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San Antonio Airport System

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# A Message from our Director

For many years our annual report's director message has come from Aviation Director Kevin Dolliole. Early in 2005, Aviation Director Dolliole announced that he was leaving San Antonio to take on the same leadership role in St. Louis, Missouri. For six years he guided the San Antonio Airport System – San Antonio International Airport and Stinson Municipal Airport – toward the successful implementation of a Terminal Renovations Project and an award winning Concessions Redevelopment Program. During his tenure with the City, Mr. Dolliole also set in motion a process for terminal, parking, airfield and roadway improvements, all of which were steps toward implementation of the City Council-approved master plans for International and Stinson Airports.

Mr. Dolliole is a top-notch executive and I, along with City officials and the Aviation Department staff, wish him the best in his new position. Our plans are to work towards implementation of the Airport System expansion program now under development. Above all, we will continue to focus on running a safe, efficient operation and meeting our customers' expectations for excellence in services and state-of-the-art facilities.



L to R: City Manager Rolando J. Bono, Aviation Director Kevin Dolliole & Assistant to the City Manager Roland A. Lozano

Recapping 2004, San Antonio is experiencing tremendous growth with new businesses moving into the area and existing businesses and industries expanding. San Antonio looks forward to the completion of the Toyota truck assembly plant and the start of production in 2006. The visitor industry is continuing in a strong growth pattern and expected to reach a new plateau with the completion of the 1,000-room Hyatt Regency convention center hotel and

the Cibolo Canyons Resort, which includes a 1,000-room Marriott hotel and two PGA Tour golf courses. The resort and hotel additions are expected to be operational in 2008.

Recognizing the future growth impacts for aviation and passenger activity in the San Antonio area, the Aviation Department is putting forth a tremendous effort to implement the Airport System Capital Improvement Program to meet the expected increase in demand for new passenger facilities and amenities, also slated for opening in 2008. A program for renovation and expansion of the Stinson terminal building is projected for completion in 2007.

Planning for the future was a significant initiative for the Aviation Department in 2004. Continuing our focus of implementing the San Antonio International Airport Master Plan, which was completed in 1998, architectural teams

worked on developing plans for various construction packages. Of the various packages, the primary ones consist of two new terminals, a 3,000-space parking garage, new aircraft parking apron and extension of the double-decked roadway

system in front of Terminal One to accommodate access to the proposed Terminals B and C. During 2005, we will finalize our plans and initiate some preliminary roadway and utility work in preparation for the main construction packages. Actual construction work on the main packages for Terminal B and the new garage structure is projected to start in 2006, with completion expected in 2008. Construction work on Terminal C is not expected to start until approximately 2008.

All capital improvements will be funded through airport self-generated funds, passenger facilities charges, revenue bonds and federal and state grants. Our goal is to keep our future costs to the airlines low while meeting our passengers' needs for excellent services and amenities.

The Airport System continues to maintain high bond ratings from the major credit rating institutions: Moody's, Standard & Poor's, and Fitch. These agencies' high level of confidence in the Airport System's financial position resulted from its good liquidity, low debt burden, strong debt service coverage, favorable demand for aviation services, broad mix of air carriers, vibrant local economy, experienced management team, and solid performance record. The Airport System's bond ratings continue to be among the highest for commercial airports of similar size in the nation.

We are approaching the coming years in a strong financial position, with overall net revenues up by 5.6 percent over 2003, and an expected continued growth in passenger traffic. In 2004, San Antonio International Airport saw a 7.6 percent increase in boarding passengers over the previous year.

The highlight for 2004 was the recognition by J.D. Power and Associates that San Antonio International Airport ranked highest among its small airport segment in their 2004 Global Airport Satisfaction Index Study for "overall customer satisfaction". This type of recognition by J.D. Power and Associates is a true honor and a confirmation of our achieving excellence in customer services in the post September 11, 2001 environment. The achievement

**Our goal is to keep our future costs to the airlines low while meeting our passengers' needs for excellent services and amenities.**

is credited to our recently completed Terminal Renovations and Concessions Redevelopment Program, as well as the dedication of our airport tenants and federal agencies, along with our close working relationship with these entities to facilitate passenger processing.

As 2004 ended, the San Antonio International Airport concluded its first full year of a renovated and award winning concessions program, providing superior passenger service and outstanding growth in sales and revenue. In 2004, the concessions program at San Antonio International Airport received awards from Airport Revenue News, an aviation industry publication, for "Best Overall Concession

Program" and "Most Unique Services" in ARN's small airports category. Additionally, San Antonio International Airport received the prestigious Airports Council International-North America first-place award for "Best Retail/Specialty Program" in the ACI-NA medium sized airports category. Sales from the food/beverage/retail concessions program increased 26 percent over the previous year, and revenues paid to the airport increased by 36.9 percent.

We are excited about our future and are working hard to keep the customer experience in the existing and new proposed facilities a winner from the perspective of the traveling public. We are grateful to our city officials, customers, tenants and employees for their continued confidence and support. ➔

Roland A. Lozano  
Interim Aviation Director

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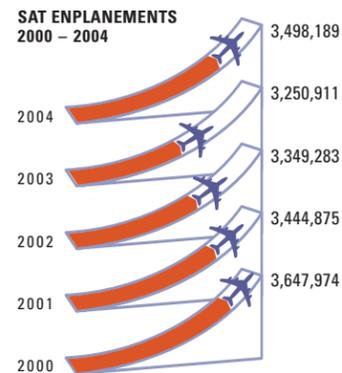
# Airline Partners



## Delta Restarts Nonstop Flights to Salt Lake City

In December 2004, Delta announced that beginning January 31, 2005, it will start new service from its Salt Lake City and Cincinnati hubs in connection with a plan to de-hub Dallas/Fort Worth International Airport (DFW). Delta Connection carriers Atlantic Southeast Airlines (ASA) and SkyWest will start three daily roundtrips between Salt Lake City and San Antonio flying Bombardier CRJs. Delta service from San Antonio to DFW will cease January 31, 2005.

Additional frequencies between San Antonio and Cincinnati are also scheduled to start January 31, 2005. ➔



## American to Boost DFW Service

American Airlines will increase its capacity between San Antonio and St. Louis, MO. The airline currently flies four regional jets daily with 44 seats. Effective December 16, 2004, American Airlines substituted a San Antonio - St. Louis flight with a 129-passenger MD-80 in order to meet higher demand for the route.

American announced that over the next year it plans to boost capacity at its Dallas/Fort Worth hub with the addition of 70 mainline and Eagle departures by summer 2005. Nearly all the expansion will come from one or two added frequencies on existing routes. San Antonio will get one added mainline flight, raising American's DFW frequencies between San Antonio and DFW from 13 to 14 effective January 31, 2005. ➔



## Continental Airlines Expands Service

Continental Airlines added new service in the San Antonio market with the start of a second non-stop flight to Newark International Airport on July 10, 2004. This new service follows Continental's May 2, 2004 start of non-stop service to Mexico City, Mexico. ➔

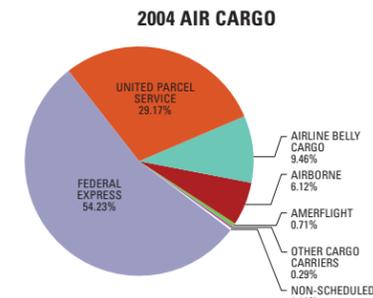
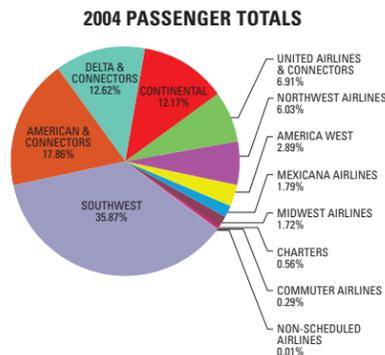
## New Non-Stop Flights to San Luis Potosi, Mexico

Aeromar returned to the San Antonio market offering two weekly non-stop flights to San Luis Potosi, Mexico. Aeromar provides service on the ATR 42. ➔

## Delta Celebrated Its Anniversary

A restored Delta DC-3 aircraft, touring the U.S.A, touched down at San Antonio International Airport on May 13, 2004 in celebration of Delta's 75th anniversary. The aircraft, Ship 41, served in Delta's fleet from 1940 to 1958 and was the first new DC-3 to carry revenue passengers for Delta on December 24, 1940.

This year, Delta Airlines also celebrated its 25th anniversary at SAT. Delta began serving San Antonio May 14, 1979 with service between San Antonio and Houston using a Boeing 727 aircraft. ➔



## J.D. Power and Associates 2004 Study Ranks San Antonio International Airport Highest in Passenger Satisfaction in the Small Airports Segment

San Antonio International Airport has been recognized by J.D. Power and Associates' 2004 Global Airport Satisfaction Index Study<sup>SM</sup>, released December 6, 2004, as the highest ranking airport in the small airport segment for its overall customer satisfaction.

San Antonio International tied for first place with Calgary International Airport of Calgary, Canada.



Mayor Ed Garza congratulates Aviation Director Kevin Dolliole

While the J.D. Power and Associates 2004 Global Airport Satisfaction Index Study has been conducted for five years, this is the first year it has included an official ranking for small airports. The study measures airport satisfaction in three segments: large airports (30 million or more passengers), of which Hong Kong International ranked highest; medium airports (10 million to less than 30 million passengers per year), of which Singapore Changi Airport ranked highest; and small airports (less than 10 million passengers per year). The 2004 Global Airport Satisfaction Index Study, a study covering more than 80 airports, is based on responses from more than 9,000 passengers who flew between October 2003 and November 2004. Those surveyed evaluated up to two different airports and were surveyed in six different languages.

The airports were evaluated on a variety of factors including: airport access for arriving/departing; check-in times; security processing; terminal facilities; food, beverage and retail offerings; baggage claim; and Immigration and Customs processing. Overall customer satisfaction at airports is described as improved facilitation of passenger check-in and screening times, managing wait times and providing an environment where airport passengers can be productive. Higher satisfaction is realized for those passengers opting for curbside check-in, online and at self check-in kiosks. San Antonio International Airport received particularly high ratings from passengers for the security check-in process.

The Study also finds that satisfaction is much higher with airports that provide an environment where passengers can multi-task. This includes services such as a wide selection of eateries and restaurants, access to business centers, wireless Internet connections and abundant shopping. With the 2003 completion of the Terminal Renovations and Concession Redevelopment Program, San Antonio International Airport has increased the opportunity for passengers to eat, shop and conduct business while in the terminals. The new concession program "The Shops at River Landing" offers passengers 20 various restaurants, bars and fast food locations. Abundant shopping exists in both terminals with 21 retailers. ➔



### Airport Ambassador Program Meets Milestone

On August 28, 2004, the Ambassador Program completed its fourth year anniversary. During this period, there were 33 training sessions, with 202 volunteers going through these classes. The program started with 12 volunteers. At the end of the fourth year, there are over 100 active volunteers who have volunteered more than 51,000 hours of service at San Antonio International Airport. In October 2004, the Ambassadors assisted their one-millionth passenger.

The Ambassadors also assisted with welcoming attendees to special community events such as the 2004 NCAA Men's Final Four; Pan American Sports Organization; Valero Texas Open; Airport art exhibit openings; grand opening for the new long-term garage in October 1999; and the grand openings and completion ceremonies for the Terminal Renovations and Concessions Redevelopment Program in 2002 and 2003.

"We are grateful to these volunteers who have been so generous in the giving of their time and commitment to the success of this Program. The Airport is the front door and the back door to our City's visitors. As such, the City has greatly benefited from the friendly and helpful assistance that the Ambassadors provide to our passengers," said Aviation Director Kevin Dolliole. "They are truly a key component in our goal of rendering first class customer service at the Airport." ➔



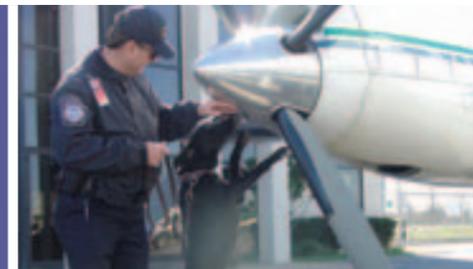
### Wireless Communications Installed at the Airport



On September 9, 2004, City Council approved a contract with PC Specialists dba Technology Integration Group (TIG) to provide wireless and communication system infrastructure at San Antonio International and Stinson Municipal Airports. The system includes creating a high capacity (audio, video and digital), high-speed communications network at both facilities. The new network will respond to requests from the public and Airport tenants, including the Transportation Security Administration, for wireless capability. The network has been designed to enhance communications within the Airport structures and support future Information Technology (IT) applications.

The City is pursuing a process for awarding a contract to a service provider to manage the wireless system for the public side, allowing travelers access to their email, Internet and any applications their company may have in place. ➔

### SAT Port of Entry Extended



The Miscellaneous Trade and Technical Corrections Act of 2004, signed by President George W. Bush, contained a four-year extension of the U.S. Port of Entry designation for the San Antonio International Airport. This designation allows the San Antonio-based U.S. Customs to process private aircraft coming into the United States from foreign areas. As a result, general aviation aircraft operators no longer have to stop in Laredo or Brownsville to clear Customs if San Antonio is their final destination. The Port of Entry designation will expire in November 2006. The City is working with San Antonio's legislative delegation to obtain a permanent designation. ➔



# 2004 Concessions Program

## ARN Award Plaques



## One Year Anniversary of New Concessions Program – Receives Several Awards



During several years ending in 2003, the San Antonio Aviation Department oversaw implementation of a major terminal renovations and concessions redevelopment program. This program included the addition of 10,000 square feet of new terminal space; new food courts and retail shops; and new storefronts, wall and ceiling coverings and terrazzo flooring, all of which were designed with a San Antonio and South Texas theme.

As 2004 ended, the San Antonio International Airport concluded its first full year of the newly renovated concessions program, earning two first-place awards from the Airport Revenue News' (ARN), an aviation industry publication, 2004 Best Concessions Poll for having the airport terminals with the *Most Unique Services* and the *Best Overall Concessions Program*. A panel of industry experts voted on ARN's Best Concessions Poll awarding San Antonio International Airport these first place honors in the small airports category, airports with four million enplanements or less annually.

The *Best Overall Concessions Program* award is given to airports with a convenient, customer-friendly layout, best tenant mix, good visibility, excellent store designs and attractive storefronts and interesting themes. The *Most Unique Services* award recognized the Airport's new to the industry, novel services such as Terminal One's **Never Too Late Business Center's** high-tech business services, high-speed fax, Internet, wireless capabilities and conference rooms. Terminal One concessionaire, **Famous Famiglia**, won first place for having the *Best New Food and Beverage Concept* and for being the Food & Beverage Operator with *Highest Regard for Customer Service*.

In April 2004, Airports Council International-North America recognized San Antonio International Airport and nine other airports for their superior concessions programs. The announcement of the 2004 Airport Concessions Contest winners was made during the ACI-NA Economic Specialty Conference in San Diego with San Antonio placing first in the Best Retail/Specialty Program category for medium-sized airports.

Airports Council International-North America represents local, regional and state governing bodies that own and operate commercial airports in the United States and Canada. ACI-NA member airports enplane more than 98 percent of the domestic and virtually all the international airline passenger and cargo traffic in North America. An independent panel, comprised of professionals representing the various disciplines reflected in the competition, judged the ACI-NA 2004 Airport Concessions Contest.

Upon accepting the ACI-NA Award, Aviation Director Kevin C. Dolliole dedicated it to the memory of former Aviation Department Business Development and Properties Manager Carol Tucker, who passed away in late February after a battle with cancer.

As San Antonio International Airport launched the newly renovated concessions program, the Airport began to demonstrate to the aviation industry, and other smaller- to medium-sized airports in particular, the significant strides in product offerings, customer service and revenue to the airport that may be achieved by renovating an existing concessions program.



ACI-NA Award for First Place in Best Retail and Specialty Program.

In Terminal One, the concessions program celebrated its grand opening in September 2003, with the completion of the main food court and the addition of three food locations and four retail concessions. With the completion of the retail and primary food court, Terminal One currently enjoys 22 various types of concession locations. Throughout 2004, sales and passenger service continued to increase and demonstrated the pent up demand that existed with passengers traveling through San Antonio. As 2004 closed, total sales for Terminal One came to \$14,376,133, a 55.7 percent increase when compared to the last year of the former, fully operational program in 2000 with sales of \$9,233,876.

The concessions redevelopment and opening occurred in 2002 for Terminal Two, with 18 individual concession locations. In planning the concessions program for Terminal Two, the configuration provided the opportunity to develop the primary food court immediately past security, allowing passengers the convenience of shopping and dining prior to the gates. In the gate area, a smaller number of concession locations allowed passengers to relax near their gates and enjoy shopping and dining within a short walk to their departing flights. Sales for 2004 in Terminal Two came to \$6,865,933, a 25 percent increase when compared to the final year of the former fully-operational program in 2000 with sales of \$5,464,739.

It is interesting to note that the significant increase in concession sales resulted from a combination of factors. In evaluating 2004 to the transition year of 2003, enplanements increased by 7.6 percent for the airport, while sales increased 25 percent or \$18,088,502 in 2003 versus \$22,530,845 in 2004. Thus, passenger growth alone was

not responsible for the increases, but with the increases in product and food choices and the appealing storefronts, passengers were more likely to stop and spend. In addition, by implementing a program to promote and improve customer service, the resulting improvements drove additional sales and revenue for the Airport.



2004 has been a tremendous year for the San Antonio International Airport concessions program. The program has achieved an exceptional level of positive results, with national recognition, an outstanding group of concessions, significant sales growth and improved passenger service. "When we developed the concessions program for this airport, we wanted to provide a variety of interesting shopping options in a venue to please our patrons interested in local and branded selections," said Aviation Director Kevin Dolliole. "We are elated about these awards and are very proud of the outcome of our Terminal Renovations and Concessions Redevelopment Program. These awards just put an exclamation point on the results." →



# Facility Improvements & Expansion

## Capital Improvement Program (CIP) - Meeting Projected Growth

The City of San Antonio Aviation Department's CIP has been programmed to implement the Airport Master Plans for San Antonio International (SAT) and Stinson Municipal (SSF) Airports to accommodate projected aviation growth. Various phases of development will occur throughout the master plan period ending 2015 and beyond at an estimated total cost of approximately \$426 million. All financial support for the Airport System CIP will come from a combination of Airport self-generated monies (user fees and rentals), revenue bonds, a passenger facility charge, and federal and state grants. No City General Fund monies will be utilized in implementing the CIP. ➔

### New Passenger Terminal and Gate Facilities



Completing schematic design plans for the Terminal Expansion Program and a new five-story garage have been a major focus for the City's Aviation Department during 2004. A seven-gate Terminal B and a five-gate Terminal C are being designed by 3D International, while the new garage structure is being developed by HNTB.

Both the terminal and garage projects involve extensive roadway expansion to meet new access needs and will include an extension of the Terminal One two-tier roadway system to accommodate traffic and passenger drop off and pick up at the new terminals.

In conjunction with the terminal development and relocation of the current overnight parking apron areas, currently located within the foot print of the proposed Terminal B, construction of additional aircraft parking apron is under design. ➔

## Terminal B

Terminal B will complement Terminal One 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 complement the pink masonry walls of Terminal One. The east end of Terminal B will connect directly to Terminal One, 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 an enclosed, air-conditioned bridge linking Terminal B to the new proposed five-level parking garage. 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.

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 multi-colored 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 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 San Antonio architectural entryway features.

Once Terminal Two 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 Airport Master Plan projections for passenger growth, with construction initiated as the growth occurs. ➔

## New Parking Garage

Future requirements for vehicle parking are being addressed with the design of a new long-term/short-term, five-story garage. The new parking facility will occupy the site of the existing short-term surface parking lot located in front of and directly south of Terminal Two, and a portion of the long-term surface lot adjacent to and south of the existing long-term garage.

The new garage structure will house approximately 2,260 long-term parking spaces and 660 short-term parking spaces. It will be approximately three football fields in length with more than one million square feet under roof. The pre-cast structure is being designed to match the exterior of the existing long-term garage, which was completed in October 1999.

The public coming to the Airport parking facility will see one continuous structural front elevation of exposed architectural concrete within an aluminum frame and paneled facade giving the existing long-term garage and the new structure a look of one continuous complex. A pedestrian and vehicular bridge will be constructed to connect both the new and existing garages, also giving the public the sense of one

continuous garage in lieu of two independent stand-alone structures. All parking facilities will utilize the existing ticketing booths and toll-pay plaza.

The new parking structure will connect with both Terminal B and the future Terminal C via two enclosed pedestrian sky bridges originating on level three of the parking garage and terminating at the mezzanine levels of either terminal building.

Once completed, this structure will significantly increase the current parking capacity for San Antonio International Airport, and will quickly become a welcomed addition completed in time for the opening of the new Terminal B. ➔



## Facility Improvements & Expansion

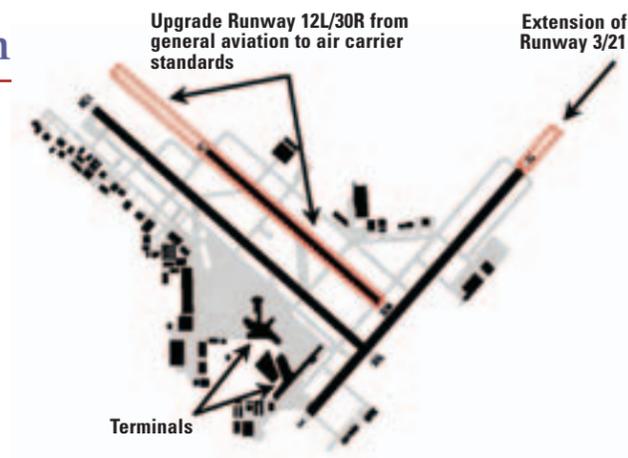
### SAT Airfield Capacity Enhancements Review Gets Underway in 2004

The City of San Antonio has in its Capital Improvement Program certain airfield improvement projects, which the 1998 San Antonio International Airport (SAT) Master Plan identified as those requiring enhancements to airfield capacity. The proposed airfield projects include:

- An upgrade to Runway 12L/30R from general aviation to air carrier standards, including an extension from 5,518 feet to approximately 8,500 feet and widening from 100 to 150 feet, and extension of Taxiway R parallel to the length of Runway 12L/30R.
- Extension of Runway 3/21 up to 9,000 feet and associated taxiways.

As a prerequisite for implementing any airfield improvements associated with capacity enhancements, such as those planned for San Antonio International Airport, the National Environmental Policy Act of 1969 (NEPA) and the Council on Environmental Quality (CEQ) require that the City conduct an Environmental Impact Statement (EIS) process.

The CEQ mandates that the Federal Aviation Administration (FAA) be prominently involved in the EIS process. As such, the FAA assumes the role of lead agency in the preparation of an EIS. A Memorandum of Understanding (MOU), which identifies the responsibilities between the FAA and the City, was the first step and was executed on December 30, 2002. On September 25, 2003, City Council approved a contract with Booz Allen Hamilton to provide planning services in connection with the EIS. On that date, a professional services contract in the amount of \$681,731 for the Phase 1 work was authorized.



Phase 1 has been completed and included evaluation of the above described airfield projects along with further study of certain noise abatement proposals previously considered in the Part 150 Study Update, and extended to the EIS process in connection with proposed SAT Master Plan capacity enhancements. Phase 1 also included development of activity forecasts, the purposes and needs, alternatives and scoping process together with public workshops.

Noise abatement items given further study in the Phase 1 EIS process included establishing a preferential runway use program minimizing departures on Runways 12L and 12R and arrivals on Runways 30L and 30R. The purpose was to reduce the number of persons within the 65 DNL contour by shifting departures to Runway 3. In connection with this preferential use program, a Runway 3 departure corridor with up to a 15-degree turn was evaluated in consideration of placing aircraft over less populated land uses east of Wetmore Road. The net reduction in people impacted by aircraft noise was about 2,000. Ancillary to this abatement measure, the Phase 1 EIS considered the extension of Runway 12R/30L to the northwest, allowing for the removal of the physical intersection at Runway 12R/30L and Runway 3/21.



Following the completion of the EIS Phase 1 process, the proposed 15-degree right turn for departures off Runway 3 was determined objectionable from the standpoint of airspace utilization. Since the above mentioned noise abatement proposals, along with the extension of Runway 3/21 to the northeast to enhance the effectiveness of the preferential runway use program were interdependent, the FAA concluded that these abatement measures would not significantly impact levels of noise unless they were implemented in total. Therefore, the FAA did not recommend continued analysis of these noise abatement measures in the EIS Phase 2. However, the draft EIS Phase 2 will continue the analysis for lengthening of Runway 3/21 (from 7,500 to 8,500 feet – the same length as SAT's current primary Runway 12R/30L) for capacity enhancing purposes.

Analysis for one additional Part 150 noise abatement measure for the establishment of a departure corridor for Runway 21 that places aircraft over U.S. Highway 281 South will continue into the EIS Phase 2.

On September 16, 2004, City Council approved an amendment to the contract with Booz Allen Hamilton in the amount of \$1,634,560 to provide planning services in connection with Phase 2 of the EIS for SAT. Phase 2 includes development of a draft EIS and Executive Summary Report, further environmental consequence analysis to include noise, air, water, etc., and development of cumulative impacts and mitigation measures, as well as organizing and conducting public hearings. This phase is estimated to be complete by the end of the first quarter 2006, with final completion of the process to be completed by the third quarter 2006. The EIS process is funded by the FAA (75%) and matching (25%) Airport generated funds. ➔

### Geotechnical Study of Expansion Sites Completed

In preparation for construction of the new terminals, garage and roadway system, a subsurface geotechnical investigation was conducted at the proposed sites. The investigation involved drilling approximately 50 holes into the ground in depths ranging from 15' to 70' below the surface. Soil samples were collected throughout the depth of the borings to determine the soil characteristics and to get a picture of the layering of the underlying soils. From this information and laboratory test, engineers will be able to determine the foundation requirements for the new terminal buildings, new parking structure, roads, apron paving, and underground utilities. This work began on July 23 and was completed on Sept 20, 2004. ➔





## Proposed Stinson Airport Administration Facility Addition

In the Stinson Airport Master Plan, completed in 2002, the need for additional administrative space for tenant businesses and Aviation staff was identified. The Aviation Department's Capital Improvement Program (CIP) includes the renovation and expansion of the current terminal facility.

The historic Stinson Municipal Airport, the second oldest continuously operating municipal airport in the United States, is both an important historic asset for San Antonio and a vibrant contemporary transportation facility.



The 1936 administration building, which serves as the central hub of the Airport, has become inadequate in terms of space (only 7000 square feet of total area on three levels), amenities and accessibility (no elevator).

While initial design studies were conducted in 2004 and considered alternate locations for a new administration building, these schemes were rejected for three reasons:

- Inferior location, due to all available sites lacking direct access to the airfield;
- Lack of continuity for operations and confusion for customers, which would inevitably result from a split location;
- Diminution of the existing administration building's historic and functional importance by creation of a "competitor."

In order to serve the contemporary needs of the Stinson Municipal Airport and to facilitate future growth requirements, 24,000 square feet of additional space for administrative, concession, corporate FBO space, educational, and commercial uses are under the schematic design phase. The proposed schematic design by Beaty & Partners Architects provides a 21<sup>st</sup> century update for Stinson Airport, accommodates contemporary and future needs, and at the same time "celebrates" and enhances the existing historic structure.

The original building's design is strongly oriented toward the "air side", the front of the building for arriving aircraft and airport clientele. The new two-story building wing is, therefore, oriented to the "land side", maintaining the visual presence of the original air side. The schematics show a two-story building wing with two glass-skinned light wells, located on either side of the symmetrically designed new addition, separated from the original land side facade and allowing virtually the entire existing building to remain intact and exposed to view as one moves into and through the building. This proposed configuration provides the lightest possible "touch" of the new to the old and permits the original building to be legible in the expanded design. Accessibility issues are addressed in the new wing, permitting the existing building to maintain its historic integrity.

The new addition will be clad in the principle materials which exist on the historic structures of Stinson Municipal Airport – a combination of stone (to match the color of the existing stone but in a regularly coursed pattern so as to differentiate the new from the old) and crenelated metal panels. The art-deco flavor of the contemporary new addition is intended to complement, but not to literally copy the detailing of the existing building.

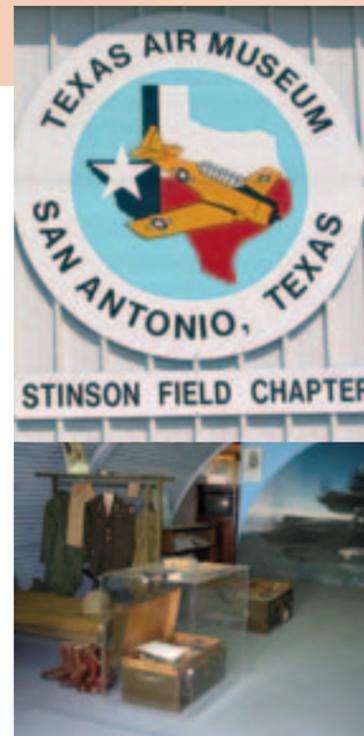
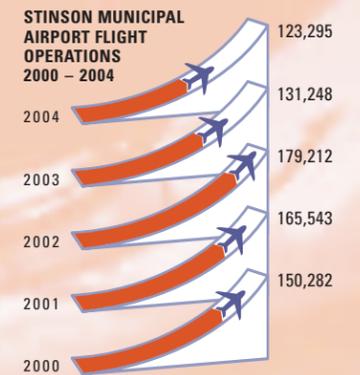
Completion of the final design and development of the construction documents are expected in 2005. ➔

## U.S. Helicopter Expands & Becomes One of Stinson's Newest Tenants

U.S. Helicopter, Inc. has expanded its operation at Stinson Municipal Airport. Once occupying only a portion of the hangar as a subtenant, U.S. Helicopter has grown its Stinson operation to become the sole tenant of the hangar facility. The company is one of the largest providers of full-service, exclusive-use Electronic News Gathering (ENG) helicopter programs in the United States. In addition to operating ENG programs, U.S. Helicopters, Inc. also engages in several other areas within the helicopter industry. These include motion picture filming, on-demand charter, aircraft sales and helicopter maintenance and refurbishment. The San Antonio addition to their on-demand helicopter charter adds a significant geographic region to its existing based charter aircraft in Charlotte, NC and Chicago, IL.



Local TV stations use U.S. Helicopter, Inc.



## Texas Air Museum Expands

The Stinson Chapter of the Texas Air Museum continues to grow. After many years, the Texas Air Museum closed its founding chapter located in Rio Hondo, Texas. Operating for more than 20 years, the museum had amassed a large collection of aircraft and artifacts spanning wars from World War I through Vietnam. The Texas Air Museum's remaining locations at San Antonio's Stinson Municipal Airport and Slaton, Texas divided the Rio Hondo exhibits and artifacts. As a result, the Stinson Chapter acquired many new and unique aviation items that will be displayed at Stinson Municipal Airport. Aircraft such as a J-3 Cub, a TF-102, a replica of a 1914 Christofferson and an F-89 will be moved to Stinson. New exhibits include; WWII Woman Air Service Pilots (W.A.S.P), Squadron 201 (Mexico's pilots during WWII), WWII displays, Amelia Earhardt and more. The Texas Air Museum is a non-profit aviation museum dedicated to the preservation of aviation history and is completely operated by volunteers and donations. ➔

## Acoustical Treatment Program Gets Underway

On October 14, 2004, City Council selected the firm of THC, Inc. to implement the San Antonio International Airport (SAT) Residential Acoustical Treatment Program. This Program is a derivative of the noise compatibility studies completed since 1991 and was developed through a pilot program in which protocol for construction implementation, administration, public relations and team organization were established. The purpose of the expanded Program is to acoustically treat qualifying residences proximate to SAT through the Federal Noise Program. THC, Inc. will be responsible for the design, construction, public relations, and legal services to fully implement the Program, which will be designed around the Single Parcel Method (SPM) of procurement.

Under the SPM, construction procurement is performed through a selection process using a database of approved contractors developed through a series of outreach, training conferences and seminars. Homeowners participate in the selection process and have an opportunity to review a contractor's portfolios and conduct interviews before selecting a minimum of three contractors. The selected contractors prepare and submit bids with the lowest of the three bidders entering into a construction contract with THC, Inc. An individual contract for each participating home is deemed efficient, and THC, Inc., as homeowner liaison, would be directly accountable for the quality of construction.

The Program will commence during the first six months in 2005 with a set-up phase including the establishment of the block prioritization and a product showroom, as well as development of a homeowner handbook and homeowner orientation material.

The federal government already has granted SAT \$10.3 million for the Program, for which the Airport will add \$2.6 million in self-generated funds. About 225 houses are expected to get multi-paned windows and doors and other treatments in 2006. Under the current 2004 Noise contours, 65DNL and higher, an estimated 5,100 homes could be eligible for sound-proofing as the program is extended through the years and federal funds become available. ➔



Window installers participating in the SAT Acoustical Treatment Program.

## Noise Monitoring Equipment Installed

Rannoch Corporation wrapped up its installation of a Noise and Operations Monitoring Systems (NOMS) at San Antonio International Airport (SAT). The NOMS is composed of two main systems: noise monitoring and flight operations monitoring. By correlating noise levels to specific aircraft operations tracked through a central computerized data collection system, the NOMS will facilitate detailed event analysis and noise compliance investigations by the City's Aviation Department, Noise Mitigation Office.

Twelve permanent monitors have been strategically located around the San Antonio International Airport to record noise levels on a 24-hour basis. Two portable noise monitors and one portable vibration monitor will be used to conduct site-specific investigations. The NOMS will closely track aircraft noise exposure in and around particular SAT-area neighborhoods or homes, and allow the Aviation Department to monitor and implement current and future noise abatement measures.

Federal Airport Improvement Program (AIP) grant funds paid for 80 percent of the \$838,600 NOMS project, with the balance being provided by Airport self-generated monies. ➔



The installation of NOMS.



## Airport Area Land Use Compatibility Study



A Land Use and Development Study is currently underway and is being conducted by Llewelyn-Davies Sahni. This study will establish guidelines for managing compatible land uses in areas surrounding the San Antonio International Airport and Stinson Municipal Airport. It is based on existing airport/airfield configurations and will include research findings regarding current land uses and potential changes as a result of proposed airfield expansion projects. Finalizing the results and recommendations will occur once the Environmental Impact Statement (EIS) process is completed. The EIS is currently scheduled for completion in 2006. ➔



# San Antonio Airport System Financial Highlights

The Airport System consists of San Antonio International Airport and Stinson Municipal Airport. The Airport System is financially self-sufficient. It receives no tax revenue or support from the City's General Fund. All income to the Airport System is derived from rentals and fees for the use of Airport facilities and services. Any income earned that exceeds annual operating and debt service (payment on Airport bonds) expenses is reinvested in the new Airport facilities.

For the fiscal year ending September 30, 2004, gross revenues totaled \$44,729,251, which represented a 1.8% increase over the prior year. The three most significant revenue sources to the Airport System include the airlines

at \$14,740,585 (33% of total), parking fees at \$11,415,942 (26% of total) and concession revenues at \$11,387,589 (25% of total). Overall, non-airline revenues represented 67% of total revenues for FY 2004.

On the expenditure side, operating and maintenance expenses decreased by 0.9% from \$25,363,607 to \$25,127,533. The decrease in operating expenditures resulted from a combination of factors. Cost savings were achieved in contractual services and additional grant funds were secured to offset operating expenses. For FY 2004, gross revenues exceeded operating expenses, which increased net revenues by 5.6% from \$18,567,080 to \$19,601,718.

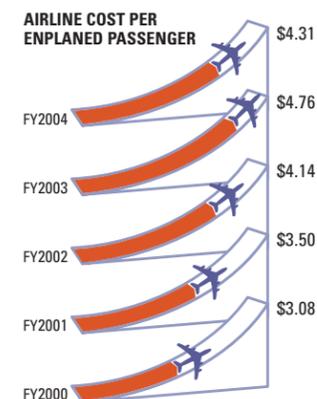
## Comparative Statement: Gross Revenues and Expenses

GROSS REVENUES	Fiscal Years Ended September 30,		% CHANGE
	2003	2004	
<b>Airline Revenues</b>			
Landing Fees	\$ 5,190,254	\$ 5,547,925	6.9%
Terminal Rentals (less refund)	9,465,739	8,266,382	-12.7%
International Passenger Fees	546,374	543,778	-0.5%
Ramp Fees	377,813	382,500	1.2%
<b>Subtotal Airline Revenue</b>	<b>\$15,580,180</b>	<b>\$14,740,585</b>	<b>-5.4%</b>
<b>Non-Airline Revenues</b>			
Property Leases	\$ 5,969,218	\$ 6,039,652	1.2%
Parking Fees	10,692,453	11,415,942	6.8%
Concession Revenues	10,512,091	11,387,589	8.3%
Stinson Airport	218,102	123,227	-43.5%
Other Revenues	958,643	1,022,256	6.6%
<b>Subtotal Non-Airline Revenue</b>	<b>\$28,350,507</b>	<b>\$29,988,666</b>	<b>5.8%</b>
<b>Total Gross Revenue</b>	<b>\$43,930,687</b>	<b>\$44,729,251</b>	<b>1.8%</b>
<b>OPERATING &amp; MAINTENANCE EXPENSES</b>			
Airfield Area	\$ 1,462,906	\$ 1,403,683	-4.0%
Service Area	390,988	385,536	-1.4%
Terminal 2	2,246,782	2,074,706	-7.7%
Terminal 1	3,083,014	3,151,196	2.2%
Fire & Rescue	2,916,359	3,097,194	6.2%
Access	506,465	488,522	-3.5%
Central Plant	552,896	475,528	-14.0%
Commercial & Industrial	88,479	88,128	-0.4%
Other Buildings & Area	89,189	88,689	-0.6%
Parking	2,252,436	2,287,311	1.5%
Stinson Airport	457,247	463,573	1.4%
Administration	4,379,168	4,693,821	7.2%
Maintenance, Direction & Control	1,046,729	1,053,812	0.7%
Security	3,093,846	2,582,517	-16.5%
Operations	1,743,179	1,829,861	5.0%
Common Services	1,053,924	963,456	-8.6%
<b>Total Operating &amp; Maintenance Expense</b>	<b>\$25,363,607</b>	<b>\$25,127,533</b>	<b>-0.9%</b>
<b>Net Revenues*</b>	<b>\$18,567,080</b>	<b>\$19,601,718</b>	<b>5.6%</b>

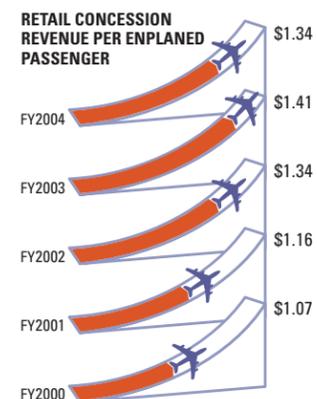
\* Net revenues are utilized to pay debt service and fund airport capital projects.

# Key Financial Measures

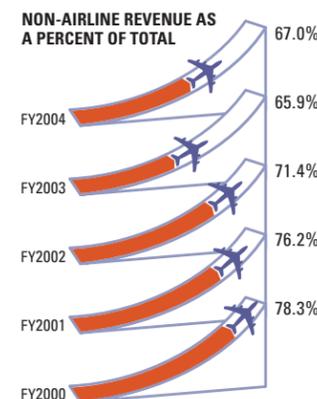
Depicted below are some key financial measures, which cover the period from FY 2000 through FY 2004. Financial performance is measured by dividing significant Airport fiscal operations by the number of enplaned passengers for a given year. The following graphs are the components to the Airport revenue and expenditure categories.



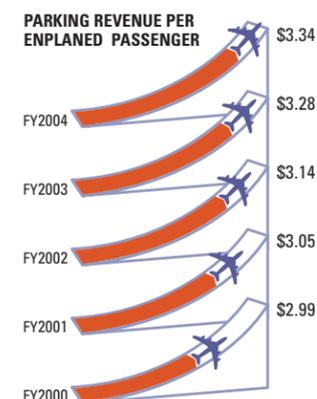
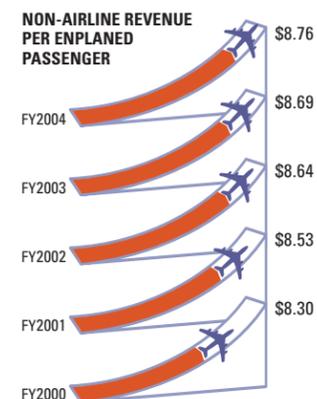
*Airline Cost* includes aircraft landing fees, aircraft ramp parking fees, terminal building rentals and the international passenger processing fee.



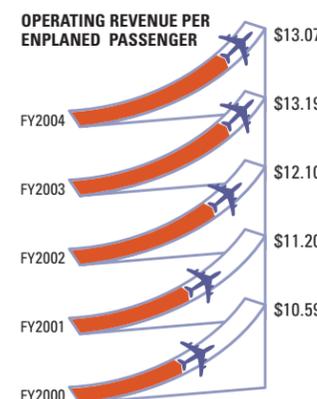
*Rental Concessions* includes food and beverage outlets, gift and news shops, specialty retail shops and passenger services.



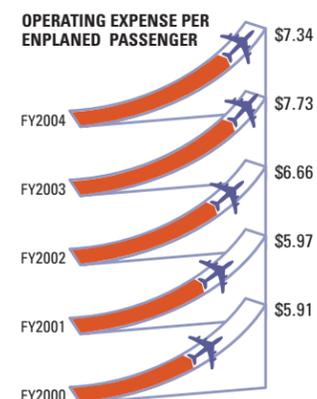
*Non-Airline Revenue* includes retail concessions, Airport parking, lease of City-owned land and hangars to aircraft service companies, lease rentals from air cargo operators, interest income and administrative fees.



*Parking Revenue* includes fees derived from employee and public parking facilities.

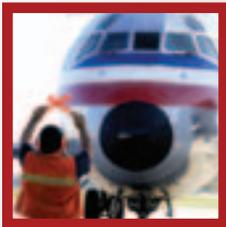


*Operating Revenue* includes rentals and fees paid by the airlines, as well as all non-airline revenues.



*Operating Expense* includes the cost of operating and maintaining City-owned Airport property, excluding depreciation of assets and debt service expenses.

**J.D. Power and Associates 2004 Study  
Ranks San Antonio International Airport  
*Highest in Passenger Satisfaction in  
the Small Airports Segment...***



*for safety*



*for service*



*for security*



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