

**City Council
Agenda Memo**



TO: Larry D. Gilley, City Manager
FROM: Don Green, Director of Aviation
SUBJECT: Passenger Facility Charge Resolution

**City Council
Meeting Date: April 10, 2014**

GENERAL INFORMATION

Abilene Regional Airport has been collecting a Passenger Facility Charge since approximately 1991. The PFC is currently \$4.50 per enplaned passenger that the passenger pays as part of the air travel ticket price. The airport must go through an FAA-approved application process whereby the airport proposes a list of eligible projects' expenses to be reimbursed to the City by the PFC. The air carriers serving the airport and the public are given public notification of the application and have the opportunity to comment/object to the application. No comments or objections were received. The airport is approaching its full collection amount from PFC Application #2 about a year earlier than estimated in the 2006 application, so the end-date of Application #2 must be amended to June 30, 2014.

Additionally, the airport is proposing PFC Application #3 to be effective July 1, 2014. The airport's PFCs reimburse the City for the Local Match portion of our Airport Improvement Program Grants from FAA. The projects we are seeking grant-match reimbursement from are listed on the attachment to this memo. The total collections being authorized in PFC Application #3 is \$3,425,497 with an estimated end date of April 1, 2024.

In summary, this resolution is requested to do two things, amend the end date of PFC Application #2 to June 30, 2014 and authorize the collection of PFC #3.

FUNDING/FISCAL IMPACT

The PFC application will propose the reimbursement of the City's share of eligible project costs for federally-funded projects constructed or funded in AIP Grants 32 - 43, with total reimbursement of \$3,425,497.

STAFF RECOMMENDATION

Staff recommends the City Council approve the resolution authorizing the City Manager to file a new application with the FAA authorizing the continuation of the imposition of a PFC.

BOARD OR COMMISSION RECOMMENDATION

The Airport Development Board voted to recommend this resolution to Council at its March 12 meeting.

Prepared by: Name: Don Green Title: Director of Aviation	Item No. <u>6.2</u>	Disposition by City Council <input type="checkbox"/> Approved Ord/Res# _____ <input type="checkbox"/> Denied <input type="checkbox"/> Other _____ City Secretary
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RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS
AUTHORIZING CONTINUATION OF A \$4.50 PASSENGER FACILITY CHARGE AT
ABILENE REGIONAL AIRPORT.**

WHEREAS, a Passenger Facility Charge (PFC) is authorized by Federal Law and this user fee is imposed only on eligible enplaned passengers utilizing Airports, and;

WHEREAS, the City of Abilene authorized the use of PFC charges in 1997, 2002 and 2006 to fund capital projects, and:

WHEREAS, the continuation of a PFC charge in the amount of \$4.50 is necessary to accomplish capital projects designed to enhance capacity, safety, and development of the Abilene Regional Airport;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

PART 1. That the City Manager is authorized to file a new application and amend, as necessary, any open applications with the Federal Aviation Administration (FAA), authorizing the continuation of the imposition of a PFC at the \$4.50 level, and the expenditure of revenues from the Abilene Regional Airport, in accordance with the Capital Improvement Program, and the assurances and understandings contained in the application.

PART 2. That this resolution shall take effect immediately from and after its passage.

ADOPTED this 10th day of April, 2014.

ATTEST:

CITY SECRETARY

MAYOR

APPROVED:

CITY ATTORNEY



February 19, 2014

RE: Proposed PFC “Impose and Use” Application #3 for ABI

The City of Abilene hereby provides notice, in accordance with 14CFR 158.23 of the Passenger Facility Charge regulation, of a consultation meeting with the air carriers serving the Abilene Regional Airport (ABI). This meeting is intended to discuss as required by the PFC regulation, the submission of a third application (impose and use) to the FAA for extension of our Passenger Facility Charge authority at ABI. The legislation requires airline notification of potential PFC funded projects 30 to 45 days prior to the PFC meeting. In addition, the legislation requires that information on the program be conveyed to the airlines and that the airlines respond to the Airport, in writing, acknowledging receipt of the required notice.

In accordance with Federal Aviation Regulation 49 CFR Part 158.37 Passenger Facility Charges, the City of Abilene will hold a consultation meeting with air carriers on Monday, March 24, 2014 at 1:00 pm local time, regarding the new application. The meeting will be held in the Abilene Regional Airport Press Room located on the lower level of the Airport’s Passenger Terminal Building at 2933 Airport Blvd, Abilene, TX 79602.

The City plans to continue the maximum PFC allowable of \$4.50 per enplaned passenger. We anticipate collection on this application to begin on July 1, 2014 when the previous application is fully collected. Future PFC projects will likely extend the expiration date. The total revenue to be collected for projects in this application is \$3,425,497. The PFC expiration date for this application is estimated to be April 1, 2024.

The eleven projects in this application are described on the following pages. Projects 1 – 8 have been completed and projects 9 – 11 are currently underway. We look forward to discussing in detail, these important projects at our air carrier consultation meeting on March 24, 2013.

Sincerely,

Don Green, A.A.E.
Director of Aviation
City of Abilene

cc: Marcelino Sanchez, P.E., FAA

*Abilene Regional Airport
Proposed Passenger Facility Charge Application #3
Project Descriptions*

1. Rehabilitate Air Carrier Ramp

This project consists of the design and construction of a certain portions of the air carrier ramp at the Abilene Regional Airport. The project specifically includes areas B, C, D and E of the air carrier ramp. The air carrier ramp is being reconstructed to meet ARC C-IV design standards. The project will demolish and remove failed pavement of a non-standard design, replace it with new PCC pavement, and provide for associated drainage and markings. All improvements were designed in conformance with applicable advisory circulars. The start date for this project was June 2007 and it was completed in June 2013. The total cost of this project is \$11,734,122. The FAA provided funding under AIP federal grants #32 (\$2,684,629), #34 (\$308,399), #35 (\$2,412,646), #37 (\$2,616,742), and #39 (\$3,125,000) totaling \$11,147,416 for this project. PFCs are anticipated to provide the local match of \$586,706.

2. Rehabilitate Runway 17L/35R Lighting

This project consists of the replacement of the existing lighting system which has exceeded its design life and is partially direct-bury cable. The new system will be a light base can and conduit system and will replace stake-mounted distance-to-go signs with foundation mounted base can in conduit system. Also, mandatory signs will be replaced and connected to the runway circuit. All improvements were designed in conformance with applicable advisory circulars. The start date for this project was June 2007 and it was completed in August 2009. The total cost of this project is \$597,491. The FAA provided funding under AIP federal grant #33 totaling \$567,616 for this project. PFCs are anticipated to provide the local match of \$29,875.

3. Improve Terminal Building

This project consists of the expansion of the ticket counter lobby to relieve congestion and improve passenger circulation, expand and cover passenger loading/unloading curb area for passenger safety, install escalators and revolving automatic entrances to improve passenger access and traffic flow from the parking lot to the ticketing area and to improve passenger circulation through the building by eliminating conflicts between arriving passengers exiting the terminal and departing passengers entering the terminal. All improvements were designed in conformance with applicable advisory circulars. The start date for this project was May 2008 and it was completed in August 2009. The total cost of this project is \$657,262. The FAA provided funding under AIP federal grants #34 (\$432,276) and #36 (\$192,123) totaling \$624,399 for this project. PFCs are anticipated to provide the local match of \$32,863.

4. Rehabilitate Taxilane

This project consists of the design and construction of certain areas of the taxilane system at the

Abilene Regional Airport. The project specifically includes areas A, B & C. This project reconstructs the taxiway system serving the T-Hangar area by replacing failed pavement, improving drainage and installing high-mast lighting for enhanced safety during night time operations. All improvements were designed in conformance with applicable advisory circulars. The start date for this project was May 2008 and it was completed in June 2013. The total cost of this project is \$4,776,248. The FAA provided funding under of AIP federal grants #34 (\$147,943), #35 (\$1,500,000), #37 (\$1,639,493), and #39 (\$1,250,000) totaling \$4,537,436 for this project. PFCs are anticipated to provide the local match of \$238,812.

5. Acquire 1500 gallon ARFF Vehicle

This project consists of acquisition a 1500 gallon Airport Rescue Fire Fighting Vehicle as replacement for a 12 year old maintenance intensive ARFF vehicle that does not meet index requirement for the airport. The replacement vehicle meets requirements for an index B airport. The start date for this project was March 2010 and it was completed in June 2013. The total cost of this project is \$681,088. The FAA provided funding under AIP federal grant #39 totaling \$647,034 for this project. PFCs are anticipated to provide the local match of \$34,054.

6. Conduct Wildlife Hazard Assessment and Wildlife Hazard Management Plan

The Airport Wildlife Hazard Assessment regulation (14 CFR 139.337) requires the City, as the holder of an Airport Operating Certificate, to conduct a Wildlife Hazard Assessment (WHA). The FAA reviews all WHAs to determine if the certificate holder must develop and implement a Wildlife Hazard Management Plan (WHMP) designated to mitigate wildlife hazards to aviation on or near the airport. These regulations also require airport personnel implementing an FAA-approved WHMP to receive training conducted by a qualified wildlife damage management biologist. The start date for this project was March 2010 and it was completed in August 2013. The total cost of this project is \$152,437. The FAA provided funding under AIP federal grants #39 (\$125,000) and #42 (\$18,772) totaling \$143,772 for this project. PFCs are anticipated to provide the local match of \$8,665.

7. Rehabilitate Taxiways C, C1, C2, C3, C4 and EASI

This project consists of the design and construction for certain taxiways at the Abilene Regional Airport. The project specifically includes Taxiways C, C1, C2, C3, C4 and EASI. This project includes the taxiway reconstruction, pavement replacement and lighting system replacement. The existing asphalt will be milled at 3" and overlaid with new P401 asphalt. The project will expand radius's to meet ARC C-IV design standards. The project also includes the replacement of lighting and signage. All improvements were designed in conformance with applicable advisory circulars. The start date for this project was September 2010 and it was completed in August 2013. The total cost of this project is \$14,547,117. The FAA provided funding under AIP federal grants #40 (\$448,052), #41 (\$6,350,526) and #42 (\$6,317,409) totaling \$13,115,987 for this project. PFCs are anticipated to provide the local match of \$1,431,130.

8. Rehabilitate Airport Beacon

This project consists of the design and construction for the installation of new lighting control system for Control Tower project. A replacement beacon will be installed at a separate location from its new Control Tower. All improvements were designed in conformance with applicable advisory circulars. The start date for this project was September 2010 and it was completed in June 2013. The total cost of this project is \$790,059. The FAA provided funding under AIP federal grant #40 totaling \$750,556 for this project. PFCs are anticipated to provide the local match of \$39,503.

9. Rehabilitate Taxiways M, N & P

This project consists of the design and construction of taxiways M, N & P at the Abilene Regional Airport. This project includes the taxiway reconstruction, pavement replacement and lighting system replacement. The existing asphalt will be milled at 3" and overlaid with new P401 asphalt. The project will expand radius's to meet ARC C-IV design standards. The project also includes the replacement of lighting and signage. All improvements were designed in conformance with applicable advisory circulars. The start date for this project was September 2011 and it will be completed in December 2014. The total cost of this project is estimated to be \$9,233,332. The FAA provided funding under AIP federal grants #41 (\$212,441) and #43 (\$8,097,558) totaling \$8,309,999 for this project. PFCs are anticipated to provide the local match of \$923,333.

10. Runway 17L/35R Rehabilitation, Design

This project consists of design of the rehabilitation of Runway 17L/35R. The design will include the reconstruction of the pavement, expansion of radius to meet ARC C-IV design standards, and modification of the lighting system. It will be designed in conformance with applicable advisory circulars. The start date for this project was September 2013 and it will be completed in December 2014. The total cost of this project is estimated to be \$555,556. The FAA has provided funding under AIP federal grant #43 totaling \$500,000 for design in 2013. PFCs are anticipated to provide the local match of \$55,556.

11. PFC Administration Costs

PFC-eligible general formation costs included in this PFC project are the necessary expenditures to prepare the new PFC application, develop and implement the capital plan and the related financial plan. Also included are eligible ongoing administrative costs for this PFC application. Development associated with the approved projects in this application will preserve and enhance safety, competition, security and capacity at the Airport. The total cost of this project is \$45,000. PFCs are anticipated to provide 100% funding for this project. This project started in January 2014 and will be complete in April 2024.