

JOHN WAYNE AIRPORT  
2015 ANNUAL REPORT





SAFE  
AND  
SECURE

## YOUR SAFETY - OUR PRIORITY.



With safety and security always priority one, John Wayne Airport (JWA) continues its steadfast commitment to meet or exceed all federally mandated security regulations. Our goal is simple: to maintain a safe environment for our guests, aviation partners, tenants, employees and volunteers. During 2015, our unwavering dedication continued through close partnerships with the Federal Aviation Administration (FAA), Transportation Security Administration (TSA), U.S. Customs and Border Protection (CBP), Airport Police Services (Orange County Sheriff's Department) and Aircraft Rescue and Firefighting (Orange County Fire Authority).



To meet stringent FAA safety requirements, JWA undergoes annual Part 139 inspections. In January, JWA once again passed this comprehensive inspection, which included a timed-response drill, live-fire drill, and thorough inspection of equipment, fueling facilities, runways/taxiways and more.



## ENSURING END-TO-END SECURITY



In May, JWA conducted its annual Aviation Security (AVSEC) Plan Review and Tabletop Exercise. During this TSA-mandated event, JWA air carriers, major tenants and law enforcement partners gathered to review the current Airport Security Plan, the newest regulations and requirements, and to test specific aspects of the plan through a tabletop exercise.

## OUR COMMITMENT TO SAFETY CONTINUES



Over the course of many training sessions, we completed Active Shooter, Critical Casualty Care and Force Protection training with Orange County Fire Authority partners for all Deputy Sheriffs and Sheriff's Special Officers. This culminated in an Active Shooter Incident Exercise to practice delivering critical casualty care more rapidly within the Riley Terminal.



Fulfilling one aspect of the FAA Part 139 requirement, JWA conducted its annual Emergency Plan Review and Tabletop Exercise with all air carriers and other key stakeholders. Participants reviewed recent aviation incidents from around the world, reviewed JWA's current Airport Emergency Plan and tested the plan through a tabletop exercise.



To comply with new liability rules, and ensure greater protection against data breaches and escalating credit card fraud, JWA initiated a project to convert all Airport provided credit card processing equipment to be Chip and PIN compatible.



As part of JWA's newly contracted Terminals A and B Improvements Project, the Airport plans a major seismic retrofit to make both terminal structures more resistant to seismic activity, ground motion or soil failure due to earthquakes.



A SUPERIOR  
GUEST EXPERIENCE

COMFORT, CONVENIENCE AND TODAY'S  
TOP TRAVEL **DESTINATIONS**



ST. LOUIS SKYLINE  
PHOTO CREDIT: DAN DONOVAN



There's a reason John Wayne Airport (JWA) is the top travel choice for many Orange County residents. Not only does the Airport have a long-standing reputation for quality air service, we offer Orange County's favorite concessions, comfortable amenities and convenient flights to the destinations people want most. With the addition of Austin (Texas), Kansas City and St. Louis (Missouri) and Puerto Vallarta (Mexico) in 2015, JWA travelers now have more nonstop flight options than ever before.



A RECORD-SETTING YEAR:  
MORE THAN 10 MILLION  
ANNUAL **PASSENGERS**



Today, an improved economy means more people are enjoying travel opportunities. For JWA, this trend translated into 8.5% year-over-year passenger growth and set a new record for the Airport. Last year, we served nearly 10.2 million people—surpassing the 10 million mark for the first time and setting an all-time high for JWA passenger traffic.



# CONNECTING PEOPLE TO THE PLACES AND THINGS THEY LOVE



JWA increased international service and introduced new domestic destinations to give Orange County passengers even more travel options. New in 2015: Puerto Vallarta, Mexico; Austin, Texas; and St. Louis and Kansas City, Missouri. A variety of carriers also added flights to existing destinations.



You spoke, we listened. In direct response to guest requests, JWA opened a new Starbucks location in the Terminal B baggage claim area, added a taxi pickup location outside of Terminal C and constructed a new Cell Phone Waiting Lot where visitors can wait free of charge until they receive a call or text from arriving passengers.



In an effort to modernize Terminals A and B and bring these 25-year-old facilities to the same standard of excellence as Terminal C, the Board of Supervisors awarded a \$101.8 million contract for a three-year renovation and construction project, including a major seismic retrofit, and a variety of architectural, aesthetic and technology upgrades.



JWA is also paving the way for the latest transportation trends. Last year, the Airport issued permits to several Transportation Networking Companies (TNC) to provide passenger pickups at the Airport. JWA travelers can now choose from three popular rideshare options: Uber, Lyft and Wingz.



According to the 2015 John Wayne Airport Passenger Survey, 96% of phone respondents and 99% of the intercept respondents (travelers interviewed before boarding a flight) rated JWA with a grade of "A" or "B" for overall satisfaction. Top reasons were ease of use, convenient location, cleanliness and quick service.



A GOOD  
NEIGHBOR

## BRINGING EXCEPTIONAL VALUE TO ORANGE COUNTY



John Wayne Airport (JWA) is not only a key travel resource for the Orange County community, it's also a powerful economic engine that drives the regional economy by generating more than 43,000 jobs and over six billion dollars in annual economic impact. It also strives to balance Orange County's air transportation needs with the concerns of local residents living in the vicinity of the Airport.

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In the spirit of honoring important milestones, JWA launched a year-long celebration in honor of the Thomas F. Riley Terminal serving the traveling public well for the past 25 years.



## STATE-OF-THE-ART NOISE MONITORING IN THE COMMUNITY



In October 2015, JWA completed installation of a state-of-the-art noise monitoring system to replace the noise system that was installed in 1997. The new system included the replacement of 10 noise monitors in the community, as well as software and communications equipment to transmit the noise data to the Airport's office for analyzing and reporting.

## A REPUTATION FOR PARTNERSHIP: OUR ACHIEVEMENTS IN 2015



The Board of Supervisors took a leadership role in representing the interests of Orange County by directing the Airport to meet with the Federal Aviation Administration (FAA), and to coordinate the County's analysis and comments on the FAA's Draft Environmental Assessment of the Southern California Metroplex project. This FAA project seeks to update the nation's air traffic control system, moving it from ground-based navigation to satellite-based navigation, making the airspace more efficient.



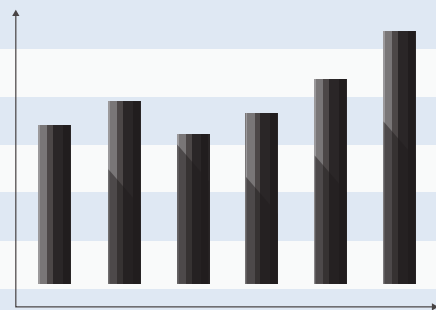
The Board approved updates to the Phase 2 Commercial Airline Access Plan and Regulation to reflect what was agreed upon in the Settlement Agreement, including passenger and operational limits



As part of our aggressive water conservation efforts, JWA uses "dry wash" methods for general aviation aircraft and uses low-flow/automatic fixtures in Airport Terminal and Administrative building restrooms. We have also discontinued irrigation of Airport medians, use drip irrigation for landscaped areas and are replacing grass with artificial turf, gravel and drought-tolerant plants.



To improve community access and streamline traffic flow to and from the Airport, JWA added a right-turn lane at the intersection of Campus Drive (south) and North Bristol Street. This eliminates a potential vehicle bottleneck and makes exiting the airport area more expedient.



SOLID  
FINANCIAL  
STRENGTH

## BUILDING ON A STRONG FOUNDATION



For decades, John Wayne Airport (JWA) has operated as a financially efficient and self-supporting aviation facility that receives no general fund tax revenue. Its commitment and effective execution of the Board's conservative fiscal policies made 2015 another great year. Balanced by strong debt coverage and well-managed expenses, JWA continues to enjoy a financial outlook that is healthy and solid.

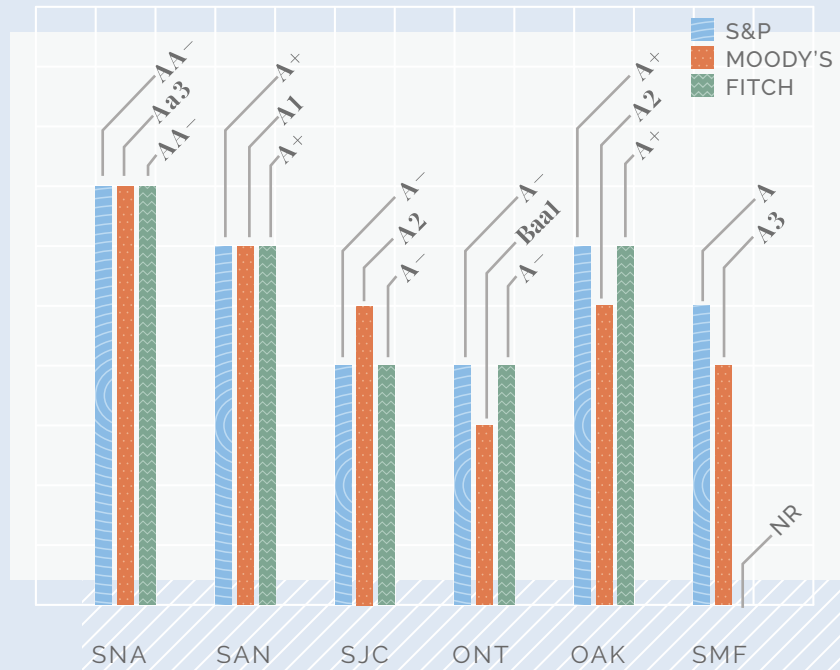
# OUR STRENGTH IN NUMBERS



We're proud that John Wayne Airport's revenue bonds are consistently some of the highest-rated bonds among all U.S. airports. In 2015, our excellent bond ratings were reaffirmed, demonstrating strong creditworthiness relative to other U.S. airport issuers. Here's where we stand:

- // Standard and Poor's: **AA-**
- // Moody's: **Aa3**
- // Fitch: **AA-**

## SENIOR DEBT RATINGS FOR SELECTED CALIFORNIA AIRPORTS FY 2015



SOURCE: Annual Financial Report for Respective Airports.  
NR: Not rated by Fitch



## 2015 - AT-A-GLANCE: OUR FISCAL PRUDENCE CONTINUES



In 2015, JWA maintained consistently strong financial metrics by monitoring and controlling expenses, and expertly managing cash flows.



The Airport's financial team proactively analyzed revenues, expenses, capital expenditures, investments and cash flows, helping to ensure the Airport's long-term financial health.



JWA maintained a stable low cost per enplaned passenger of approximately \$10 or less in the past three years, keeping Airport costs competitive and attractive for the air carriers compared with its geographical peers.



John Wayne Airport's Revenue Bonds are some of the highest rated among all airports in the country.