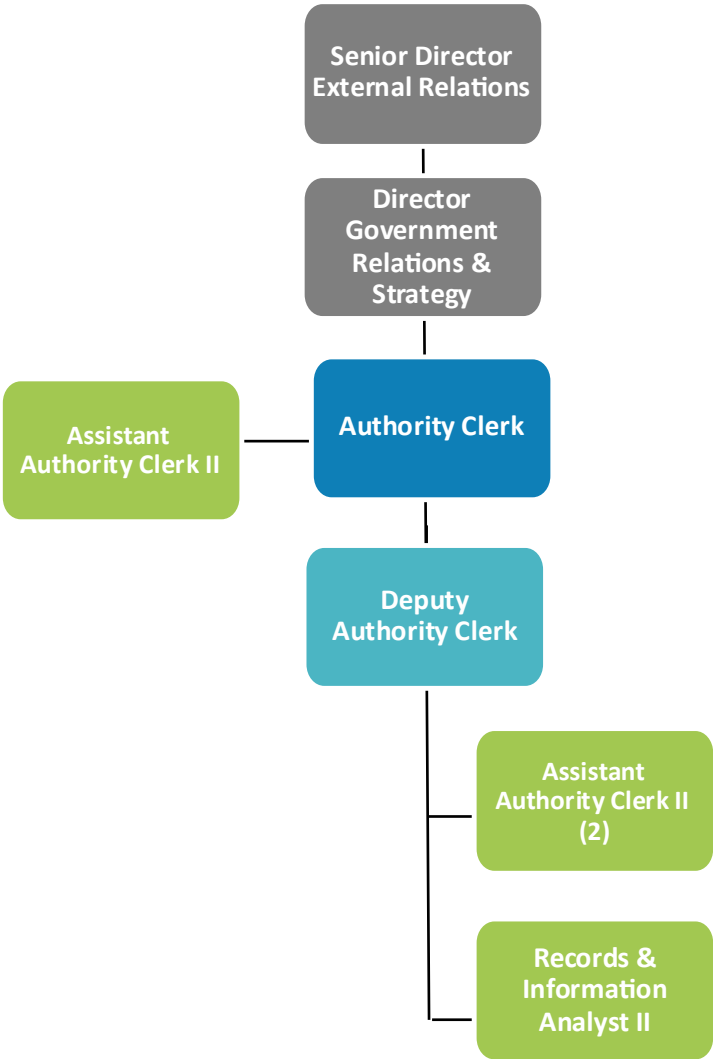
 PEOPLE

 RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Advance state environmental review of Terminal 2 East Modernization project and seek Airport Authority Board certification of final EIR.		June of 2027
Continue progress on the Quieter Home Program by completing 250 homes.		June of 2027
Deploy all three mobile eGSE AmpCarts for the Cargo Operators.		December of 2026

Development Division – Authority Clerk

FY 2027 – FY 2028 Organizational Structure



*Position in grey resides in the Government Relations & Strategy Department and is shown for structural purposes.
No personnel changes in FY 2028*

Development Division – Authority Clerk

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	525	649	724	75	11.5%	752	29	4.0%
Benefits	223	286	254	(32)	-11.3%	306	53	20.9%
Subtotal	749	935	977	42	4.5%	1,059	82	8.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	749	935	977	42	4.5%	1,059	82	8.4%
Contractual Services	93	140	151	11	8.1%	168	18	11.7%
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	6	6	36	30	487.9%	56	20	54.9%
Operating Supplies	2	2	2	0	15.0%	2	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	27	35	36	0	1.0%	37	1	3.0%
Business Development	20	47	49	2	3.6%	51	2	4.1%
Equipment Rentals and Repairs	16	15	16	1	4.0%	16	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	165	245	289	44	18.2%	330	41	14.1%
Total Operating Expenses	913	1,180	1,266	87	7.4%	1,389	123	9.7%
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	913	1,180	1,266	87	7.4%	1,389	123	9.7%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	913	1,180	1,266	87	7.4%	1,389	123	9.7%

Development Division – Authority Clerk

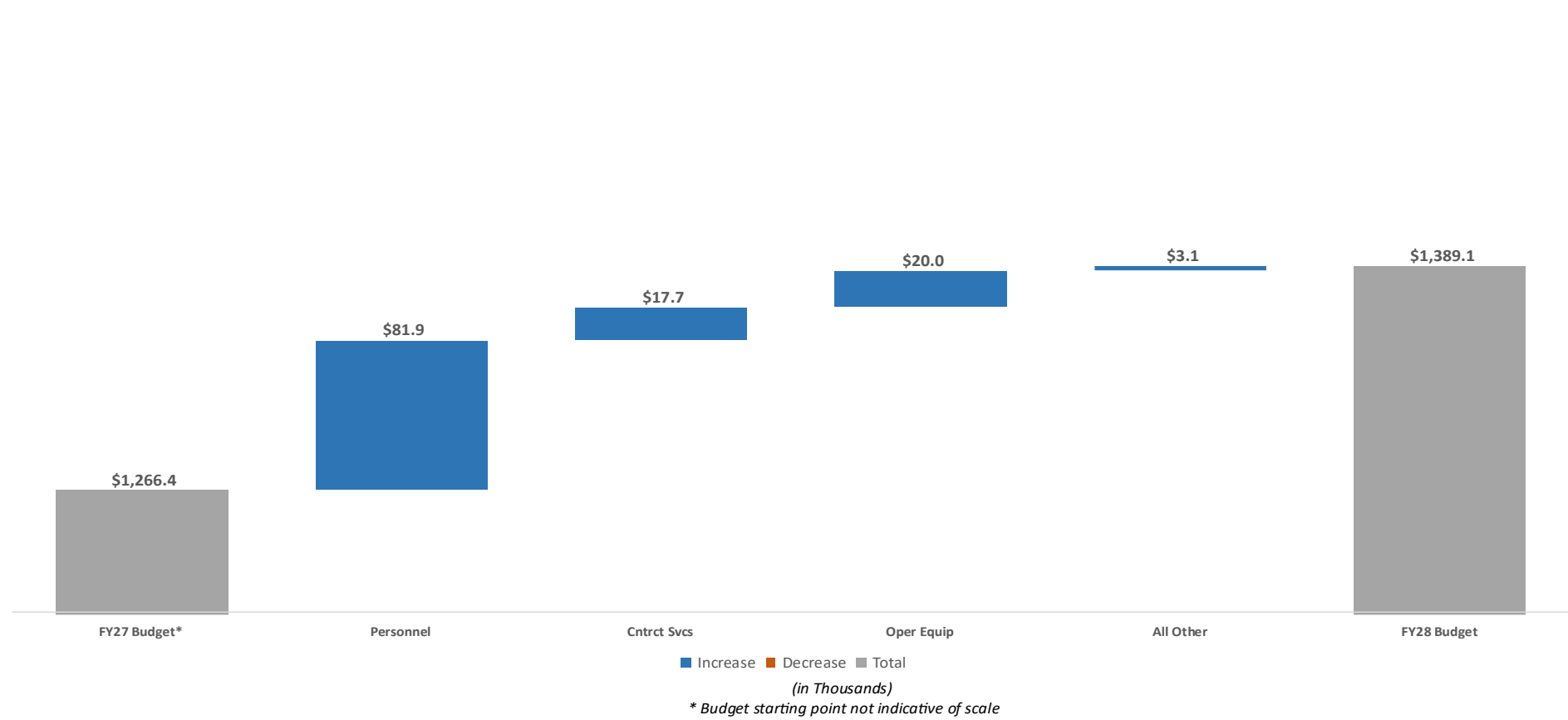
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Increase due to \$8K in Board Member Stipends for Meetings, and \$2K in Board Retreat Facilitators
Operating Equipment: \$30K increase in Agenda Preparation Software

Development Division – Authority Clerk

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: \$17K increase in Board Member Stipends for Meetings
Operating Equipment: \$20K increase in Public Records Request Software

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Implement an electronic agenda management system		100%	50%
Deliver broad scope RIM & SharePoint training		100%	100%

Development Division – Authority Clerk

FOCUS AREAS

 CUSTOMER
EXPERIENCE

 DATA-DRIVEN
DECISION MAKING

 EFFICIENCY

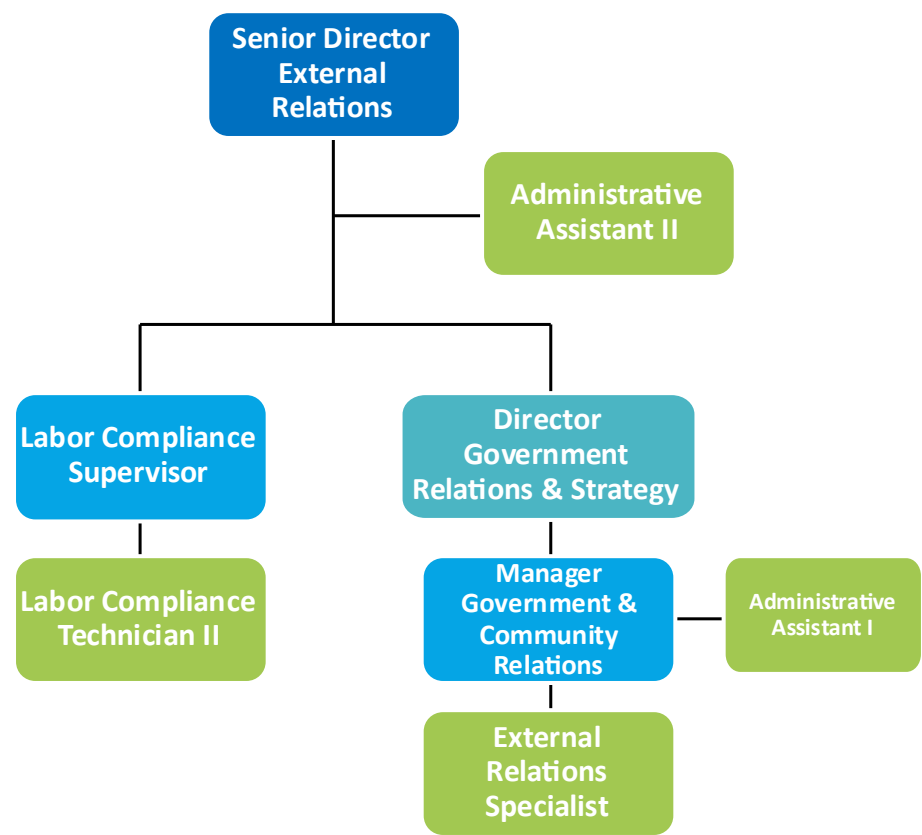
 PEOPLE

 RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Implement an Electronic Agenda Management System		100%
Implement Required Meeting Changes due to SB 707 (Revisions to Brown Act)		100%

Development Division – Government Relations & Strategy

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

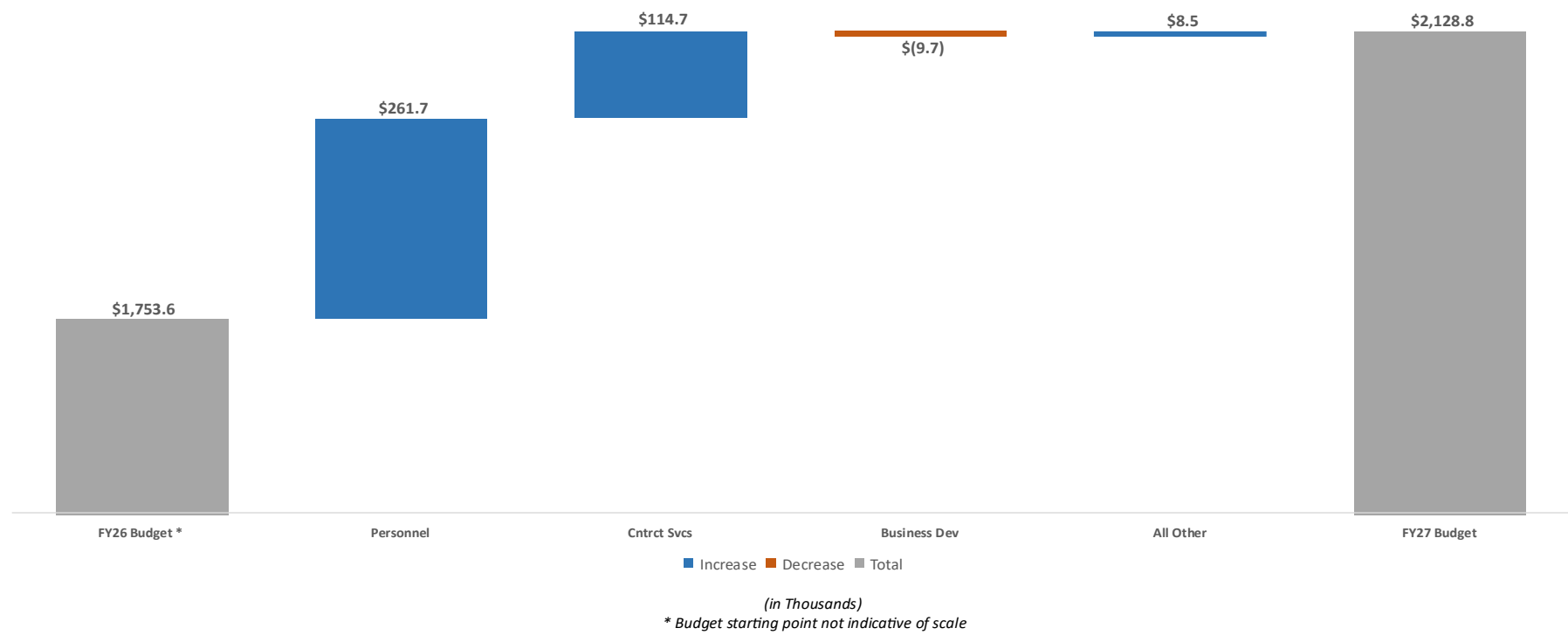
Development Division – Government Relations & Strategy

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	419	873	1,161	288	33.0%	1,161	(0)	0.0%
Benefits	180	355	368	13	3.7%	432	64	17.4%
Subtotal	600	1,228	1,529	301	24.5%	1,593	64	4.2%
Less: Capitalized Labor Recharge	-	(229)	(268)	(39)	17.2%	(279)	(10)	3.9%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	600	999	1,261	262	26.2%	1,315	54	4.2%
Contractual Services	391	399	514	115	28.7%	514	-	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	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	17	38	43	5	12.1%	40	(2)	-5.8%
Business Development	210	316	307	(10)	-3.1%	315	9	2.9%
Equipment Rentals and Repairs	-	-	4	4	0.0%	4	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	619	754	868	113	15.0%	874	6	0.7%
Total Operating Expenses	1,219	1,754	2,129	375	21.4%	2,189	60	2.8%
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	1,219	1,754	2,129	375	21.4%	2,189	60	2.8%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	1,219	1,754	2,129	375	21.4%	2,189	60	2.8%

Development Division – Government Relations & Strategy

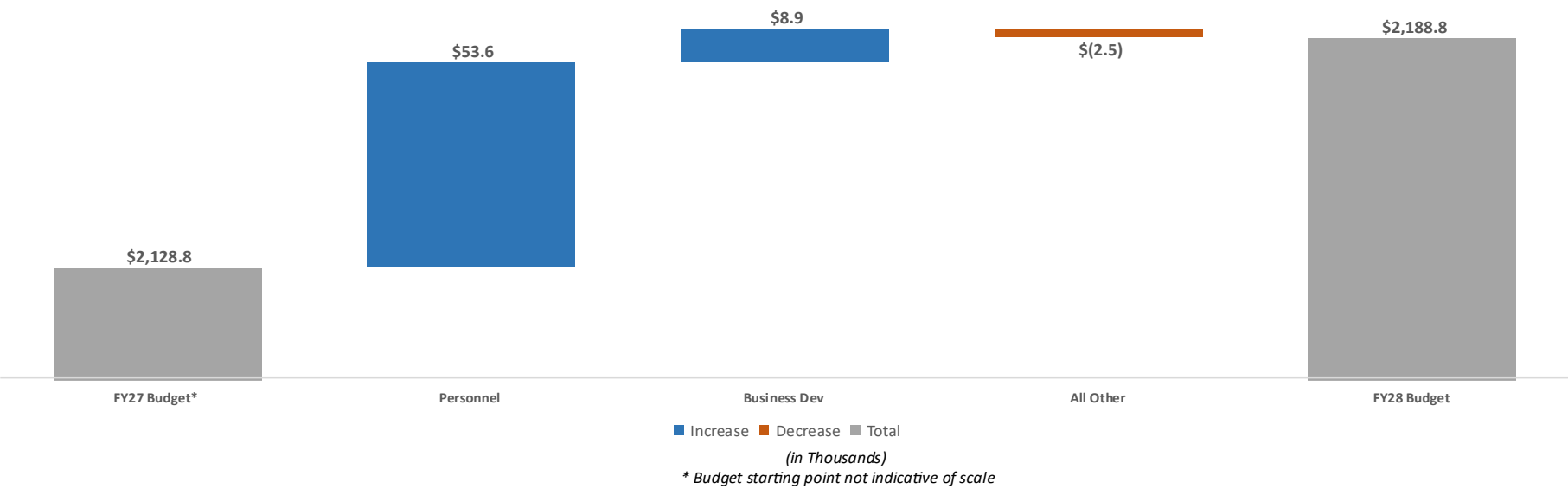
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Increase driven by contract renewals for federal, state, and local consultants

Development Division – Government Relations & Strategy

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Business Development: Due to \$8.9K increase in memberships and promotional activities

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	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 and its various airport improvement projects. Complete periodic presentation to key governmental agencies regarding key projects and ongoing engagement		Support from all requested entities	Received support from all requested entities
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 as airport champions and support the ADP initiatives		Funding priority project	Full advocacy for priority project

Development Division – Government Relations & Strategy

FOCUS AREAS

C

CUSTOMER
EXPERIENCE

D

DATA-DRIVEN
DECISION MAKING

E

EFFICIENCY

P

PEOPLE

R

RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
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	R	<i>Support from all requested entities</i>
Advocate for funding 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 capital budget initiatives	R	<i>Full advocacy for priority projects</i>
Execute enhanced outreach and community engagement to introduce new Authority senior leadership.	R	100%

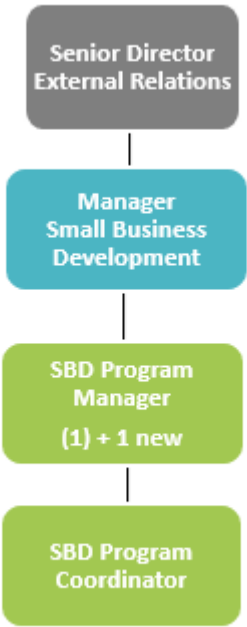
Development Division – Small Business Development

FY 2027 Organizational Structure



Development Division – Small Business Development

FY 2028 Organizational Structure



Development Division – Small Business Development

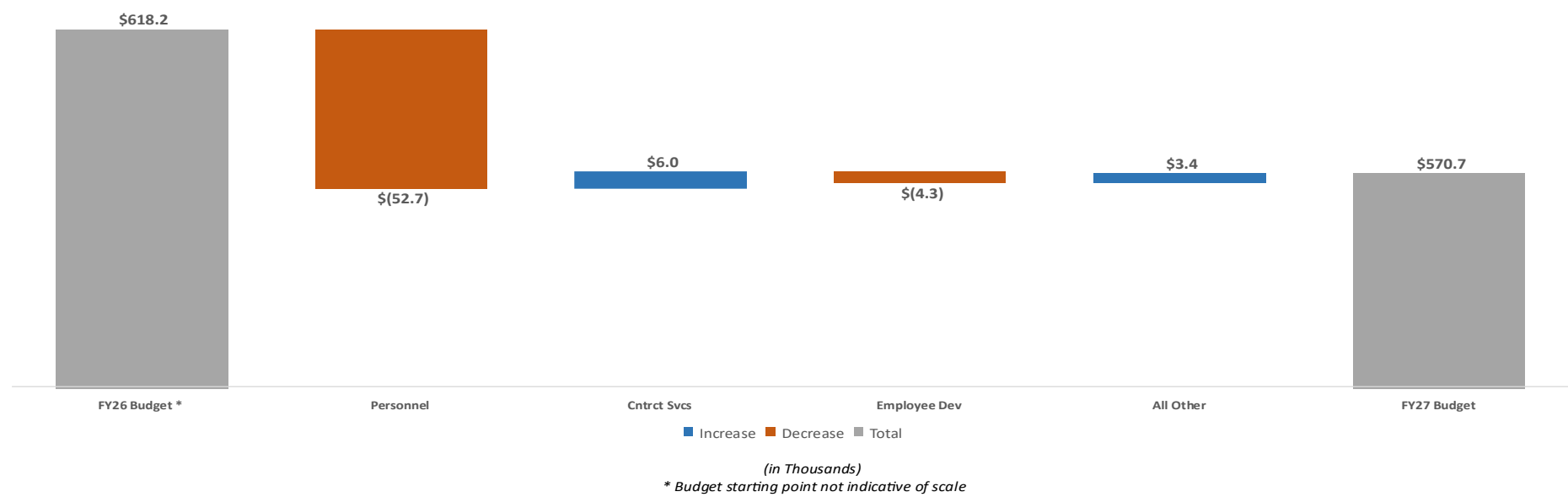
FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)

	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	333	496	470	(26)	-5.3%	480	10	2.0%
Benefits	159	217	163	(54)	-24.8%	197	34	20.7%
Subtotal	492	713	633	(80)	-11.2%	677	43	6.9%
Less: Capitalized Labor Recharge	(108)	(244)	(217)	27	-11.2%	(232)	(15)	6.9%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	384	469	416	(53)	-11.2%	445	29	6.9%
Contractual Services	43	30	36	6	20.0%	36	-	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	1	0	0	0	4.0%	0	0	2.4%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	15	20	16	(4)	-21.5%	19	3	21.4%
Business Development	39	56	58	2	3.6%	59	1	1.3%
Equipment Rentals and Repairs	32	43	44	1	3.3%	46	1	2.5%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	130	149	154	5	3.5%	159	5	3.4%
Total Operating Expenses	514	618	571	(48)	-7.7%	604	34	5.9%
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	514	618	571	(48)	-7.7%	604	34	5.9%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	514	618	571	(48)	-7.7%	604	34	5.9%

Development Division – Small Business Development

FY 2027 Major Drivers

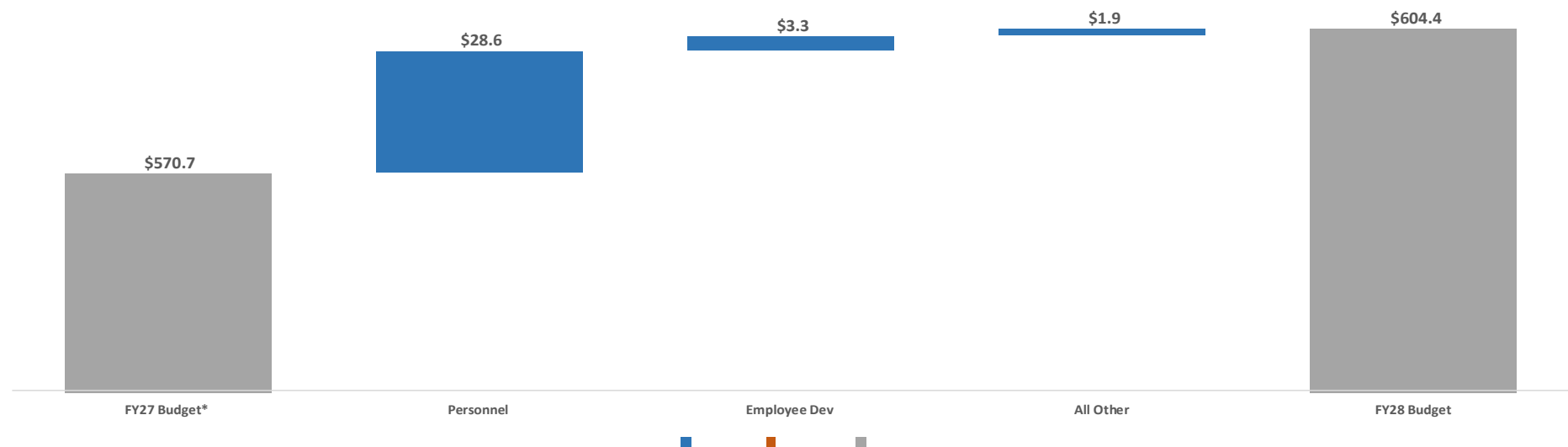


Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff, also includes the removal of a limited position

Business Development: DBE Program increasing \$6K

Development Division – Small Business Development

FY 2028 Major Drivers



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 2026 Goals	Focus Area	Target	Result
Partner with Development Division and Prime Contractors to identify contract opportunities for DBEs to participate in federally funded construction projects*.		# of DBEs bidding on (if new bid opportunities are available in the FY), or participating in, airport construction projects	<i>On Oct. 3, 2025, the DBE Interim Final Rule was issued, and all DBE certifications were removed. Before removal, 5 DBE firms bid on 10 RFPs</i>
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>	<i>Fiscal year to date, 14 events held and over 1,100 business attendees. Six future events are anticipated in FY26</i>

Development Division – Small Business Development

FOCUS AREAS

 CUSTOMER EXPERIENCE	 DATA-DRIVEN DECISION MAKING	 EFFICIENCY	 PEOPLE	 RESILIENCE
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Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Update Small Business Development AC/DBE Program Plans in light of changes to federal regulations.		<i>Submit new Program Plan by fall 2027.</i>
Evolve Small Business Development Program to expand opportunities for small businesses via revision of Policy 5.12, and expanded outreach and training programs.		<i>December 2027</i>
Introduce the Small Business Incubator Retail Program In collaboration with the Terminal Business Development Department.		<i>Complete draft of Program Plan in FY28</i>

FINANCE DIVISION



Finance Division

Overview

The **Finance Division** provides airline 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 and assures 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, or other shocks that present downside risks to the business.

The **Accounting & Risk Management** department is responsible for maintaining, reporting on, and managing all General Ledger accounts, and for 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. In addition, the department's Risk Management team is responsible for Operational Lines of Insurance. Managing the insurance compliance of all Authority tenants, issuing construction insurance, and providing oversight of all claims filed against the Authority's insurance policies. The team also reviews the scope of RFPs and RFQs to determine the required insurance products and limits that will protect the Authority.

The **Finance & Airline Relations department** is responsible for the Authority's overall financial planning, budgeting, and fiscal stewardship. The department develops and administers the Operating and Capital Budgets; manages treasury functions, cash flow, investments, and debt; and provides financial advisory services to support informed decision-making across the Authority. In addition, the department leads and coordinates Authority efforts at identifying 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. It also negotiates and administers airline and airfield lease and operating agreements.

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.

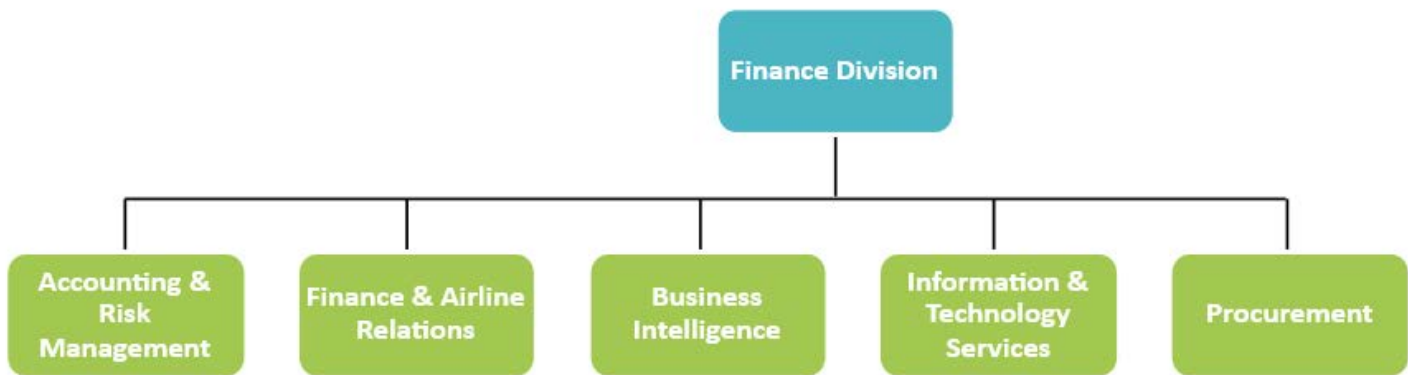
The **Procurement** department provides a competitive contracting process that promotes innovation and industry best practices while ensuring its contracting actions adhere to published Authority policies and the highest standards of integrity and ethical conduct. The department researches product and service resources, provides business outreach and education, and manages solicitations, price and contract negotiations, and contract awards in a legal, ethical, and transparent manner. The department also manages the Procurement card program (P-card), shipping, receiving, surplus, and warehouse operations.

Finance Division

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 2027 – FY 2028 Organizational Structure



Division Personnel Summary

	FY 2026 Budget	FY 2027 Budget New / (Eliminated)	Transfers	FY 2027 Budget	FY 2028 Budget New / (Eliminated)	FY 2028 Conceptual Budget
Finance Division						
Accounting & Risk Management	11	-	5	16	-	16
Capital Financial Planning & Airline Relations**	7	-	(7)	-	-	-
Information & Technology Services	41	2	-	43	-	43
Procurement	12	1	-	13	-	13
Finance & Airline Relations	15	-	2	17	-	17
Business Intelligence	10	-	-	10	-	10
Total Positions	96	3	-	99	-	99

**Dept is now collapsed into Finance & Airline Relations and Accounting & Risk Management

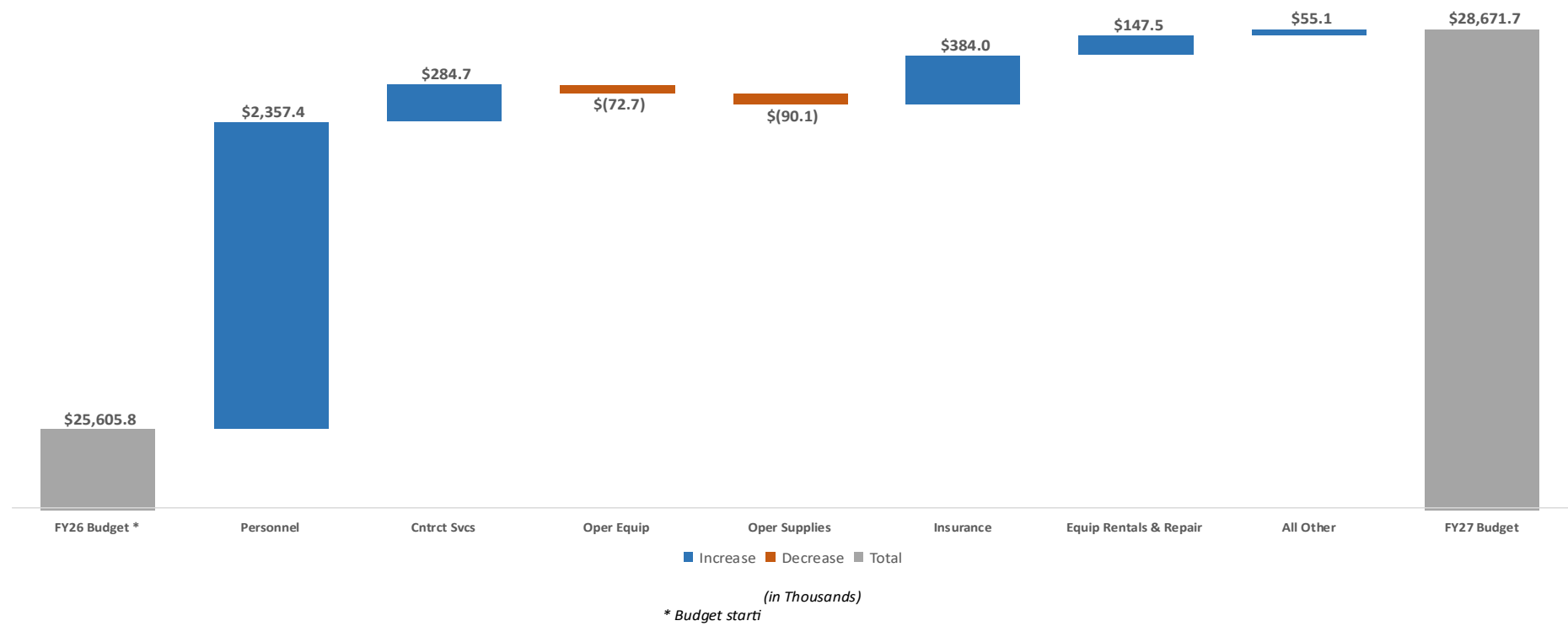
Finance Division

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025	FY2026	FY2027	Inc / (Dec)	%	FY2028	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY27 Budget vs FY26 Budget	Change	Conceptual Budget	FY28 Conceptual vs FY27 Budget	Change
Operating Expenses								
Salaries	9,742	8,413	11,092	2,679	31.8%	11,442	350	3.2%
Benefits	4,219	4,762	4,448	(314)	-6.6%	5,234	786	17.7%
Subtotal	13,962	13,175	15,541	2,365	18.0%	16,676	1,136	7.3%
Less: Capitalized Labor Recharge	(224)	(291)	(299)	(8)	2.7%	(319)	(21)	6.9%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	13,738	12,884	15,242	2,357	18.3%	16,357	1,115	7.3%
Contractual Services	3,691	3,537	3,821	285	8.1%	3,894	72	1.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	545	572	562	(10)	-1.7%	622	60	10.7%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	123	616	543	(73)	-11.8%	754	211	38.9%
Operating Supplies	234	547	457	(90)	-16.5%	594	137	29.9%
Insurance	2,528	3,182	3,566	384	12.1%	3,717	151	4.2%
Employee Development	136	189	216	27	14.2%	219	3	1.3%
Business Development	193	196	219	23	11.9%	222	3	1.2%
Equipment Rentals and Repairs	2,642	3,733	3,881	147	3.9%	4,229	348	9.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	10,092	12,571	13,265	694	5.5%	14,250	985	7.4%
Total Operating Expenses	23,830	25,456	28,507	3,051	12.0%	30,607	2,100	7.4%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	2	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	2	-	-	-	0.0%	-	-	0.0%
Total Expenses	23,831	25,456	28,507	3,051	12.0%	30,607	2,100	7.4%
Equipment Outlay Expenditures	379	150	165	15	10.0%	150	(15)	-9.1%
Total Authority Expenses Incl Equip Outlay	24,210	25,606	28,672	3,066	12.0%	30,757	2,085	7.3%

Finance Division

FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Added 3 positions and reduced vacancy savings from 6% in FY26 to 3% in FY27 (budgeted savings sit in Finance Division)

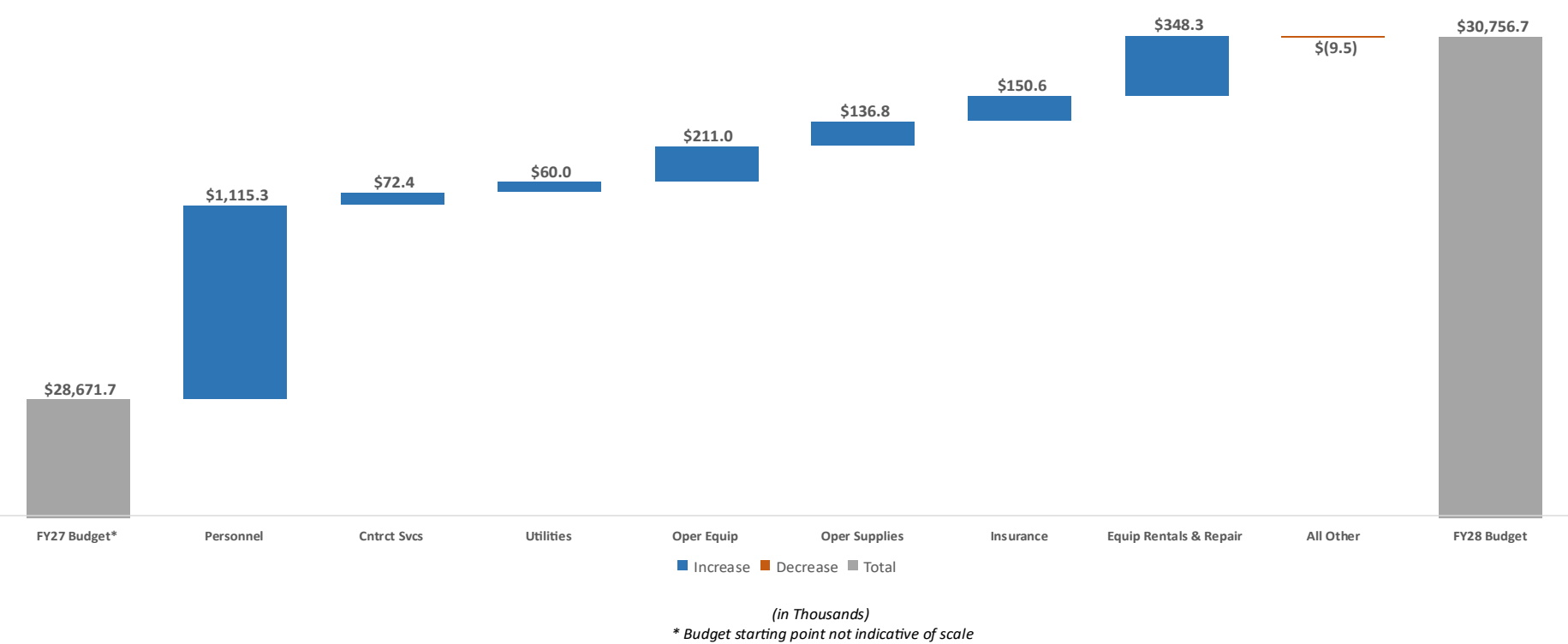
Contractual Services: \$246K increase in credit card fees due to higher anticipated parking revenue

Insurance: \$384K increase in insurance premiums due to increase in property value and added pollution policy

Equipment Rentals & Repairs: \$148K increase due to network gear maintenance and software licenses

Finance Division

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Operating Equipment & Systems: \$200K increase in Custom Border Patrol (CBP) equipment refresh
Operating Supplies: \$135K increase in Common Use kiosk boarding pass and bag tag stocks due to opening of NT1 phase 1B
Insurance: \$151K increase in insurance premiums due to increase in property value and the opening of NT1 phase 1B
Equipment Rentals & Repairs: \$348K increase due to network gear maintenance and software licenses

Finance Division

FY 2027 Expense Budget by Department

(in thousands)

Departments	FY 2027 Budget
Information & Technology Services	\$12,343
Accounting & Risk Management	\$6,910
Finance & Airline Relations	\$6,664
Procurement	\$2,286
Business Intelligence	\$2,017
Other *	(\$1,549)
Total ¹	<u><u>\$28,671</u></u>

* Includes Vacancy Savings

¹ Total may differ due to rounding

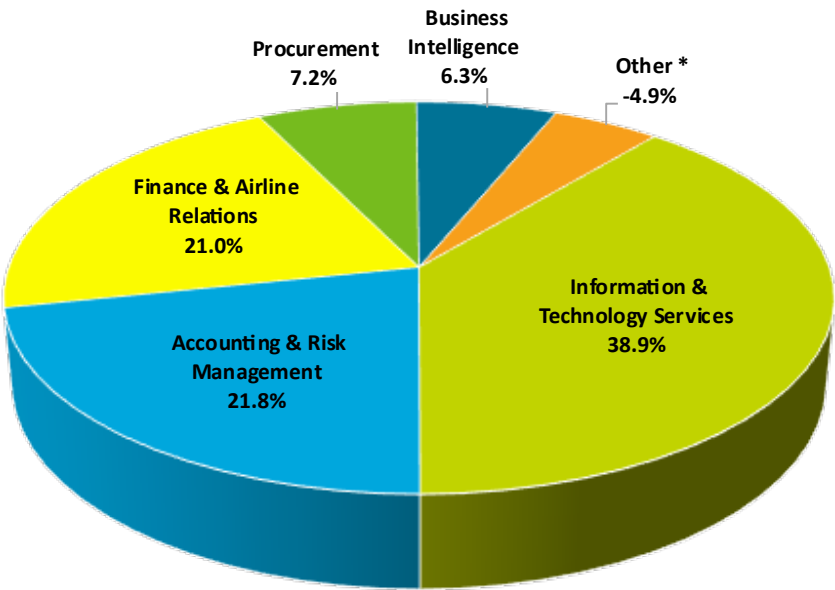


Figure 30 – FY 2027 Expense Budget by Department

Finance Division

FY 2028 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2028 Conceptual Budget
Information & Technology Services	\$13,529
Accounting & Risk Management	\$7,290
Finance & Airline Relations	\$7,048
Procurement	\$2,460
Business Intelligence	\$2,169
Other *	(\$1,740)
Total ¹	\$30,756

* Includes Vacancy Savings

¹ Total may differ due to rounding

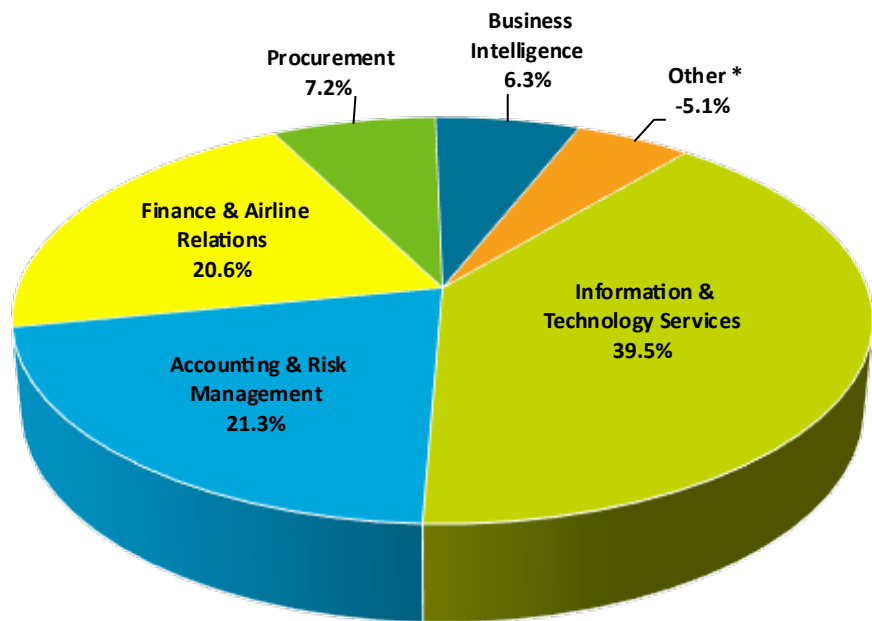


Figure 31 – FY 2028 Expense Conceptual Budget by Department

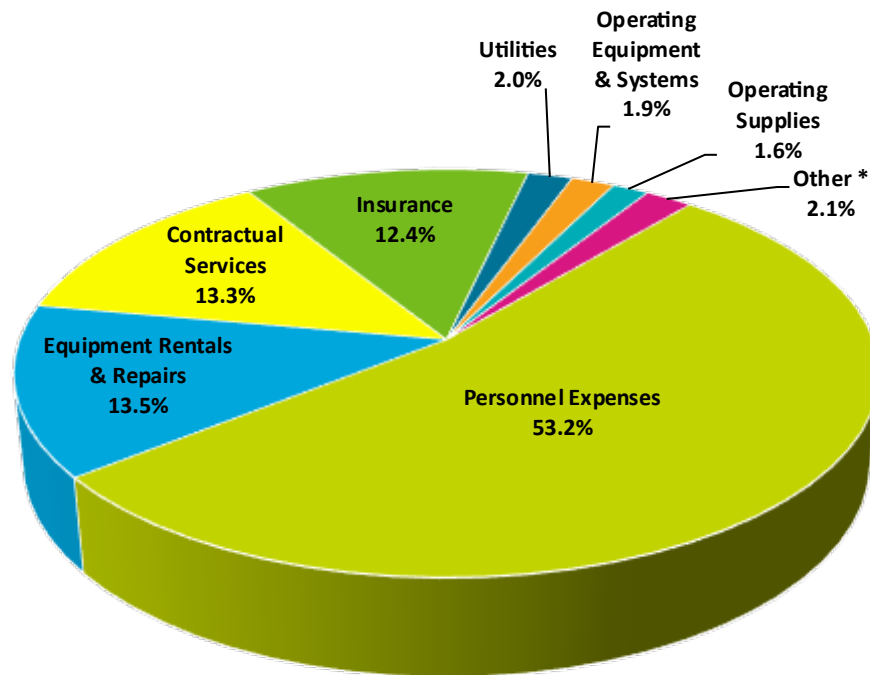
Finance Division

FY 2027 Expense Budget by Category

(in thousands)

Category	FY 2027 Budget
Personnel Expenses	\$15,241
Equipment Rentals & Repairs	\$3,881
Contractual Services	\$3,821
Insurance	\$3,566
Utilities	\$562
Operating Equipment & Systems	\$543
Operating Supplies	\$457
Other *	\$600
Total ¹	\$28,671

¹Total may differ due to rounding



*Other includes employee development, business development, etc.

Figure 32 – FY 2027 Expense Budget by Category

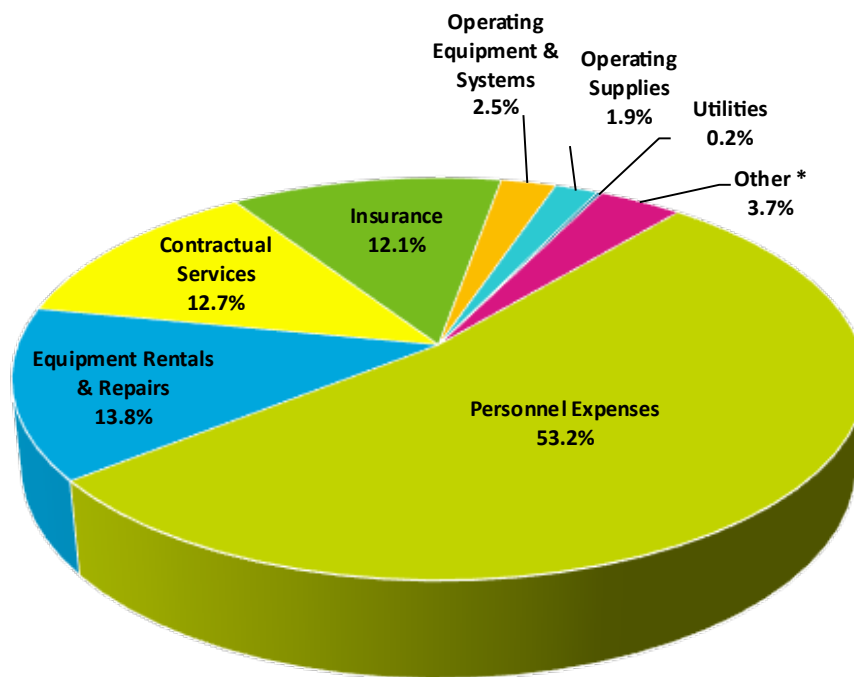
Finance Division

FY 2028 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2028 Conceptual Budget
Personnel Expenses	\$16,357
Equipment Rentals & Repairs	\$4,229
Contractual Services	\$3,894
Insurance	\$3,717
Operating Equipment & Systems	\$754
Operating Supplies	\$594
Utilities	\$60
Other *	\$1,151
Total ¹	\$30,756

¹ Total may differ due to rounding

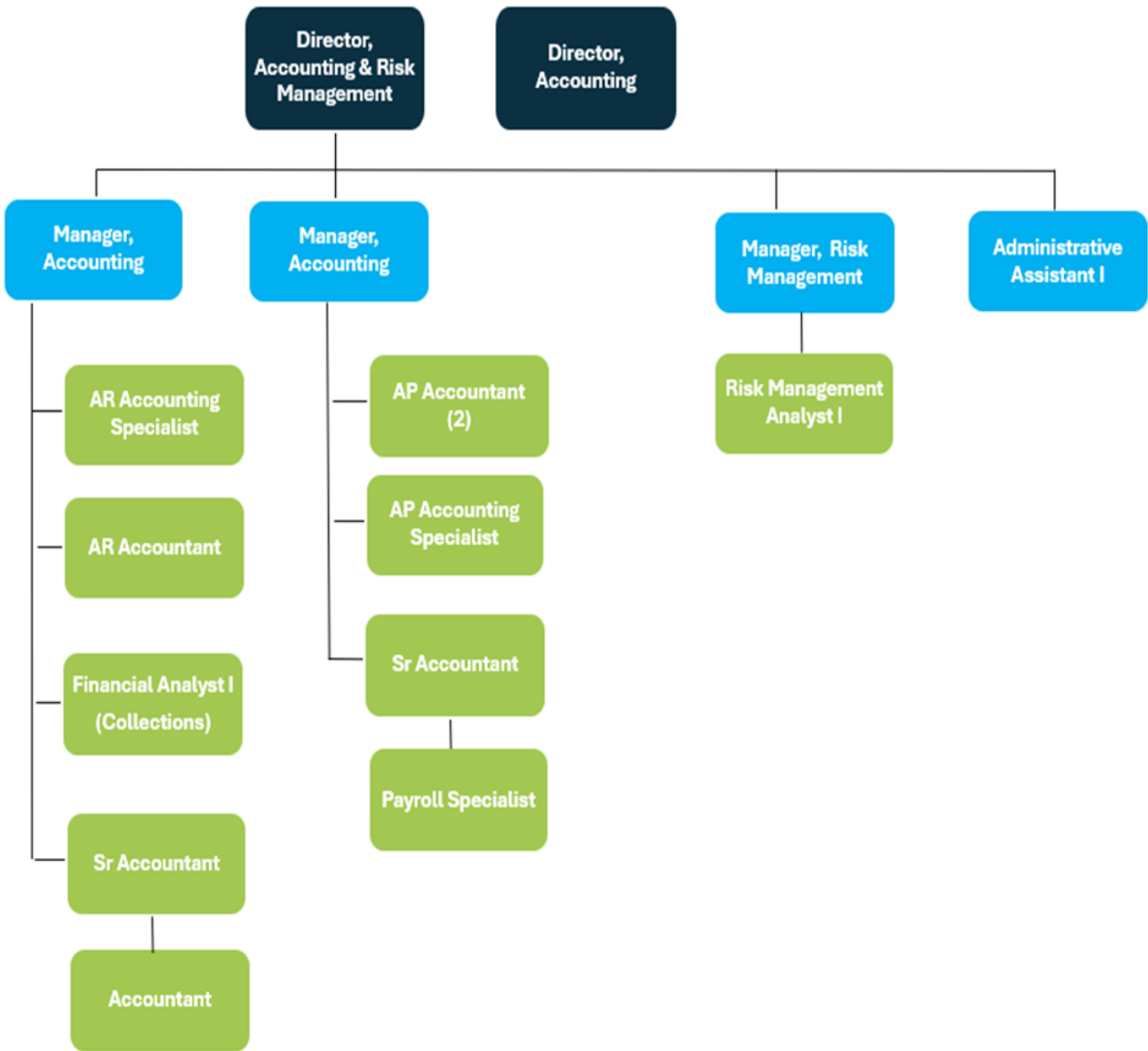


*Other includes employee development, business development, etc.

Figure 33 – FY 2028 Expense Conceptual Budget by Category

Finance Division – Accounting & Risk Management

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

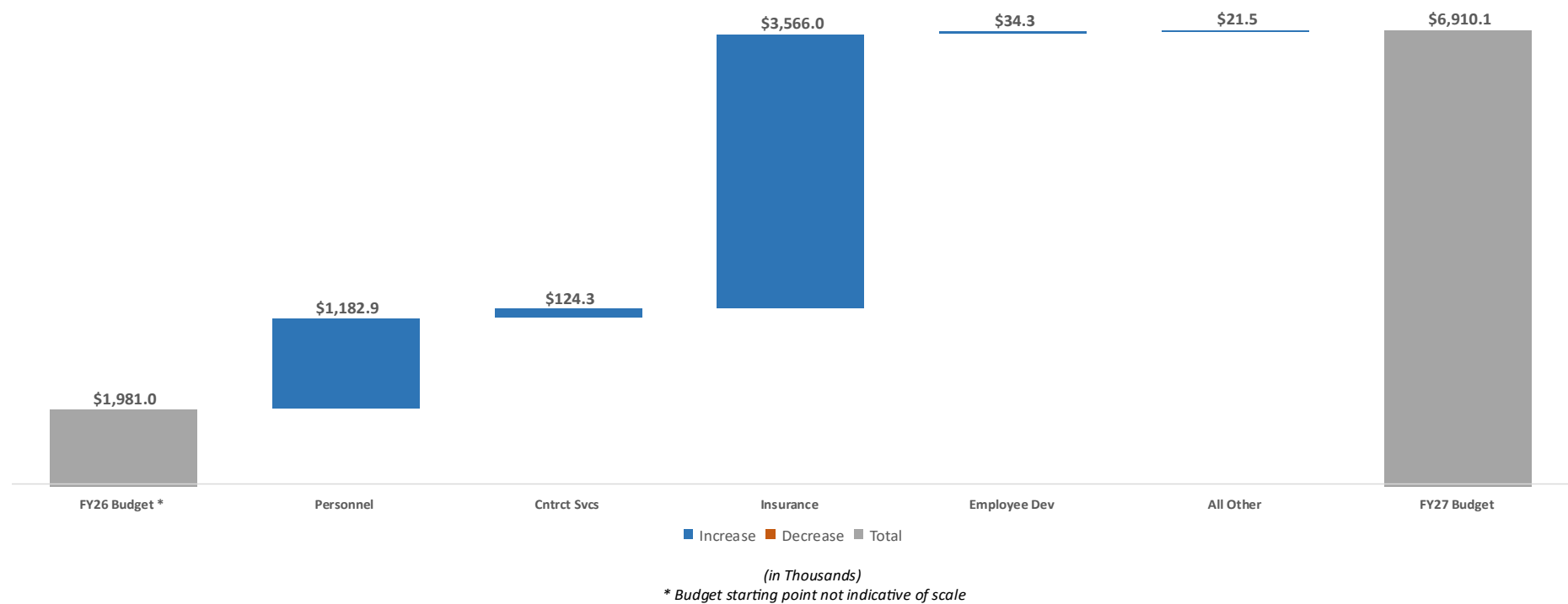
Finance Division – Accounting & Risk Management

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	1,105	1,091	2,013	922	84.5%	2,093	81	4.0%
Benefits	474	546	807	261	47.8%	965	157	19.5%
Subtotal	1,579	1,637	2,820	1,183	72.3%	3,058	238	8.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	1,579	1,637	2,820	1,183	72.3%	3,058	238	8.4%
Contractual Services	170	262	386	124	47.5%	392	5	1.4%
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	2	2	-	0.0%	2	-	0.0%
Operating Supplies	0	1	1	-	0.0%	1	-	0.0%
Insurance	-	-	3,566	3,566	0.0%	3,717	151	4.2%
Employee Development	11	21	55	34	166.7%	56	1	2.5%
Business Development	46	33	35	3	7.7%	36	0	0.3%
Equipment Rentals and Repairs	28	26	30	4	15.4%	30	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	256	344	4,075	3,731	1085.0%	4,233	157	3.9%
Total Operating Expenses	1,835	1,981	6,895	4,914	248.1%	7,290	395	5.7%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	2	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	2	-	-	-	0.0%	-	-	0.0%
Total Expenses	1,836	1,981	6,895	4,914	248.1%	7,290	395	5.7%
Equipment Outlay Expenditures	-	-	15	15	0.0%	-	(15)	-100.0%
Total Authority Expenses Incl Equip Outlay	1,836	1,981	6,910	4,929	248.8%	7,290	380	5.5%

Finance Division – Accounting & Risk Management

FY 2027 Major Drivers



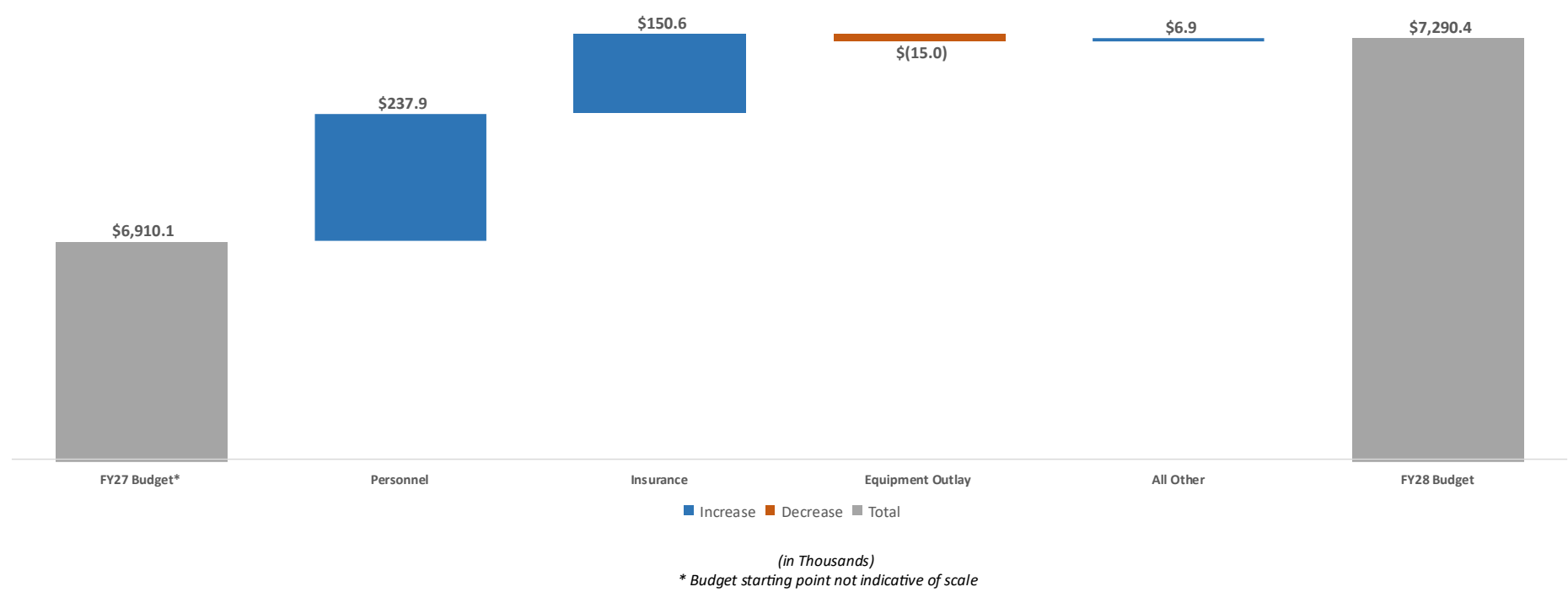
Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff; includes one additional limited position to overlap with the current Director until that residing Director retires; department now also includes additional roles based on organizational restructure

Contractual Services: \$160K insurance brokers transferred from Finance & Airline Relations partially offset by (\$27K) OPEB valuation

Insurance: \$3.6M transferred from Finance & Airline Relations, increase in property premium values

Finance Division – Accounting & Risk Management

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Insurance: \$151K increase in premiums due to increase in property premium values and opening of NT1 phase 1B

Finance Division – Accounting & Risk Management

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
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>	Unmodified Opinion issued and presented to the Audit Committee
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>	Still in progress
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.		75%	This is in progress and is anticipated to be completed by June 30 th .
Work with the Authority's insurance brokers to market and bind a new Builders Risk Policy for Phase Two of the New T1 Project.		100%	Policy bound

Finance Division – Accounting & Risk Management

FOCUS AREAS



CUSTOMER
EXPERIENCE



DATA-DRIVEN
DECISION MAKING



EFFICIENCY



PEOPLE

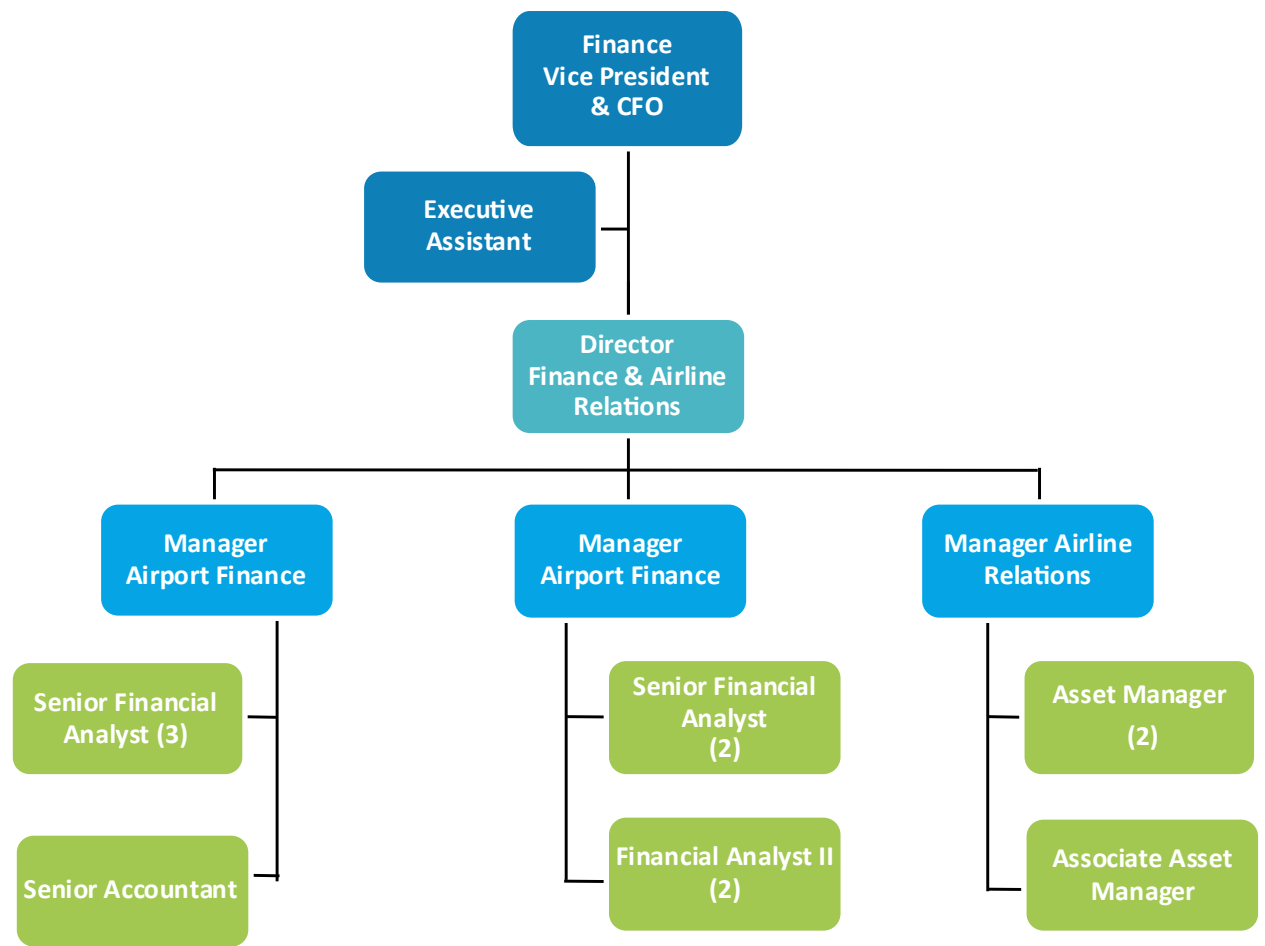


RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Deliver two process enhancements or improvements by the end of FY 2027 that improve close/operational efficiency and data integrity; for each enhancement, define a baseline and demonstrate at least a 10% improvement in an agreed KPI (e.g., cycle time, manual touchpoints, error/rework rate), and publish updated procedures/controls and a shared playbook to sustain adoption.		10%
By the conclusion of FY2027, 90% of members in the Accounting and Risk Management teams will have completed at least 40 hours of professional development relevant to their roles. Additionally, at least 75% of these members will show improved skills in key areas such as financial analysis, internal controls, regulatory compliance, risk assessment, or automation tools, as evidenced by post-training assessments, manager reviews, or successful implementation in their projects.		40 hours + 75% improvement
By the end of FY 2027, Risk Management will work to limit the total insurance premium increase to $\leq 5\%$ (net of exposure changes) by reducing or offsetting premium increases through retentions, structural optimization, and loss-driven improvements, while maintaining or reducing Total Cost of Risk (TCOR) despite market pressure.		$\leq 5\%$

Finance Division – Finance & Airline Relations

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

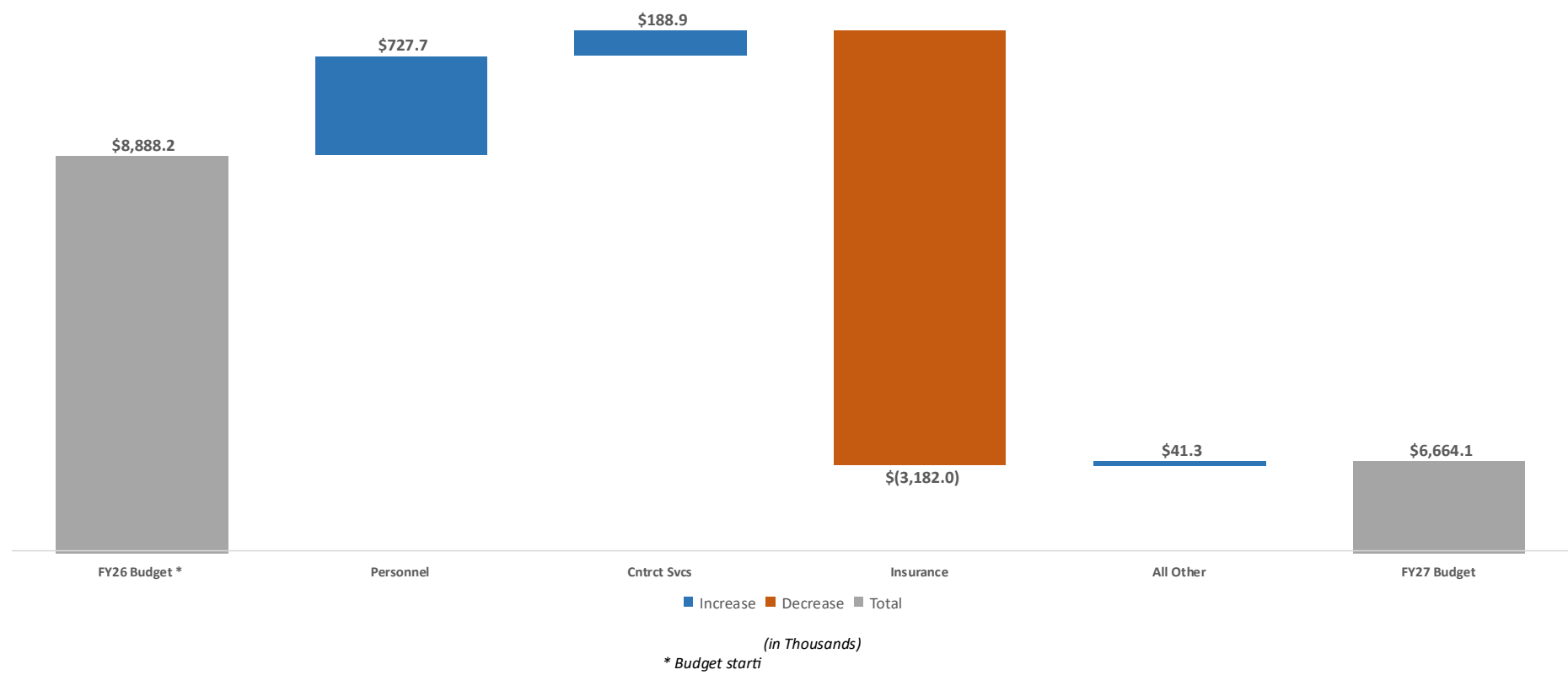
Finance Division – Finance & Airline Relations

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)		FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses									
Salaries		1,893	1,952	2,558	607	31.1%	2,667	108	4.2%
Benefits		824	845	966	121	14.3%	1,155	189	19.5%
Subtotal		2,717	2,797	3,524	728	26.0%	3,822	297	8.4%
Less: Capitalized Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Total		2,717	2,797	3,524	728	26.0%	3,822	297	8.4%
Contractual Services		2,377	2,602	2,791	189	7.3%	2,857	67	2.4%
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		2	3	3	-	0.0%	3	-	0.0%
Insurance		2,528	3,182	-	(3,182)	-100.0%	-	-	0.0%
Employee Development		32	43	40	(3)	-6.2%	41	1	2.5%
Business Development		127	132	159	27	20.4%	161	2	1.5%
Equipment Rentals and Repairs		124	130	147	17	13.1%	164	16	11.1%
Tenant Improvements		-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs		5,190	6,092	3,140	(2,952)	-48.5%	3,226	87	2.8%
Total Operating Expenses		7,907	8,888	6,664	(2,224)	-25.0%	7,048	384	5.8%
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		7,907	8,888	6,664	(2,224)	-25.0%	7,048	384	5.8%
Equipment Outlay Expenditures		-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay		7,907	8,888	6,664	(2,224)	-25.0%	7,048	384	5.8%

Finance Division – Finance & Airline Relations

FY 2027 Major Drivers



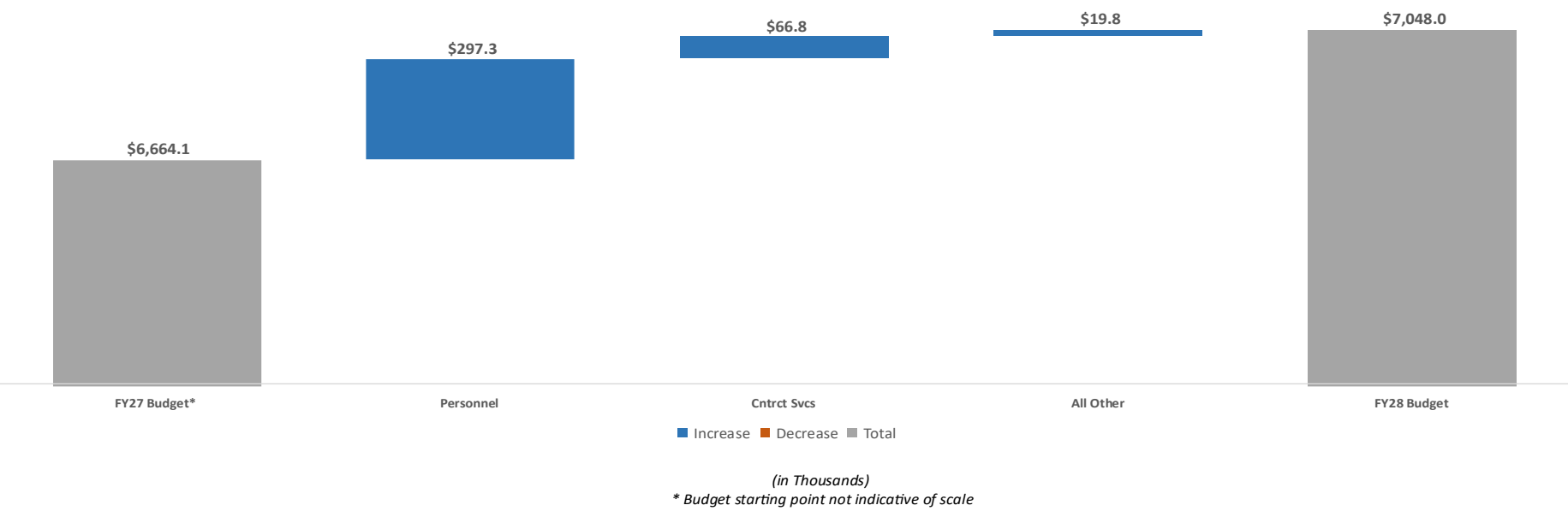
Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff; department now includes additional roles based on organizational restructure

Contractual Services: \$246K increase in credit card fees due to higher anticipated parking revenue partially offset by transfer of insurance broker fees to Accounting & Risk Management

Insurance: (\$3.2M) decrease in insurance premiums due to transfer of insurance expenses to Accounting & Risk Management

Finance Division – Finance & Airline Relations

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: \$38K increase in credit card fees due to anticipated increase in parking revenue, \$38K increase in advisor fees

Finance Division – Finance & Airline Relations

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Issue Bonds for the New T1 Project		100%	100%
Support capital development efforts for the New Terminal 1, New T1 & Terminal 2 East connection, Terminal 2 East renovation, and airport electrical power infrastructure sustainability and resiliency.		80%	80%
Obtain FAA approval for PFC application to support New T1 debt service.		Final Agency Decision	On Target
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%	80%

Finance Division – Finance & Airline Relations

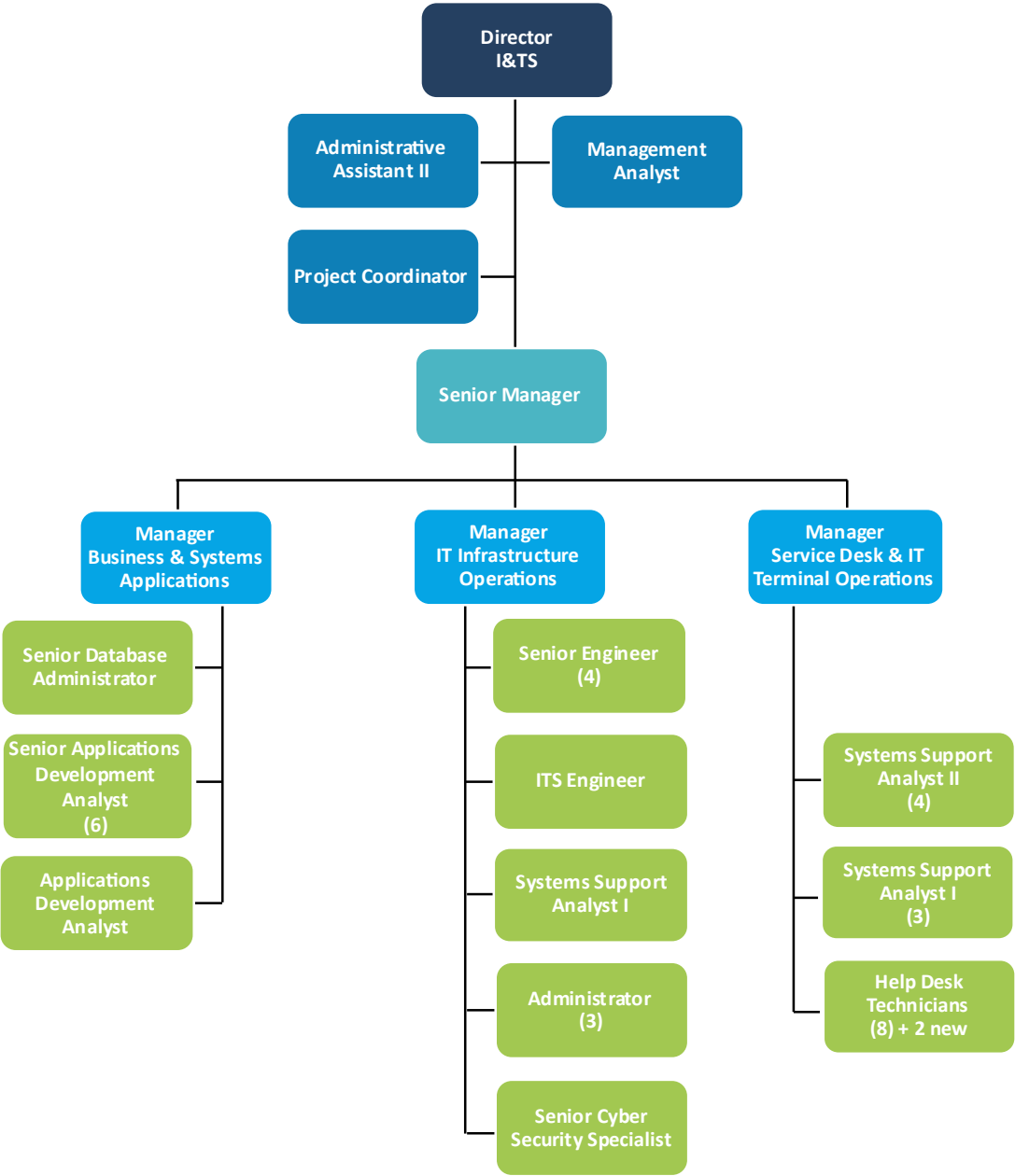
FOCUS AREAS



Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Leverage AI and business intelligence tools to enhance financial analysis, implement a continuous forecasting capability, develop an organization-wide dashboard of key financial metrics, and improve investment reporting to support and maintain the organization's financial resilience.		<i>Rolling forecast implementation; Non-Airline Revenue Dashboards</i>
Manage the Authority debt and investment portfolio to reduce the overall cost of debt by identifying bond refunding savings that exceed the Authority's targets, as established in the Debt Management Policy, and by utilizing available cash balances to reduce outstanding debt.		<i>Evaluation of 2014 Special Facility Bonds and 2017 GARB Bonds with refunding and debt reductions undertaken if Policy targets are met</i>
Continue to collaborate with Operational Readiness, Activation, & Transition team (ORAT), Airport Design & Construction department, Terminal Operations team, airlines, and other tenants to prepare for relocation of tenants to the New T1 (phase 1B) and address tenants' space requirements, while ensuring compliance with the respective agreements.		<i>100% by January, 2028</i>

Finance Division – Information & Technology Services

FY 2027-2028 Organizational Structure



No personnel changes in FY 2028

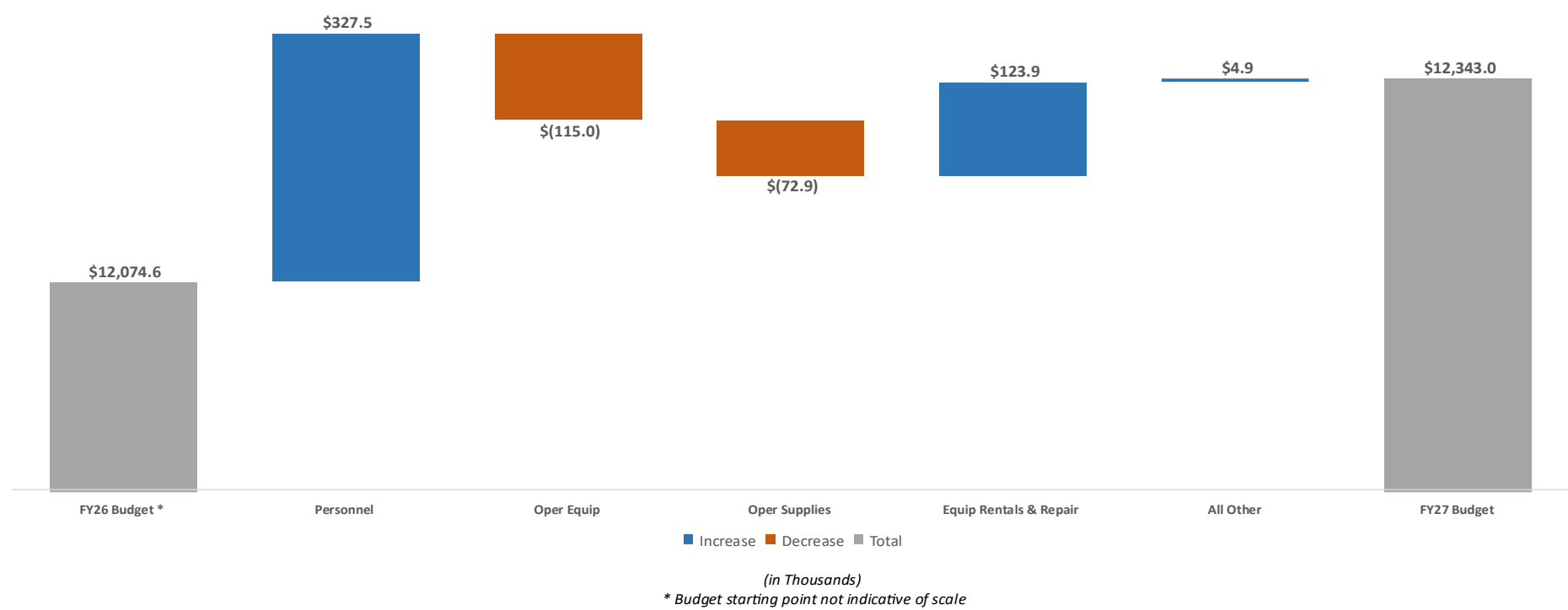
Finance Division – Information & Technology Services

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025	FY2026	FY2027	Inc / (Dec)	%	FY2028	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY27 Budget vs FY26 Budget	Change	Conceptual Budget	FY28 Conceptual vs FY27 Budget	Change
Operating Expenses								
Salaries	3,791	4,525	5,049	523	11.6%	5,178	130	2.6%
Benefits	1,744	2,088	1,900	(188)	-9.0%	2,250	350	18.4%
Subtotal	5,536	6,613	6,949	335	5.1%	7,428	480	6.9%
Less: Capitalized Labor Recharge	(224)	(291)	(299)	(8)	2.7%	(319)	(21)	6.9%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	5,312	6,322	6,650	328	5.2%	7,109	459	6.9%
Contractual Services	1,095	625	630	5	0.8%	630	-	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	545	572	562	(10)	-1.7%	622	60	10.7%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	4	425	310	(115)	-27.1%	510	200	64.5%
Operating Supplies	141	383	310	(73)	-19.1%	445	135	43.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	49	61	69	8	13.0%	69	-	0.0%
Business Development	5	7	9	2	33.0%	9	-	0.0%
Equipment Rentals and Repairs	2,443	3,529	3,653	124	3.5%	3,985	332	9.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	4,281	5,602	5,543	(59)	-1.1%	6,270	727	13.1%
Total Operating Expenses	9,593	11,925	12,193	268	2.3%	13,379	1,186	9.7%
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	9,593	11,925	12,193	268	2.3%	13,379	1,186	9.7%
Equipment Outlay Expenditures	379	150	150	-	0.0%	150	-	0.0%
Total Authority Expenses Incl Equip Outlay	9,972	12,075	12,343	268	2.2%	13,529	1,186	9.6%

Finance Division – Information & Technology Services

FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff and the addition of 2 new positions

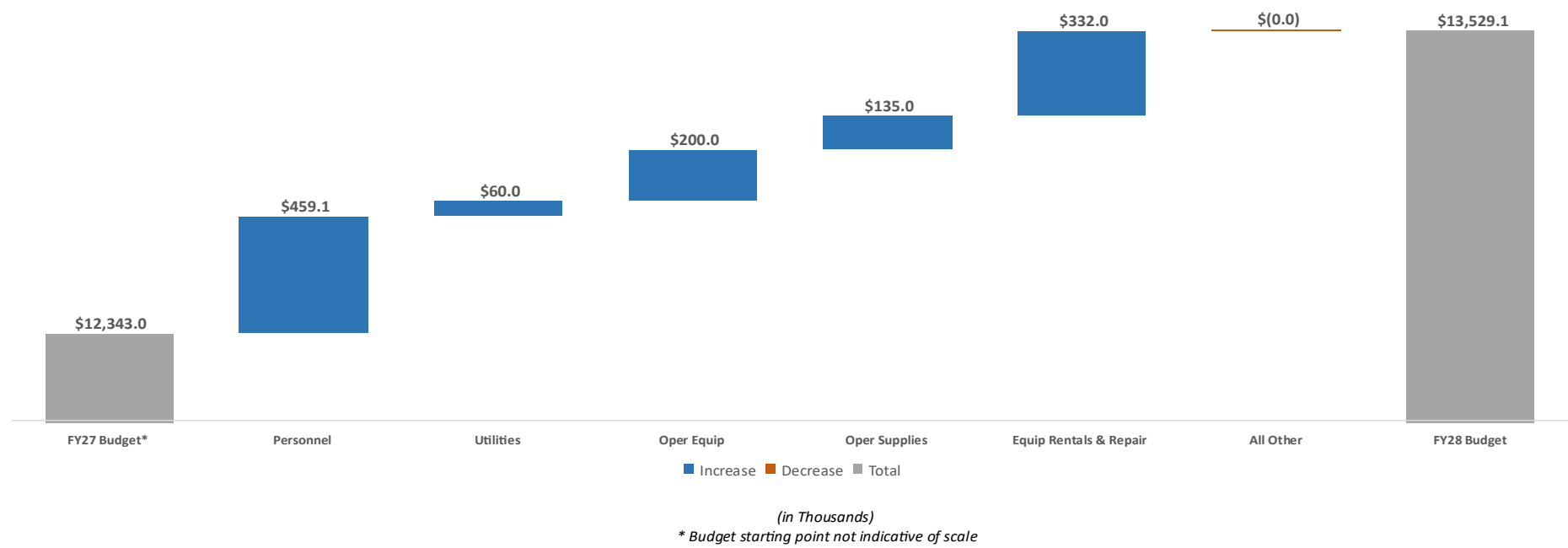
Operating Equipment: (\$125K) decrease in Custom Border Patrol (CBP) equipment refresh

Operating Supplies: (\$45K) decrease in Common Use kiosk bag tag stocks due to less spend in FY26 than expected, (\$32K) decrease in Common Use printer stock due to centralizing paper purchases to Procurement

Equipment Rentals & Repairs: \$124K increase due to network gear maintenance and software licenses

Finance Division – Information & Technology Services

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Operating Equipment: \$200K increase in CBP equipment refresh
Operating Supplies: \$135K increase in Common Use kiosk stock due to opening of NT1 phase 1B
Equipment Rentals & Repairs: \$332K increase due to network gear maintenance and software licenses

Finance Division – Information & Technology Services

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
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%	Met
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%	In Progress 70%
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%	Met

Finance Division – Information & Technology Services

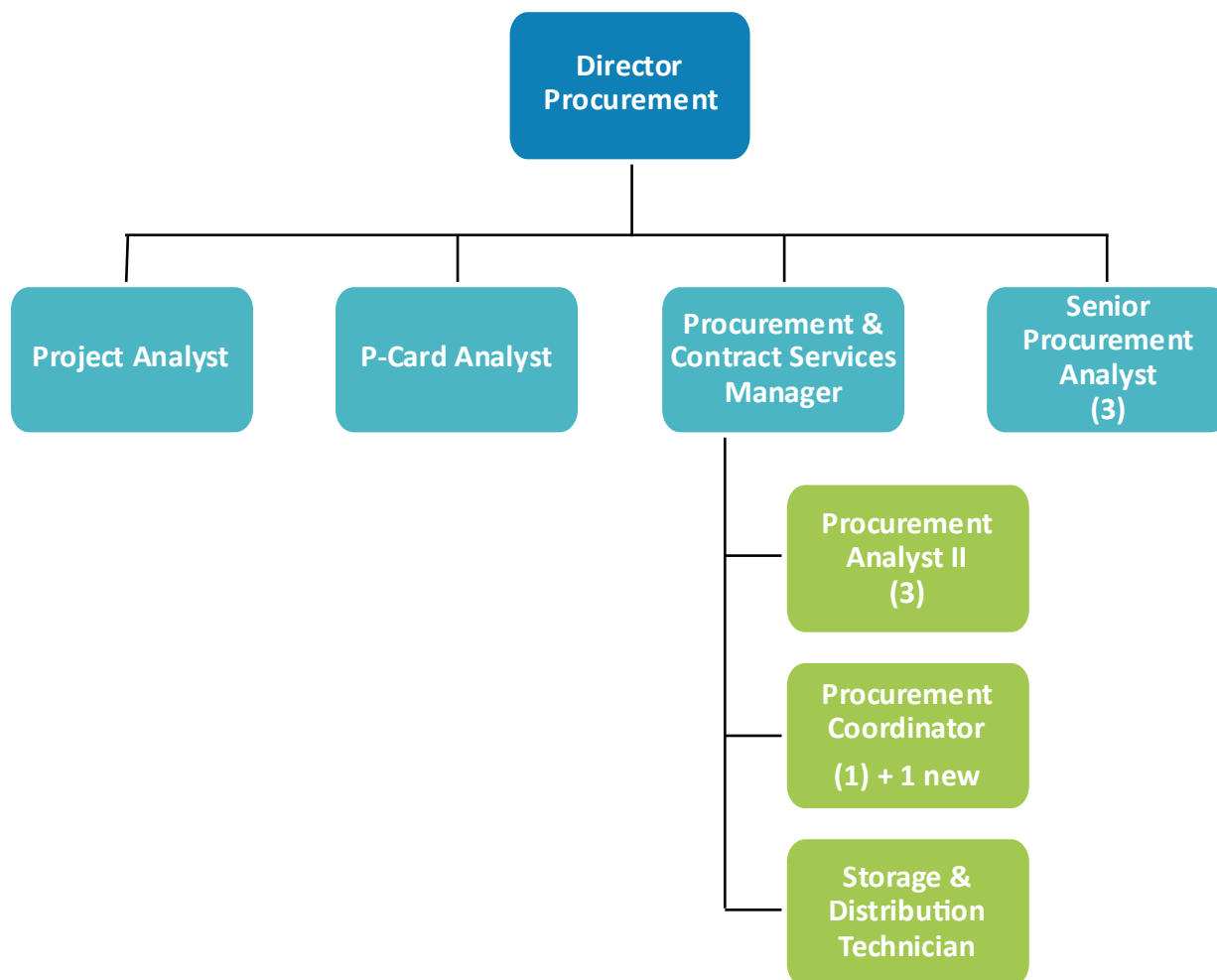
FOCUS AREAS

 CUSTOMER EXPERIENCE	 DATA-DRIVEN DECISION MAKING	 EFFICIENCY	 PEOPLE	 RESILIENCE
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Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Strengthen the Authority’s cybersecurity posture by conducting a cost-benefit analysis of our enterprise cybersecurity tools to optimize total cost of ownership, enhance security capabilities, and retire overlapping point solutions. Conduct a 3rd party penetration test of the Terminal 2 baggage handling system environment to validate the effectiveness of cybersecurity controls to ensure alignment with TSA mandates for securing critical infrastructure.		100%
Drive enterprise application optimization and organizational efficiency by advancing the Authority’s Systems Catalog as the centralized source of truth for all technology systems. Establish and track KPIs to measure system rationalization, footprint reduction, and overall value realization. Continue modernizing and enhancing priority enterprise platforms, including PMWeb and Cityworks CMMS, to align with current technology standards and support evolving business needs.		100%
Modernize Terminal 2 infrastructure by upgrading legacy common use passenger processing systems and transitioning from Aruba to Cisco Wi-Fi to aligning with Terminal 1. These initiatives will deliver a more seamless passenger experience, increase operational efficiency, and support long-term scalability.		100%

Finance Division – Procurement

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

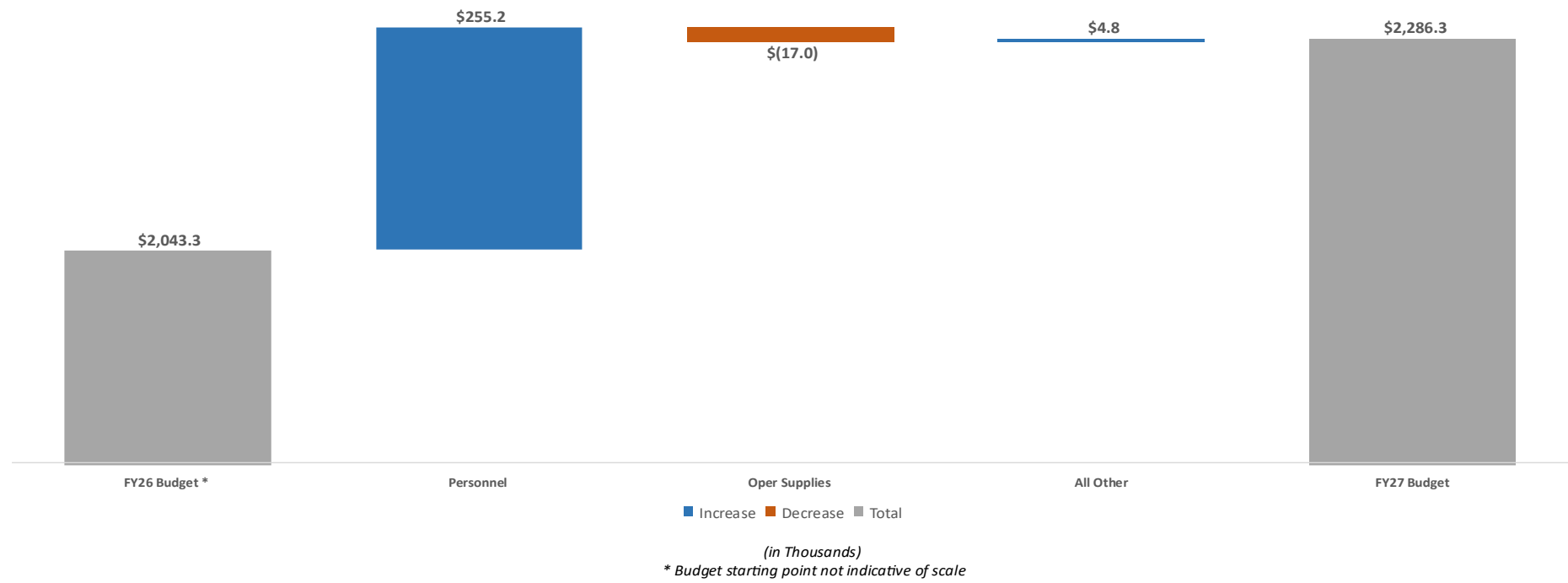
Finance Division – Procurement

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025	FY2026	FY2027	Inc / (Dec)	%	FY2028	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY27 Budget vs FY26 Budget	Change	Conceptual Budget	FY28 Conceptual vs FY27 Budget	Change
Operating Expenses								
Salaries	1,220	1,205	1,428	223	18.5%	1,485	57	4.0%
Benefits	485	585	617	32	5.5%	731	114	18.5%
Subtotal	1,704	1,790	2,045	255	14.3%	2,217	171	8.4%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	1,704	1,790	2,045	255	14.3%	2,217	171	8.4%
Contractual Services	4	16	15	(1)	-5.2%	15	0	1.6%
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	0	1	1	-	0.0%	1	-	0.0%
Operating Supplies	90	159	142	(17)	-10.7%	144	2	1.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	13	20	22	3	12.8%	23	1	2.3%
Business Development	6	10	11	1	5.3%	11	-	0.0%
Equipment Rentals and Repairs	46	48	50	2	5.3%	50	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	160	253	241	(12)	-4.8%	243	3	1.0%
Total Operating Expenses	1,864	2,043	2,286	243	11.9%	2,460	174	7.6%
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	1,864	2,043	2,286	243	11.9%	2,460	174	7.6%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	1,864	2,043	2,286	243	11.9%	2,460	174	7.6%

Finance Division – Procurement

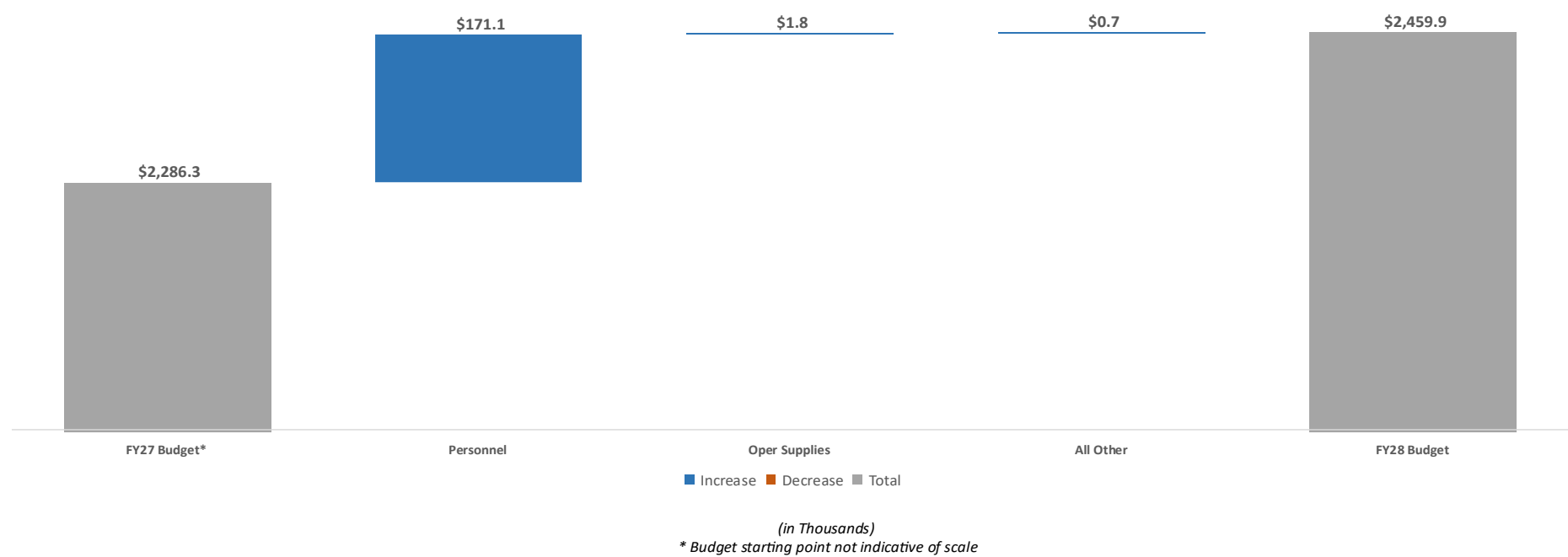
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff and the addition of 1 new position

Finance Division – Procurement

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
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%	Procurement tracked business participation in all solicited projects. Metrics were recorded per project and in the Authority's Stewardship Report. Procurement participated in multiple outreach events and hosted a virtual vendor workshop to promote accessibility, engagement, and transparency.
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%	Procurement achieved a 7.6% average cost savings (over \$3 million dollars) through competition and negotiations. Additional savings were achieved through value-driven partnerships resulting in cost avoidance and added services.

Finance Division – Procurement

FOCUS AREAS

 CUSTOMER
EXPERIENCE

 DATA-DRIVEN
DECISION MAKING

 EFFICIENCY

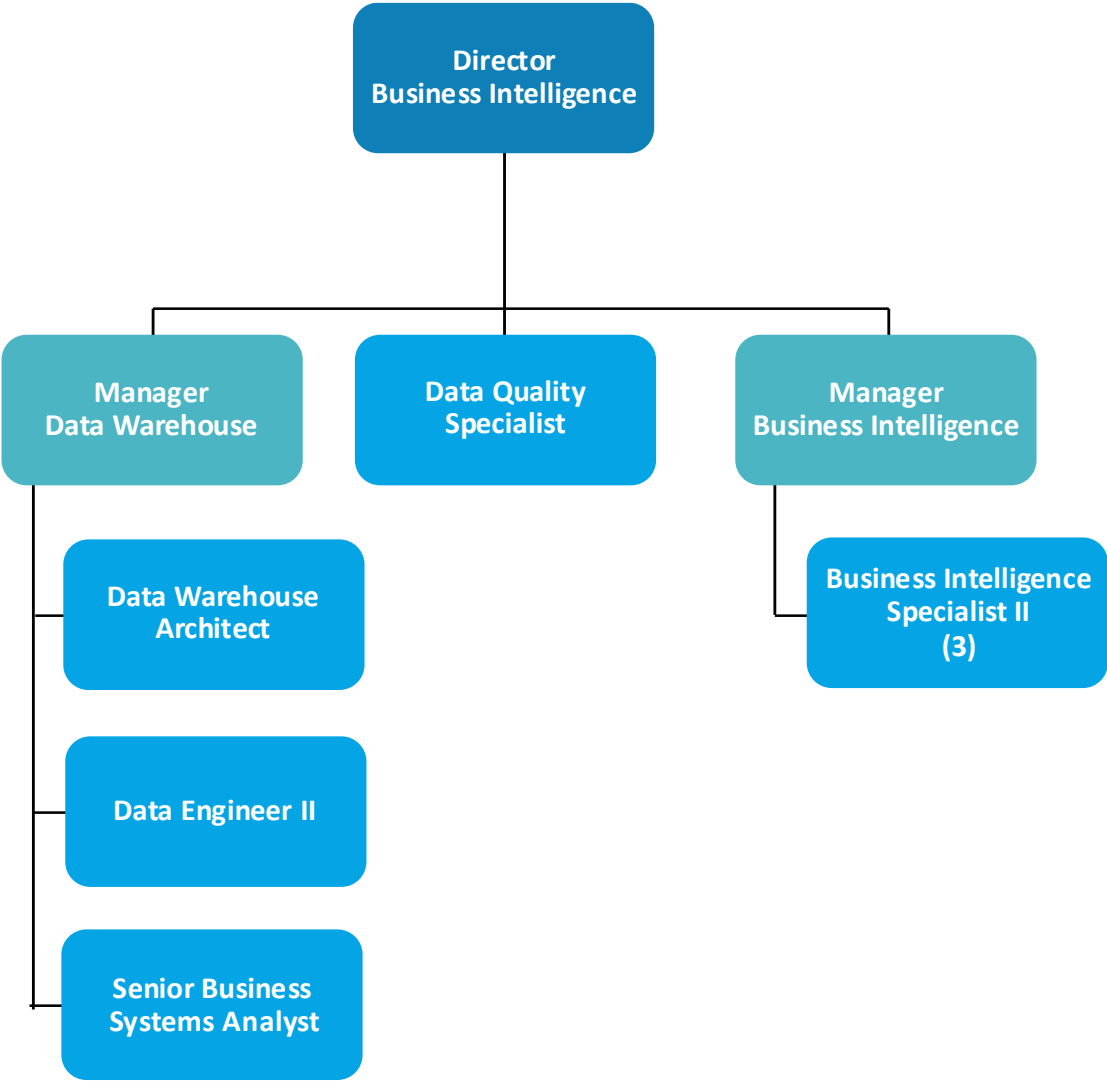
 PEOPLE

 RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
All procurement team members will have a career development plan to participate in activities designed to foster professional development and/or engage collaboratively in initiatives supporting the Authority’s vision in FY27. Team members will lead group discussions on what they learned and industry trends.		100%
Ensure a fair, competitive process by engaging a broader supplier base, promoting wide-ranging opportunities on projects facilitated by Procurement, and benchmarking results aimed at reducing single respondent solicitations to less than 15% and have more than 60% of solicitations with at least three respondents in FY27.		100%
Focus on leveraging emerging technologies, training, strategic sourcing, negotiations, and value-driven partnerships to achieve an average 6% cost savings and increase procurement efficiencies in FY27.		100%

Finance Division – Business Intelligence

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

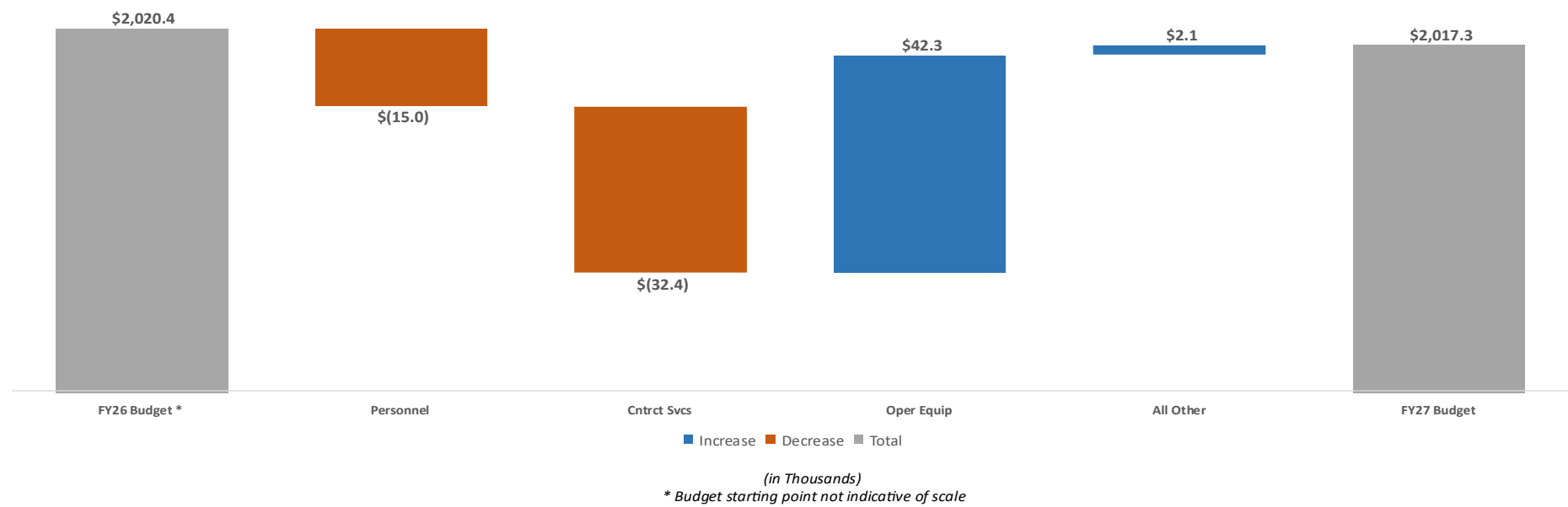
Finance Division – Business Intelligence

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)		FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses									
Salaries		865	1,239	1,354	115	9.3%	1,408	54	4.0%
Benefits		339	527	397	(130)	-24.7%	484	87	21.9%
Subtotal		1,204	1,766	1,751	(15)	-0.9%	1,892	141	8.0%
Less: Capitalized Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Total		1,204	1,766	1,751	(15)	-0.9%	1,892	141	8.0%
Contractual Services		32	32	-	(32)	-100.0%	-	-	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		119	188	230	42	22.5%	241	11	4.8%
Operating Supplies		1	2	2	-	0.0%	2	-	0.0%
Insurance		-	-	-	-	0.0%	-	-	0.0%
Employee Development		18	29	29	0	0.2%	29	-	0.0%
Business Development		0	3	5	2	69.2%	5	0	2.0%
Equipment Rentals and Repairs		(0)	-	-	-	0.0%	-	-	0.0%
Tenant Improvements		-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs		171	254	266	12	4.7%	277	11	4.2%
Total Operating Expenses		1,375	2,020	2,017	(3)	-0.2%	2,169	152	7.5%
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		1,375	2,020	2,017	(3)	-0.2%	2,169	152	7.5%
Equipment Outlay Expenditures		-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay		1,375	2,020	2,017	(3)	-0.2%	2,169	152	7.5%

Finance Division – Business Intelligence

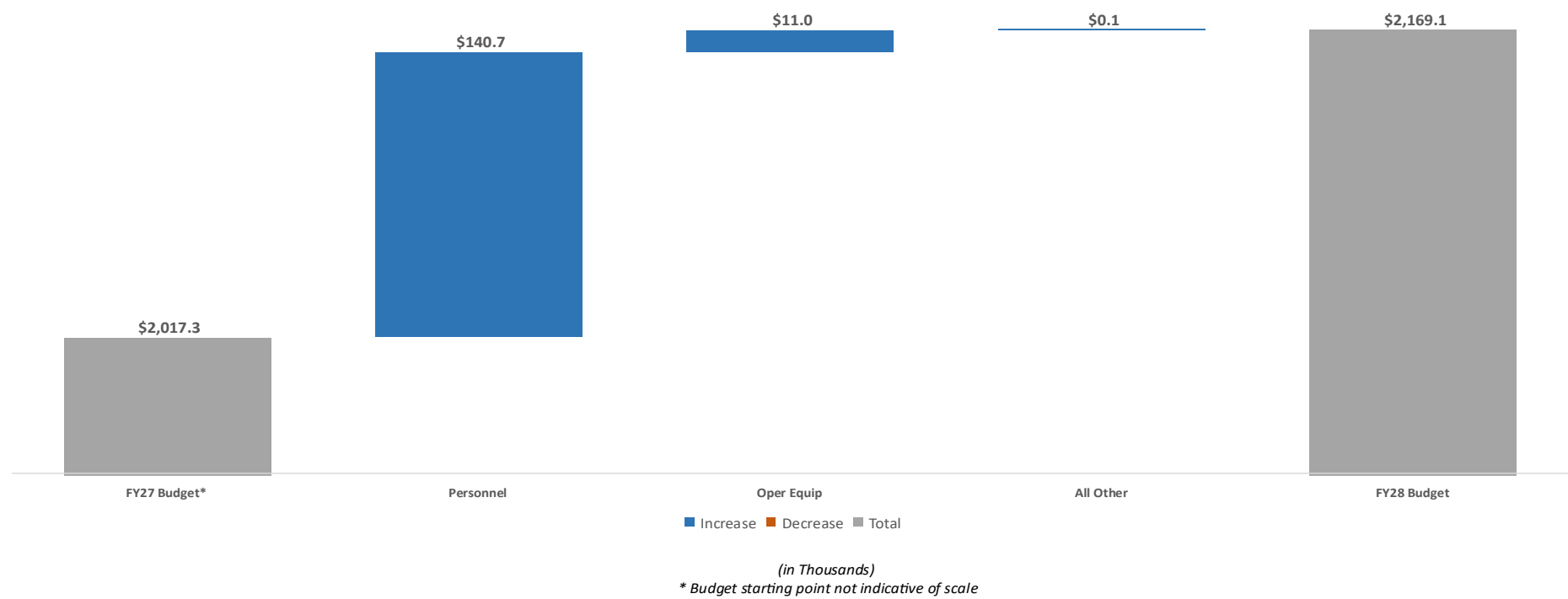
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: (\$32K) decrease due to cancellation of mapping software contract
Operating Equipment & Systems: \$42K increase in data software

Finance Division – Business Intelligence

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Operating Equipment & Systems: \$11K increase in software licenses

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Strengthen Data Governance by developing consolidated Finance & Revenue Data Models and launching a data quality initiative		2 Models (Revenue, Parking)	In Progress 50%
Expand BI Training & Adoption by rolling out structured Power BI & Analytics Literacy workshops		6 Training Sessions / Year	Met
Utilize Large Language Models and related AI capabilities within Snowflake to drive customer sentiment analysis		Cx reports and/or dashboards	In Progress 25%

Finance Division – Business Intelligence

FOCUS AREAS

C

CUSTOMER
EXPERIENCE

D

DATA-DRIVEN
DECISION MAKING

E

EFFICIENCY

P

PEOPLE

R

RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
BI Adoption & Culture Building: Cultivate a data-driven culture by expanding the reach of centralized reporting tools, training users, and driving active dashboard engagement.	D	<i>Grow usage to 1,500 distinct report views/interactions per month across 50+ distinct users.</i>
Data Governance (Operations): Establish trust through a clear framework targeting Operations Data, defining ownership, shared access protocols, and standard definitions.	D	<i>Formal adoption of Data Governance Standards and Definitions for Operations Data.</i>
Data Infrastructure Expansion: Build a secure, scalable data foundation focusing on the integration of critical financial systems to provide consistent, reliable analytics data.	D	<i>Complete build-out and integration of Finance and Revenue Data Models.</i>

OPERATIONS DIVISION



Operations Division

Overview

The **Operations Division** is responsible for complying with all regulatory and legislative mandates associated with operating a large-hub commercial airport. In close coordination with airlines, TSA, FAA, and other key partners, the division manages day-to-day operations of airside, terminal, and landside areas. The division maintains all infrastructure on the airport's 661-acre campus, including over 2 million square feet of terminal space and over 7 linear miles of airfield taxiways and runway. Finally, the division coordinates public safety and security protocols with relevant stakeholders and ensures the highest level of emergency and crisis preparedness.

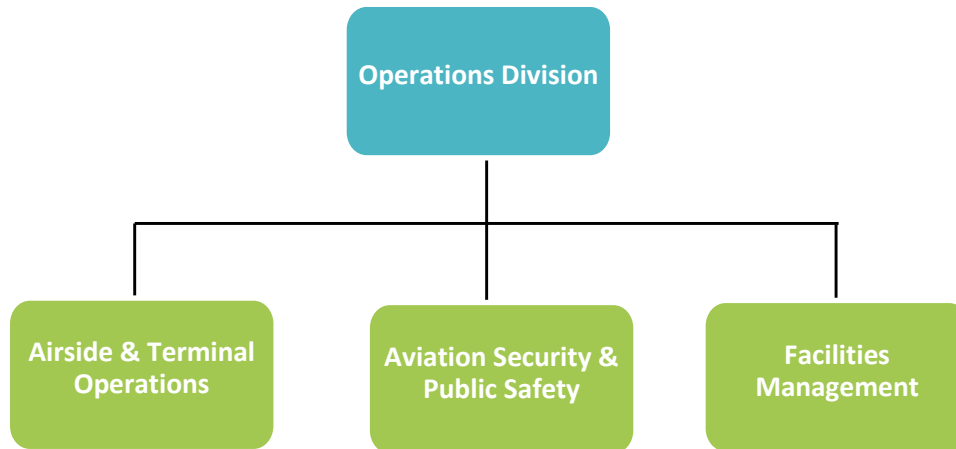
The **Airside & Terminal Operations** the Airside & Terminal Operations department oversees the myriad of daily activities occurring on the airfield and terminal facility, with responsibility for upholding state and federal regulatory compliance, maintaining a safe environment, and ensuring tenants can operate in a secure environment. The department is also responsible for ensuring the safe and seamless opening of all new and renovated facilities and facilitating strategic planning on various operational topics.

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.

Operations Division

FY 2027 – FY 2028 Organizational Structure



Division Personnel Summary

	FY 2026 Budget	FY 2027 Budget New / (Eliminated)	Transfers	FY 2027 Budget	FY 2028 Budget New / (Eliminated)	FY 2028 Conceptual Budget
Operations Division						
Aviation Security & Public Safety	105	4	-	109	4	113
Airside & Terminal Operations	34	-	1	35	-	35
Operational Readiness, Activation, & Transition*	2	(1)	(1)	-	-	-
Facilities Management	97	2	-	99	1	100
Total Positions	238	5	-	243	5	248

*Dept is now collapsed into Airside & Terminal Operations

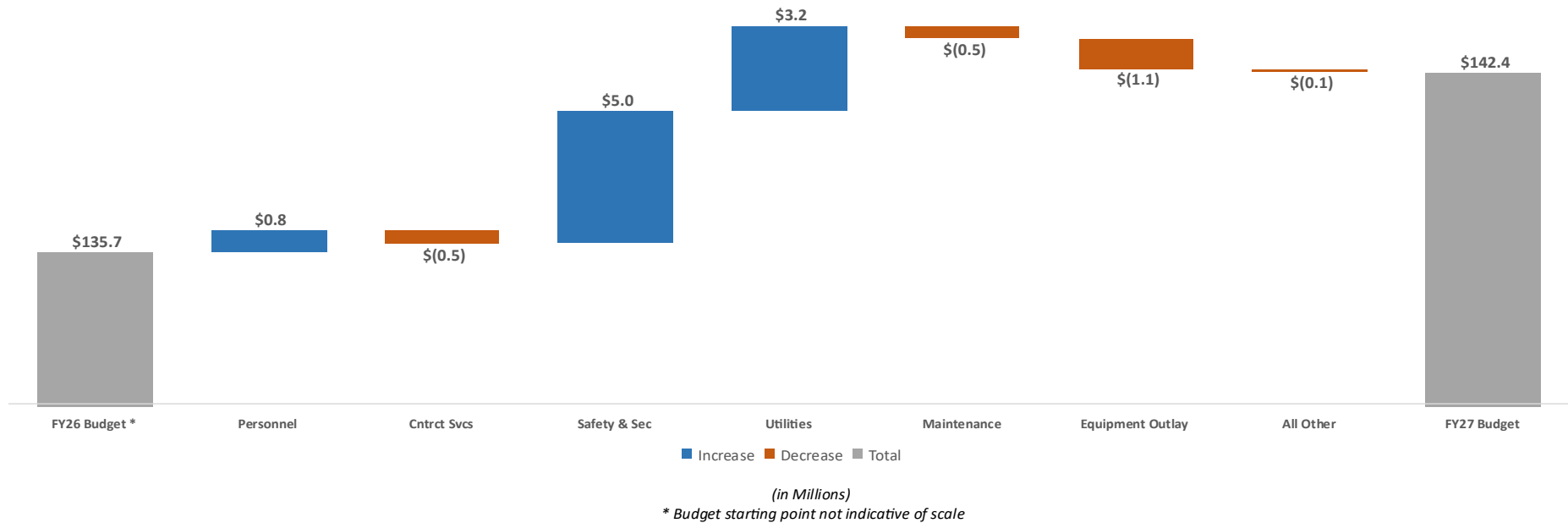
Operations Division

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	20,379	22,732	24,251	1,519	6.7%	25,411	1,160	4.8%
Benefits	9,004	10,659	9,968	(691)	-6.5%	12,028	2,059	20.7%
Subtotal	29,383	33,391	34,220	829	2.5%	37,438	3,219	9.4%
Less: Capitalized Labor Recharge	(102)	(247)	(270)	(23)	9.4%	(297)	(27)	9.9%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	29,282	33,144	33,950	805	2.4%	37,141	3,192	9.4%
Contractual Services	41,771	11,557	11,041	(515)	-4.5%	11,362	321	2.9%
Safety and Security	39,541	45,761	50,756	4,995	10.9%	53,914	3,157	6.2%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	19,952	23,964	27,149	3,185	13.3%	30,619	3,469	12.8%
Maintenance	14,870	16,880	16,384	(496)	-2.9%	18,335	1,951	11.9%
Operating Equipment & Systems	155	252	238	(14)	-5.5%	193	(45)	-18.7%
Operating Supplies	328	540	492	(48)	-8.9%	472	(20)	-4.1%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	274	287	352	65	22.8%	347	(5)	-1.5%
Business Development	104	81	78	(3)	-4.2%	132	54	69.8%
Equipment Rentals and Repairs	957	1,385	1,266	(120)	-8.6%	1,350	84	6.6%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	117,953	100,707	107,757	7,050	7.0%	116,724	8,967	8.3%
Total Operating Expenses	147,234	133,851	141,706	7,855	5.9%	153,865	12,159	8.6%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	3	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	3	-	-	-	0.0%	-	-	0.0%
Total Expenses	147,237	133,851	141,706	7,855	5.9%	153,865	12,159	8.6%
Equipment Outlay Expenditures	564	1,860	720	(1,140)	-61.3%	990	270	37.5%
Total Authority Expenses Incl Equip Outlay	147,801	135,711	142,426	6,715	4.9%	154,855	12,429	8.7%

Operations Division

FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Added 6 positions and eliminated 1.

Contractual Services: (\$0.5M) decrease due to ORAT no longer needing consulting services

Safety & Security: \$5.0M increase for Aircraft Rescue and Fire Fighting (ARFF), Port District Law Enforcement and Guard Services

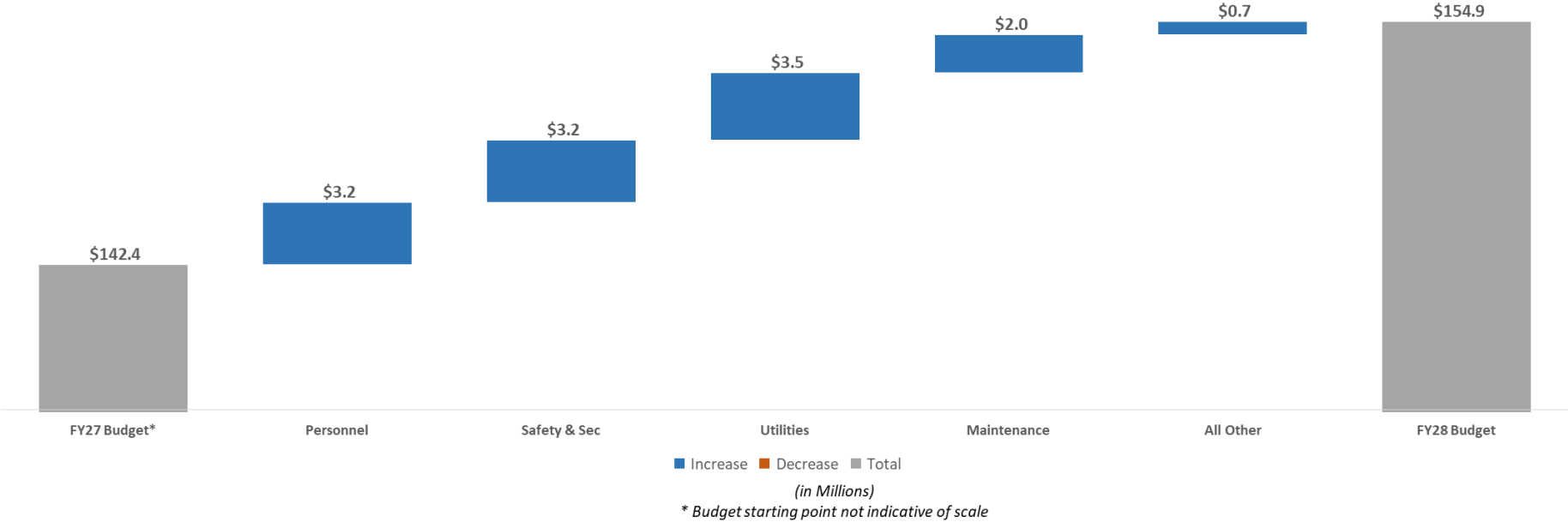
Utilities: \$3.2M increase due to rate and usage assumptions

Maintenance: (\$0.5M) decrease based on FY26 maintenance needs being overestimated with the opening of the new terminal

Equipment Outlay: (\$1.1M) decrease driven by one-time security equipment purchases done in FY26 relating to NT1

Operations Division

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Includes 5 additional positions requested in FY28

Safety & Security: \$3.2M increase for Aircraft Rescue and Fire Fighting (ARFF), Port District Law Enforcement and Guard Services

Utilities: \$3.5M increase due to rate and New T1 phase 1B usage assumptions

Maintenance: \$2.0M increase due to completion of Green Oval Painting and Airfield projects

Operations Division

FY 2027 Expense Budget by Department

(in thousands)

Departments	FY 2027 Budget
Facilities Management	\$60,038
Aviation Security & Public Safety	\$59,082
Airside & Terminal Operations	\$23,306
Total ¹	<u>\$142,426</u>

¹ Total may differ due to rounding

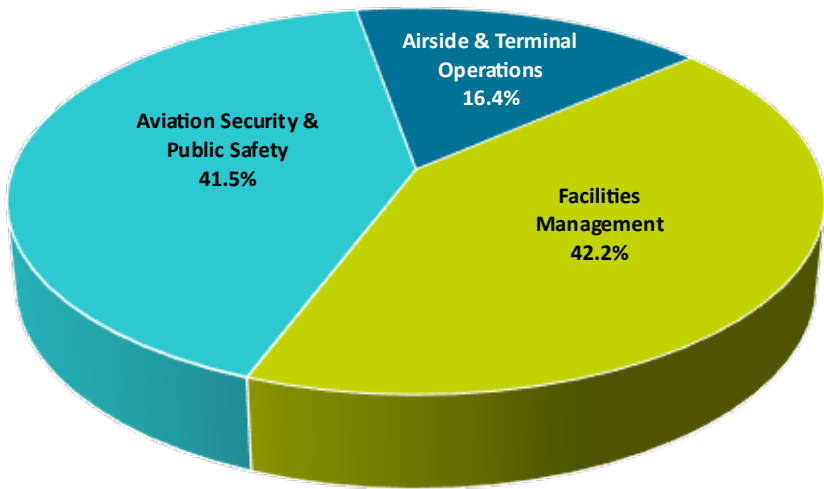


Figure 34 – FY 2027 Expense Budget by Department

Operations Division

FY 2028 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2028 Conceptual Budget
Facilities Management	\$66,612
Aviation Security & Public Safety	\$63,354
Airside & Terminal Operations	\$24,891
Total ¹	\$154,856

¹ Total may differ due to rounding

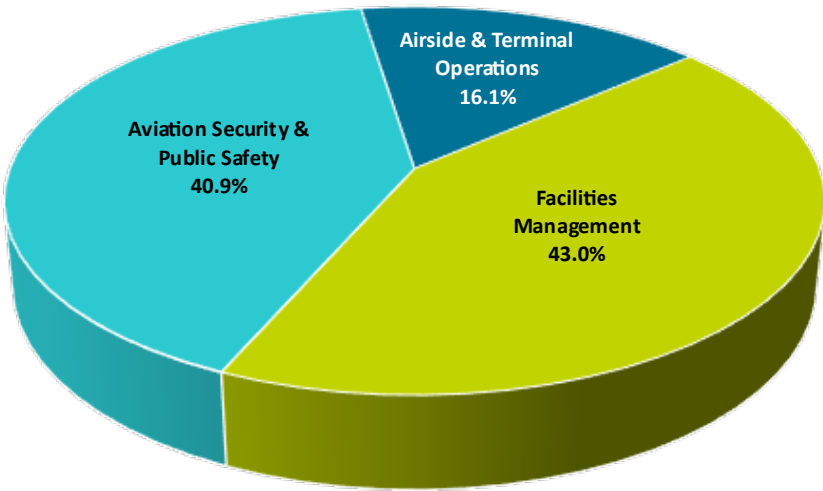


Figure 35 – FY 2028 Expense Conceptual Budget by Department

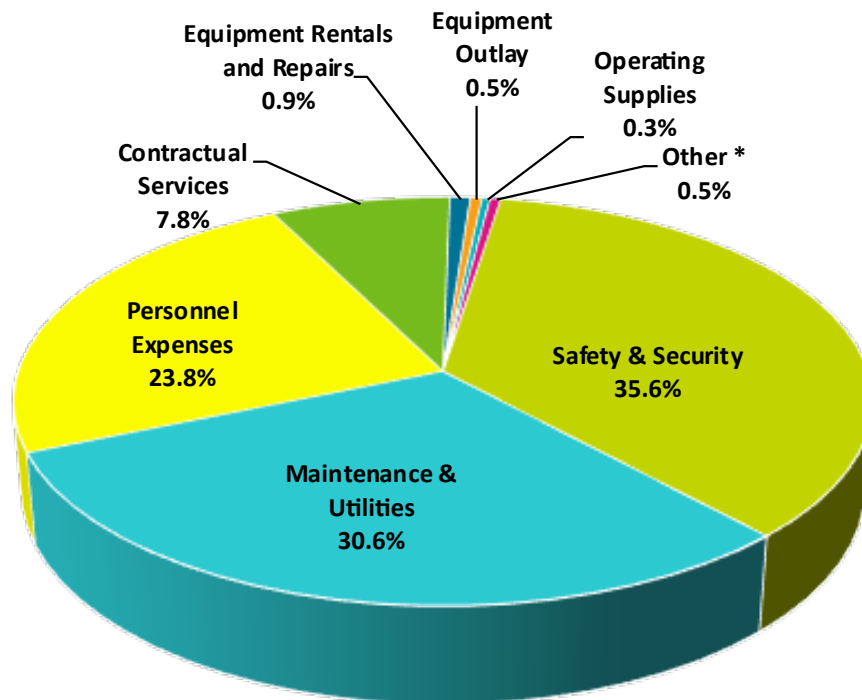
Operations Division

FY 2027 Expense Budget by Category

(in thousands)

Category	FY 2027 Budget
Safety & Security	\$50,756
Maintenance & Utilities	\$43,533
Personnel Expenses	\$33,950
Contractual Services	\$11,041
Equipment Rentals and Repairs	\$1,266
Equipment Outlay	\$720
Operating Supplies	\$492
Other *	\$668
Total ¹	\$142,426

¹ Total may differ due to rounding



*Other includes employee development, business development, etc.

Figure 36 – FY 2027 Expense Budget by Category

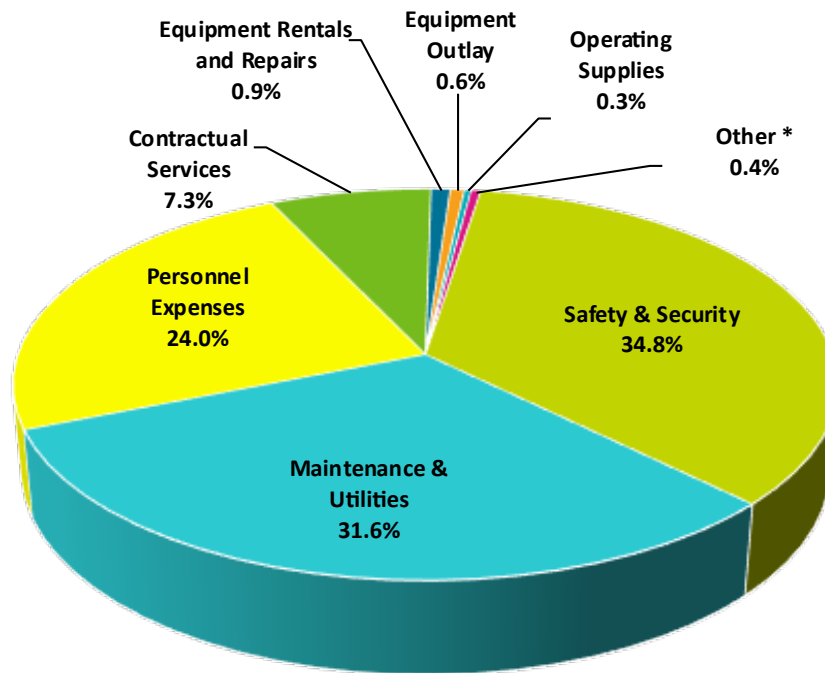
Operations Division

FY 2028 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2028 Conceptual Budget
Safety & Security	\$53,914
Maintenance & Utilities	\$48,954
Personnel Expenses	\$37,142
Contractual Services	\$11,362
Equipment Rentals and Repairs	\$1,350
Equipment Outlay	\$990
Operating Supplies	\$472
Other *	\$672
Total ¹	\$154,856

¹ Total may differ due to rounding

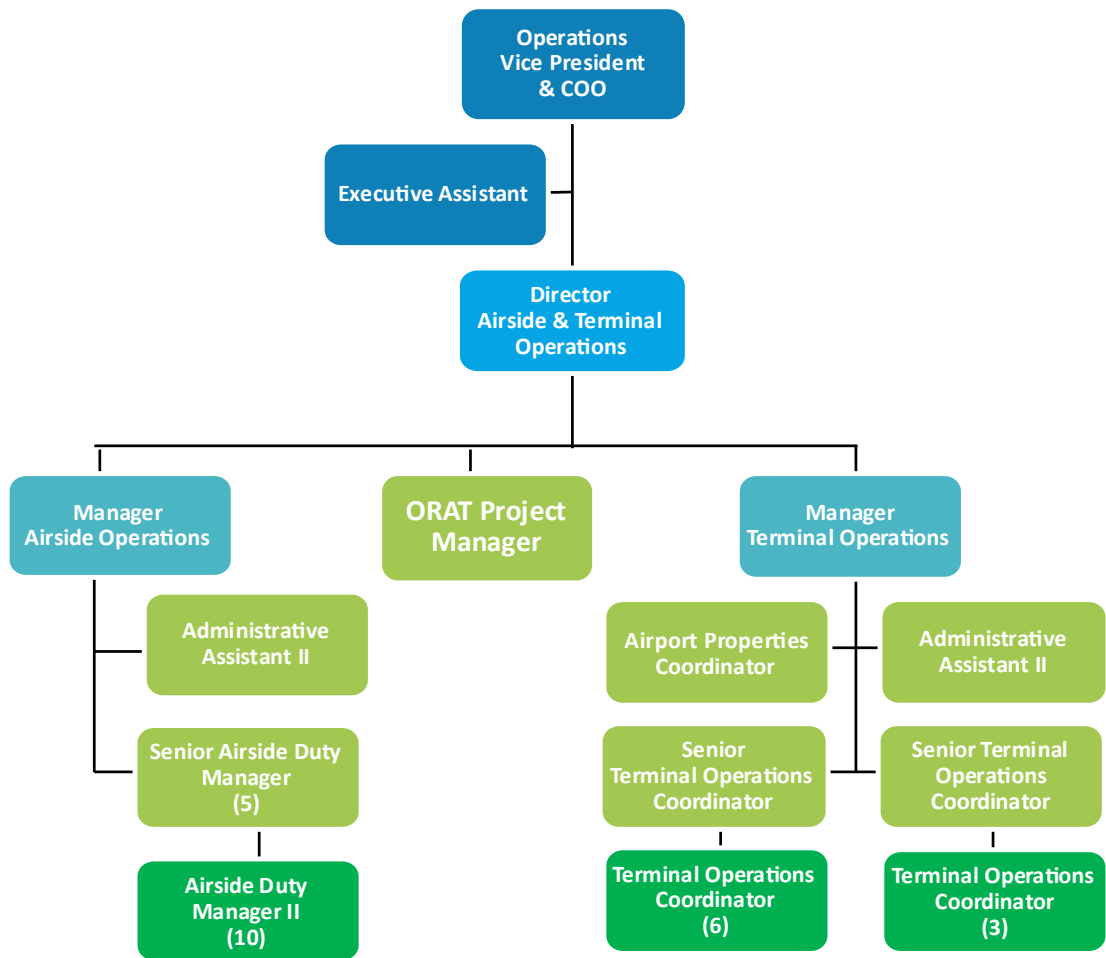


*Other includes employee development, business development, etc.

Figure 37 – FY 2028 Expense Conceptual Budget by Category

Operations Division – Airside & Terminal Operations

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

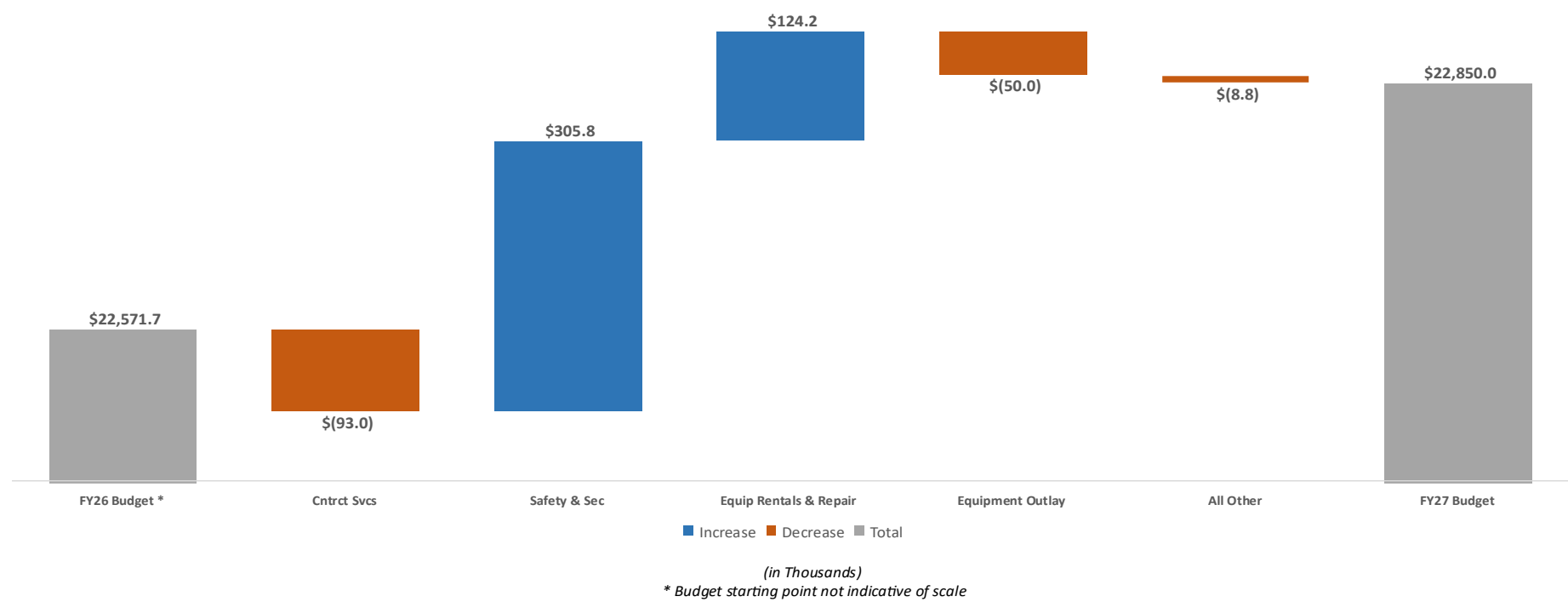
Operations Division – Airside & Terminal Operations

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)		FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses									
Salaries		3,592	3,862	3,983	121	3.1%	4,147	164	4.1%
Benefits		1,476	1,700	1,520	(180)	-10.6%	1,817	297	19.6%
Subtotal		5,068	5,562	5,502	(60)	-1.1%	5,964	461	8.4%
Less: Capitalized Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge		-	-	-	-	0.0%	-	-	0.0%
Total		5,068	5,562	5,502	(60)	-1.1%	5,964	461	8.4%
Contractual Services		6,217	9,300	9,207	(93)	-1.0%	10,056	848	9.2%
Safety and Security		6,417	7,142	7,448	306	4.3%	7,735	287	3.8%
Space Rental		-	-	-	-	0.0%	-	-	0.0%
Utilities		-	-	-	-	0.0%	-	-	0.0%
Maintenance		-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems		79	49	72	23	46.6%	72	-	0.0%
Operating Supplies		17	39	39	0	0.4%	39	-	0.0%
Insurance		-	-	-	-	0.0%	-	-	0.0%
Employee Development		57	61	85	25	40.9%	86	1	1.2%
Business Development		70	13	17	3	25.1%	57	40	242.0%
Equipment Rentals and Repairs		421	355	479	124	35.0%	484	5	1.0%
Tenant Improvements		-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs		13,278	16,959	17,348	388	2.3%	18,529	1,181	6.8%
Total Operating Expenses		18,347	22,522	22,850	328	1.5%	24,493	1,643	7.2%
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		18,347	22,522	22,850	328	1.5%	24,493	1,643	7.2%
Equipment Outlay Expenditures		149	50	-	(50)	-100.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay		18,496	22,572	22,850	278	1.2%	24,493	1,643	7.2%

Operations Division – Airside & Terminal Operations

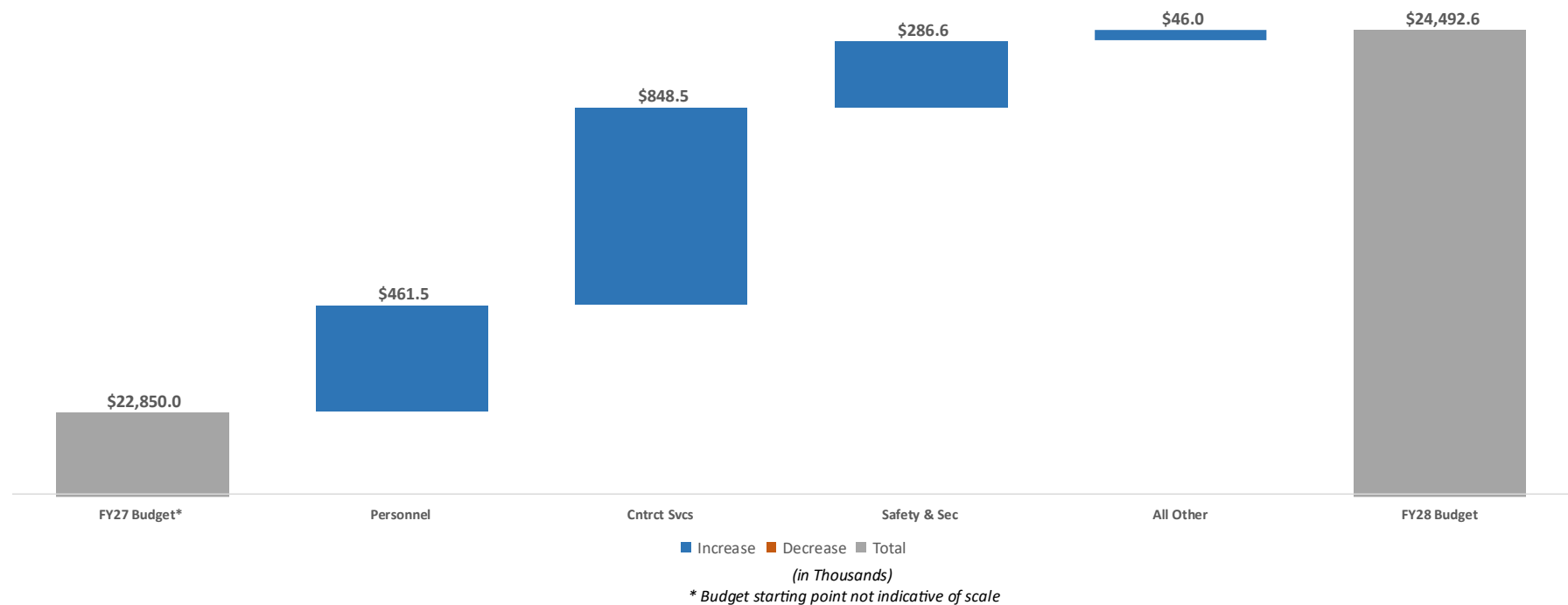
FY 2027 Major Drivers



Safety & Security: Increase driven by higher rates for the Aircraft Rescue and Firefighting (ARFF)

Operations Division – Airside & Terminal Operations

FY 2028 Major Drivers



Personnel: Increase driven by salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Increase driven by janitorial services due rate increases as well as additional square footage beginning January 2028
Safety & Security: Slight increase due to higher rates for ARFF in FY28

Operations Division – Airside & Terminal Operations

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Ensure that SDIA is operated in compliance with FAA FAR Part 139 requirements.	A	FAA FAR Part 139 Compliance	Annual FAA inspection conducted and all corrective actions completed within compliance timeline
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.	A	Q1-26	New janitorial matrix completed and SOW with SANCO currently being finalized
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	New T1 successfully opened on September 22
Activate and open 3 additional gates in the New Terminal 1 facility.	A	Go-Live by Spring 2026	Gates 120-121 set to open in early June, while Gate 122 will open in late 2026

Operations Division – Airside & Terminal Operations

FOCUS AREAS



CUSTOMER
EXPERIENCE



DATA-DRIVEN
DECISION MAKING



EFFICIENCY



PEOPLE

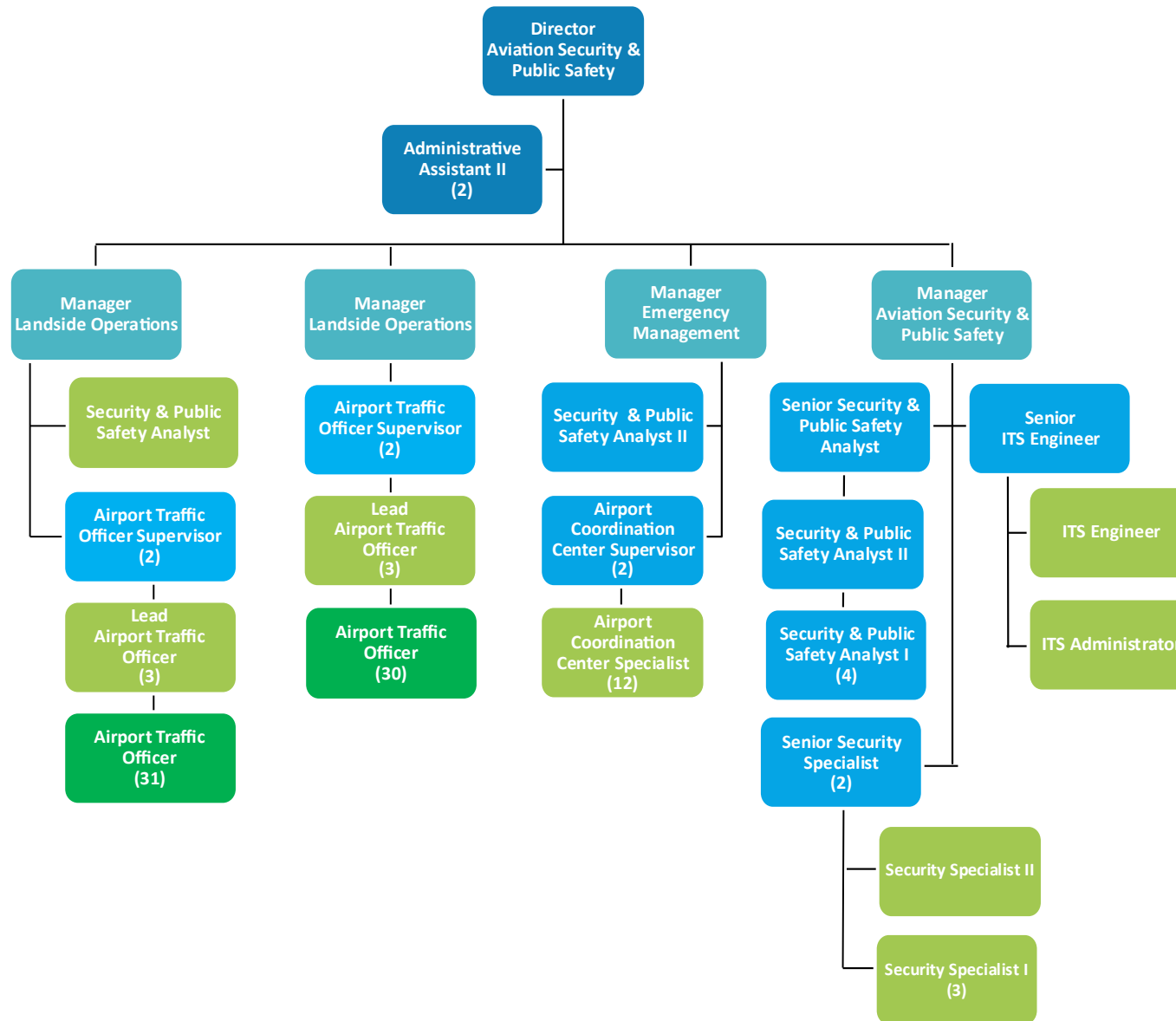


RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Support the ongoing ADC Airside construction project, while maintaining compliance with the requirements of FAR Part 139		<i>FAA FAR Part 139 Compliance and Maintaining Construction Schedule</i>
Continue to refine the Gate and Ticket Counter Rules to ensure resource management protocols align with Level Two Terminal directives		<i>Align our Gate, RON, and Ticket Counter Rules with Level Two Terminal guidelines</i>
Reorganize the Airside & Terminal Operations Department to incorporate Operational Readiness, Activation & Transition staff		<i>Smooth and collaborative transition between both working groups</i>
Activate and open Phase 1b of New Terminal 1 facility		<i>Develop operational readiness plans with stakeholders</i>

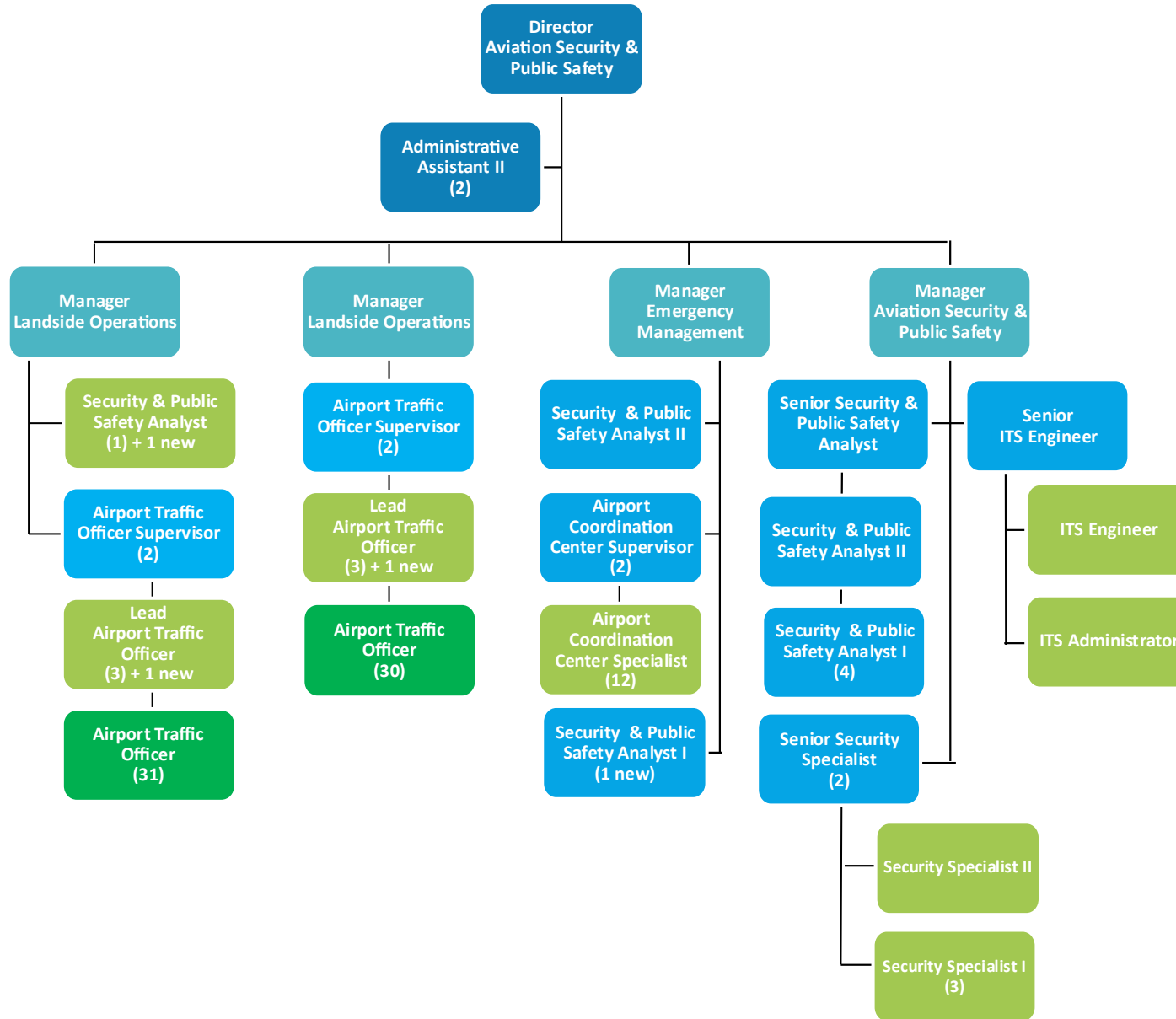
Operations Division – Aviation Security & Public Safety

FY 2027 Organizational Structure



Operations Division – Aviation Security & Public Safety

FY 2028 Organizational Structure



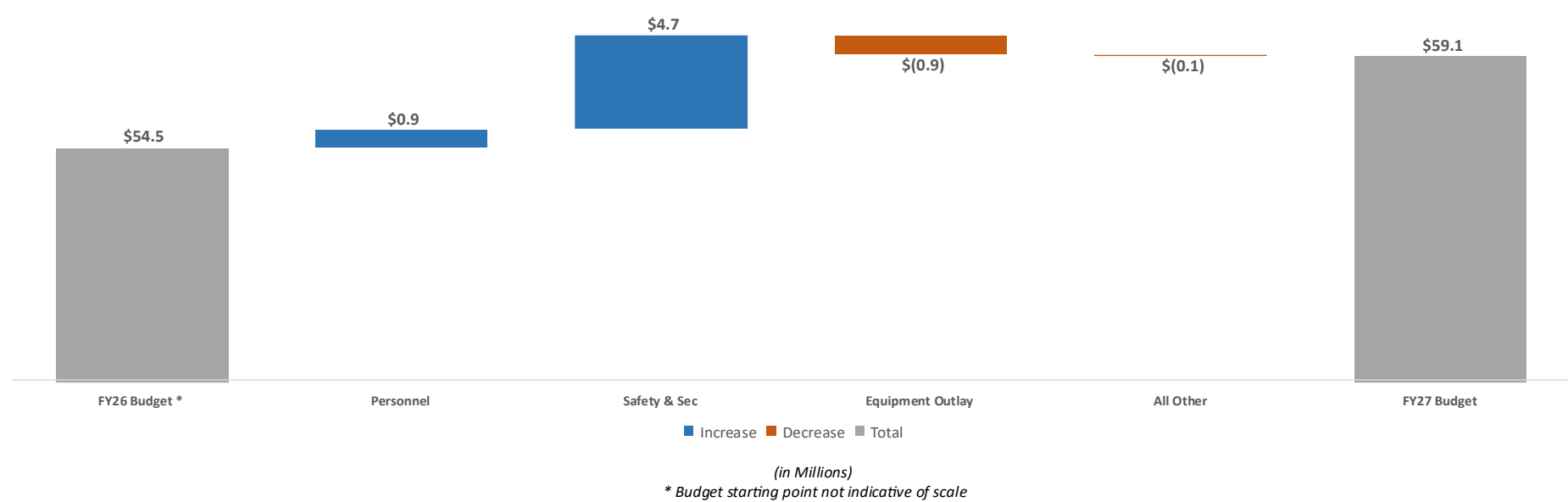
Operations Division – Aviation Security & Public Safety

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	8,250	8,568	9,559	991	11.6%	10,266	707	7.4%
Benefits	3,668	4,230	4,128	(102)	-2.4%	5,088	960	23.2%
Subtotal	11,919	12,798	13,688	889	6.9%	15,354	1,666	12.2%
Less: Capitalized Labor Recharge	(99)	(146)	(168)	(22)	14.9%	(186)	(18)	11.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	11,820	12,653	13,520	868	6.9%	15,168	1,648	12.2%
Contractual Services	34,941	749	990	241	32.2%	789	(201)	-20.3%
Safety and Security	33,124	38,619	43,308	4,690	12.1%	46,179	2,871	6.6%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	29	34	36	2	4.4%	37	1	3.1%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	39	92	75	(18)	-19.3%	77	2	3.2%
Operating Supplies	217	378	351	(27)	-7.2%	324	(27)	-7.6%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	131	135	148	13	9.7%	150	2	1.2%
Business Development	20	30	30	0	1.1%	31	0	1.3%
Equipment Rentals and Repairs	379	677	404	(273)	-40.3%	379	(25)	-6.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	68,879	40,714	45,342	4,628	11.4%	47,966	2,624	5.8%
Total Operating Expenses	80,699	53,367	58,862	5,495	10.3%	63,134	4,272	7.3%
Joint Studies / Sound Attenuation	-	-	-	-	0.0%	-	-	0.0%
Legal Settlement Expense	-	-	-	-	0.0%	-	-	0.0%
Other Non-Operating Expenses	3	-	-	-	0.0%	-	-	0.0%
Total Non-Operating Expenses	3	-	-	-	0.0%	-	-	0.0%
Total Expenses	80,702	53,367	58,862	5,495	10.3%	63,134	4,272	7.3%
Equipment Outlay Expenditures	50	1,162	220	(942)	-81.1%	220	-	0.0%
Total Authority Expenses Incl Equip Outlay	80,752	54,529	59,082	4,553	8.4%	63,354	4,272	7.2%

Operations Division – Aviation Security & Public Safety

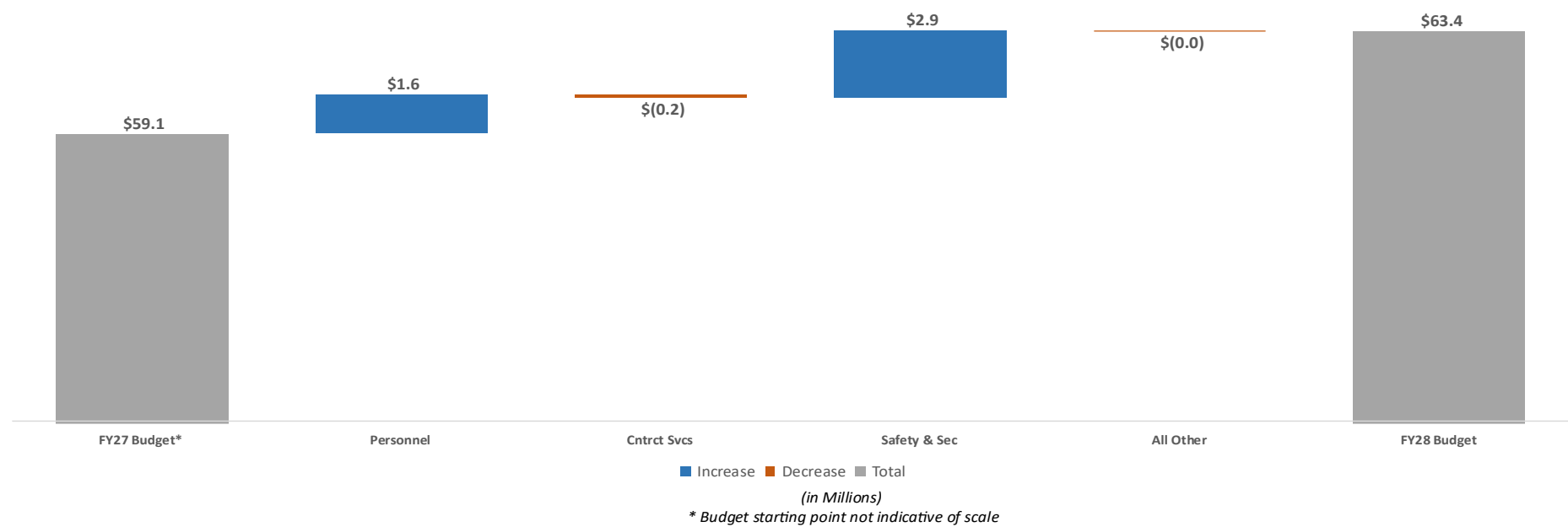
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff and the addition of 4 new positions
Safety & Security: Harbor Police Department driving \$4.0M of the \$4.7M increase primarily due to salary increases; Guard Services represents \$0.3M of increase based on increased rates; the remainder of the increase comes from various software and license updates relating to safety and security

Operations Division – Aviation Security & Public Safety

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Includes 4 additional positions requested in FY28

Safety & Security: Harbor Police Department driving \$1.6M of the \$2.9M increase due to increased salary, labor, burden, and overhead; Guard Services represents \$0.7M of increase based on new posts with the opening of additional square footage in FY28; the remainder of the increase comes from various software and license updates relating to safety and security

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
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	Met
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	Met

Operations Division – Aviation Security & Public Safety

FOCUS AREAS



**CUSTOMER
EXPERIENCE**



**DATA-DRIVEN
DECISION MAKING**



EFFICIENCY



PEOPLE

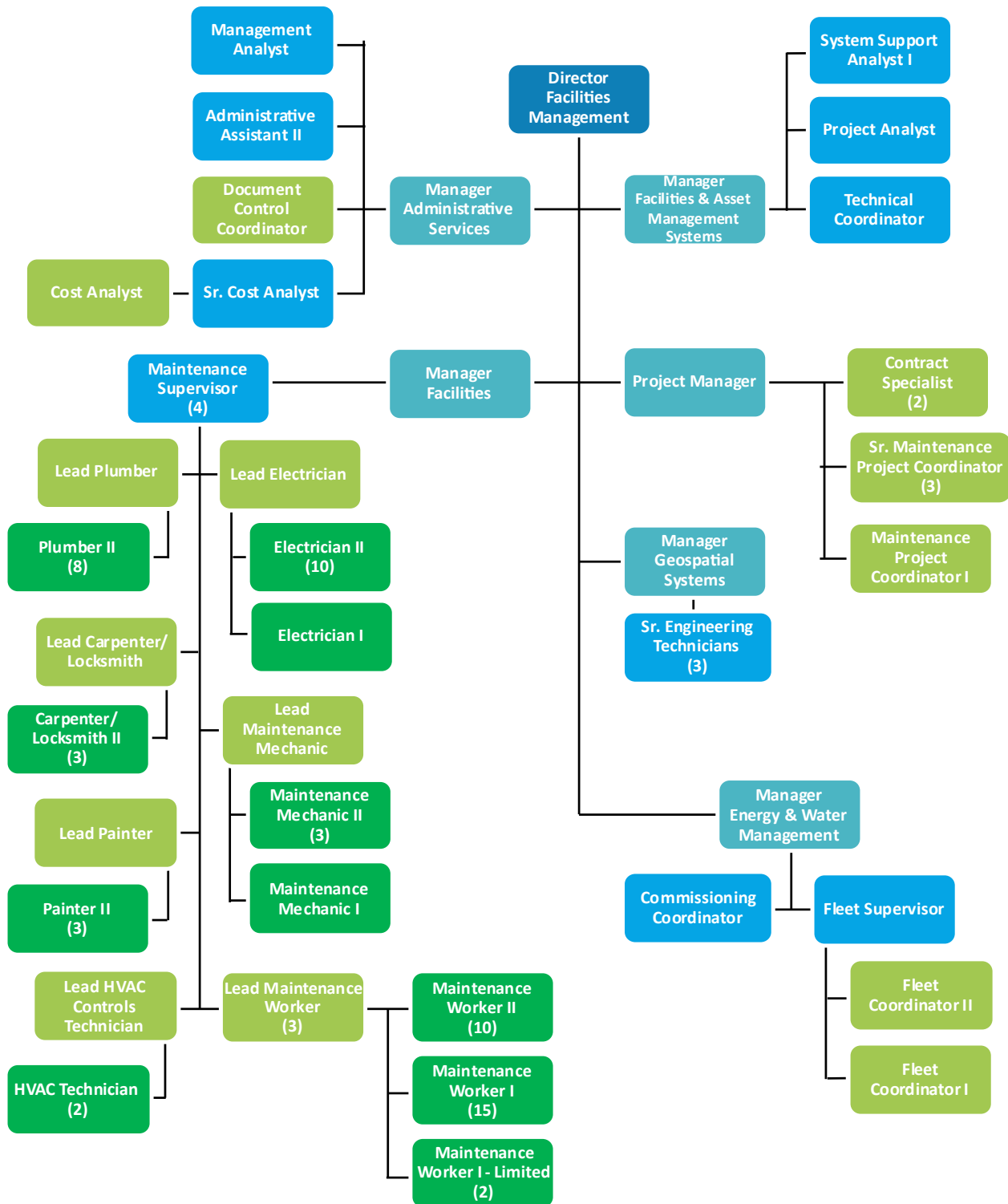


RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
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 a full-scale field exercise and an annual tabletop exercise in compliance with Federal Aviation Regulation (FAR) Part 139.325(g)(4) for FY 2027 and FY 2028.		<i>Conduct the full-scale field exercise in the fall of 2027.</i>
Completion of SAN SIDA Badge Revalidation and Full Credential Replacement Under the New IDMS: Following the successful transition from the legacy SAFE Identity Management System to the new AirBadge platform, complete the post-implementation phase by revalidating all active SIDA badge holders and physically replacing all legacy SAFE-issued SIDA badges with the AirBadge SDIA credential. This initiative directly supports the Strategic Plan's Resilience focus by ensuring a fully validated and reliable credential population, eliminating reliance on legacy systems, strengthening access control integrity, and improving the airport's ability to maintain secure, continuous operations during incidents, system disruptions, or elevated threat conditions through a single, integrated, and sustainable identity management system.		<i>Completion of Badge Revalidation and full credential replacement by Q3-CY26</i>
Reshoot and Deploy Updated Computer-Based Security Training Content: Beginning July 2026, reshoot, update, and deploy required Computer-Based Training (CBT) modules used to support SIDA badging, renewals, and regulatory compliance. This effort aligns with the Strategic Plan's Efficiency focus by modernizing the required operational workflow, standardizing training delivery, reducing process inefficiencies, and ensuring training content reflects current airport operations and credentialing systems to support reliable badging throughput and workforce readiness.		<i>Completion of the Computer-Based Training Module Reshoot by Q4, CY 26</i>

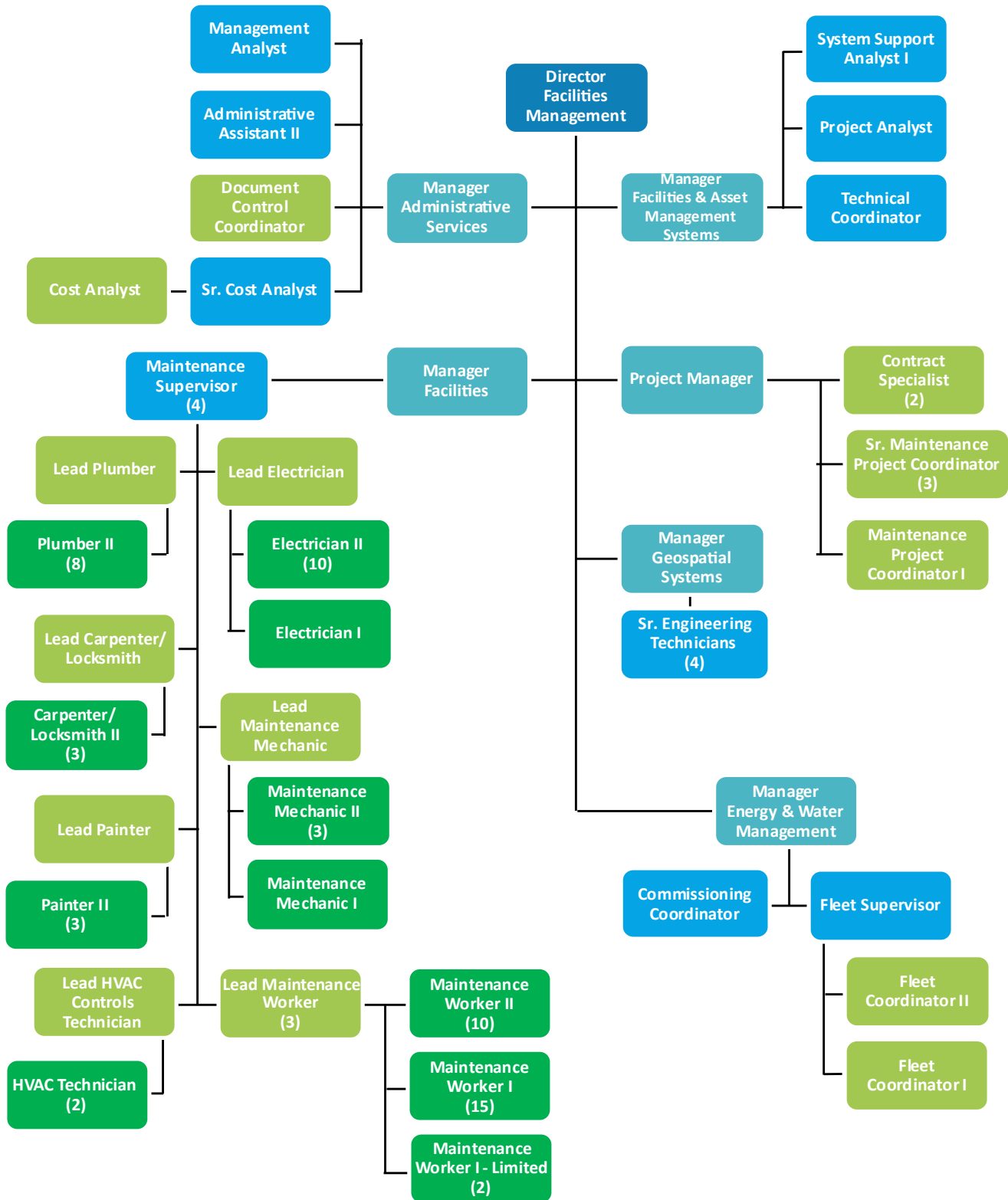
Operations Division – Facilities Management

FY 2027 Organizational Structure



Operations Division – Facilities Management

FY 2028 Organizational Structure



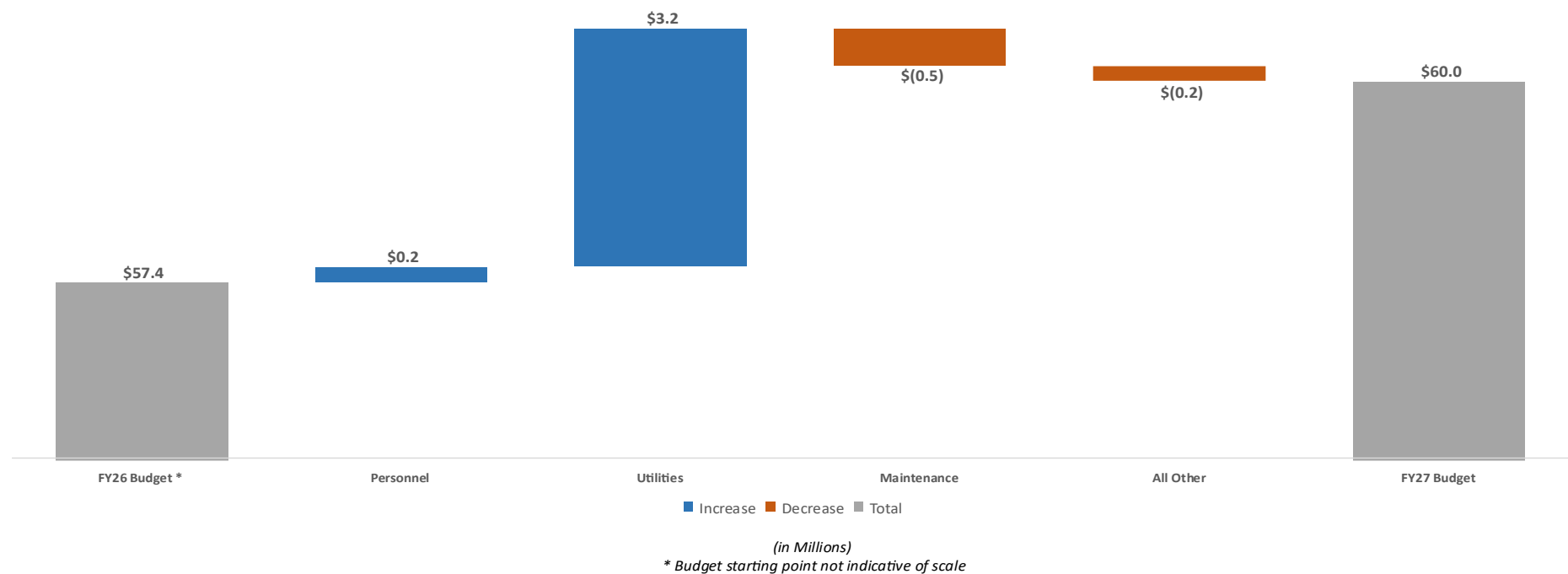
Operations Division – Facilities Management

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025	FY2026	FY2027	Inc / (Dec)	%	FY2028	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY27 Budget vs FY26 Budget	Change	Conceptual Budget	FY28 Conceptual vs FY27 Budget	Change
Operating Expenses								
Salaries	8,098	9,887	10,441	555	5.6%	10,820	378	3.6%
Benefits	3,666	4,559	4,218	(341)	-7.5%	5,039	821	19.5%
Subtotal	11,763	14,446	14,660	214	1.5%	15,859	1,200	8.2%
Less: Capitalized Labor Recharge	(5)	(101)	(103)	(1)	1.5%	(111)	(8)	8.2%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	11,758	14,345	14,557	212	1.5%	15,748	1,191	8.2%
Contractual Services	87	882	778	(105)	-11.9%	418	(360)	-46.3%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	-	-	-	-	0.0%	-	-	0.0%
Utilities	19,923	23,930	27,113	3,184	13.3%	30,582	3,468	12.8%
Maintenance	14,870	16,880	16,384	(496)	-2.9%	18,335	1,951	11.9%
Operating Equipment & Systems	37	109	87	(22)	-20.2%	40	(47)	-54.0%
Operating Supplies	90	95	100	5	4.8%	103	3	3.4%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	75	84	109	25	29.7%	101	(8)	-7.4%
Business Development	5	27	27	(0)	-0.9%	27	-	0.0%
Equipment Rentals and Repairs	157	354	383	29	8.3%	487	104	27.1%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	35,245	42,362	44,981	2,619	6.2%	50,092	5,111	11.4%
Total Operating Expenses	47,003	56,706	59,538	2,832	5.0%	65,840	6,302	10.6%
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	47,003	56,706	59,538	2,832	5.0%	65,840	6,302	10.6%
Equipment Outlay Expenditures	365	648	500	(148)	-22.8%	770	270	54.0%
Total Authority Expenses Incl Equip Outlay	47,368	57,354	60,038	2,684	4.7%	66,610	6,572	10.9%

Operations Division – Facilities Management

FY 2027 Major Drivers



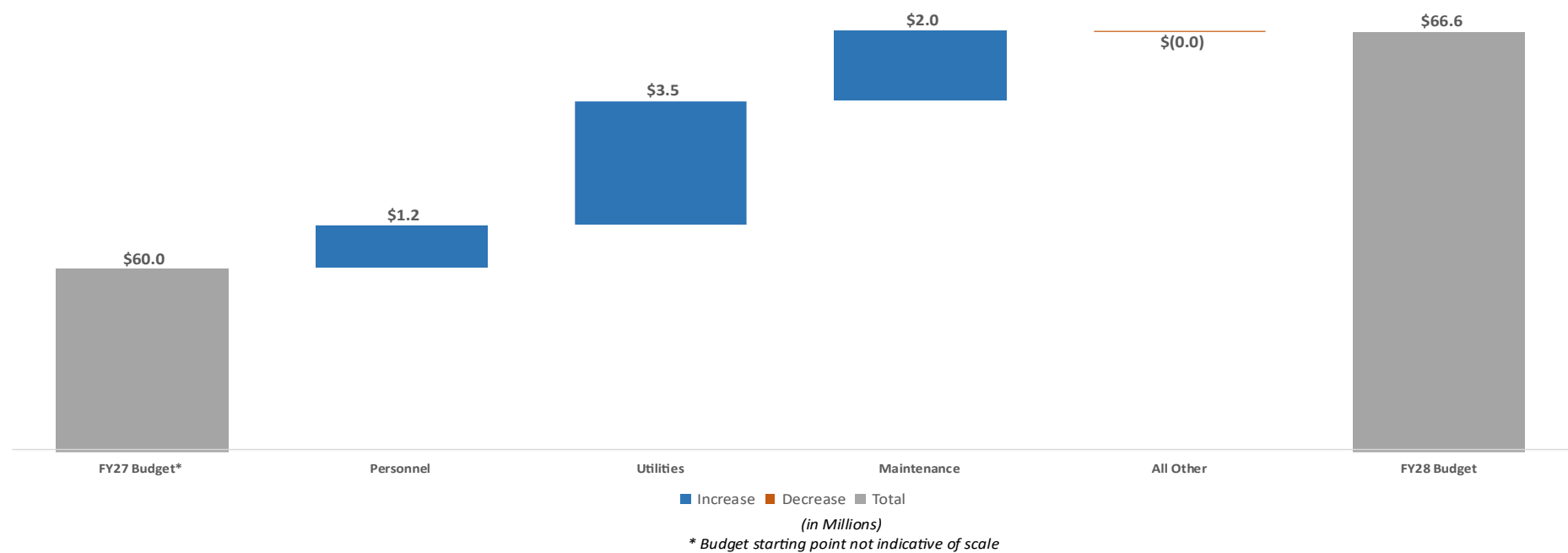
Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff and the addition of 2 new positions

Utilities: Increase driven by rates and usage; 10% electric rate increase, 10% gas rate increase, and 14.5% water rate increase beginning January 2027 in addition to rate increases that happened effective January 2026

Maintenance: Decreased FY27 based on maintenance savings year to date in FY26; several maintenance areas were overbudgeted when estimating the needs of the new T1 and are now budgeted more appropriately based on learnings throughout FY26

Operations Division – Facilities Management

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Includes 1 additional position requested in FY28

Utilities: Increase driven by rates and usage; 10% electric rate increase, 6% gas rate increase, and 8.2% water rate increase beginning January 2028 in addition to increase in usage driven by additional square footage with the opening of New T1 phase 1B

Maintenance: Largest drivers of the increase include Green Oval Painting (\$1.0M), Rubber Removal (\$0.2M), Airfield Paving (\$0.2M), and HVAC System (\$0.2M)

Operations Division – Facilities Management

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
FMD will conduct a thorough revision of its departmental Standard Operating Procedures (SOP) to establish improved benchmarks and realign standards of operations.		75 SOP	Completed 100%

Operations Division – Facilities Management

FOCUS AREAS

C

CUSTOMER
EXPERIENCE

D

DATA-DRIVEN
DECISION MAKING

E

EFFICIENCY

P

PEOPLE

R

RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Implement the CMMS work management workflow and deliver comprehensive training across FMD, AVSEC & PS, and Airside & Terminal Operations to drive consistent, standardized maintenance practices.	R	<i>Achieve enterprise-wide adoption of CMMS work management processes, ensuring:</i> <i>Accurate and complete work request creation</i> <i>Efficient work order and service request management</i> <i>Preventive maintenance compliance ≥ 98%</i> <i>Full cost capture for labor and materials by Q2 2027</i>
Define and implement an end-to-end work order and labor data process for Facilities Management, including clear system ownership and integration between Trimble Unity Maintain (CMMS) and JD Edwards Oracle E1.	R	<i>Establish a standardized data and integration framework that:</i> <i>Defines Finance-required data elements for cost recovery and payroll</i> <i>Enables accurate, auditable financial reporting</i> <i>Aligns CMMS and ERP data structures for seamless integration by Q2 2027</i>

REVENUE DIVISION



Revenue Division

Overview

The **Revenue Division** defines and delivers a seamless customer experience for the traveling public and implements revenue management strategies and processes, in order to optimize and maximize resulting airport revenues. The division integrates air service development, business development, marketing, public art, innovation, business intelligence and concession management services to identify, evaluate, develop, negotiate, and implement new business opportunities and 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 innovation and new product and service development.

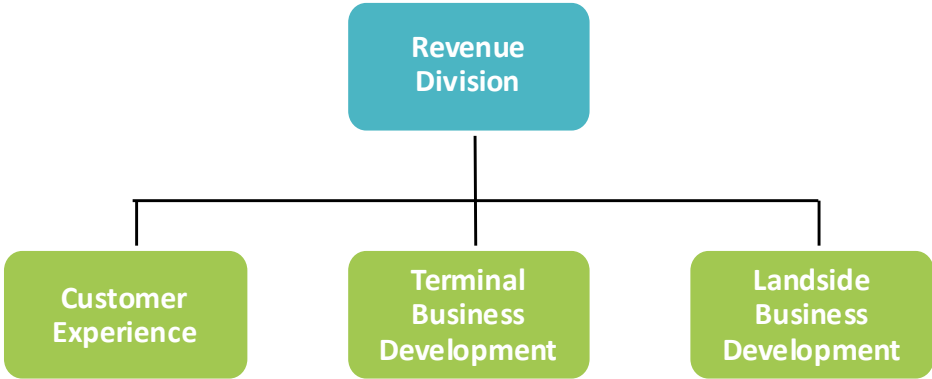
The **Customer Experience** department develops strategic initiatives designed to shape the customer experience at San Diego International Airport. The team integrates air service development, marketing and communications, customer relations, and a robust airport arts program with the singular focus 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 2027 – FY 2028 Organizational Structure



Division Personnel Summary

Revenue Management & Innovation Division

Customer Experience
Landside Business Development
Terminal Business Development
Total Positions

FY 2026 Budget	FY 2027 Budget New / (Eliminated)	FY 2027 Budget	FY 2028 Budget New / (Eliminated)	FY 2028 Conceptual Budget
27	(4)	23	1	24
6		6	2	8
14		14		14
47	(4)	43	3	46

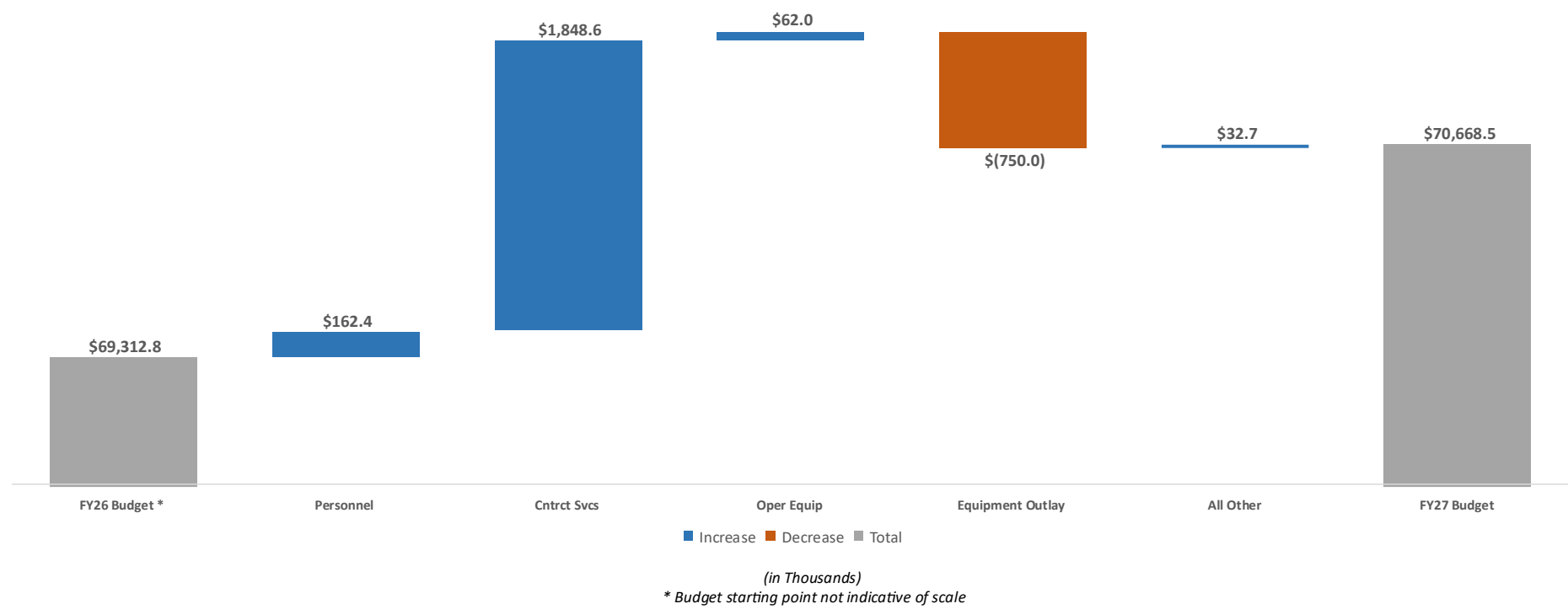
Revenue Division

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	4,174	5,475	5,918	443	8.1%	6,471	554	9.4%
Benefits	1,698	2,576	2,296	(280)	-10.9%	2,893	597	26.0%
Subtotal	5,872	8,051	8,213	162	2.0%	9,364	1,150	14.0%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	5,872	8,051	8,213	162	2.0%	9,364	1,150	14.0%
Contractual Services	4,488	45,200	47,049	1,849	4.1%	47,057	8	0.0%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	11,068	11,061	11,071	10	0.1%	11,080	9	0.1%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	26	142	204	62	43.8%	3	(201)	-98.5%
Operating Supplies	4	12	11	(0)	-0.9%	9	(3)	-23.5%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	157	89	112	23	26.1%	103	(9)	-8.3%
Business Development	2,023	3,845	3,843	(3)	-0.1%	4,016	174	4.5%
Equipment Rentals and Repairs	132	163	166	2	1.4%	171	6	3.3%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	17,899	60,512	62,455	1,943	3.2%	62,439	(17)	0.0%
Total Operating Expenses	23,771	68,563	70,669	2,106	3.1%	71,803	1,134	1.6%
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	23,771	68,563	70,669	2,106	3.1%	71,803	1,134	1.6%
Equipment Outlay Expenditures	385	750	-	(750)	-100.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	24,156	69,313	70,669	1,356	2.0%	71,803	1,134	1.6%

Revenue Division

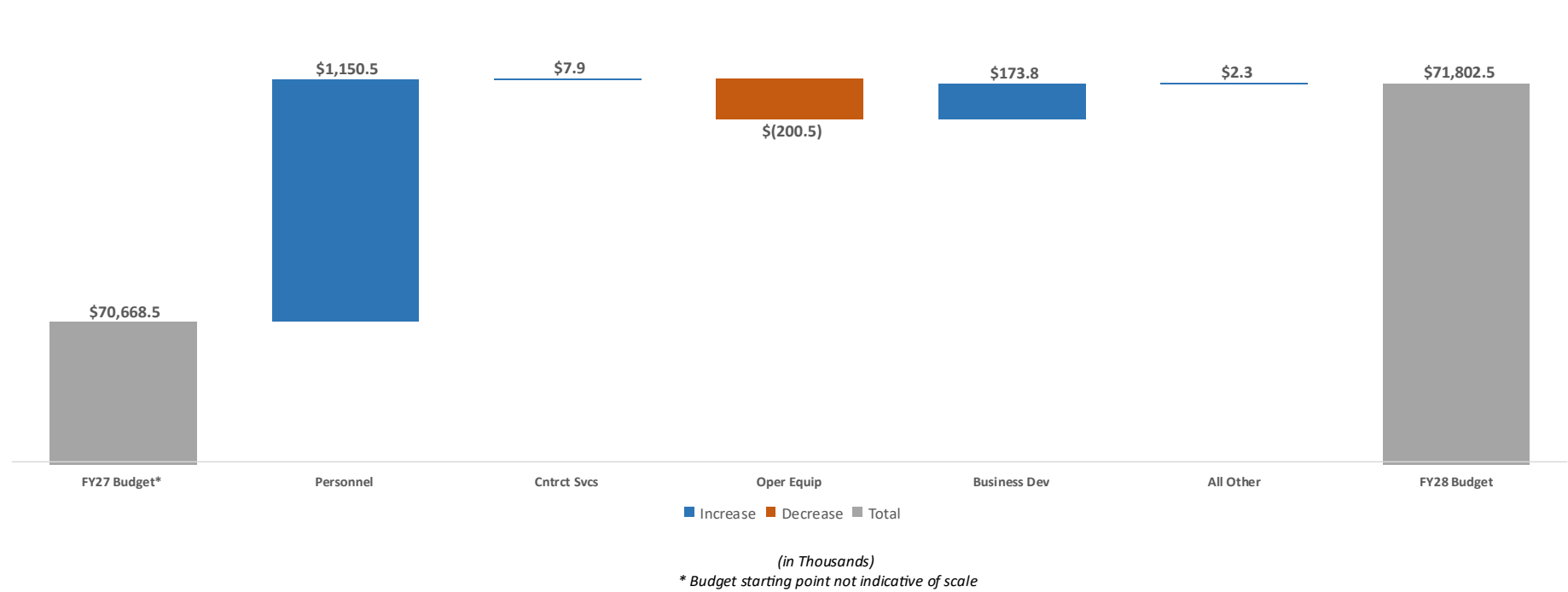
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Increase driven by Parking and Shuttle services primarily due to increases in payroll, additional services, and vehicle repairs
Equipment Outlay: Reduction of (\$750K) in new Art Cases in Terminals 1 & 2

Revenue Division

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff, also includes 3 additional positions requested in FY28

Operating Equipment: Decrease based on one-time expenses occurring in FY27 relating to the Southside lot (dwell time charge and dispatch system)

Business Development: \$175K increase in events for Terminal 1 Phase 1B and SAN 100th Anniversary

Revenue Division

FY 2027 Expense Budget by Department

(in thousands)

Departments	FY 2027 Budget
Landside Business Development	\$43,321
Terminal Business Development	\$18,216
Customer Experience	\$9,131
Total ¹	\$70,668

¹ Total may differ due to rounding

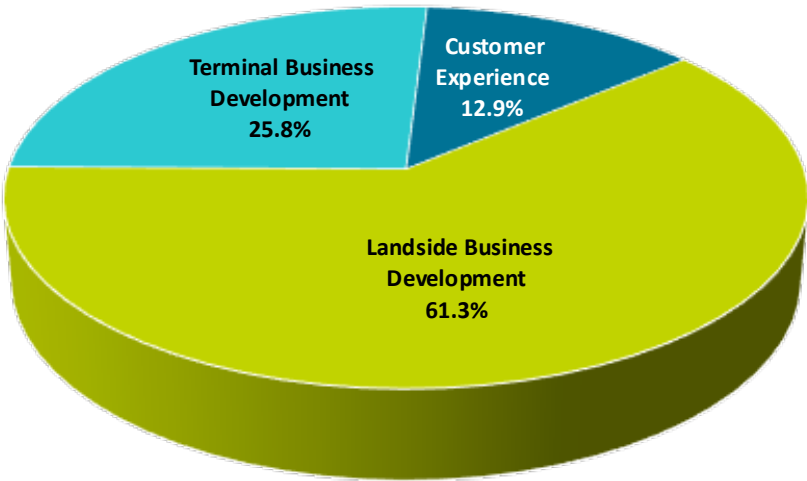


Figure 38 – FY 2027 Expense Budget by Department

Revenue Division

FY 2028 Expense Conceptual Budget by Department

(in thousands)

Departments	FY 2028 Conceptual Budget
Landside Business Development	\$43,363
Terminal Business Development	\$18,230
Customer Experience	\$10,210
Total ¹	<u>\$71,802</u>

¹ Total may differ due to rounding

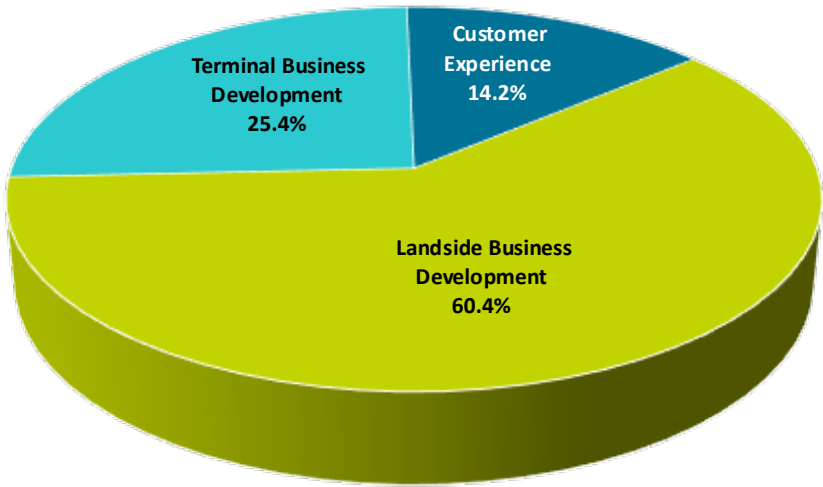


Figure 39 – FY 2028 Expense Conceptual Budget by Department

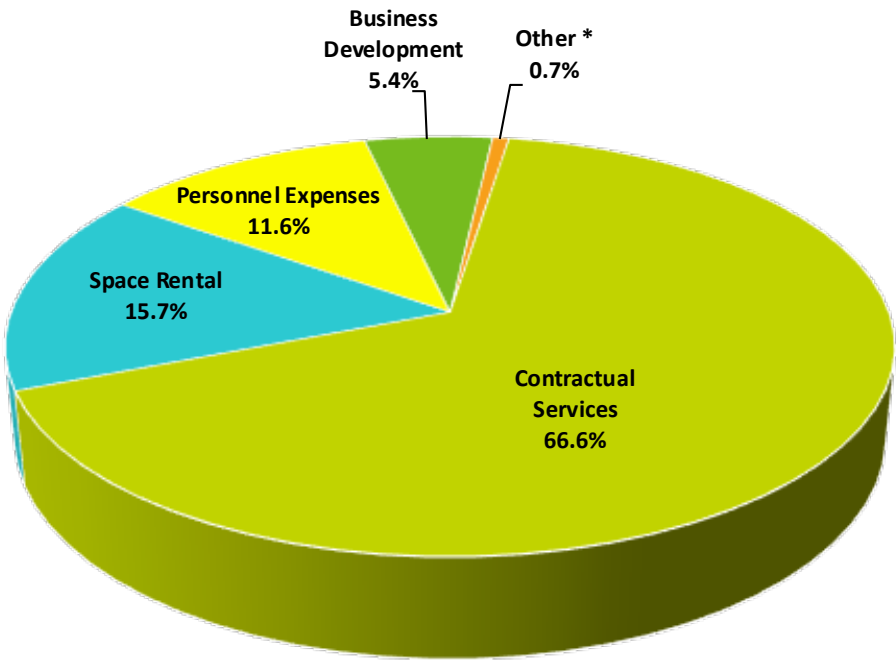
Revenue Division

FY 2027 Expense Budget by Category

(in thousands)

Category	FY 2027 Budget
Contractual Services	\$47,049
Space Rental	\$11,071
Personnel Expenses	\$8,213
Business Development	\$3,843
Other *	\$492
Total ¹	<u>\$70,668</u>

¹ Total may differ due to rounding



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

Figure 40 – FY 2027 Expense Budget by Category

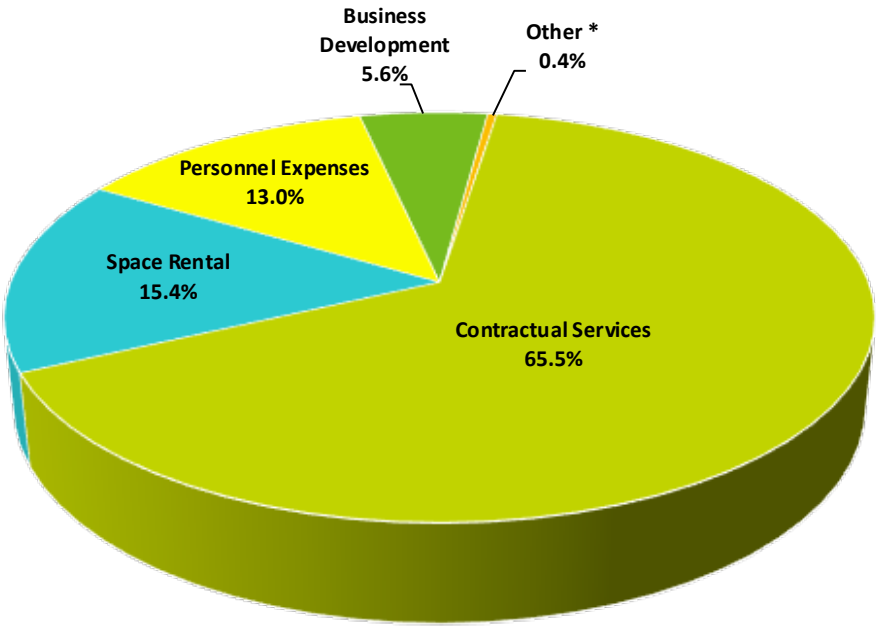
Revenue Division

FY 2028 Expense Conceptual Budget by Category

(in thousands)

Category	FY 2028 Conceptual Budget
Contractual Services	\$47,057
Space Rental	\$11,080
Personnel Expenses	\$9,364
Business Development	\$4,016
Other *	\$285
Total ¹	\$71,802

¹ Total may differ due to rounding

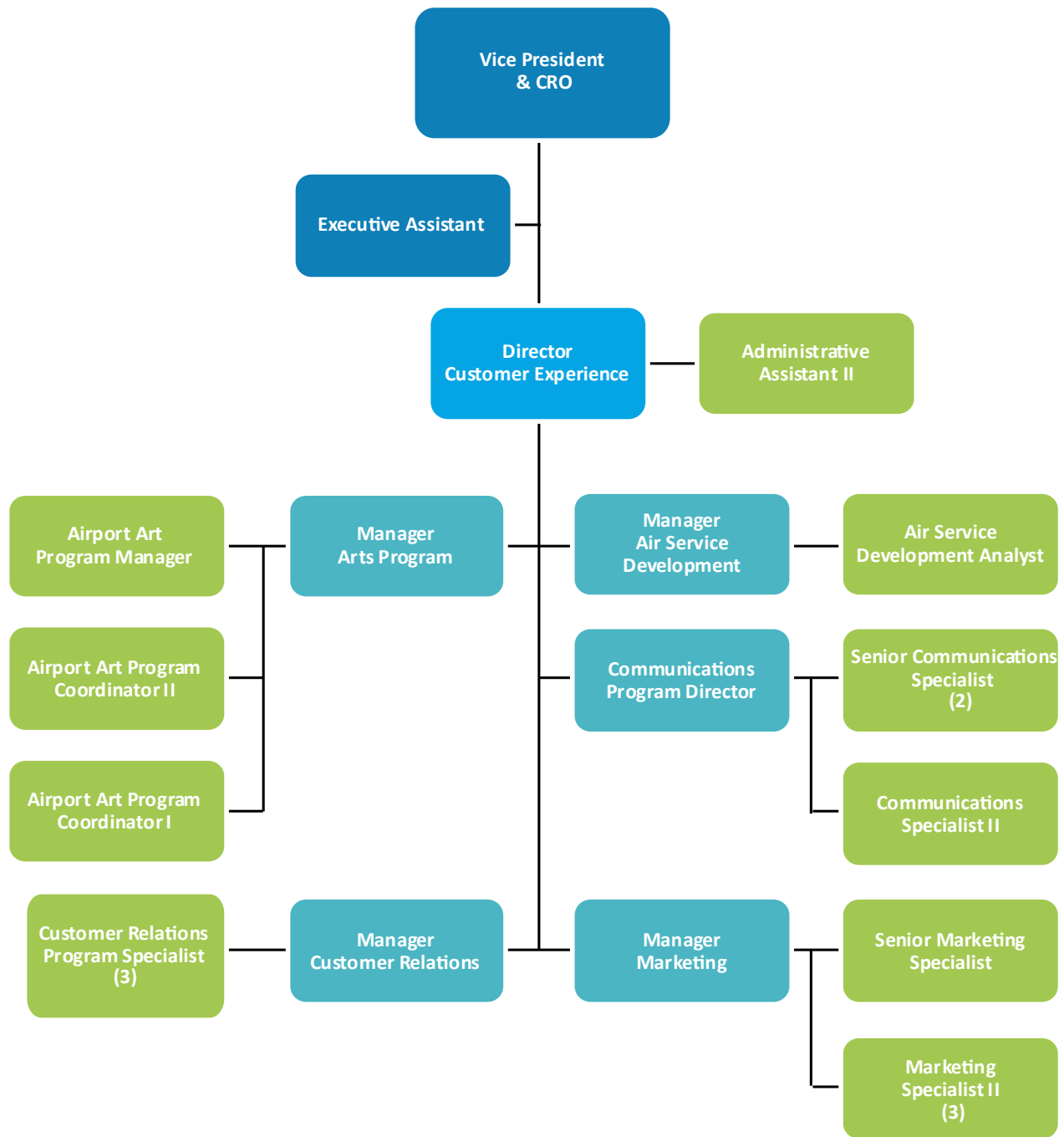


*Other includes operating equipment & systems, utilities, operating supplies, etc.

Figure 41 – FY 2028 Expense Conceptual Budget by Category

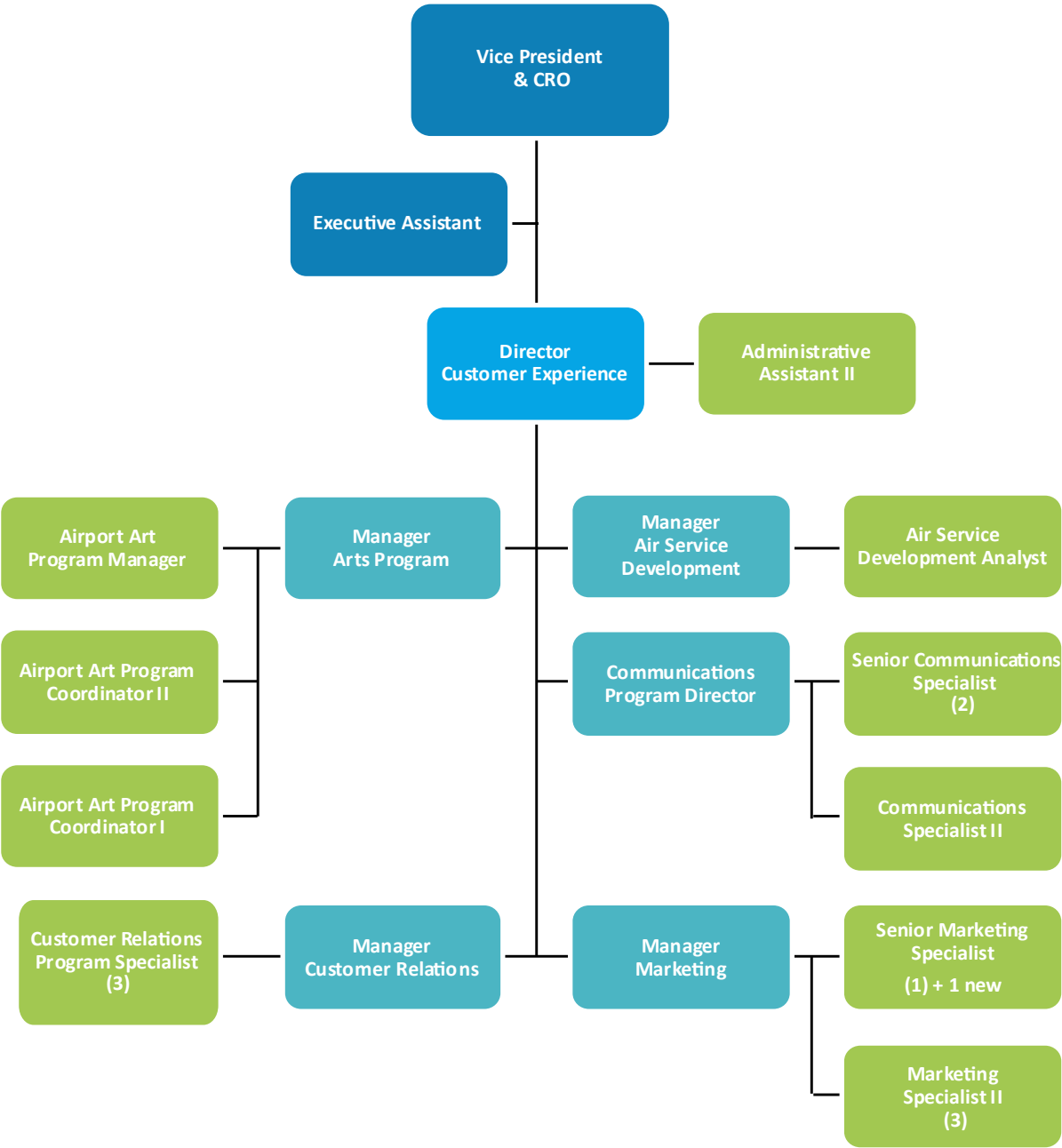
Revenue Division – Customer Experience

FY 2027 Organizational Structure



Revenue Division – Customer Experience

FY 2028 Organizational Structure



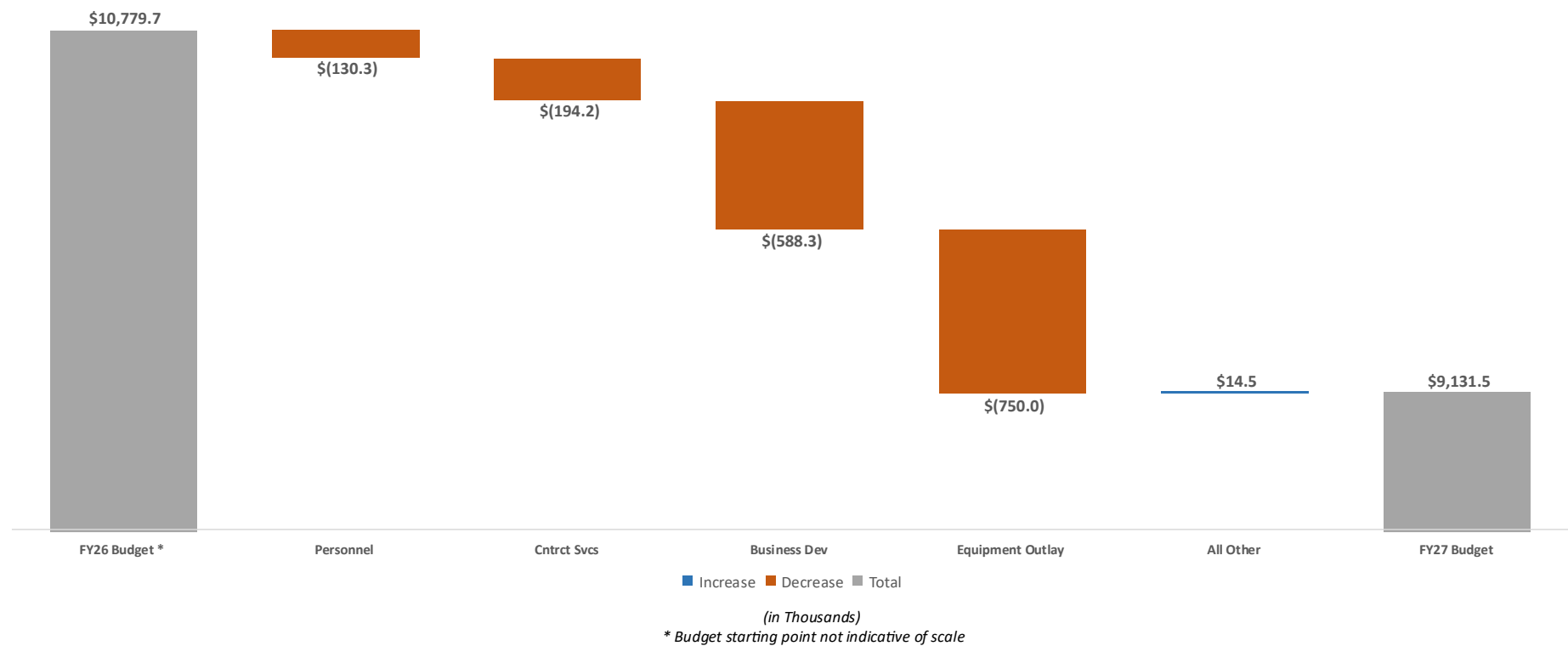
Revenue Division – Customer Experience

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	2,347	2,938	3,068	130	4.4%	3,332	264	8.6%
Benefits	1,011	1,456	1,196	(260)	-17.9%	1,487	291	24.3%
Subtotal	3,358	4,394	4,264	(130)	-3.0%	4,819	555	13.0%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	3,358	4,394	4,264	(130)	-3.0%	4,819	555	13.0%
Contractual Services	1,598	2,759	2,564	(194)	-7.0%	2,897	333	13.0%
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	6	6	3	(3)	-54.5%	2	(1)	-20.0%
Operating Supplies	2	11	10	(0)	-2.8%	8	(2)	-24.3%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	99	50	66	16	31.3%	62	(4)	-5.4%
Business Development	1,775	2,748	2,160	(588)	-21.4%	2,351	192	8.9%
Equipment Rentals and Repairs	54	63	65	2	3.3%	70	6	8.5%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	3,535	5,636	4,868	(768)	-13.6%	5,391	523	10.8%
Total Operating Expenses	6,893	10,030	9,132	(898)	-9.0%	10,210	1,078	11.8%
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	6,893	10,030	9,132	(898)	-9.0%	10,210	1,078	11.8%
Equipment Outlay Expenditures	7	750	-	(750)	-100.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	6,900	10,780	9,132	(1,648)	-15.3%	10,210	1,078	11.8%

Revenue Division – Customer Experience

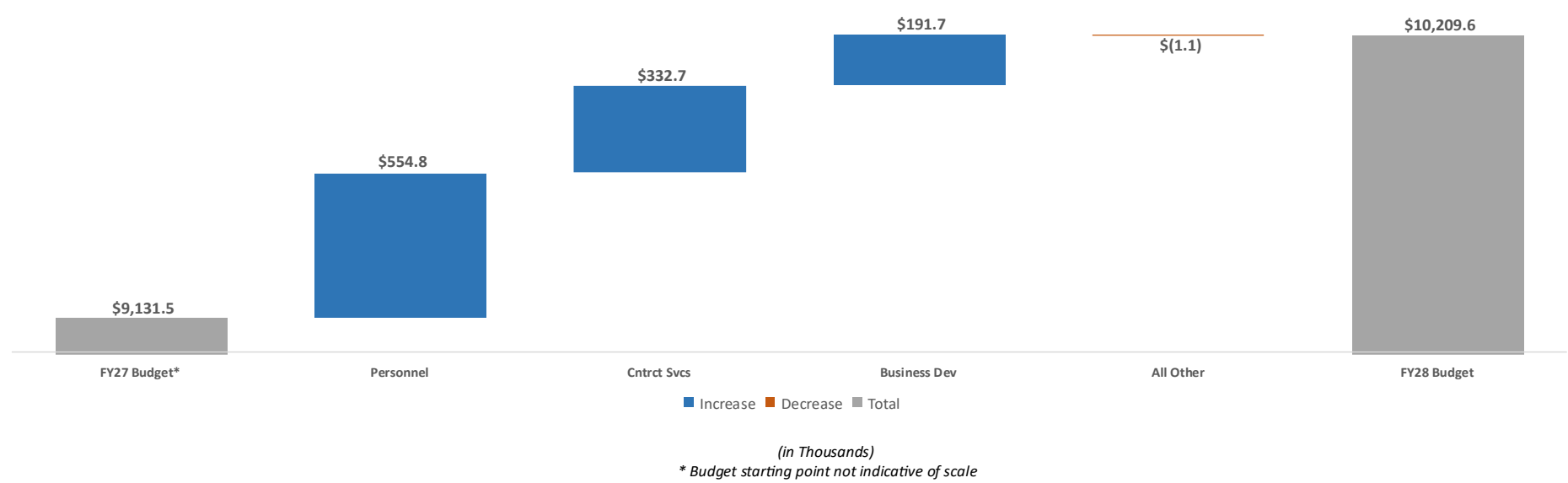
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff and the removal of 4 positions
Contractual Services: Decrease primarily due to (\$650k) reduction in New Terminal 1 Grand Opening Events, partially offset from \$420k increase in Lost and Found
Business Development: Decrease includes (\$500k) from International Air Service and (75k) from Concessions Marketing Program
Equipment Outlay: Reduction of (\$750K) in new Art Cases in T1 and T2

Revenue Division – Customer Experience

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Includes 1 additional position requested in FY28

Contractual Services: Increases include \$250k in the Loyalty Program and \$80k in the Lost and Found

Business Development: \$175K increase in events for Terminal 1 Phase 1B and SAN 100th Anniversary

Revenue Division – Customer Experience

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Develop CX dashboards to identify areas for improvement, make data- driven decisions / investments		100%	Completed
Launch integrated communications plan to promote SAN post New T1 opening		100%	Completed
Transition Lost & Found to Customer Experience with increased level of service		100%	Completed

Revenue Division – Customer Experience

FOCUS AREAS

 CUSTOMER EXPERIENCE

 DATA-DRIVEN DECISION MAKING

 EFFICIENCY

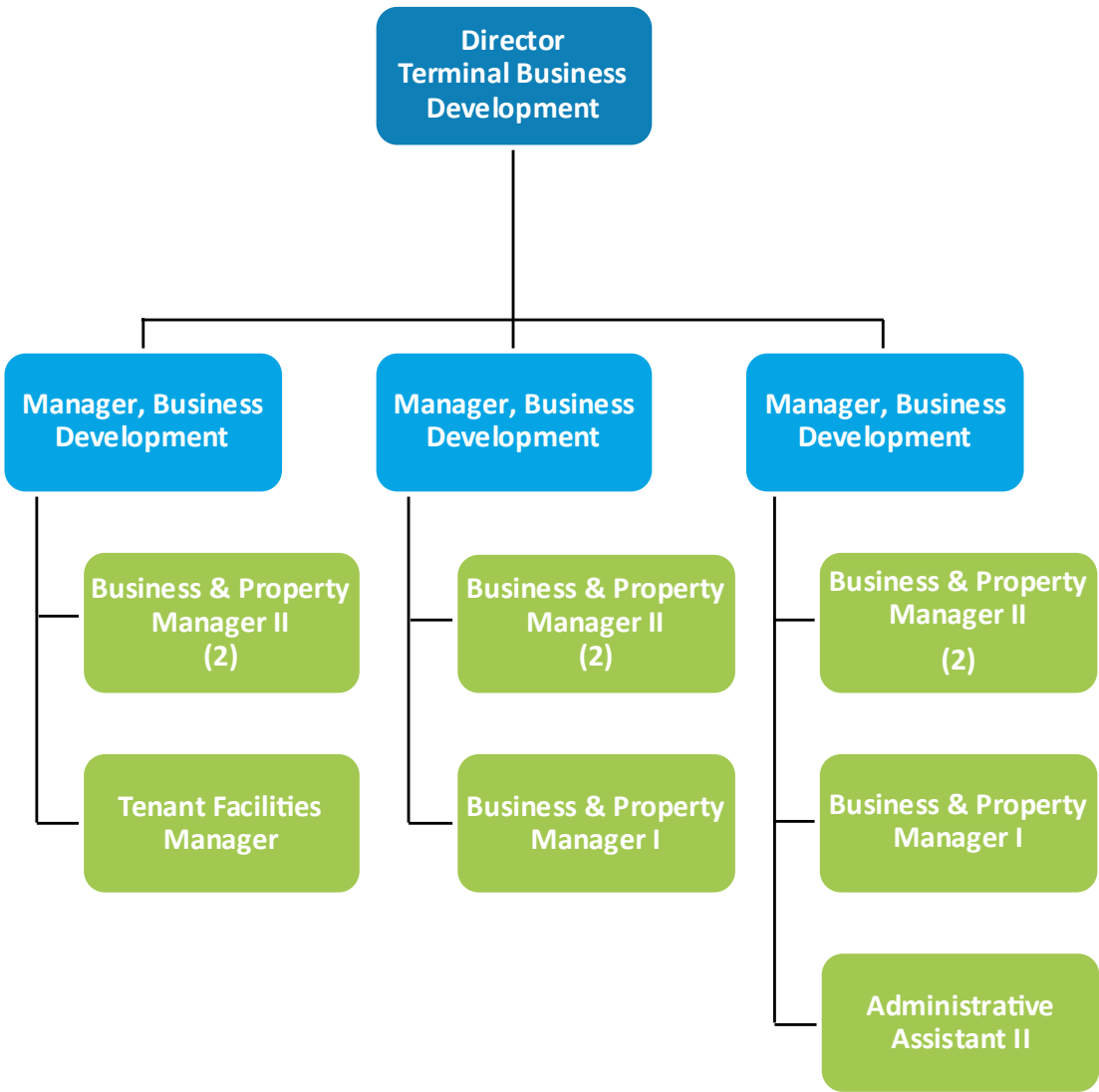
 PEOPLE

 RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Using ACI ASQ data, develop new Passenger Journey Maps to identify and establish goals and improvements at all key customer touchpoints across both terminals.		100%
Launch Customer Experience Stakeholder Roundtable to align airlines, concessionaires, TSA, and all other partners on shared priorities.		100%
Define “Sense of Place” standards to integrate a strong reflection of San Diego into arts programming, concessions redevelopment, airport design and construction, and marketing and communications.		100%

Revenue Division – Terminal Business Development

FY 2027 – FY 2028 Organizational Structure



No personnel changes in FY 2028

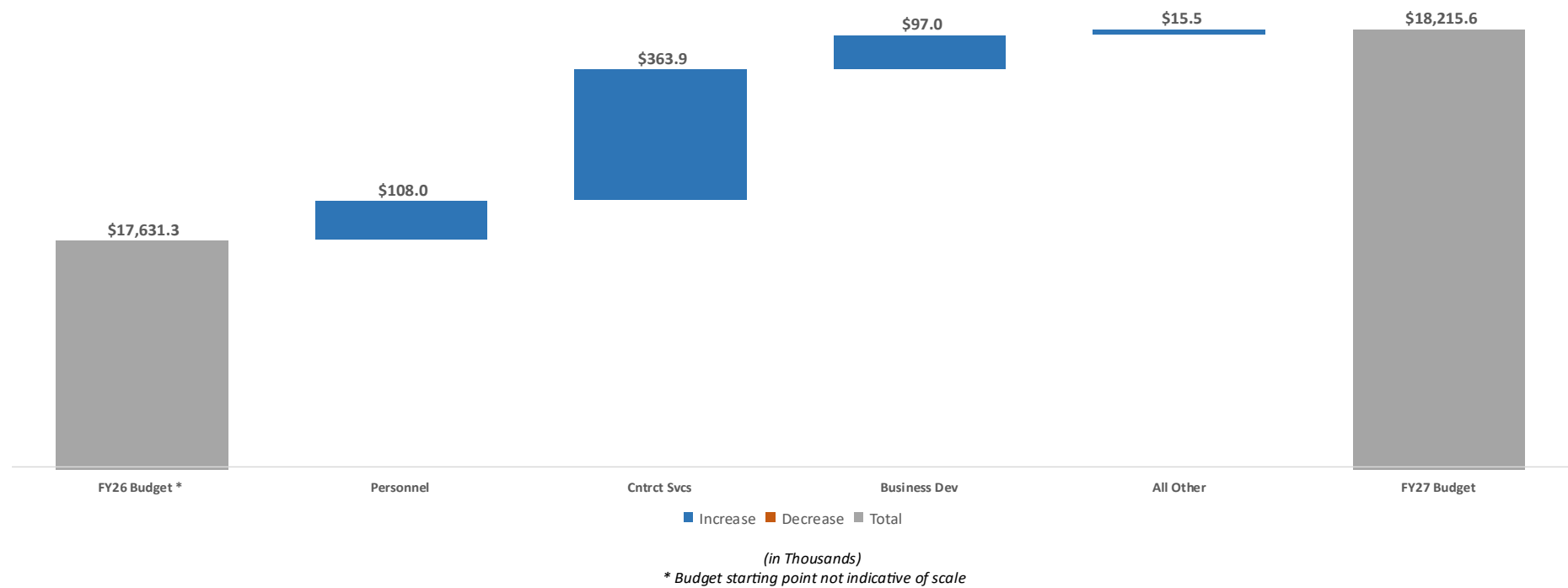
Revenue Division – Terminal Business Development

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

<i>(In Thousands)</i>	FY2025 Actuals	FY2026 Budget	FY2027 Proposed Budget	Inc / (Dec) FY27 Budget vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conceptual vs FY27 Budget	% Change
Operating Expenses								
Salaries	1,797	1,828	2,003	175	9.6%	2,083	80	4.0%
Benefits	669	780	713	(67)	-8.6%	856	143	20.1%
Subtotal	2,467	2,608	2,716	108	4.1%	2,939	224	8.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	2,467	2,608	2,716	108	4.1%	2,939	224	8.2%
Contractual Services	2,890	3,816	4,180	364	9.5%	4,060	(121)	-2.9%
Safety and Security	-	-	-	-	0.0%	-	-	0.0%
Space Rental	11,068	11,061	11,071	10	0.1%	11,080	9	0.1%
Utilities	-	-	-	-	0.0%	-	-	0.0%
Maintenance	-	-	-	-	0.0%	-	-	0.0%
Operating Equipment & Systems	20	-	-	-	0.0%	-	-	0.0%
Operating Supplies	1	1	1	0	20.0%	1	(0)	-16.7%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	58	22	27	5	22.1%	24	(3)	-11.5%
Business Development	248	24	121	97	400.6%	27	(94)	-77.8%
Equipment Rentals and Repairs	79	99	99	-	0.0%	99	0	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	14,364	15,024	15,500	476	3.2%	15,291	(209)	-1.4%
Total Operating Expenses	16,830	17,631	18,216	584	3.3%	18,230	14	0.1%
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	16,830	17,631	18,216	584	3.3%	18,230	14	0.1%
Equipment Outlay Expenditures	378	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	17,208	17,631	18,216	584	3.3%	18,230	14	0.1%

Revenue Division – Terminal Business Development

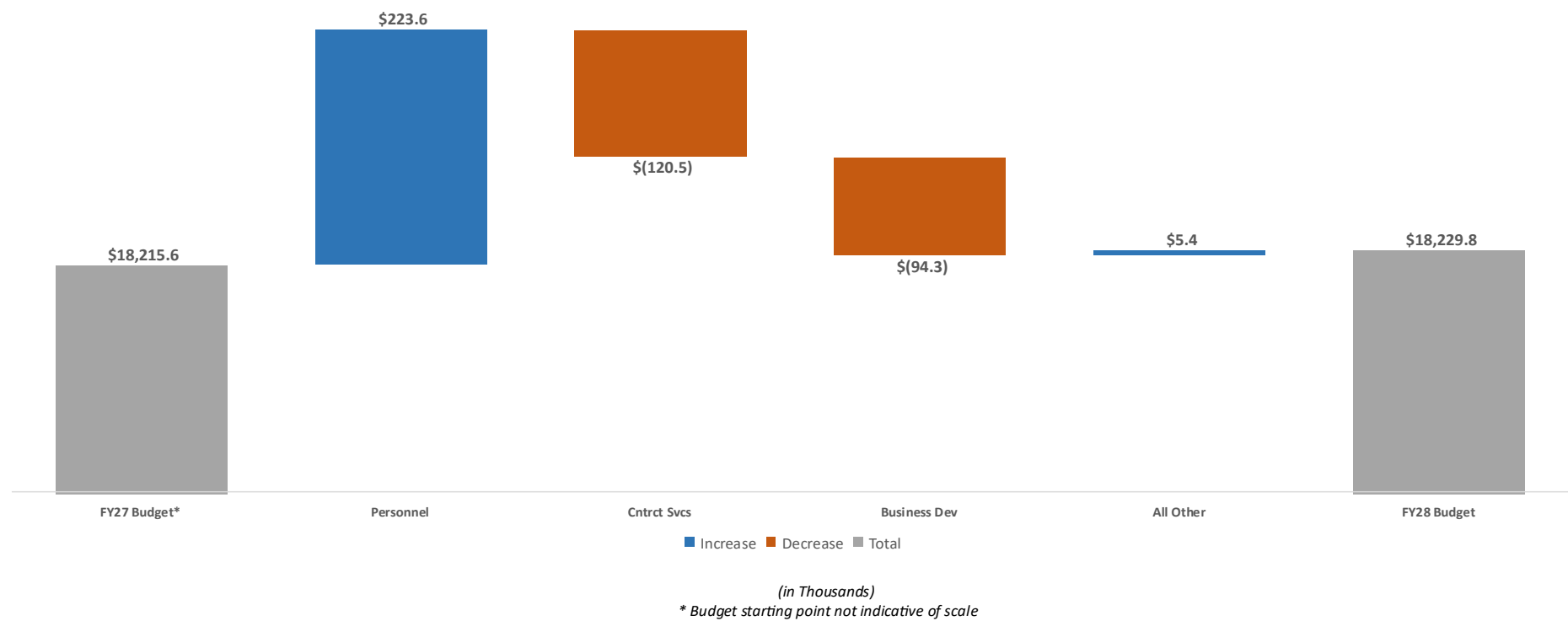
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Increases include \$250K for the Quality Assurance Program Service and \$83k for the Concessions Management Fee
Business Development: Due to \$100k increase for the Airport Experience Conference sponsorship

Revenue Division – Terminal Business Development

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Decreases (\$250K) in the Quality Assurance Program Service and partially offset by an increase of \$83k for the Concessions Management Fee
Space Rental: (\$100k) reduction from the Airport Experience Conference sponsorship

Revenue Division – Terminal Business Development

FOCUS AREAS



Advance Airport Development



Optimize Ongoing Business



Transform the Customer Experience



Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Open new Terminal 1 Phase 1b restaurant, retail, and passenger services concessions		<i>Initiate design process</i>	Design Kick-Off Meetings held with all Phase 1b
Redevelopment plan for T2 Concessions (food & beverage /retail locations)		<i>Secure capital funding, launch PDD, RFP Plan</i>	Block plans with new Concessions mix (Retail vs F&B) completed
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>	Program options evaluated & preferred approach identified

Revenue Division – Terminal Business Development

FOCUS AREAS

 CUSTOMER
EXPERIENCE

 DATA-DRIVEN
DECISION MAKING

 EFFICIENCY

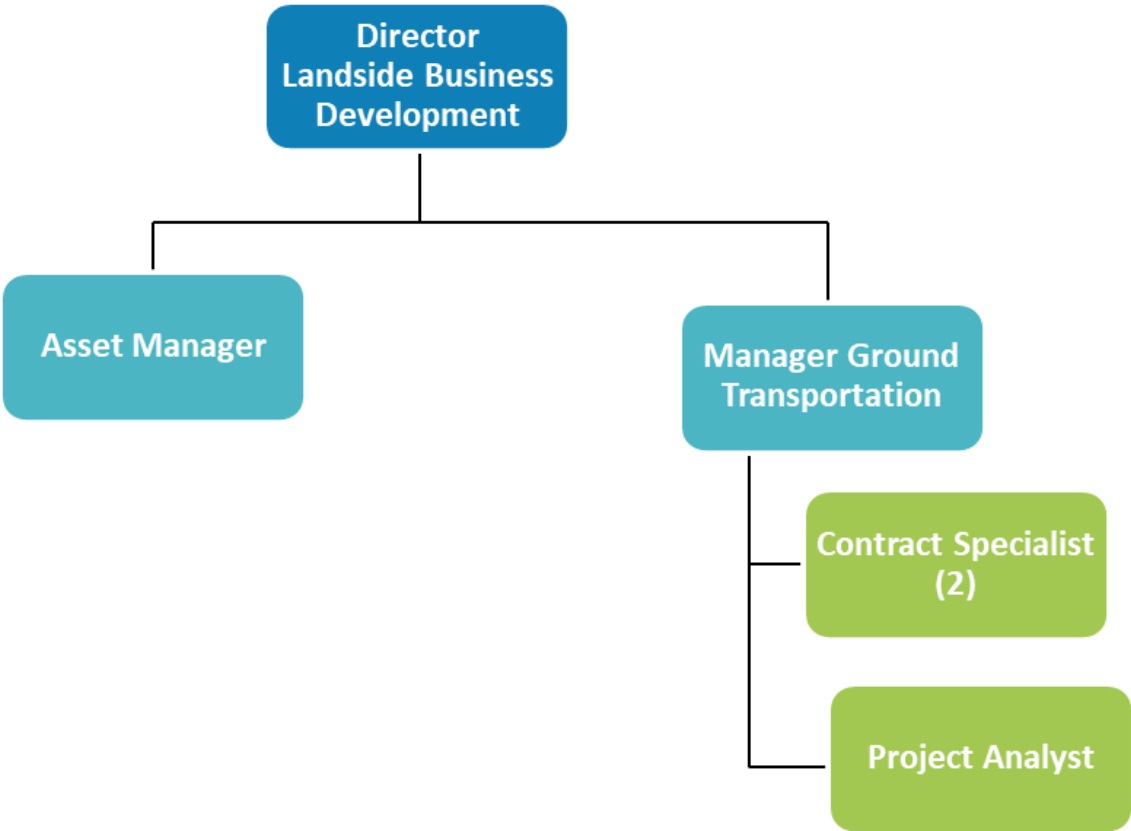
 PEOPLE

 RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Open NT1 Phase 1b restaurant, retail, and passenger service concessions		<i>Finalize Designs & Secure City Permits</i>
Redevelopment plan for T2 Concessions		<i>Complete PDD & Issue RFP for Initial Retail Concession Spaces</i>
Evaluate ability to create a “Small Business Incubator Program”		<i>Receive Approval of Program Plan</i>

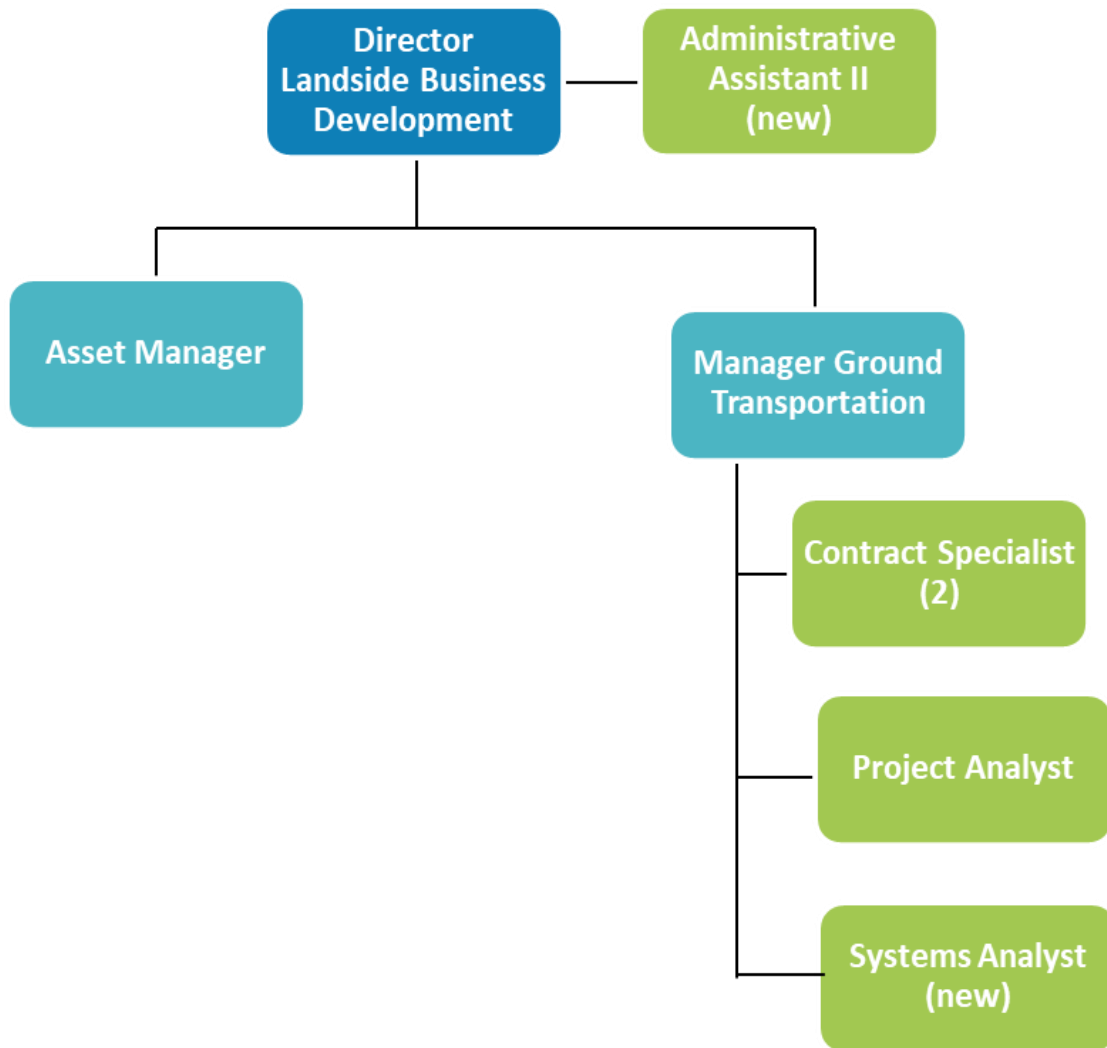
Revenue Division – Landside Business Development

FY 2027 Organizational Structure



Revenue Division – Landside Business Development

FY 2028 Organizational Structure



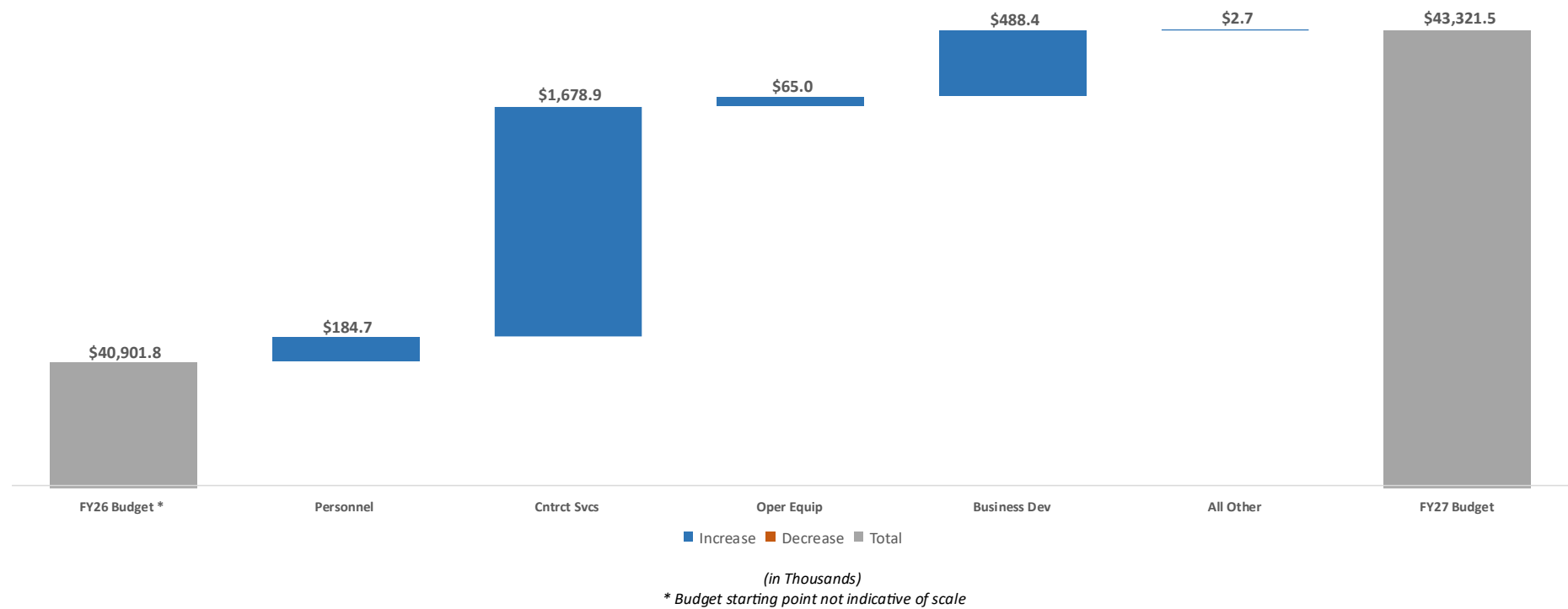
Revenue Division – Landside Business Development

FY 2027 Budget – FY 2028 Conceptual Budget Expense Summary

(In Thousands)	FY2025	FY2026	FY2027	Inc / (Dec)	%	FY2028	Inc / (Dec)	%
	Actuals	Budget	Proposed Budget	FY27 Budget vs FY26 Budget	Change	Conceptual Budget	FY28 Conceptual vs FY27 Budget	Change
Operating Expenses								
Salaries	30	709	847	138	19.4%	1,056	210	24.7%
Benefits	18	340	387	47	13.8%	550	163	42.0%
Subtotal	48	1,049	1,234	185	17.6%	1,606	372	30.2%
Less: Capitalized Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Less: QHP Labor Recharge	-	-	-	-	0.0%	-	-	0.0%
Total	48	1,049	1,234	185	17.6%	1,606	372	30.2%
Contractual Services	-	38,625	40,304	1,679	4.3%	40,100	(204)	-0.5%
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	201	65	47.7%	1	(200)	-99.4%
Operating Supplies	-	-	-	-	0.0%	-	-	0.0%
Insurance	-	-	-	-	0.0%	-	-	0.0%
Employee Development	-	16	19	3	15.6%	16	(3)	-13.5%
Business Development	-	1,073	1,562	488	45.5%	1,638	76	4.9%
Equipment Rentals and Repairs	-	2	2	0	11.8%	2	-	0.0%
Tenant Improvements	-	-	-	-	0.0%	-	-	0.0%
Total Non-Personnel Costs	-	39,853	42,088	2,235	5.6%	41,757	(330)	-0.8%
Total Operating Expenses	48	40,902	43,321	2,420	5.9%	43,363	42	0.1%
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	48	40,902	43,321	2,420	5.9%	43,363	42	0.1%
Equipment Outlay Expenditures	-	-	-	-	0.0%	-	-	0.0%
Total Authority Expenses Incl Equip Outlay	48	40,902	43,321	2,420	5.9%	43,363	42	0.1%

Revenue Division – Landside Business Development

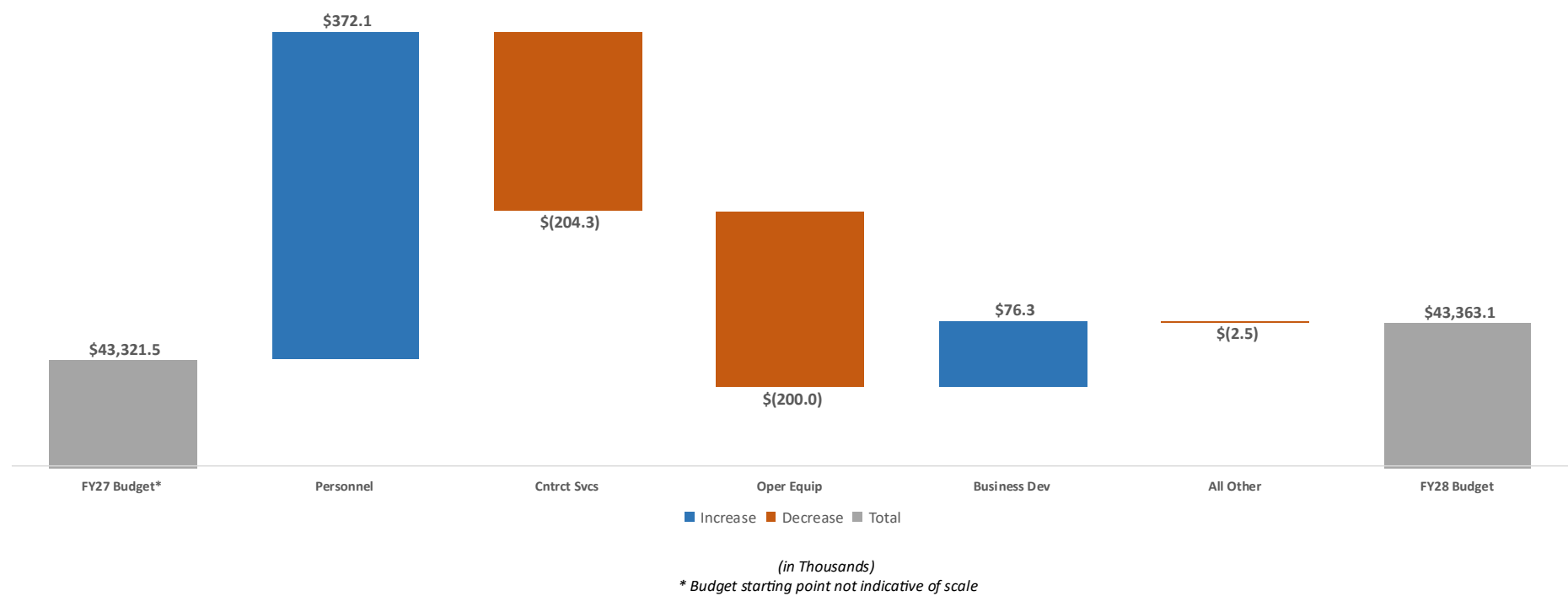
FY 2027 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff
Contractual Services: Increase driven by Parking and Shuttle services primarily due to increases in payroll, additional services, and vehicle repairs
Business Development: Increase driven by the addition of a third-party marketing service

Revenue Division – Landside Business Development

FY 2028 Major Drivers



Personnel: Salary adjustments, pay for performance, and burden (benefits & employer taxes) for current staff. Includes 2 additional positions requested in FY28

Contractual Services: Slight decline driven by Shuttle services based on contract amounts

Operating Equipment: Decrease based on one-time expenses occurring in FY27 relating to the Southside lot (dwell time charge and dispatch system)

Revenue Division – Landside Business Development

FOCUS AREAS

 Advance Airport Development

 Optimize Ongoing Business

 Transform the Customer Experience

 Cultivate Our Culture

Fiscal Year 2026 Goals	Focus Area	Target	Result
Continue Transportation Network Company (TNC) Greenhouse Gas (GHG) program's progress to Greenhouse Gas Rating (GGR)10		100%	85% In-Progress
Optimize - Anticipate and prepare for transportation technology and mode changes		100%	75% In-Progress
Progress on permits for Turo and other App-based transportation modes		100%	75% In-Progress

Revenue Division – Landside Business Development

FOCUS AREAS

 CUSTOMER EXPERIENCE

 DATA-DRIVEN DECISION MAKING

 EFFICIENCY

 PEOPLE

 RESILIENCE

Fiscal Years 2027 & 2028 Goals	Focus Area	Target
Continue Transportation Network Company (TNC) fleet Greenhouse Gas (GHG) progress to Greenhouse Gas Rating (GGR) of 10		100%
Anticipate and prepare for transportation technology and mode changes		100%
Progress on permits for Turo and other app-based transportation modes		100%

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 \$250.9M for the FY 2027 Budget and \$272.5M for the FY 2028 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, 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 2026 to 2059. Series 2023A were issued at a premium of \$2.9M

Debt Service

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, and 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 2025B 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 2026 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 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 2026 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 2026 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 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 2026 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 2026-2045.

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 2025 Actuals	FY 2026 Budget	FY 2027 Budget	FY 2028 Conceptual Budget
Airport Revenues	\$ 478,752	\$ 538,348	\$ 576,032	\$ 628,410
Operations & Maintenance Expenses	(201,603)	(237,388)	(250,978)	(267,758)
Net Revenue available for Senior & Subordinate Lien Debt Service	277,149	300,960	325,053	360,652
Senior Bond Debt Service	4,186	34,632	37,522	88,401
PFCs used to pay Debt Service	-	(24,071)	(32,350)	(28,071)
Senior Bond Debt Service, Net of PFCs	4,186	10,560	5,172	60,330
Senior Bonds Debt Service Coverage (x)	66.20	28.50	62.84	5.98
Subordinate Net Revenues	\$ 272,963	\$ 290,400	\$ 319,881	\$ 300,322
Subordinate Lien Bond Debt Service	92,565	140,754	156,992	152,388
PFCs used to pay Debt Service	-	(32,467)	(33,064)	(33,065)
Subordinate Debt Service	92,565	108,287	123,928	119,323
Subordinate Debt Service Coverage (x)	2.95	2.68	2.58	2.52
Aggregate (Senior and Subordinate Lien) Debt Service	\$ 96,751	\$ 175,386	\$ 194,514	\$ 240,790
PFCs used to pay Debt Service	-	(56,539)	(65,414)	(61,136)
Total Debt Service, Net of PFCs	96,751	118,847	129,101	179,653
Total Debt Service Coverage (x)	2.86	2.53	2.52	2.01

Aggregate (Senior and Subordinate Lien) Debt Service	\$ 96,751	\$ 175,386	\$ 194,514	\$ 240,790
Net Revenue (Including PFC)	\$ 277,149	\$ 357,499	\$ 390,467	\$ 421,789
Revenue Method - Debt Service Coverage on Aggregate Debt	2.86	2.04	2.01	1.75

Debt Service

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

(in thousands)

	FY 2025 Actuals	FY 2026 Budget	FY 2027 Budget	FY 2028 Conceptual Budget
CFC Collections	\$ 36,147	\$ 36,693	\$ 48,189	\$ 49,139
Interest Earnings	\$ 1,314	\$ 1,511	\$ 1,262	\$ 1,460
Total Amounts Available	\$ 37,461	\$ 38,203	\$ 49,451	\$ 50,599
Rolling Coverage Fund Balance	\$ 6,576	\$ 6,576	\$ 6,576	\$ 6,576
Total Amounts Available, plus Rolling Coverage Fund Balance	\$ 44,037	\$ 44,779	\$ 56,027	\$ 57,175
Aggregate Annual Debt Service	\$ 21,920	\$ 21,919	\$ 21,919	\$ 21,920
Coverage excluding Rolling Coverage Fund	1.71	1.74	2.26	2.31
Coverage including Rolling Coverage Fund	2.01	2.04	2.56	2.61

Debt Service

Outstanding Debt Service

(in thousands)

Aggregate Senior and Subordinate Debt Service (\$000's)								Special Facility Debt
	2023, 2025 Senior Debt			2017,2019,2020,2021 Subordinate Debt				
Year Ended July 1	Senior Bonds Principal	Senior Bonds Interest	Senior Total	Subordinate Bonds Principal	Subordinate Bonds Interest	Subordinate Total	Total	2014 CFC Bonds
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	1,841,330	1,931,508	3,772,838	2,705,275	2,266,911	4,972,186	8,745,023	416,473

Debt Service

Debt Service by Source

Debt Service

(in thousands)

	FY2025 Actuals	FY2026 Budget	FY2027 Budget	Inc / (Dec) FY27 vs FY26 Budget	% Change	FY2028 Conceptual Budget	Inc / (Dec) FY28 Conc vs FY27 Budget	% Change
Principal on Revenue Bonds	38,915	34,500	36,240	1,740	5.0%	60,335	24,095	66.5%
Interest on Revenue Bonds	177,739	217,901	215,472	(2,429)	-1.1%	213,660	(1,812)	-0.8%
Principal on Special Facility Bonds	7,440	7,855	8,295	440	5.6%	8,760	465	5.6%
Interest on Special Facility Bonds	14,480	14,064	13,624	(439)	-3.1%	13,160	(464)	-3.4%
Principal & Interest Expense – Capitalized Leases	877	877	877	-	0.0%	877	(0)	0.0%
Cost of Issuance and other Fees	11	3,854	2,155	(1,699)	-44.1%	796	(1,358)	-63.0%
Amortization of Bond Premiums	(25,867)	(24,473)	(25,778)	(1,305)	5.3%	(25,060)	717	-2.8%
Total Debt Service	\$214,337	\$254,578	\$ 250,886	\$ (3,692)	-1.5%	\$ 272,529	\$ 21,643	8.6%

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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

- **Asset Strategy** – Preserves existing assets (E), Create new assets (N)
- **Project Purpose** – Scored 1-5, from regulatory, core operational needs to enhancements
 - 1 – Part 139 or other regulatory compliance
 - 2 – Maintain physical plant functions – Fire / Life / Safety
 - 3 – Maintain airport access, roadways and parking
 - 4 – Safety, security, and special systems improvements
 - 5 – Customer service / revenue enhancement and cost savings
- **Risk / Urgency**
 - A – High Risk/Urgency – Immediate need to prevent risk to safety, security & critical systems
 - B – Medium Risk/Urgency - Timing restrictions, components approaching end-of-life
 - C – Low Risk/Urgency – No immediate deadlines or critical impacts, long-term or optional initiatives

Capital Project Prioritization Overview

Each capital project is evaluated using three criteria that guide funding and sequencing decisions.

- Asset Strategy distinguishes whether a project preserves existing infrastructure or creates new assets, supporting balanced investment between renewal and growth.
- Project Purpose scores the project’s functional intent, ranging from regulatory compliance and core operational needs to customer-service enhancements and revenue improvements.
- Risk and Urgency identify the immediacy of action required to mitigate safety, security, or operational risks. Projects rated “A” address high-risk or time-critical needs; “B” reflect medium-term priorities; and “C” represent long-range or discretionary initiatives.

Together, these criteria ensure that capital investments align with regulatory obligations, operational reliability, and strategic development goals.

Capital Program

Program Summary

(in thousands)

	New T1	CIP	Total
FY 2026 – 2030 Beginning Capital Program Budget	\$3,834,300	\$688,547	\$4,522,847
FY 2026 - 2030 Project Closeouts /Adjustments	=	<u>(20,572)</u>	<u>(20,572)</u>
FY 2026 - 2030 Ending Capital Program Balance	\$3,834,300	\$667,975	\$4,502,275
FY 2027 - 2031 New Capital Projects	=	<u>81,200</u>	<u>81,200</u>
FY 2027 - 2031 Capital Program Budget	<u>\$3,834,300</u>	<u>\$749,175</u>	<u>\$4,583,475</u>

Capital Program

Sources of Funds by Fiscal Year

(in thousands)

Capital Improvement Program	Pre FY2027	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Airport Revenue Bonds	\$70,962	\$52,545	\$35,040	\$98,939	\$21,359	\$0	\$278,846
Airport Cash	\$38,548	\$74,420	\$73,742	\$57,072	\$28,048	\$45,247	\$317,077
Federal Grants	\$3,524	\$14,135	\$22,351	\$7,988	\$3,845	\$0	\$51,843
Major Maintenance Fund	\$21,964	\$23,362	\$13,200	\$810	\$757	\$0	\$60,094
Other	\$1,057	1,943	\$499	\$0	-	-	\$3,500
Passenger Facility Charges	185	-	-	-	-	-	\$185
Customer Facility Charges	1,630	-	4,800	10,400	10,400	10,400	\$37,630
Subtotal Capital Improvement Program	137,871	166,406	149,633	175,209	64,410	55,647	749,175
The New T1	Pre FY2027	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Airport Revenue Bonds	\$2,453,431	\$360,720	\$176,179	\$208,602	\$2,354	-	\$3,201,288
Airport Cash	\$289,135	\$26,439	\$22,874	\$17,846	(\$38,500)	-	\$317,795
Federal Grants	\$214,252	\$27,474	\$10,000	\$10,000	\$40,000	-	\$301,726
Major Maintenance Fund	-	-	-	-	-	-	-
Other	\$7,889	-	5,603	-	-	-	\$13,491
Subtotal The New T1	2,964,707	414,634	214,655	236,449	3,855	0	3,834,300
TOTAL SOURCES of FUNDS	\$3,102,579	\$581,039	\$364,288	\$411,657	\$68,265	\$55,647	\$4,583,475

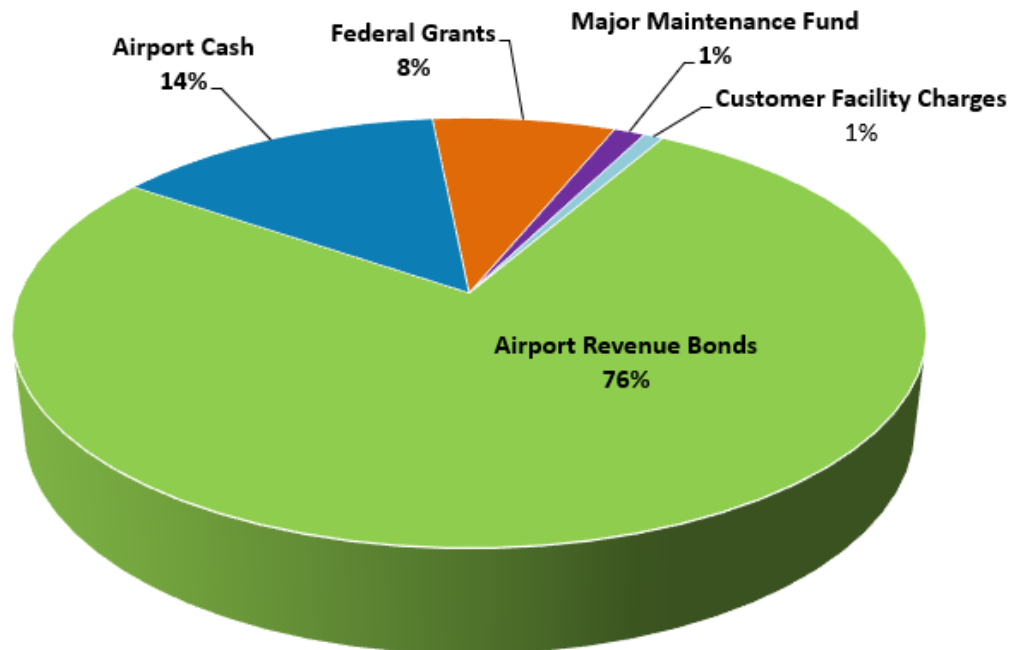


Figure 42 – Total Sources of Funds

Capital Program

Uses of Funds by Fiscal Year

(in thousands)

The New T1	Pre FY2027	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Terminal	\$ 2,130,228	\$ 379,923	\$ 177,308	\$ 202,337	\$ 2,984	-	\$ 2,892,780
Landside and Ancillary	\$ 425,752	\$ 14,793	\$ 11,272	\$ 28,833	\$ 442	-	\$ 481,091
Airside	\$ 301,930	\$ 19,918	\$ 26,075	\$ 5,279	\$ 429	-	\$ 353,631
Administrative	\$ 106,798	-	-	-	-	-	\$ 106,798
TOTAL	\$ 2,964,707	\$ 414,634	\$ 214,655	\$ 236,449	\$ 3,855	-	\$ 3,834,300
Capital Improvement Program	Pre FY2027	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Terminal	\$ 51,612	\$ 74,740	\$ 72,457	\$ 113,760	\$ 29,810	\$ 57	\$ 342,435
Landside and Ancillary	\$ 19,840	\$ 28,881	\$ 40,443	\$ 21,150	\$	\$	\$ 110,314
Airside	\$ 21,060	\$ 26,818	\$ 21,923	\$ 30,300	\$ 24,995	\$ 48,272	\$ 173,369
Administrative	\$ 45,360	\$ 35,966	\$ 14,810	\$ 9,999	\$ 9,605	\$ 7,318	\$ 123,057
TOTAL	\$ 137,871	\$ 166,406	\$ 149,633	\$ 175,209	\$ 64,410	\$ 55,647	\$ 749,175
TOTAL USE OF FUNDS	\$ 3,102,579	\$ 581,039	\$ 364,288	\$ 411,657	\$ 68,265	\$ 55,647	\$ 4,583,475

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. 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 available through the AIP grant program under the Infrastructure Investment and Jobs Act, which allocates approximately \$24 million in Airport Infrastructure Grant (AIG) entitlement funding a year from FY 2022 through FY 2026. In addition, competitive discretionary grants will be available over the same five-year period through Airport Terminal Program grants. Beginning in FY 2026, any AIG funds not obligated within their period of availability will be redistributed by the FAA through a competitive program, creating additional discretionary funding opportunities through FY 2030. 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.

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 airline). 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 passengers, 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. Most recently, in FY 2026, the FAA approved an application for the collection and use of \$1.8B in PFC funds to fund debt service on the New Terminal 1 (Terminal, Landside, and Airside elements), as well as continued local match support of the QHP.

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 in 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, up to five days. 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. The CFC legislation was amended in October of 2025, allowing a maximum collection rate of \$12 per day, up to five days, and The Authority Board approved this change from February 4, 2026.

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	Q1/2027	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 (Airline)	Q3/2021	Q2/2028	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	Q2/2027	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	Q1/2027	None
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	Bonds / Cash	Q1/2024	Q1/2027	None

Airside CIP Projects

(in thousands)

Current Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
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	Q1/2029	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
104344	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	Q1/2029	None
104351	Drainage Improvements at ILS Area - PDD	Project will provide a summary of existing conditions and 2 to 3 preliminary concept schematics to address drainage issues near the ILS and localizer areas. Does not include design development.	132	Cash	Q4/2026	Q2/2027	None
104354	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.	Q2/2027	Q2/2028	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 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	Q1/2027	Q2/2031	None
Subtotal - Current Airside CIP Projects			\$110,546				

Airside CIP Projects

(in thousands)

New Airside CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
NEW 27-01	Taxiway A Extension	Project will allow bidirectional flow of taxiing aircraft through terminal areas to address circulation and delay issues, while removing and replacing the Taxiway A pavement adjacent to Terminal 2 East and installing a new ADG III taxiway connecting NT1 to Terminal 2 West.	\$65,000	Cash	Q3/2028	Q4/2031	None
Subtotal - New Airside CIP Projects			\$65,000				
Total Airside CIP Projects			\$175,546				

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/Cash	Q1/2015	Q1/2027	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	Q1/2027	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 / Bonds	Q4/2019	Q2/2027	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	Q2/2028	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	Q2/2028	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. / Cash	Q4/2025	Q3/2028	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	Q1/2027	Q4/2028	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	Q2/2027	Q2/2028	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	Q2/2028	Q2/2029	None
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
Total - Current Landside/Ancillary CIP Projects			\$100,909				

Landside/Ancillary CIP Projects

(in thousands)

New Landside/Ancillary CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
NEW 27-04	Southside Taxi/TNC Hold Lot Access Control	Project will ensure quality security surveillance & mitigation of unauthorized access to Airport's security-controlled areas, by installing gate arms with loops at all entry/exit lanes & restriping southside hold lot.	\$2,000	Cash	Q3/2027	Q4/2028	None
Subtotal - New Landside/Ancillary CIP Projects			\$2,000				
Total Landside/Ancillary CIP Projects			\$102,909				

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.	\$12,469	PFC / Bonds / Major Maint. / Cash	Q2/2015	Q2/2027	\$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 / Cash	Q3/2019	Q1/2027	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.	3,184	Major Maint./Cash	Q3/2019	Q3/2027	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. / Cash	Q1/2020	Q1/2029	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	Q2/2030	None
104314A	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	Other (Grant) / Cash	Q1/2026	Q4/2030	None
104314B	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	Q2/2028	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. / Cash	Q1/2024	Q4/2027	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	Q3/2027	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 (Grant) / Cash	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
104342	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
104345	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	Q3/2028	None
104346	Emergency Power for PBBs in T2	Project scope includes migrating power feed to Passenger Boarding Bridges at Gates 33, 35, 48 and 51 in Terminal 2 from normal to building emergency power.	860	Cash	Q2/2026	Q1/2028	None
104347	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	Q2/2028	None
104348	Replace T2 Emergency Responder Radio Comm. System	Project will replace the partially failed ERRCS in T2W, FIS, T2PP, and basement of T2E. The ERRCS provides necessary communications capability for operations, security, and law enforcement personnel.	6,100	Cash	Q3/2026	Q1/2028	None

Terminal CIP Projects

(in thousands)

Current Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
104350	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	Q4/2030	None
104352	T2W Pipe Insulation/Fitting Replacement - PDD	Project will prepare a program definition document for the replacement of insulation & pipe fittings located on the chilled water mechanical system in T2W. Provide 30% design and a detailed approach to the replacement project.	222	Cash	Q2/2026	Q2/2027	None
104353	Replace T2W Passenger Boarding Bridges (9) - PDD	Project will provide project definition (PDD) through 100% design to procure and install all JBT-manufactured PBBs at T2W including gates 33 – 41.	1,200	Cash	Q4/2026	Q1/2028	None
Subtotal - Current Terminal CIP Projects			\$335,523				

New Terminal CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
NEW 27-02	T2W Escalator & Elevator Replacements	Project will remove and replace nine escalators & one elevator in T2W, which will provide consistency, reliability, and reduce maintenance costs.	10,000	Cash	Q1/2027	Q4/2029	None
Subtotal - New Terminal CIP Projects			\$10,000				
Total Terminal CIP Projects			\$345,523				

Administrative CIP Projects

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.	\$3,200	Major Maint.	Q1/2027	Q4/2030	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.	16,004	Cash	Q1/2027	Q4/2027	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	Q2/2030	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 / Cash	Q1/2020	Q2/2027	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	Q1/2027	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	Q4/2028	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	Q3/2030	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	AIP / Cash	Q1/2024	Q3/2027	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	Q1/2027	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	Major Maint.	Q1/2025	Q4/2028	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 Taxiway F, consolidate air cargo apron, expand northside stormwater & apron, relocate displaced threshold & Taxiway C4.	2,830	Bonds / Cash	Q1/2025	Q2/2027	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
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	CFC	Q3/2025	Q2/2027	None
104343	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	Q4/2027	None
104349	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	34,146	Cash	Q1/2027	Q4/2031	None
Subtotal - Current Administrative CIP Projects			\$120,997				

Administrative CIP Projects

(in thousands)

New Administrative CIP Projects							
Project Number	Project	Description	Budget	Funding Source	Start	End	Annual Operating Impact
NEW 27-03	Fire Alarm System Upgrade	Project will expand connectivity & redundancy for fire alarm network across the campus, modernize fire alarm system in 6 buildings & place on Siemens platform; install 17,500 ft of new fiber and add new fiber loop at 14 buildings.	\$4,200	Cash	Q1/2027	Q4/2028	None
	Subtotal - New Administrative CIP Projects		\$4,200				
	Total Administrative CIP Projects		\$125,197				
	Subtotal FY 2027 CIP Budget		\$749,175				

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).	\$353,012	AIP / Bonds / Cash / CP / ST / Other	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.	3,259,747	AIP / Bonds / Cash / CP / ST / Other	Q1/2021	Q2/2030	\$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 / CP / ST / Cash / Other	Q1/2021	Q2/2028	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 / CP / ST	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	96,571	Cash	Q1/2021	Q4/2029	None
Subtotal FY 2027 New T1 Program Budget			\$3,834,300				
Total FY 2027 Capital Program Budget			\$4,583,475				

New T1 Program

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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.

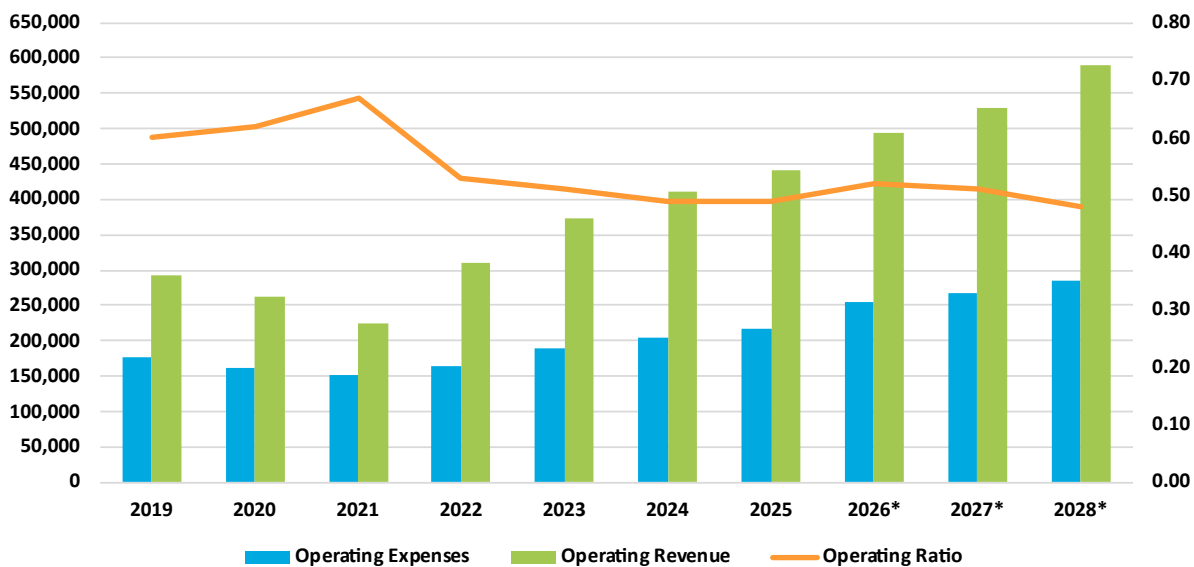
Operating Ratio

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, 2019 to 2028

Fiscal Year	Operating Expenses (\$) ¹	Operating Revenue (\$) ¹	Operating Ratio	% Change
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	217,759	442,488	0.49	0.0%
2026*	254,845	493,379	0.52	6.1%
2027*	268,190	529,892	0.51	-1.9%
2028*	285,038	590,795	0.48	-5.9%

¹ in thousands



*Budgeted FY 2026, FY 2027, & FY 2028

Figure 43 – Operating Ratio

Source: San Diego County Regional Airport Authority

Performance Indicators

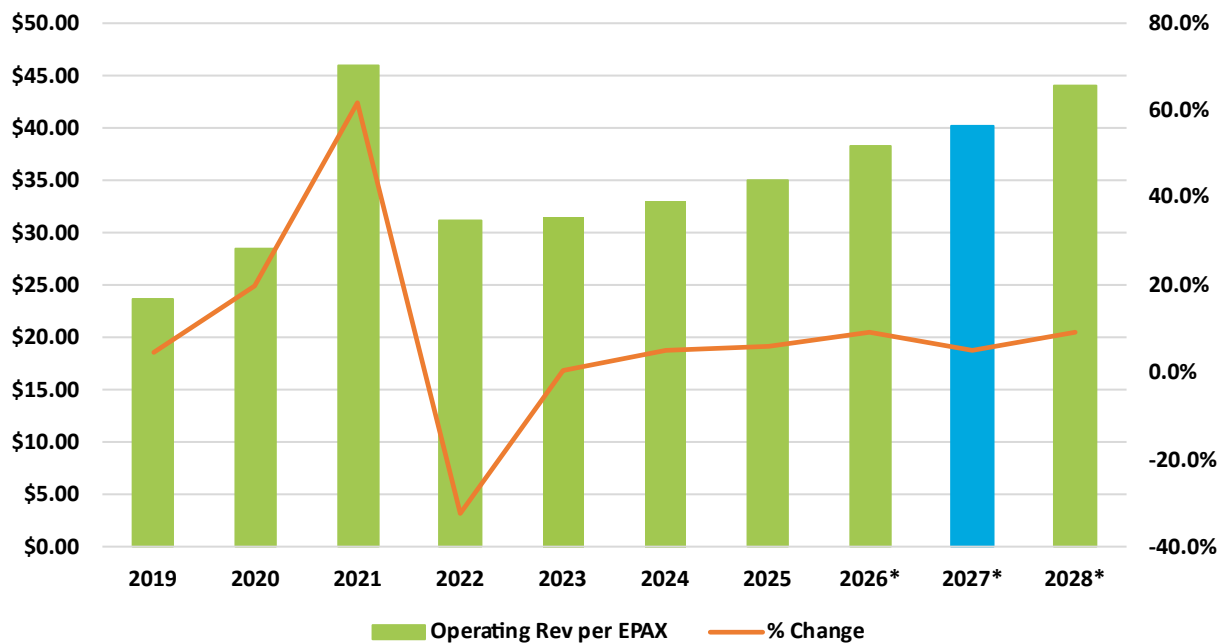
Operating Revenue per Enplanement

This is a measure of operating revenue per enplaned passenger.

Fiscal Years ended June 30, 2019 to 2028

Fiscal Year	Operating Revenue (\$) ¹	Enplaned Passengers ¹	Operating Revenue per Enplanement	% Change
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	442,488	12,644	35.00	5.9%
2026*	493,379	12,873	38.33	9.5%
2027*	529,892	13,154	40.28	5.1%
2028*	590,795	13,416	44.04	9.3%

¹ in thousands



* Budgeted FY 2026, FY 2027, & FY 2028

Figure 44 – Operating Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

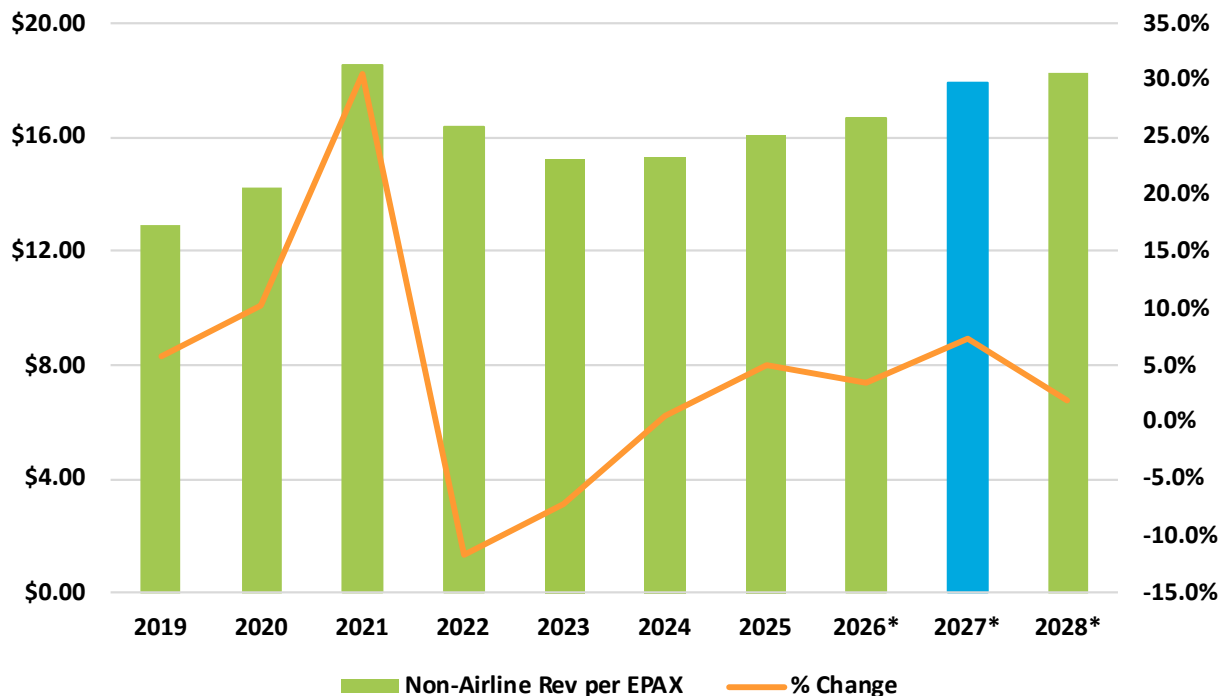
Non-Airline Revenue per Enplanement

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

Fiscal Years ended June 30, 2019 to 2028

Fiscal Year	Non-Airline Revenue (\$) ¹	Enplaned Passengers ¹	Non-Airline Revenue per Enplanement	% Change
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	203,362	12,644	16.08	5.0%
2026*	214,284	12,873	16.65	3.5%
2027*	235,112	13,154	17.87	7.4%
2028*	244,535	13,416	18.23	2.0%

¹ in thousands



* Budgeted FY 2026, FY 2027, & FY 2028

Figure 45 – Non-Airline Revenue per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

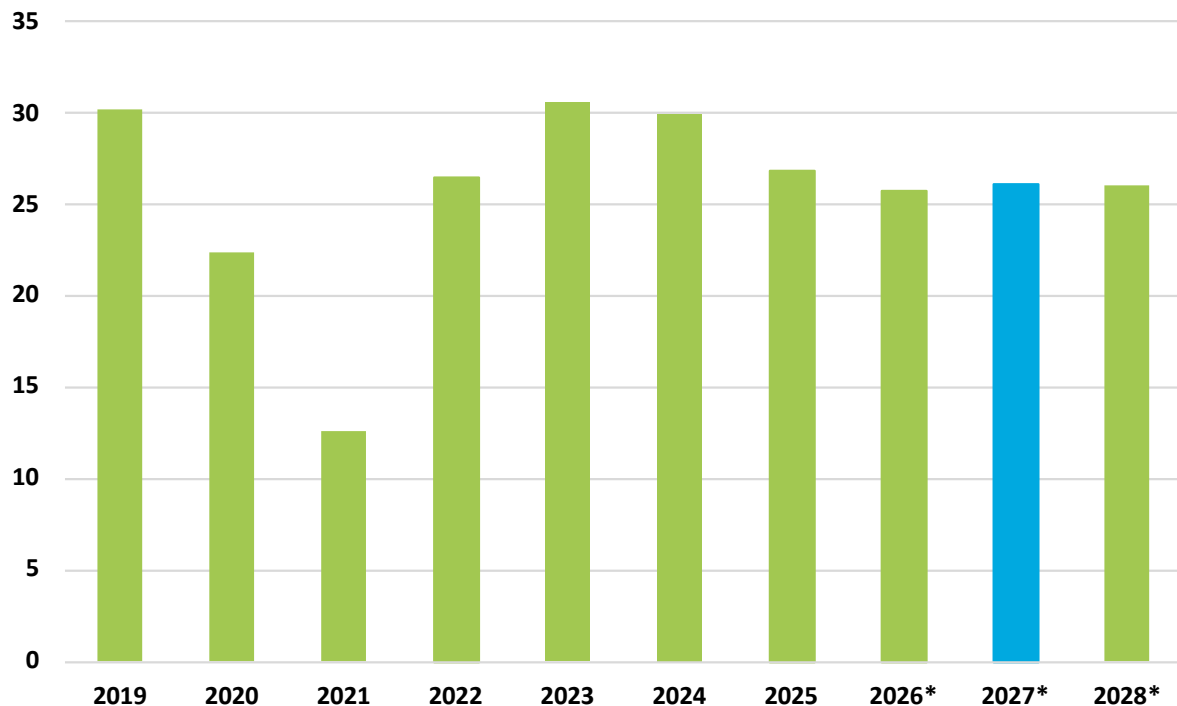
Enplaned Passengers per Employee

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

Fiscal Years ended June 30, 2019 to 2028

Fiscal Year	Employees	Enplaned Passengers ¹	Enplaned Passengers per Employee
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	12,644	27
2026*	500	12,873	26
2027*	504	13,154	26
2028*	514	13,416	26

¹ in thousands



*Budgeted FY 2026, FY 2027, & FY 2028

Figure 46 – Enplaned Passengers per Employee

Source: San Diego County Regional Airport Authority

Performance Indicators

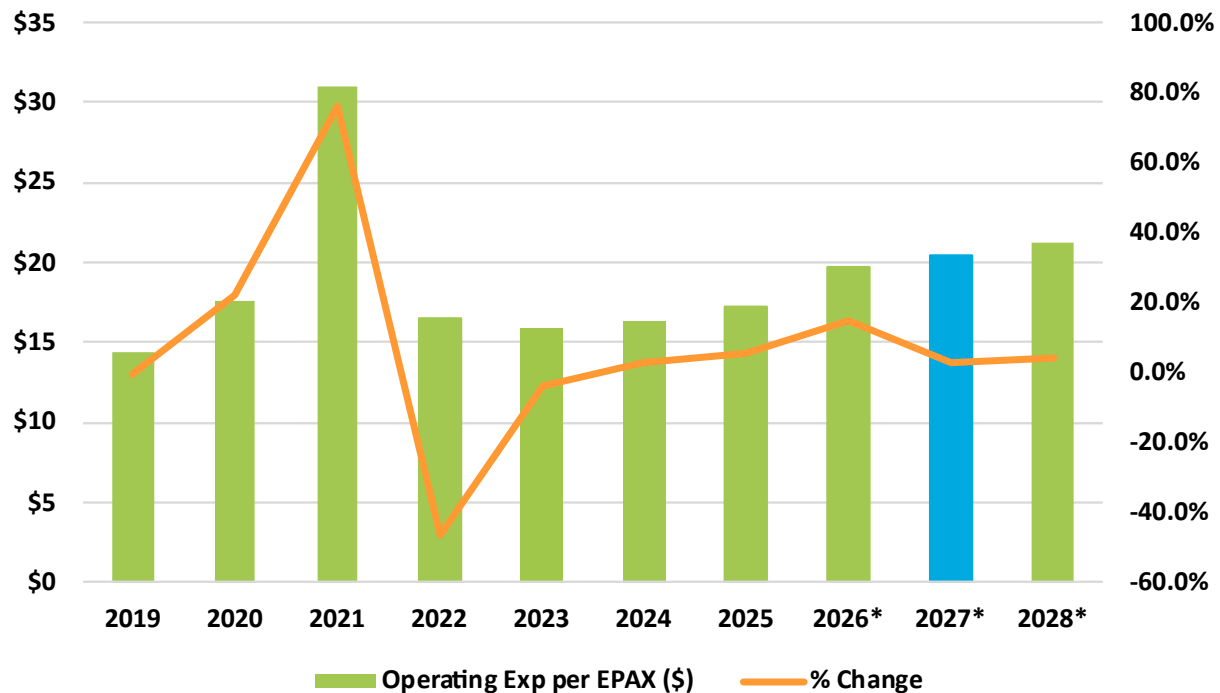
Operating Expenses per Enplanement

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

Fiscal Years ended June 30, 2019 to 2028

Fiscal Year	Operating Expenses (\$) ¹	Enplaned Passengers ¹	Operating Expenses per Enplanement (\$)	% Change
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	217,759	12,644	17.22	5.3%
2026*	254,845	12,873	19.80	14.9%
2027*	268,190	13,154	20.39	3.0%
2028*	285,038	13,416	21.25	4.2%

¹ in thousands



* Budgeted FY 2026, FY 2027, & FY 2028

Figure 47 – Operating Expenses per Enplaned Passenger

Source: San Diego County Regional Airport Authority

Performance Indicators

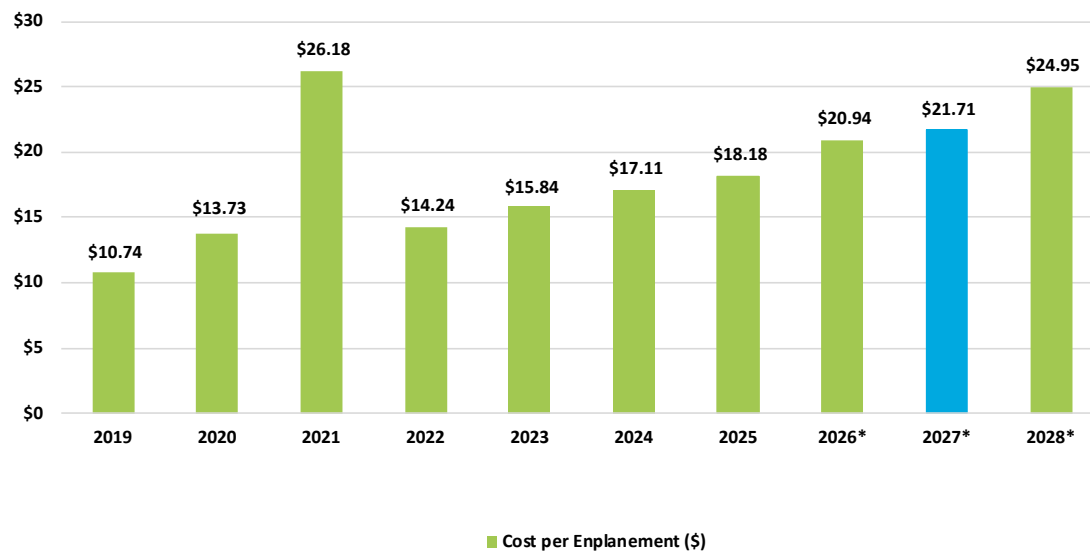
Airline Cost per Enplaned Passenger

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, 2019 to 2028

Fiscal Year	Enplaned Passengers ¹	Cost per Enplanement (\$)
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	12,644	\$ 18.18
2026*	12,873	\$ 20.94
2027*	13,154	\$ 21.71
2028*	13,416	\$ 24.95

¹ in thousands



* Budgeted FY 2026, FY 2027, & FY 2028

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*	FY 2028*
Total Principal Outstanding	\$2,945,740	\$3,843,800	\$3,801,070	\$4,546,605	\$4,550,825	\$4,441,585
Less: Unrestricted Cash	(602,876)	(503,101)	(557,625)	(671,135)	(675,381)	(652,217)
Less: Debt Service Reserve Fund	(185,636)	(257,985)	(270,936)	(322,443)	(322,443)	(332,443)
Net Debt Outstanding	\$2,157,228	\$3,082,714	\$2,972,509	\$3,553,027	\$3,553,001	\$3,456,925
Net Revenues for Debt Service (incl PFCs)	\$231,510	\$290,154	\$277,149	\$369,091	\$390,467	\$421,789
Plus: Capitalized Interest	70,380	102,569	119,903	66,525	57,198	28,599
Total Net Revenues for Debt Service	\$301,890	\$392,723	\$397,052	\$435,615	\$447,665	\$450,388
Net Debt/CFADS	7.1	7.8	7.5	8.2	7.9	7.7

* Estimated FY 2026, Budgeted FY 2027 & FY 2028

Figure 50 – Net Debt to CFADS

SUPPLEMENTAL DATA



Supplemental Data

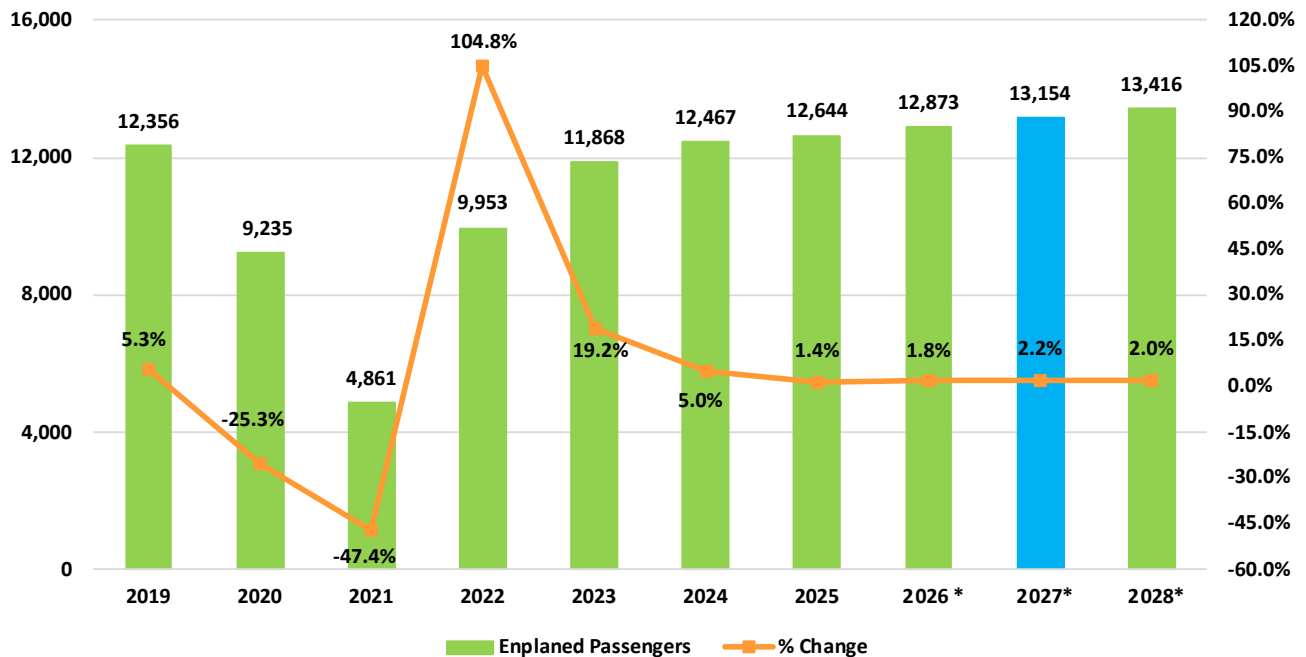
Annual Enplaned Passengers

In FY 2027, enplaned passenger traffic at SAN is projected to reach 13.2M, representing an increase of 2.2% from the enplanements used in the FY 2026 Budget. Enplaned passengers are projected to increase by 2.0% to 13.4M in the FY 2028 Conceptual Budget.

Fiscal Years ended June 30, 2019 to 2028

Fiscal Year	Enplaned Passengers	% Change
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	12,644	1.4%
2026 *	12,873	1.8%
2027*	13,154	2.2%
2028*	13,416	2.0%

¹ in thousands



* Budgeted FY 2026, FY 2027, & FY 2028

Figure 51 – Annual Enplaned Passengers

Source: San Diego County Regional Airport Authority

Supplemental Data

Airline Market Share FY 2019 – FY 2025

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 79% of the enplaned passengers.

Air Carrier	Enplanements (in thousands)							Market Share						
	2019	2020	2021	2022	2023	2024	2025	2019	2020	2021	2022	2023	2024	2025
Southwest Airlines	4,656	3,475	1,628	3,394	4,190	4,087	3,937	37.7%	37.6%	33.5%	34.1%	35.3%	32.8%	31.1%
Alaska Airlines	1,253	976	474	1,100	1,351	1,409	1,600	10.1%	10.6%	9.8%	11.1%	11.4%	11.3%	12.7%
United Airlines	1,481	1,043	553	1,257	1,412	1,557	1,550	12.0%	11.3%	11.4%	12.6%	11.9%	12.5%	12.3%
Delta Airlines	1,337	1,058	568	1,215	1,412	1,500	1,472	10.8%	11.5%	11.7%	12.2%	11.9%	12.0%	11.6%
American Airlines	1,339	1,051	768	1,238	1,282	1,470	1,457	10.8%	11.4%	15.8%	12.4%	10.8%	11.8%	11.5%
Frontier Airlines	277	201	180	273	349	450	444	2.2%	2.2%	3.7%	2.7%	2.9%	3.6%	3.5%
Spirit Airlines	324	225	112	168	304	324	356	2.6%	2.4%	2.3%	1.7%	2.6%	2.6%	2.8%
JetBlue Airways	231	195	90	249	285	274	226	1.9%	2.1%	1.9%	2.5%	2.4%	2.2%	1.8%
Hawaiian Airlines	150	103	62	134	148	142	154	1.2%	1.1%	1.3%	1.3%	1.2%	1.1%	1.2%
Air Canada	130	90	-	43	135	150	131	1.1%	1.0%	-	0.4%	1.1%	1.2%	1.0%
British Airways	83	58	-	41	92	112	127	0.7%	0.6%	-	0.4%	0.8%	0.9%	1.0%
Lufthansa	50	35	-	14	48	46	62	0.4%	0.4%	-	0.1%	0.4%	0.4%	0.5%
Westjet	43	29	-	12	32	43	52	0.3%	0.3%	-	0.1%	0.3%	0.3%	0.4%
Sun Country Airlines	40	37	23	36	42	48	47	0.3%	0.4%	0.5%	0.4%	0.4%	0.4%	0.4%
Breeze Airways	-	-	-	-	-	13	44	-	-	-	-	-	0.1%	0.3%
Japan Airlines	67	44	1	13	31	33	42	0.5%	0.5%	0.0%	0.1%	0.3%	0.3%	0.3%
Allegiant Airlines	31	13	22	49	76	41	27	0.2%	0.1%	0.5%	0.5%	0.6%	0.3%	0.2%
Porter Airlines	-	-	-	-	-	-	10	-	-	-	-	-	-	0.1%
KLM Royal Dutch Airlines	-	-	-	-	-	-	5	-	-	-	-	-	-	-
Copa Airlines	-	-	-	-	-	-	1	-	-	-	-	-	-	-
Total Air Carrier	11,499	8,636	4,481	9,240	11,190	11,697	11,743	93.1%	93.5%	92.2%	92.8%	94.3%	93.8%	92.8%
Regional														
Compass	296	161	-	-	-	-	-	2.4%	1.7%	-	-	-	-	-
Horizon Air	64	107	90	137	36	70	78	0.5%	1.2%	1.8%	1.4%	0.3%	0.6%	0.6%
Skywest Airlines	497	331	290	576	642	700	823	4.0%	3.6%	6.0%	5.8%	5.4%	5.6%	6.5%
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Regional	857	599	380	713	677	770	901	6.9%	6.5%	7.8%	7.2%	5.7%	6.2%	7.1%
Total Passengers	12,356	9,235	4,861	9,953	11,868	12,467	12,644	100%	100%	100%	100%	100%	100%	100%

Figure 52 – Airline Market Share

Supplemental Data

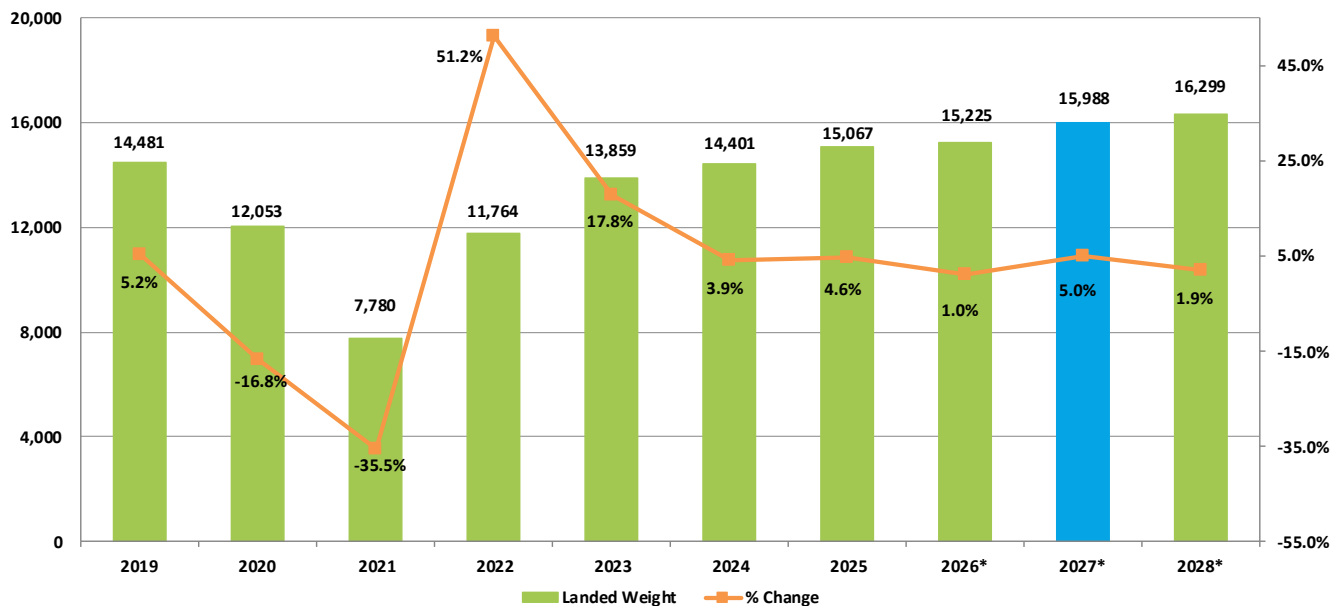
Aircraft Landed Weight

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 2027, landed weight is estimated to increase by 5.0% compared to the FY 2026 budget.

Fiscal Years ended June 30, 2019 to 2028

Fiscal Year	Landed Weight ¹	% Change
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	15,067	4.6%
2026*	15,225	1.0%
2027*	15,988	5.0%
2028*	16,299	1.9%

¹ in million pounds



* Budgeted FY 2026, FY 2027, & FY 2028

Figure 53 – Aircraft Landed Weight

Source: San Diego County Regional Airport Authority

Supplemental Data

Airline Landed Weight FY 2019 – FY 2025

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						
	2019	2020	2021	2022	2023	2024	2025	2019	2020	2021	2022	2023	2024	2025
Southwest Airlines	5,180,064	4,422,096	2,277,011	3,688,292	5,001,008	4,758,859	4,642,938	35.8%	36.7%	29.3%	31.4%	36.1%	33.0%	30.8%
Alaska Airlines	1,411,255	1,162,582	769,364	1,196,955	1,410,162	1,504,134	1,742,008	9.7%	9.6%	9.9%	10.2%	10.2%	10.4%	11.6%
United Airlines	1,566,148	1,201,192	694,980	1,260,134	1,450,512	1,664,205	1,696,251	10.8%	10.0%	8.9%	10.7%	10.5%	11.6%	11.3%
Delta Airlines	1,389,312	1,221,773	1,049,374	1,497,160	1,516,632	1,573,722	1,645,527	9.6%	10.1%	13.5%	12.7%	10.9%	10.9%	10.9%
American Airlines	1,415,134	1,201,659	917,691	1,238,946	1,317,772	1,498,180	1,556,024	9.8%	10.0%	11.8%	10.5%	9.5%	10.4%	10.3%
Skywest Airlines	637,117	481,705	504,012	709,412	755,828	844,860	1,032,217	4.4%	4.0%	6.5%	6.0%	5.5%	5.9%	6.9%
Frontier Airlines	247,145	204,924	199,836	264,830	311,884	434,930	456,349	1.7%	1.7%	2.6%	2.3%	2.3%	3.0%	3.0%
Spirit Airlines	331,366	230,911	125,589	165,464	288,873	319,139	370,741	2.3%	1.9%	1.6%	1.4%	2.1%	2.2%	2.5%
JetBlue Airlines	281,715	260,940	171,957	292,311	316,168	313,015	274,866	1.9%	2.2%	2.2%	2.5%	2.3%	2.2%	1.8%
British Airways	210,432	141,615	-	98,141	173,266	207,564	254,667	1.5%	1.2%	0.0%	0.8%	1.3%	1.4%	1.7%
Federal Express	375,807	394,288	466,734	476,195	405,893	321,999	233,727	2.6%	3.3%	6.0%	4.0%	2.9%	2.2%	1.6%
Hawaiian Airlines	237,560	155,345	122,574	211,844	209,839	205,340	221,869	1.6%	1.3%	1.6%	1.8%	1.5%	1.4%	1.5%
United Parcel	138,860	146,624	138,926	138,064	137,094	139,418	182,958	1.0%	1.2%	1.8%	1.2%	1.0%	1.0%	1.2%
Air Canada	138,417	100,851	-	54,699	149,232	166,968	147,669	1.0%	0.8%	0.0%	0.5%	1.1%	1.2%	1.0%
Lufthansa	103,322	72,466	-	24,643	98,117	88,077	120,478	0.7%	0.6%	0.0%	0.2%	0.7%	0.6%	0.8%
Subtotal	13,663,653	11,398,971	7,438,046	11,317,090	13,542,280	14,040,410	14,578,289	94.4%	94.6%	95.6%	96.2%	97.7%	97.5%	96.8%
All Others	817,577	654,109	341,481	446,995	316,776	360,998	489,011	5.6%	5.4%	4.4%	3.8%	2.3%	2.5%	3.2%
Total	14,481,229	12,053,080	7,779,528	11,764,085	13,859,056	14,401,408	15,067,300	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Figure 54 – Top 15 Airlines Ranked by Landed Weight

Supplemental Data

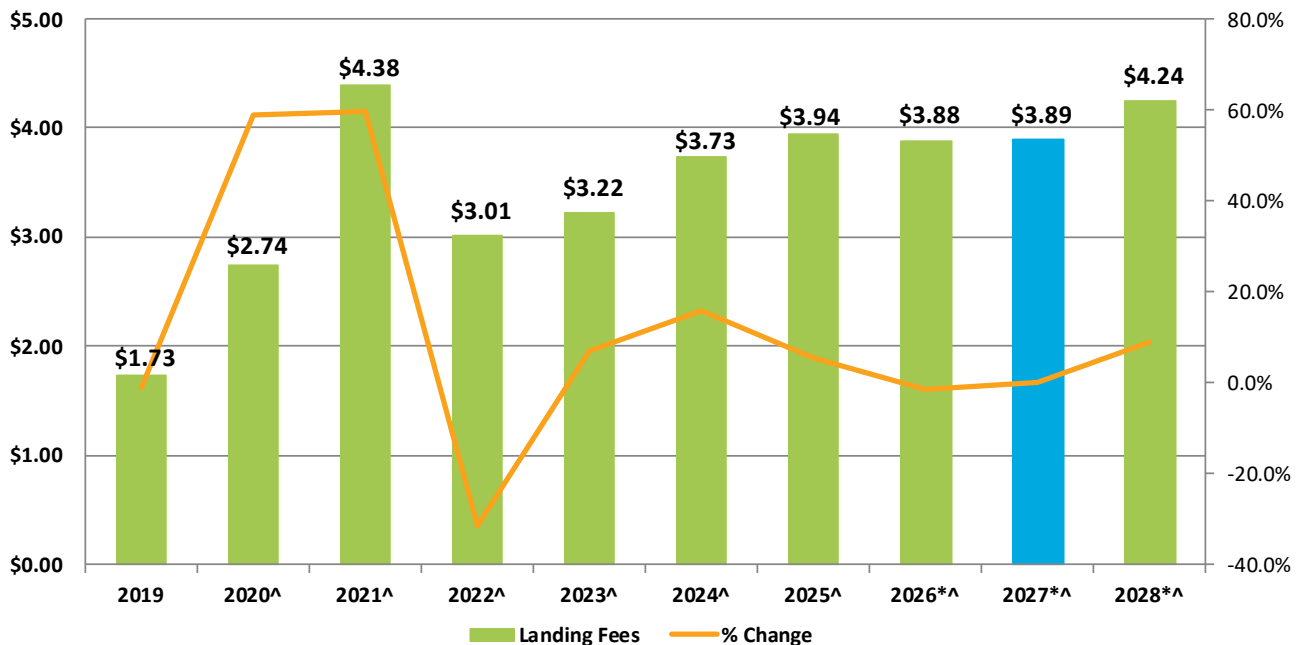
Landing Fees

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, 2019 to 2028

Fiscal Year	Landing Fees (\$) per 1,000 lbs	% Change
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^	3.94	5.5%
2026*^	3.88	-1.3%
2027*^	3.89	0.2%
2028*^	4.24	9.1%

^ Signatory Rate



* Budgeted FY 2026, FY 2027, & FY 2028

^ Signatory Rate

Figure 55 – Landing Fees

Source: San Diego County Regional Airport Authority

Supplemental Data

Terminal Rates Billed to Airlines

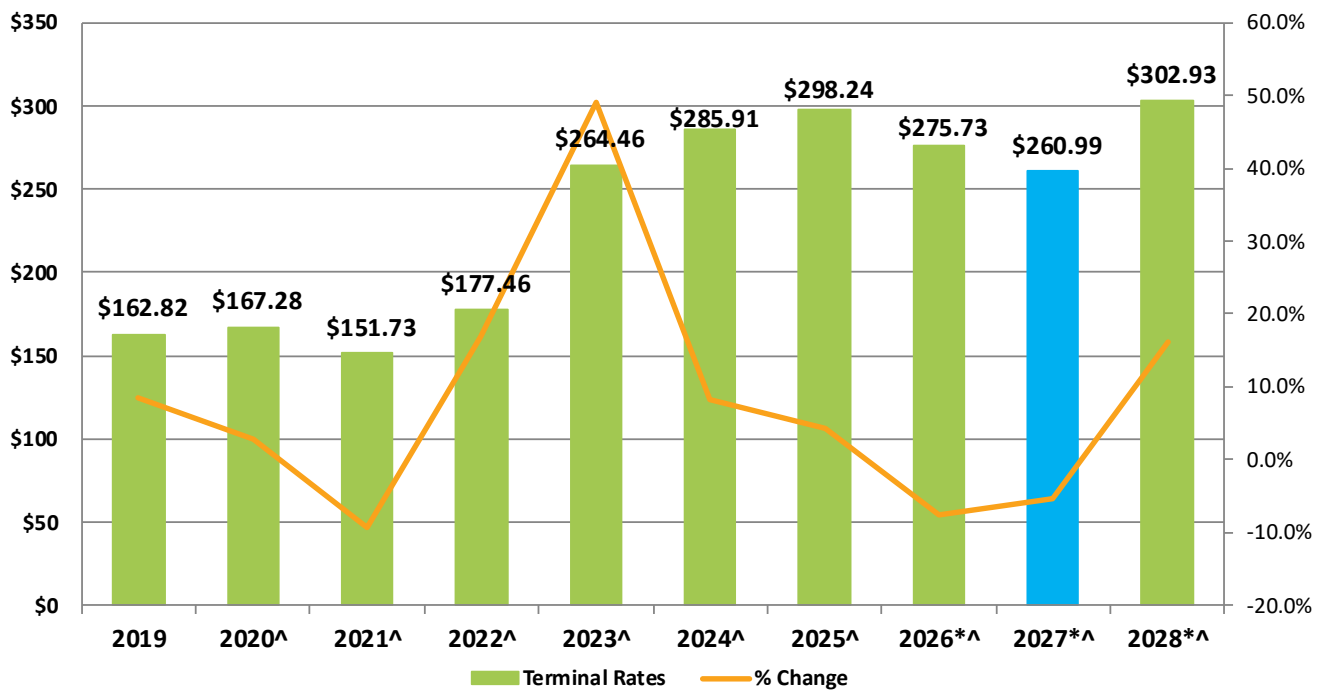
Terminal rates are rates billed to airlines for the rent of terminal space on an annual per-square-foot basis.

Fiscal Years ended June 30, 2019 to 2028

Fiscal Year	Terminal Rates Per Sq. Ft. (\$) ¹	% Change
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^	298.24	4.3%
2026*^	275.73	-7.5%
2027*^	260.99	-5.3%
2028*^	302.93	16.1%

¹ Net of janitorial credit

^ Signatory Rate



* Budgeted FY 2026, FY 2027, & FY 2028

^ 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
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
2025	208,173	14,343	7,649	447	230,612

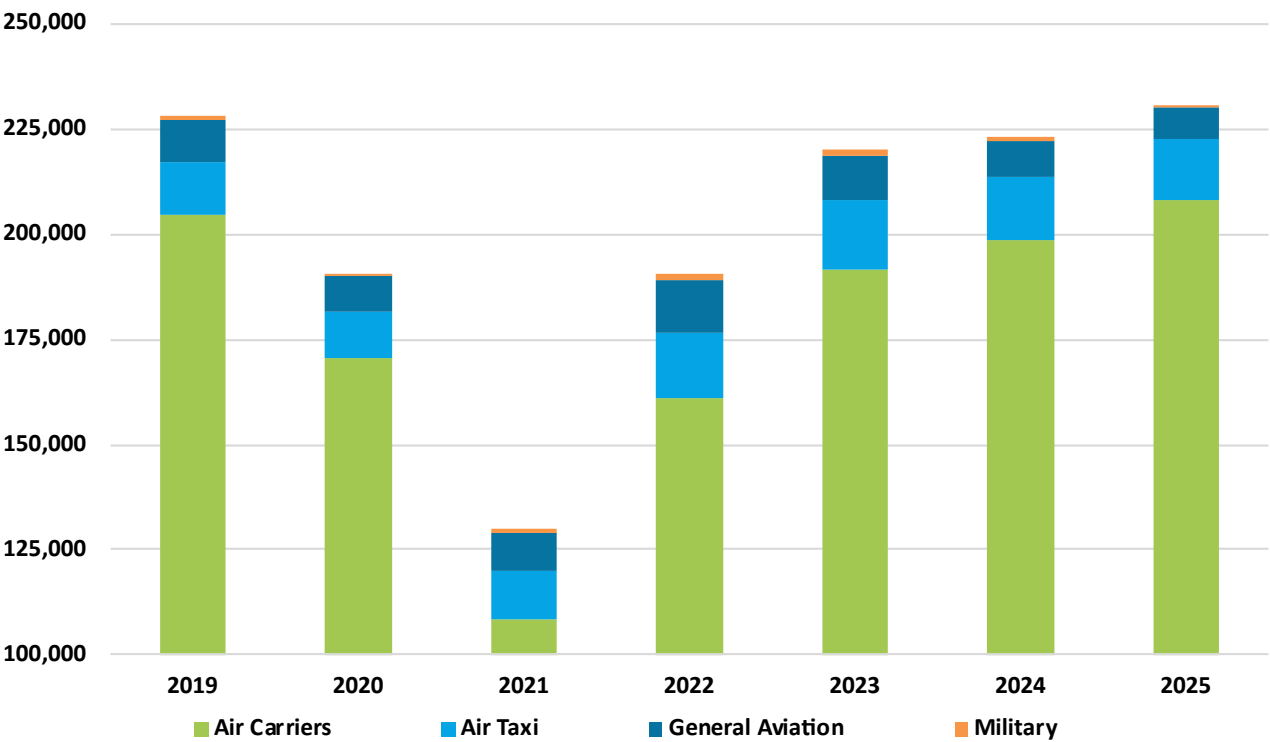


Figure 57 – Aircraft Operations

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

Supplemental Data

Historical Revenue by Source

(in thousands)

Revenue by Major Sources	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Budget	FY 2027 Budget	FY 2028 Conceptual Budget
Airline Revenue	\$ 134,354	\$ 131,838	\$ 133,870	\$ 147,775	\$ 192,797	\$ 221,220	\$ 239,126	\$ 279,095	\$ 294,780	\$ 346,259
Parking and Ground Transportation	62,818	50,751	27,447	57,076	65,415	72,484	81,569	88,207	104,160	108,343
Interest Income	16,812	19,690	13,471	19,683	45,387	66,647	103,107	92,749	85,093	61,142
Rental Car License Fees and License Fees - Other	41,155	32,245	20,342	44,973	51,785	51,458	51,265	52,205	52,158	53,440
Passenger Facility Charges	49,198	34,393	22,110	40,394	46,755	49,200	49,255	50,959	51,973	53,008
Customer Facility Charges	41,919	30,240	15,755	30,333	34,375	35,913	36,479	36,693	48,189	49,139
Terminal Concessions	30,102	24,999	10,754	31,992	31,850	34,616	36,634	40,977	44,380	47,907
QHP & CIP Grants	19,763	16,228	26,225	27,351	71,311	147,881	18,227	69,156	56,009	44,351
Ground Rentals	20,647	18,925	19,260	23,301	25,063	26,408	27,108	27,686	28,112	28,503
Non-Airline Revenue - Other ¹	12,815	18,470	(5,139)	(68,872)	18,387	60,131	15,083	5,209	6,302	6,342
Federal Relief	-	36,895	77,219	78,922	-	-	-	-	-	-
BAB Interest Rebate	4,686	2,089	-	-	-	-	-	-	-	-
Total Revenue	\$ 434,268	\$ 416,763	\$ 361,314	\$ 432,929	\$ 583,123	\$ 765,957	\$ 657,853	\$ 742,936	\$ 771,156	\$ 798,435

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

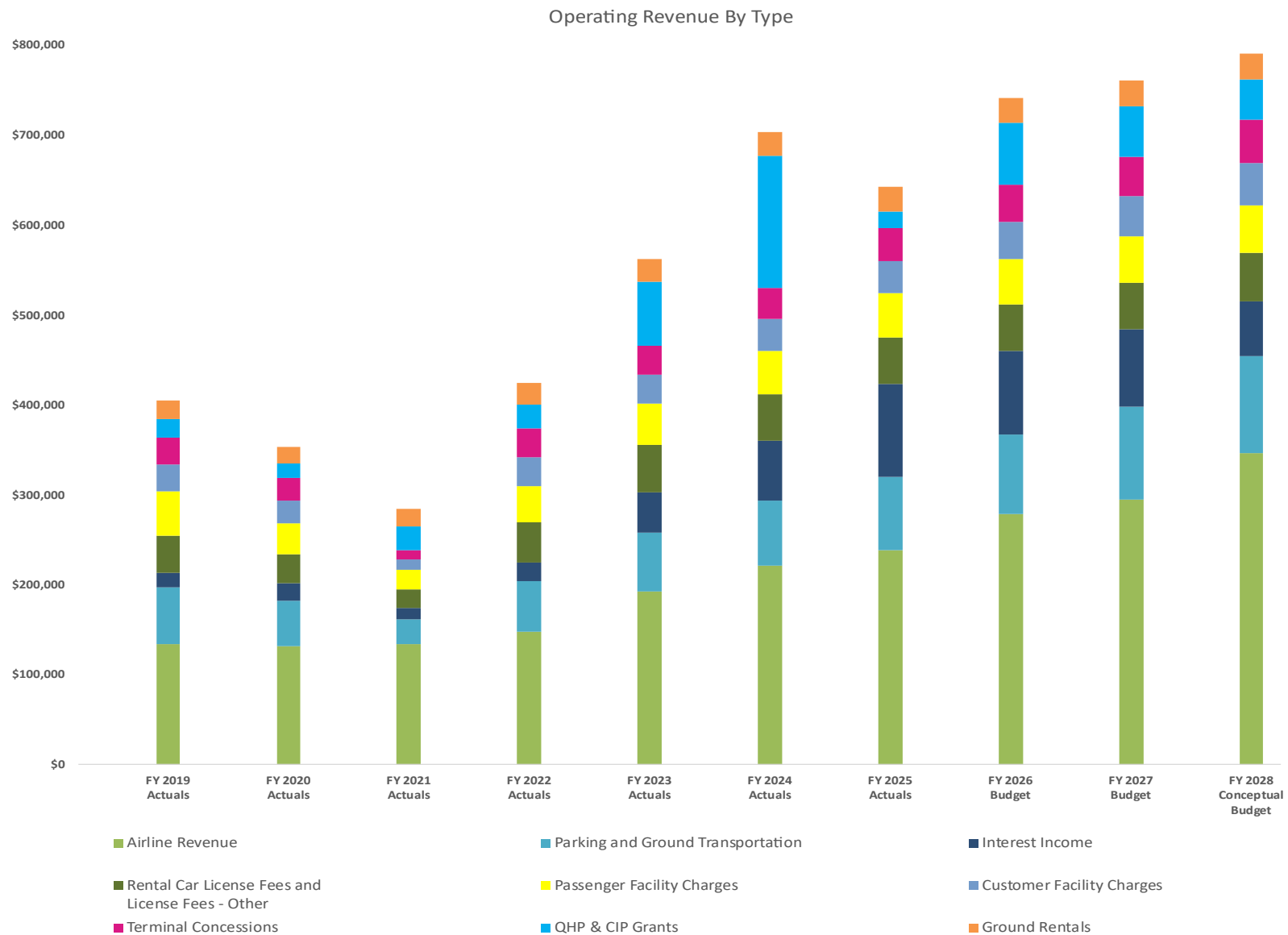


Figure 59 – Historical Operating Revenue by Source

Source: San Diego County Regional Airport Authority

Supplemental Data

Airport Authority's Largest Sources of Revenues

Tenant	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	% of Total Operating Revenue
Southwest Airlines	\$ 42,359	\$ 44,940	\$ 32,982	\$ 46,676	\$ 59,518	\$ 63,381	\$ 68,361	15.4%
Alaska Airlines	17,436	20,633	19,163	25,230	29,361	33,255	41,984	8.1%
United Airlines	18,335	20,204	16,630	19,809	26,968	30,942	33,775	7.5%
Delta Airlines	18,368	22,064	16,637	23,051	28,223	30,212	32,937	7.3%
American Airlines	17,073	17,150	17,010	19,653	21,754	25,640	28,309	6.2%
Enterprise Rent-A-Car	12,780	12,238	5,913	12,725	14,532	14,534	27,123	3.5%
Avis-Rent-A-Car ¹	-	8,447	4,666	14,247	15,715	14,509	24,957	3.5%
Hertz Rent-A-Car	11,539	10,829	5,303	11,065	12,588	11,417	19,942	2.8%
Uber Technologies, Inc.	-	-	-	6,806	11,222	11,974	14,247	2.9%

¹ 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

Economic and Operational Trends

U.S. Gross Domestic Product
First Quarter 2020 – First Quarter 2026

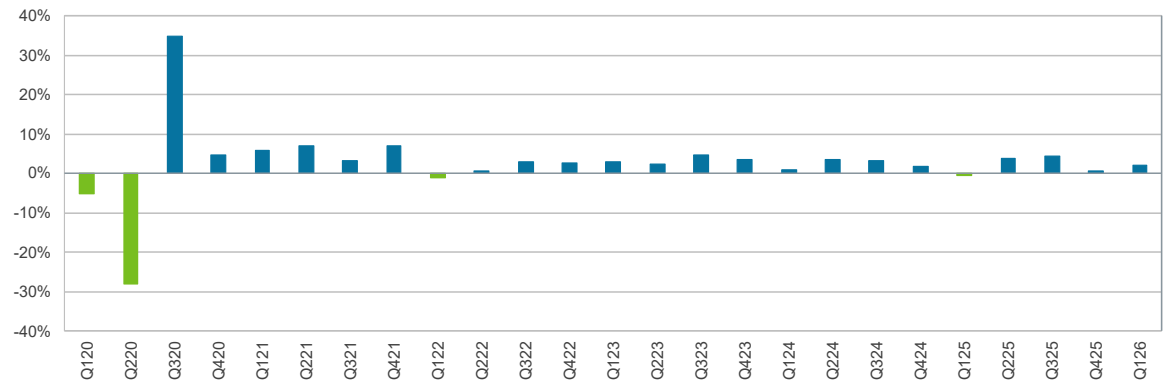


Figure 61 – U.S Gross Domestic Product

Source: Bloomberg

Dow Jones Industrial Average and S&P 500 Indices
May 7, 2021 – May 7, 2026

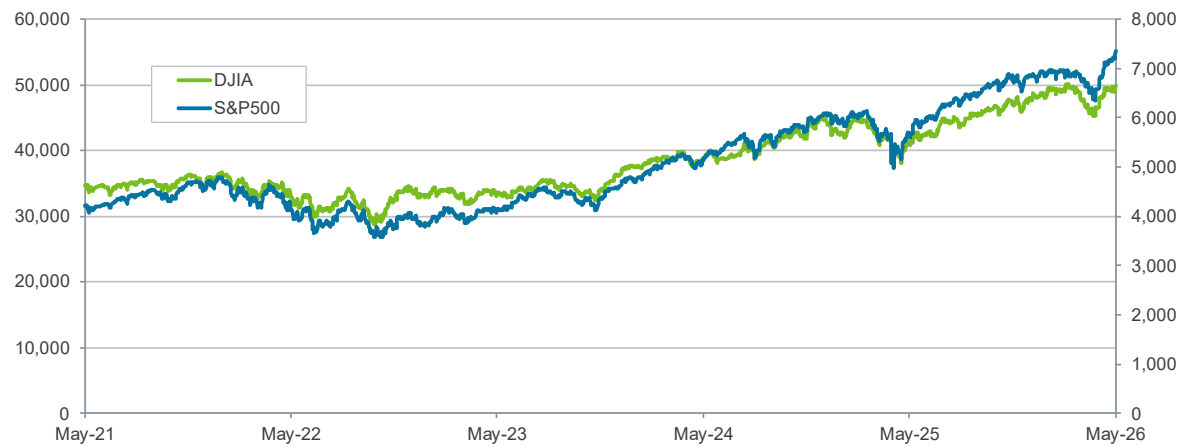


Figure 62 – Dow Jones Industrial Average and S&P 500 Indices

Source: Bloomberg

Supplemental Data

San Diego County Major Employers

Organization	Location	Industry
Boot Camp Challenge	San Diego	Camps
Collins Aerospace	Chula Vista	Aircraft Components-Manufacturers
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
Marine Corps Recruit Depot	San Diego	Military Bases
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
San Diego Community College	San Diego	Junior-Community College-Tech Institutes
San Diego County Sheriff	Santee	Police Departments
San Diego Police Dept	San Diego	Police Departments
Scripps Mercy Hosp Sn Diego	San Diego	Hospitals
Seaworld San Diego	San Diego	Amusement & Theme Parks
Sharp Grossmont Hospital	La Mesa	Hospitals
Sharp Grossmont Rehab Ctr	La Mesa	Vocational Rehabilitation Services
Solar Turbines Inc	San Diego	Turbines-Manufacturers
Sony Electronics Inc	San Diego	Electronic Equipment & Supplies-Retail
Sycuan Casino Resort	El Cajon	Casinos
UC San Diego Health	San Diego	Health Care Management
Ucsd-Neutral Computation	La Jolla	University-College Dept/Facility/Office
University-California Sn Diego	La Jolla	Schools-Universities & Colleges Academic

Figure 63 – Major Employers

Sources: America's Labor Market Information System (ALMIS) Employer Database, 2026 1st Edition

The list is not exhaustive. Employment levels are estimates.

Supplemental Data

San Diego County Employment by Industry Sectors

Industry Sectors	Mar 2026	
	Industry Employment	% of Total
Education and Health Services	284,800	18.0%
Professional and Business Services	265,500	16.8%
Government	256,500	16.2%
Trade, Transportation and Utilities	216,100	13.7%
Leisure and Hospitality	205,700	13.0%
Manufacturing	109,300	6.9%
Construction and Mining	86,300	5.5%
Financial Activities	72,400	4.6%
Other Services	59,600	3.8%
Information	17,200	1.1%
Agriculture	8,300	0.5%
Total	1,581,700	

Figure 64 – San Diego County Employment by Industry Sectors

Source: California Employment Development Department, Labor Market Information Division Employment & Labor Force March 2026 preliminary report

Supplemental Data

Annual Unemployment Rate

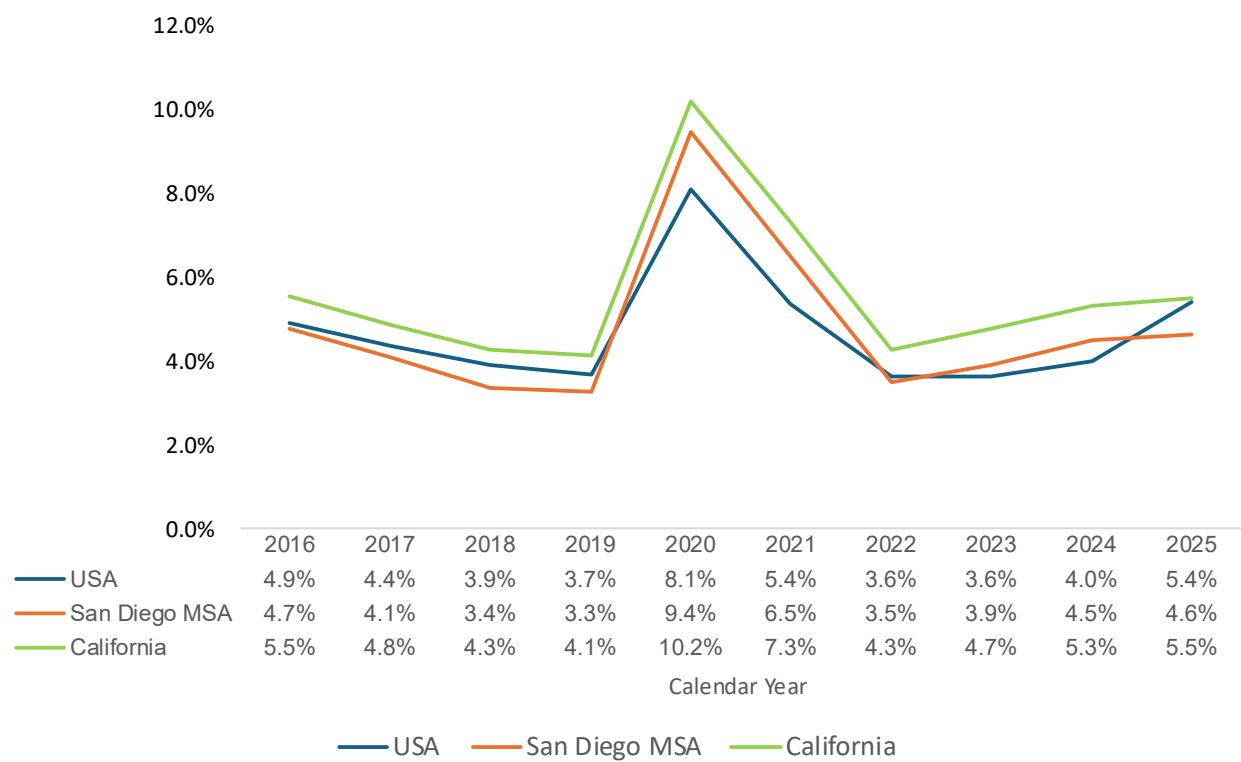


Figure 65 – Annual Unemployment Rate

Source: U.S. Bureau of Labor Statistics

Supplemental Data

Authority Position Salary Range

Classification Title	Minimum	Maximum
Accountant	\$ 61,680.00	\$ 98,688.00
Accounting Manager	\$ 100,874.00	\$ 166,443.00
Accounting Technician	\$ 51,791.00	\$ 82,865.00
Administrative Assistant I	\$ 42,823.00	\$ 68,517.00
Administrative Assistant II	\$ 52,905.00	\$ 84,648.00
Administrative Services Manager	\$ 69,220.00	\$ 110,752.00
Air Service Analyst	\$ 87,518.00	\$ 140,028.00
Air Service Program Manager	\$ 75,106.00	\$ 120,169.00
Airport Art Program Coord I	\$ 59,058.00	\$ 94,493.00
Airport Art Program Coord II	\$ 62,011.00	\$ 99,218.00
Airport Art Program Manager	\$ 83,574.00	\$ 133,718.00
Airport Comm Center Special	\$ 52,097.00	\$ 83,355.00
Airport Properties Ops Coord	\$ 72,605.00	\$ 116,167.00
Airside & Terminal Res Sys Manager	\$ 88,739.00	\$ 146,420.00
Airside Operations Duty Mgr. I	\$ 60,701.00	\$ 97,121.00
Airside Ops Duty Manager II	\$ 75,876.00	\$ 121,402.00
App Development Analyst	\$ 78,001.00	\$ 124,801.00
Asset Manager	\$ 91,685.00	\$ 151,281.00
Assistant Airport Planner	\$ 60,098.00	\$ 96,157.00
Assistant Authority Clerk II	\$ 69,945.00	\$ 111,912.00
Assistant Environmental Specialist	\$ 60,410.00	\$ 96,655.00
Assistant General Counsel	\$ 200,145.00	\$ 378,400.00
Associate Airport Planner	\$ 73,533.00	\$ 117,653.00
Associate Asset Manager	\$ 73,161.00	\$ 117,057.00
Associate Engineer	\$ 68,587.00	\$ 109,739.00
Associate Environmental Specialist	\$ 77,604.00	\$ 124,167.00
Associate General Counsel I	\$ 81,846.00	\$ 138,320.00
Associate General Counsel II	\$ 108,308.00	\$ 183,040.00
Associate General Counsel III	\$ 125,673.00	\$ 237,600.00
Associate General Counsel IV	\$ 139,200.00	\$ 263,175.00
Associate General Counsel V	\$ 156,655.00	\$ 296,175.00
Associate General Counsel VI	\$ 180,582.00	\$ 341,413.00
Auditor	\$ 63,997.00	\$ 102,396.00
Authority Clerk	\$ 137,164.00	\$ 240,037.00
Aviation Syst Program Specialist	\$ 102,035.00	\$ 163,257.00
Business & Property Manager I	\$ 73,160.00	\$ 117,057.00
Business & Property Manager II	\$ 91,685.00	\$ 151,280.00
Business Analyst I	\$ 55,451.00	\$ 88,721.00
Business Analyst II	\$ 64,758.00	\$ 103,612.00
Business Intelligence Specialist I	\$ 58,157.00	\$ 93,052.00
Business Intelligence Specialist II	\$ 72,560.00	\$ 116,096.00

Supplemental Data

Classification Title	Minimum	Maximum
Business Systems Analyst	\$ 76,013.00	\$ 121,621.00
Communication Specialist I	\$ 52,484.00	\$ 83,974.00
Communication Specialist II	\$ 61,578.00	\$ 98,524.00
Construction Contract Manager	\$ 125,002.00	\$ 206,253.00
Construction Contract Specialist	\$ 68,836.00	\$ 110,137.00
Construction Inspector	\$ 58,837.00	\$ 94,139.00
Construction Manager	\$ 113,181.00	\$ 186,750.00
Construction Safety Program Manager	\$ 96,192.00	\$ 158,717.00
Contract Specialist	\$ 79,235.00	\$ 134,700.00
Cost Analyst	\$ 70,348.00	\$ 112,557.00
Customer Relations Manager	\$ 83,259.00	\$ 133,215.00
Customer Relations Program Specialist	\$ 75,149.00	\$ 120,239.00
Data Engineer I	\$ 69,884.00	\$ 111,815.00
Data Engineer II	\$ 92,701.00	\$ 148,321.00
Data Quality Analyst	\$ 68,316.00	\$ 109,305.00
Data Warehouse Architect	\$ 96,396.00	\$ 154,234.00
Data Warehouse Manager	\$ 121,941.00	\$ 195,106.00
Database Administrator	\$ 94,699.00	\$ 151,519.00
Deputy Authority Clerk	\$ 87,432.00	\$ 139,890.00
Dir Cap Fin Plan & Airline Rel	\$ 156,507.00	\$ 273,888.00
Director Business Intelligence	\$ 140,543.00	\$ 245,950.00
Director, Accounting	\$ 136,727.00	\$ 239,272.00
Director, Airport Design & Con	\$ 160,799.00	\$ 281,398.00
Director, Airport Planning & Environmental Affairs	\$ 157,869.00	\$ 276,272.00
Director, Aviation Sec & Pub Saf	\$ 138,909.00	\$ 243,090.00
Director, Communications	\$ 116,236.00	\$ 203,413.00
Director, Facilities Management	\$ 139,028.00	\$ 243,299.00
Director, Financial Plan & Budget	\$ 156,507.00	\$ 273,888.00
Director, Government Relations	\$ 143,392.00	\$ 250,937.00
Director, Ground Transportation	\$ 122,501.00	\$ 214,376.00
Director, Human Resources	\$ 145,243.00	\$ 254,176.00
Director, Info & Tech Services	\$ 153,649.00	\$ 268,886.00
Director, Marketing Air Service Dev	\$ 136,436.00	\$ 238,763.00
Director, Procurement	\$ 137,129.00	\$ 239,976.00
Director, Revenue Management	\$ 134,372.00	\$ 235,151.00
Director, Terminal & Air Ops	\$ 134,049.00	\$ 234,587.00
Document Control Coordinator	\$ 63,421.00	\$ 101,473.00
Document Control Manager	\$ 111,721.00	\$ 178,754.00
Engineering Technician	\$ 61,642.00	\$ 98,627.00
Executive Assistant	\$ 75,225.00	\$ 120,360.00
Executive Assistant to President & CEO	\$ 94,766.00	\$ 151,626.00
External Relations Specialist	\$ 72,289.00	\$ 115,663.00
Facilities Commissioning Coord	\$ 82,748.00	\$ 132,396.00

Supplemental Data

Classification Title	Minimum	Maximum
Financial Analyst I	\$ 65,375.00	\$ 104,600.00
Financial Analyst II	\$ 80,918.00	\$ 129,469.00
GIS/CAD Systems Manager	\$ 117,024.00	\$ 193,091.00
Ground Transportation Specials	\$ 59,219.00	\$ 94,751.00
Help Desk Technician	\$ 47,004.00	\$ 75,207.00
HR Business Partner I	\$ 69,576.00	\$ 111,321.00
HR Business Partner II	\$ 84,898.00	\$ 135,837.00
HR Operations Manager	\$ 104,904.00	\$ 167,846.00
HRIS Analyst I	\$ 66,460.00	\$ 106,336.00
HRIS Analyst II	\$ 73,494.00	\$ 117,590.00
Human Resources Analyst I	\$ 59,805.00	\$ 95,688.00
Human Resources Analyst II	\$ 75,373.00	\$ 120,598.00
Human Resources Assistant II	\$ 44,824.00	\$ 71,718.00
I&TS Project Coordinator	\$ 85,153.00	\$ 136,245.00
Inspector, Planner & Estimator	\$ 111,716.00	\$ 178,745.00
IT PROJECT MANAGER	\$ 102,075.00	\$ 168,424.00
ITS Administrator	\$ 68,331.00	\$ 109,329.00
ITS Engineer	\$ 89,555.00	\$ 143,288.00
ITS Senior Engineer	\$ 106,985.00	\$ 171,177.00
Labor Compliance Supervisor	\$ 89,026.00	\$ 142,442.00
Labor Compliance Technician I	\$ 51,490.00	\$ 82,385.00
Labor Compliance Technician II	\$ 63,343.00	\$ 101,349.00
Learning & Development Specialist I	\$ 56,124.00	\$ 89,799.00
Learning & Development Specialist II	\$ 69,203.00	\$ 110,725.00
Maintenance Project Coordinator I	\$ 54,664.00	\$ 87,462.00
Maintenance Project Coordinator II	\$ 60,130.00	\$ 96,208.00
Maintenance Projects Planner	\$ 73,195.00	\$ 117,111.00
Management Analyst	\$ 63,179.00	\$ 101,086.00
Manager, Air Service Dev.	\$ 110,115.00	\$ 181,691.00
Manager, Aircraft Noise	\$ 94,463.00	\$ 160,588.00
Manager, Airport Finance	\$ 103,185.00	\$ 175,416.00
Manager, Airport Planning	\$ 100,971.00	\$ 171,652.00
Manager, Airside Operations	\$ 99,104.00	\$ 168,476.00
Manager, Arts Program	\$ 88,583.00	\$ 141,733.00
Manager, Audit Services	\$ 109,114.00	\$ 185,493.00
Manager, Aviation Sec & Law Enforcement	\$ 107,259.00	\$ 182,340.00
Manager, Bus & Systems Application	\$ 113,263.00	\$ 192,547.00
Manager, Business Development	\$ 109,210.00	\$ 191,119.00
Manager, Business Intelligence	\$ 120,069.00	\$ 192,110.00
Manager, Communications	\$ 103,916.00	\$ 166,265.00
Manager, Contracts	\$ 111,770.00	\$ 184,421.00
Manager, Emerg Prep & Pub Safety	\$ 117,734.00	\$ 200,149.00
Manager, Energy & Water Mgt	\$ 93,532.00	\$ 159,005.00

Supplemental Data

Classification Title	Minimum	Maximum
Manager, Environmental Programs	\$ 109,953.00	\$ 181,424.00
Manager, Facilities and Asset Management Systems	\$ 113,010.00	\$ 180,816.00
Manager, Facilities Management	\$ 101,629.00	\$ 172,770.00
Manager, Govt & Community Relations	\$ 113,947.00	\$ 188,014.00
Manager, Ground Transportation	\$ 92,889.00	\$ 157,911.00
Manager, HR Business Partnerships	\$ 107,325.00	\$ 182,454.00
Manager, Infrastructure Ops	\$ 111,006.00	\$ 188,711.00
Manager, Ins & Const Risk	\$ 107,665.00	\$ 183,030.00
Manager, Marketing	\$ 103,907.00	\$ 176,643.00
Manager, Proc & Contract Services	\$ 103,243.00	\$ 175,514.00
Manager, Safety & Labor Compliance	\$ 96,651.00	\$ 164,306.00
Manager, Service Desk & IT Term Op	\$ 103,067.00	\$ 175,214.00
Manager, Small Business Dev	\$ 95,828.00	\$ 162,907.00
Manager, Terminal Operations	\$ 89,193.00	\$ 151,629.00
Marketing Specialist I	\$ 52,966.00	\$ 84,746.00
Marketing Specialist II	\$ 67,612.00	\$ 108,179.00
Noise Abatement Specialist I	\$ 60,410.00	\$ 96,655.00
Noise Abatement Specialist II	\$ 77,604.00	\$ 124,167.00
Paralegal	\$ 61,385.00	\$ 103,740.00
Paralegal II	\$ 65,846.00	\$ 111,280.00
Paralegal III	\$ 76,077.00	\$ 128,570.00
Paralegal IV	\$ 89,509.00	\$ 157,045.00
Payroll Specialist	\$ 72,460.00	\$ 115,936.00
P-Card Program Analyst	\$ 51,932.00	\$ 83,092.00
Procurement Analyst I	\$ 51,545.00	\$ 82,471.00
Procurement Analyst II	\$ 59,845.00	\$ 95,753.00
Procurement Coordinator	\$ 44,922.00	\$ 71,876.00
Program Manager	\$ 111,845.00	\$ 195,728.00
Program Manager for Engineering & Construction	\$ 121,617.00	\$ 212,829.00
Project Analyst	\$ 71,547.00	\$ 114,475.00
Project Assistant	\$ 55,529.00	\$ 88,846.00
Project Assistant	\$ 55,529.00	\$ 88,846.00
Project Manager	\$ 114,788.00	\$ 195,139.00
Quieter Home Program Coordinator	\$ 71,035.00	\$ 113,656.00
Records & Information Management Analyst I	\$ 55,188.00	\$ 88,301.00
Records & Information Management Analyst II	\$ 63,421.00	\$ 101,473.00
Risk Management Analyst I	\$ 55,996.00	\$ 89,594.00
Risk Management Analyst II	\$ 67,658.00	\$ 108,252.00
Safety Specialist I	\$ 59,716.00	\$ 95,546.00
Safety Specialist II	\$ 70,919.00	\$ 113,471.00
Sec & Emergency Response Coord	\$ 57,717.00	\$ 92,347.00
Sec & Pub Safety Analyst I	\$ 67,695.00	\$ 108,313.00
Security & Public Safety Analyst II	\$ 76,722.00	\$ 122,754.00

Supplemental Data

Classification Title	Minimum	Maximum
Security Specialist I	\$ 54,971.00	\$ 87,954.00
Security Specialist II	\$ 67,172.00	\$ 107,476.00
Senior Accountant	\$ 74,691.00	\$ 119,505.00
Senior Airport Planner	\$ 87,516.00	\$ 140,025.00
Senior Auditor	\$ 77,658.00	\$ 128,137.00
Senior Business Analyst	\$ 82,975.00	\$ 132,761.00
Senior Business Intelligence Specialist	\$ 89,958.00	\$ 143,933.00
Senior Construction Inspector	\$ 69,833.00	\$ 111,733.00
Senior Cost Analyst	\$ 82,969.00	\$ 132,751.00
Senior Cyber Security Engineer	\$ 97,460.00	\$ 155,936.00
Senior Data Engineer	\$ 106,493.00	\$ 170,388.00
Senior Database Administrator	\$ 105,115.00	\$ 168,184.00
Senior Director of Operational Planning & Readiness	\$ 157,136.00	\$ 274,988.00
Senior Financial Analyst	\$ 81,719.00	\$ 134,837.00
Senior HR Business Partner	\$ 102,771.00	\$ 169,571.00
Senior HRIS Analyst	\$ 85,758.00	\$ 137,212.00
Senior Human Resources Analyst	\$ 95,906.00	\$ 153,449.00
Senior Learning & Development Specialist	\$ 87,268.00	\$ 139,630.00
Senior Management Analyst	\$ 75,271.00	\$ 120,433.00
Senior Manager, IT	\$ 123,448.00	\$ 216,034.00
Senior Noise Abatement Specialist	\$ 88,965.00	\$ 142,344.00
Senior Procurement Analyst	\$ 86,707.00	\$ 138,731.00
Senior Safety Specialist	\$ 85,346.00	\$ 140,821.00
Senior Security & Public Safety Analyst	\$ 90,431.00	\$ 144,689.00
Senior Security Specialist	\$ 87,571.00	\$ 140,113.00
Senior Systems Support Analyst	\$ 91,993.00	\$ 147,189.00
Small Bus Dev Program Coord	\$ 62,347.00	\$ 99,755.00
Small Business Dev Program Manager	\$ 80,458.00	\$ 128,733.00
Sr Airport Comm Center Special	\$ 61,883.00	\$ 99,013.00
Sr Airside Ops Duty Manager	\$ 87,496.00	\$ 139,994.00
Sr Applications Dev Analyst	\$ 96,554.00	\$ 154,487.00
Sr Communication Specialist	\$ 81,248.00	\$ 129,997.00
Sr Director, External Relation	\$ 159,610.00	\$ 279,317.00
Sr Engineering Tech BIM/CAD II	\$ 78,912.00	\$ 126,259.00
Sr Engineering Technician	\$ 71,738.00	\$ 114,781.00
Sr Environmental Specialist	\$ 88,965.00	\$ 142,344.00
Sr Maintenance Project Coordinator	\$ 67,839.00	\$ 108,543.00
Sr Maintenance Project Inspect	\$ 67,839.00	\$ 108,543.00
Sr Manager, Construction Services	\$ 131,574.00	\$ 230,255.00
Sr Marketing Specialist	\$ 94,747.00	\$ 151,596.00
Sr Terminal Operations Coord	\$ 73,928.00	\$ 118,286.00
Sr. Risk Management Analyst	\$ 83,173.00	\$ 133,077.00
Staff Assistant	\$ 52,905.00	\$ 84,648.00

Supplemental Data

Classification Title	Minimum	Maximum
Strategic Planning Outreach Coord	\$ 52,905.00	\$ 84,648.00
Systems Support Analyst I	\$ 59,552.00	\$ 95,282.00
Systems Support Analyst II	\$ 73,077.00	\$ 116,924.00
Talent Acquisition Partner I	\$ 55,355.00	\$ 88,569.00
Talent Acquisition Partner II	\$ 67,171.00	\$ 107,473.00
Talent Acquisition Partner III	\$ 85,225.00	\$ 136,361.00
Technical Coordinator	\$ 74,787.00	\$ 119,659.00
Tenant Facilities Manager	\$ 73,161.00	\$ 117,057.00
Terminal Operations Coord	\$ 64,182.00	\$ 102,691.00
VP & Chief Development Officer	\$ 238,437.00	\$ 417,265.00
VP & Chief Financial Officer	\$ 246,109.00	\$ 430,691.00
VP & Chief Operating Officer	\$ 203,418.00	\$ 355,982.00
VP & Chief Revenue Officer	\$ 196,800.00	\$ 344,400.00

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.

SIGNATORY - A Signatory Airline is an air carrier that has executed an airline operating lease agreement with the Authority that is substantially similar to the standard agreement. An affiliate of a signatory airline is not itself considered a signatory airline. Non-Signatory is an air carrier that has not signed an airline operating lease agreement with the Authority.

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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