



WELCOME!

Frontier Airlines Lands in San Antonio

San Antonio celebrated Frontier's arrival to San Antonio on June 28th with fanfare, music and speeches at an inaugural ceremony attended by City Councilman Kevin Wolff and City Manager J. Rolando Bono, as well as passengers and various invitees. Following our City's official welcome speeches, Vice President of Customer Service Cliff Van Lauven expressed his pleasure in adding San Antonio to Frontier's growing network of air service.



Frontier Vice President Cliff Van Lauven, City Manager J. Rolando Bono, and Councilman Kevin Wolff

Starting June 26th, two daily flights from Frontier connected the Alamo and Mile High Cities on the comfortable, new Airbus 319 aircraft featuring everything from 33 inches of legroom to 24 channels of live

TV and pay-per-view movies. Look for the distinctive "Frontier" logo with depictions of wildlife animals on the aircraft tail section.

"In just a little more than a decade Frontier has managed to build an operation that's already reaching 44 destinations in 25 states and five cities in Mexico," said City Councilman Kevin Wolff.

"We're happy to be part of Frontier's continued growth." Currently in its 11th year of operation, the Denver-based airline has a morning flight departing San Antonio, as well as an evening flight.

For information call 800-432-1359 or log on to www.frontierairlines.com

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Delta Introduces New Non-Stop Flights to Orlando

Expanding in the San Antonio market for the second time this year, Atlanta-based Delta Airlines' Connection Comair began twice-daily non-stop service from San Antonio to Orlando, Florida on June 1st. "Delta is proud to offer our customers more service to, from and throughout Florida than ever

before," said Doug Blissit, Vice President – Network Planning. "Thanks to the convenience and reach of our growing regional jet fleet, we are able to continue to respond to our customers' requests for non-stop access to the places where they vacation and do business."



Beginning January 31, 2005, Delta reinstated non-stop service between San Antonio and Salt Lake City, Utah with three-daily flights. San Antonio also enjoys non-stop service to Delta's Atlanta and Cincinnati hubs.

Delta is the world's second largest US airline in terms of passengers, offering daily flights to 503 destinations in 89 countries on Delta, Song, Delta Shuttle, the Delta Connection carriers and its worldwide partners. For more information on destinations and flight schedules call 800-221-1212 or log on to www.delta.com

City Sells PFC-Backed Bonds for Airport CIP

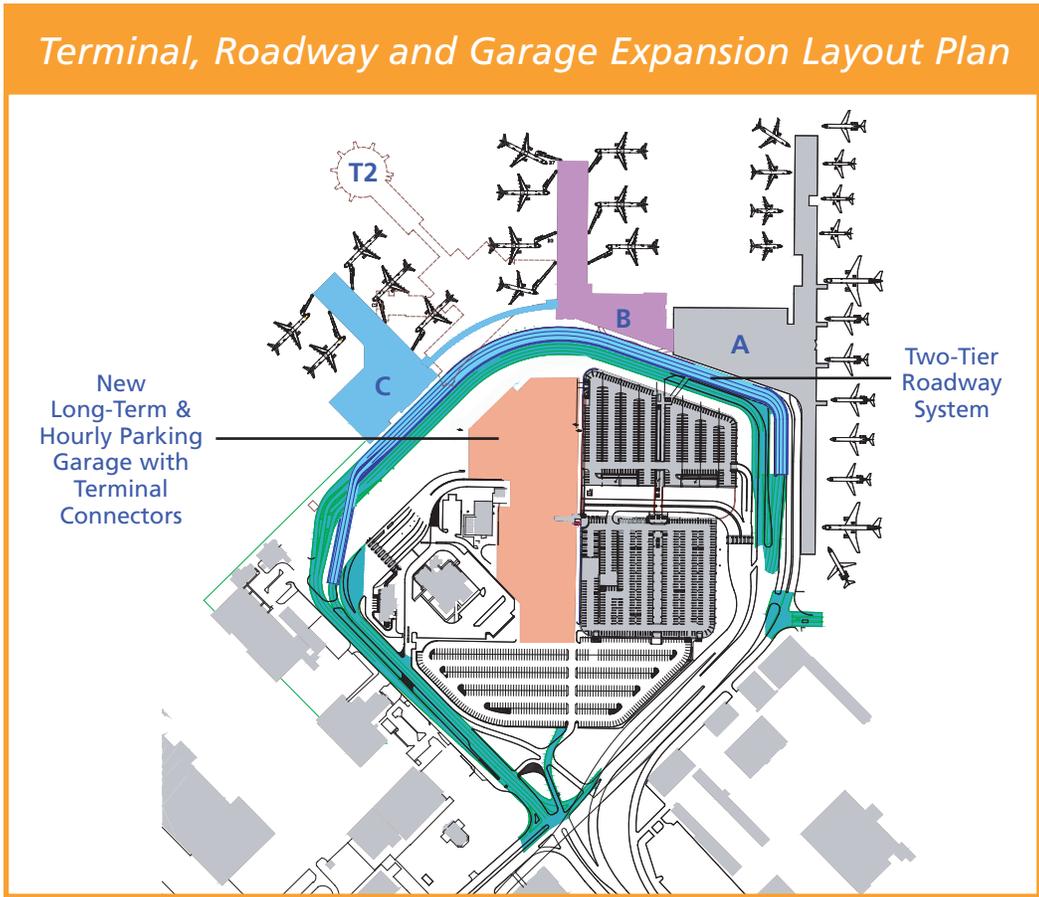
On February 22, 2005, the FAA notified the City that it approved its application to impose and use Passenger Facility Charge (PFC) funds at San Antonio International Airport (SAT) for capacity enhancements. On May 3rd, the City went to market to sell bonds backed by the PFCs, a \$3 charged on airline tickets, and a subordinate lien on general airport revenues. Fitch Ratings assigned an 'A+' rating to the bonds while Moody's assigned an 'A2' rating and Standard & Poor's rated the bonds 'A minus'.

These ratings are the same as the previous SAT bonds issued in 2002. All three rating firms indicated that they believed SAT would continue its strong financial performance and would maintain a growing air service market. Also cited as contributing factors to the high ratings were the Airport's diverse carrier mix and its low operating cost structure to the air carriers operating at SAT, as well as the growing regional economic base.

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An 'A' rating is considered to be a good credit risk and thus a fairly secure investment to the entity or individual purchasing the bonds. The average interest rate on the 2005 Airport bonds was 4.93%. The issuance of additional bonds are planned for 2007 in support of the next round of improvements in implementing the Airport's Capital Improvement Program (CIP).

Airport officials plan to use the proceeds from the \$38.1 million worth of revenue bonds to finance construction of the new Terminal B, two-tier terminal-frontage roadway system, central heating/AC plant upgrades, aircraft parking apron replacement and new utilities. Starting during the last quarter of 2005, the City will begin four years of the phased-construction of multiple projects as part of the \$340 million Airport Expansion CIP. In addition to the aforementioned projects, the CIP includes construction of a 3,000-space long-term and hourly parking garage, Terminal C with an initial five-gate concourse and airfield capacity enhancements.



A Peek at the New Terminal B

▶ Glass frontage walls screened by a curved-louvered sun screen and a cantilevered translucent canopy sweeping out over the curb will welcome passengers to Terminal B.



With construction expected to start during the second quarter of 2006, Terminal B will add an understated elegant, yet functional passenger facility to replace the more than 50-year old Terminal 2. Future capacity requirements will be handled through the construction of Terminal C. The architects on the San Antonio International Airport (SAT) Terminal Expansion Project are the San Antonio office of 3D International and Corgan Associates, a Dallas firm with wide experience in aviation facilities.

Terminal B will complement Terminal 1 with its towering glass walls. Across the front there will be a curved-louvered sun screen. Passengers will be dropped off for their flights under a cantilevered translucent canopy that sweeps upward and out over the curb. Texas-pink granite vestibules will compliment the pink masonry walls of Terminal 1. The east end of Terminal B will connect directly to Terminal 1, which will become Terminal A when Terminal B opens.

At the west end of Terminal B, there will be a tower containing the elevators, stairs, and access to the enclosed, air conditioned bridge linking Terminal B to the new proposed 3000-space parking garage, now being designed by HNTB. In the future, the west tower at Terminal B will be linked by an enclosed walkway to a similar east tower at Terminal C. This enclosed air conditioned and glass-walled walkway will provide protection from the weather while allowing in natural lighting.



▶ The Terminal B Lobby has barreled ceilings, limestone tiles and terrazzo floors. Architects used tile designs from the local historic missions to create an abstract look for the floors.

For the interior of Terminal B, San Antonio passengers will enjoy barrel vaulted ceilings and uniquely designed terrazzo floors that are abstractly patterned after the multicolored Spanish tiles found at San Antonio's beautiful missions. Added to the ambiance of Terminal B will be architectural enhancements designed by Seattle-based Ann Gardner and local artist Rolando Briseño. Ms. Gardner will design a hanging sculptural piece titled "Ribbon of Light" to be installed in the lobby area adjacent to the passenger check-in area. Mr. Briseño has plans for the gate-concourse area that include terrazzo floor designs reflective of San Antonio's heritage and window etchings of various features from San Antonio historic architectural entryways.

Once Terminal 2 is demolished, the area will be cleared for construction of Terminal C, as well as additional future terminal facilities. Initially, Terminal C will provide five gates with later construction phases bringing the facility's total capacity to 11 gates. All terminal facility planning is based on Master Plan projections for passenger growth with construction initiated as the growth occurs.

◀ Glass walls for natural lighting are utilized in the gate holding areas and throughout the terminal facility. High ceilings and terrazzo floors, similar to those found in Terminal One are used.

SAN ANTONIO CONVENTIONS & EVENTS

During the third quarter of 2005, the City of San Antonio will host more than 140 conventions with over 110,000 delegates. Among the visitors to San Antonio will be:

DATES	ORGANIZATIONS	DELEGATES
July 10-15	Registry of Interpreters for the Deaf	1,800
July 22-25	Texas Bandmasters Association	6,500
July 25-27	Texas High School Coaches Association	20,000
July 25-28	Texas Choral Directors Assoc. & Orchestra Dir. Assoc.	2,400
July 30 - Aug. 3	American Culinary Federation	2,200
Aug. 7-11	Healthcare Radiology Administrators	3,000
Aug. 9-12	D.A.R.E. America	3,500
Aug. 9-13	Assoc. for Education in Journalism & Mass Communication	2,000
Sept. 11-13	Armstrong McCall LP	15,000
Sept. 21-25	American Society for Surgery of the Hand	3,000
Sept. 24-26	VNU Expositions Inc	5,000

SAT YEAR-TO-DATE STATS

	Through Mar. 04'	Through Mar. 05'	Change
Domestic Enplanements	773,202	802,215	3.8%
International Enplanements	16,243	18,196	12.0%
Charter Enplanements	8,231	5,404	-34.3%
Total Enplanements	797,676	825,815	3.5%
Total Freight (lbs)	46,434,433	44,533,950	-4.1%
Total Mail (lbs)	19,628,941	18,762,410	-4.4%