



# Pinellas County

## Staff Report

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File #: 16-299D, Version: 1

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### **Subject:**

Passenger Facility Charge Application with the Federal Aviation Administration for continuation of a \$4.50 Passenger Facility Charge at St. Pete-Clearwater International Airport.

### **Recommended Action:**

Approval and execution by the County Administrator of the Passenger Facility Charge (PFC) Application #3 with the Federal Aviation Administration (FAA) for continuation of a \$4.50 Passenger Facility Charge at St. Pete-Clearwater International Airport (PIE) to fund FAA approved projects.

The total PFC revenue to be collected in the new application, through February 1, 2021, is \$11.2 million, funding projects including Terminal Renovations, Taxiway Rehabilitation and Aircraft Rescue and Firefighting Equipment.

### **Strategic Plan:**

Foster Continual Economic Growth & Vitality

4.4 Invest in infrastructure to meet current and future needs

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

### **Summary:**

Submitting a new PFC Application will ensure that PIE can continue imposing and collecting a \$4.50 PFC on each enplanement to fund PFC eligible airfield and terminal improvement projects.

### **Background/Explanation:**

The FAA's PFC program allows the collection of PFC fees up to \$4.50 for every enplaned passenger at commercial airports controlled by public agencies. PFCs are capped at \$4.50 per flight segment. Airports use these fees to fund FAA approved projects that enhance safety, security, or capacity.

On September 16, 2008, the Board approved Resolution 08-151 which authorized PIE to submit an application to the FAA for the imposition and collection of a new PFC fee in the initial amount of \$2.6M to fund eligible improvements to the airfield and terminal. The PFC Application was approved by the FAA on December 19, 2008.

Since the initial PFC Application was approved by the FAA, there have been four (4) amendments for eligible projects of similar nature. The FAA now prefers the submission of a new application, as opposed to amendments. PIE anticipates collecting the full amount, \$17.6M contained in Amendment No. 4 (PIE's current PFC collection instrument) by summer 2016. PFC applications and amendments are collection amount driven, not time driven. A new approved PFC application is needed prior to PIE collecting the \$17.6M to avoid the lapse of PFC collections.

In accordance with Federal Aviation Regulation 49, Code of Federal Regulations Part 158.37, airports are required to consult with air carriers that have a significant business interest and notify them of our intent to impose a PFC. The airlines had thirty (30) days after the airline consultation meeting held on January 19, 2016 to comment on any specific project or the entire PFC Application. We did not receive any comments from the airlines.

The FAA typically takes between ninety (90) to one hundred twenty (120) days to submit the record of decision which outlines their approval or disapproval. The FAA also requires that the airport alert the public to our Notice of Intent to collect a PFC, which was posted on PIE's website. The deadline for the public comment was January 22, 2016. No public comments were received.

The following FAA eligible projects, equipment, and costs, are included in the PFC application. The projects below add up to the \$11.2M requested for FAA's approval of PIE's new PFC application:

- Terminal Renovations 2016
- Ticketing "A" Baggage Screening Area
- Apron Hardstand Expansion Phase 2
- Taxiway Rehabilitation Phase 2
- Master Plan Study
- Wildlife Hazard Assessment and Wildlife Hazard Management Plan
- Airfield Sweeper
- Aircraft Rescue and Fire Fighting Equipment
- PFC Administration Costs

The PFC collections have been reduced by \$211,016 (less than a month's collections) from the application that was taken to the Board before, due to comments that the FAA had during their preliminary review. Here are the three projects that were affected:

Project 3.1 - Terminal Renovations 2016 - The amount of PFCs included in the application has been reduced by \$79,050. When the application was developed, the costs of two elements of the project (the HVAC Chiller and Mechanical Control Room) were allocated between eligible and ineligible costs based on the usage of the terminal space. The square footage of a space which is ultimately planned for concession space was accounted for as eligible public space, which will be its short term use. The FAA required the Airport to reflect the eligibility of the space as its ultimate, final use which will be ineligible concession space. This caused a reduction of the PFC eligible portion of the HVAC Chiller and Mechanical Control Room which will serve this space.

Project 3.3 - Reconstruction Terminal Apron - The amount of PFCs included in the application has been reduced by \$131,820. The original application included additional project costs above what was included in the AIP Grant associated with this project. The FAA requested that the PFC application reflect the amounts included in the grant. Upon completion of the project, any additional eligible costs which are not funded by the AIP grant can be requested for PFC funding with an amendment to the application.

Project 3.6 - Wildlife Hazard Assessment and Wildlife Management Plan - The amount of PFCs included in the application was reduced by \$146. This reflects the actual amount of local match which was required on this grant according to the FAA's records.

**Fiscal Impact:**

The total PFC revenue to be collected in the new application is \$11.2M. The expiration date for this application is anticipated on or about February 1, 2021 based on historical collections.

**Delegated Authority:**

Authority for the County Administrator to approve and sign this application is granted under Resolution No. 16-8.

**Staff Member Responsible:**

Thomas R. Jewsbury, Director, St. Pete-Clearwater International Airport

**Partners:**

FAA

**Attachments:**

PFC Application

Resolution 16-8

2.23.16 Approved Agenda Item - Staff Report