



SPOKANE

INTERNATIONAL AIRPORT



PUBLIC NOTICE AND OPPORTUNITY FOR COMMENT

PASSENGER FACILITY CHARGE

NEW PFC APPLICATION #11

JUNE 28, 2017



Spokane International Airport
GEG — GENERATING ECONOMIC GROWTH

Agenda

- ➔ Overview of PFC Program at Spokane Airport (GEG)
- ➔ Proposed New PFC 11 Application
- ➔ Project Information for Impose and Use PFC 11
- ➔ Financial Plan for Impose and Use PFC 11
- ➔ Opportunity for Comment
- ➔ Timeline and Next Steps in the PFC Process

PFC Program Overview

Current Status of PFC Applications

- ➔ PFC collection level - \$4.50
- ➔ Current legal expiration date for all approved applications (#1-10) = November 1, 2017
- ➔ Total collections authorized for all approved applications = \$134,678,692
- ➔ PFC #10 Amendment in process = 1,422,762
- ➔ Total collections authorized = \$136,101,454
- ➔ Total collections through Q1 2017 = 134,079,154
- ➔ Remaining collection as of 3/31/17= \$2,022,300

PFC Program Overview

Current Status of PFC Applications

Spokane International Airport

Application Number	[A] Existing Collection Authority	[B] Amendment In Progress	[A + B] Revised Collection Authority	Collections Through 3/31/2017
PFC 1 through 9	\$ 119,642,572	\$ -	\$ 119,642,572	\$ 119,642,572
Amendment to PFC #10 (in progress)	15,036,120	1,422,762	16,458,882	14,436,582
Total Authority	\$ 134,678,692	\$ 1,422,762	\$ 136,101,454	\$ 134,079,154

PFC Program Overview

Current Status of PFC Applications

	Expenditures Through 3/31/17	Amount Approved For Collection	Balance to be Expended
Application #1	\$ 9,283,006	\$ 9,283,006	\$ -
Application #2	\$ 4,913,994	\$ 4,913,994	\$ -
Application #3	\$ 38,175,419	\$ 38,175,419	\$ -
Application #4	\$ 4,680,431	\$ 4,680,431	\$ -
Application #5	\$ 13,213,936	\$ 13,213,936	\$ -
Application #6	\$ 1,574,266	\$ 1,574,266	\$ -
Application #7	\$ 31,636,556	\$ 31,636,556	\$ -
Application #8	\$ 850,000	\$ 850,000	\$ -
Application #9	\$ 15,314,964	\$ 15,314,964	\$ -
Application #10	\$ 1,956,684	\$ 15,036,120	\$ 13,079,436
Total for all Approved Applications	<u>\$ 121,599,256</u>	<u>\$ 134,678,692</u>	<u>\$ 13,079,436</u>

** Source: PFC Quarterly Report as of March 31, 2017

Proposed New PFC 11

PFC Level, Charge Effective Date, Charge Expiration Date, and Total PFC Revenue

- ➔ PFC Level - \$4.50
- ➔ Estimated Collection Start Date – November 1, 2017
- ➔ Estimated Collection End Date – August 1, 2020
- ➔ PFC Revenue – Impose and Use - \$16,298,809
- ➔ Pay-as-you-go basis
- ➔ Proposed Carrier Exemptions - None

Project Information

Proposed PFC 11 Impose and Use Projects

		PFC Level	Project Costs	PFC Eligible Project Costs	PFC PAYGO	AIP Grants	Other Funds
	Project Title						
11.1	Airfield Pavement Weather Sensors	\$4.50	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
11.2	Continuous Friction Measurement Vehicle	\$4.50	250,000	250,000	250,000	-	-
11.3	Snow Removal Equipment (5 Pieces)	\$4.50	2,835,000	2,835,000	2,835,000	-	-
11.4	Terminal Rehabilitation	\$4.50	8,500,000	7,652,944	7,652,944	-	847,056
11.5	Passenger Boarding Bridge PLCs	\$4.50	2,571,775	2,571,775	2,571,775	-	-
11.6	Terminal Renovation & Expansion (TREX) / 30% Design	\$4.50	2,078,997	1,890,590	1,890,590	-	188,407
11.7	PFC Application / Administration Fees	\$4.50	98,500	98,500	98,500	-	-
	Total		\$ 17,334,272	\$ 16,298,809	\$ 16,298,809	\$ -	\$ 1,035,463

Project 11.1 – Airfield Pavement Weather Sensors

- **Description:** Design and installation of Runway Surface Condition Sensors on runways 3/21 (primary) and 7/25 (secondary).
- **Objective:** The sensors will allow GEG to meet requirements for winter operations consistent with the FAA-approved Snow and Ice Control Plan.
- **Justification:** The winter weather conditions of Spokane are conducive to the need to report runway surface temperature, the presence or absence of moisture, pre-ice conditions (advance alert of ice formation on pavement surfaces), actual ice (visible or otherwise detectable ice on pavement) and ambient air temperature. This equipment is included in the Airport's FAA-approved snow and ice control plan and is PFC-eligible in accordance with **5100.38D G-3(h)**.
- **Estimated Project Start Date:** January 2018
- **Estimated Project Completion:** December 2019
- **PFC Eligible Project Costs:** \$1,000,000
- **Proposed sources of financing:** 100% PFC pay-as-you-go

Project 11.2 – Self Contained Continuous Friction Measurement (CFME) Vehicle

- **Description:** Procurement of a fully self-contained CFME device.
- **Objective:** This project will provide a fully self-contained CFME device, the recommended method for measuring friction characteristics of pavement surfaces covered with contaminants.
- **Justification:** The winter weather conditions of Spokane are conducive to the need to report runway surface friction characteristics. The airport's current method of measuring pavement surface friction is a decelerometer acquired in 2006. Use of decelerometers is a lower recommended method of surface friction measurement, which has a longer runway downtime requirement. This CFME vehicle is PFC-eligible in accordance with **5100.38D M-1(e)**
- **Estimated Project Start Date:** January 2018
- **Estimated Project Completion:** December 2019
- **PFC Eligible Project Costs:** \$250,000
- **Proposed sources of financing:** 100% PFC pay-as-you-go

Project 11.3 – Snow Removal Equipment (SRE)

- ➔ **Description:** Procurement of five pieces of SRE to replace four pieces that have exceeded their useful life and one piece adding to the SRE fleet. (See tables on the following pages.)
- ➔ **Objective:** This project will allow GEG to clear airfield pavement surfaces of snow and ice during winter weather events in accordance with FAR Part 139 certified airports requirements.
- ➔ **Justification:** If the snow removal equipment is not replaced, the airfield operations could be negatively affected which could decrease airfield capacity at GEG. These pieces of SRE are PFC-eligible in accordance with **5100.38D M-1(d), AC 150/5200-30 and 150/5220.**
- ➔ **Estimated Project Start Date:** January 2018
- ➔ **Estimated Project Completion:** December 2019
- ➔ **PFC Eligible Project Costs:** \$2,835,000
- ➔ **Proposed sources of financing:** 100% PFC pay-as-you-go

Project 11.3 – Snow Removal Equipment (SRE)

Current Equipment List				
List #	Type	Make/Model	Year	Condition
1	Loader	John Deere Front-end Loader w/24' ramp plow	2000	Fair
2	Loader	John Deere Front-end loader w/30' ramp plow	2013	Good
3	Plow	International Truck/24' Plow/Material Spreader	2013	Good
4	Plow	International Truck/24' Plow/Material Spreader	2013	Good
5	Plow	Freightliner/20' Plow/Material Spreader	1997	Fair
6	Plow	Freightliner/20' Plow/Material Spreader	1997	Fair
7	Plow	Mack/19' Plow/Material Spreader	1982	Poor
8	Plow/Sweeper	MB-5 Combo 24' plow/22broom	2012	Good
9	Plow/Sweeper	MB-5 Combo 24' plow/22broom	2012	Good
10	Rotary Plow	Stewart/Stevenson (Class IV)	2001	Poor
11	Rotary Plow	Oshkosh VI (5000 ton/hr.)	2012	Good
12	Rotary Plow	Oshkosh VI (5000 ton/hr.)	2012	Good
13	Sweeper	MB 22' Front-mounted broom unit	2012	Good
14	Sweeper	MB 22' Front-mounted broom unit	2012	Good
15	Sweeper	Oshkosh 18' Front-mounted broom unit	2008	Fair
16	Sweeper	Oshkosh 18' Front-mounted broom unit	2008	Fair

Project 11.3 – Snow Removal Equipment (SRE)

Proposed Equipment Purchase in PFC #11				
List #	Type	Size/Type	Year	Replace/New
1	Loader	Tracked Vehicle w/30' ramp plow	2017	Replace #1 Above
2	Plow/Sweeper	Multi-tasking Unit w/ 24' plow/22broom	2017	Replace #5 Above
3	Plow/Sweeper	Multi-tasking Unit w/ 24' plow/22broom	2017	Replace #7 Above
4	Rotary Plow	Class IV Snow Blower	2017	Replace #10 Above
5	Rotary Plow	Skid Steer w/snow blower	2017	New

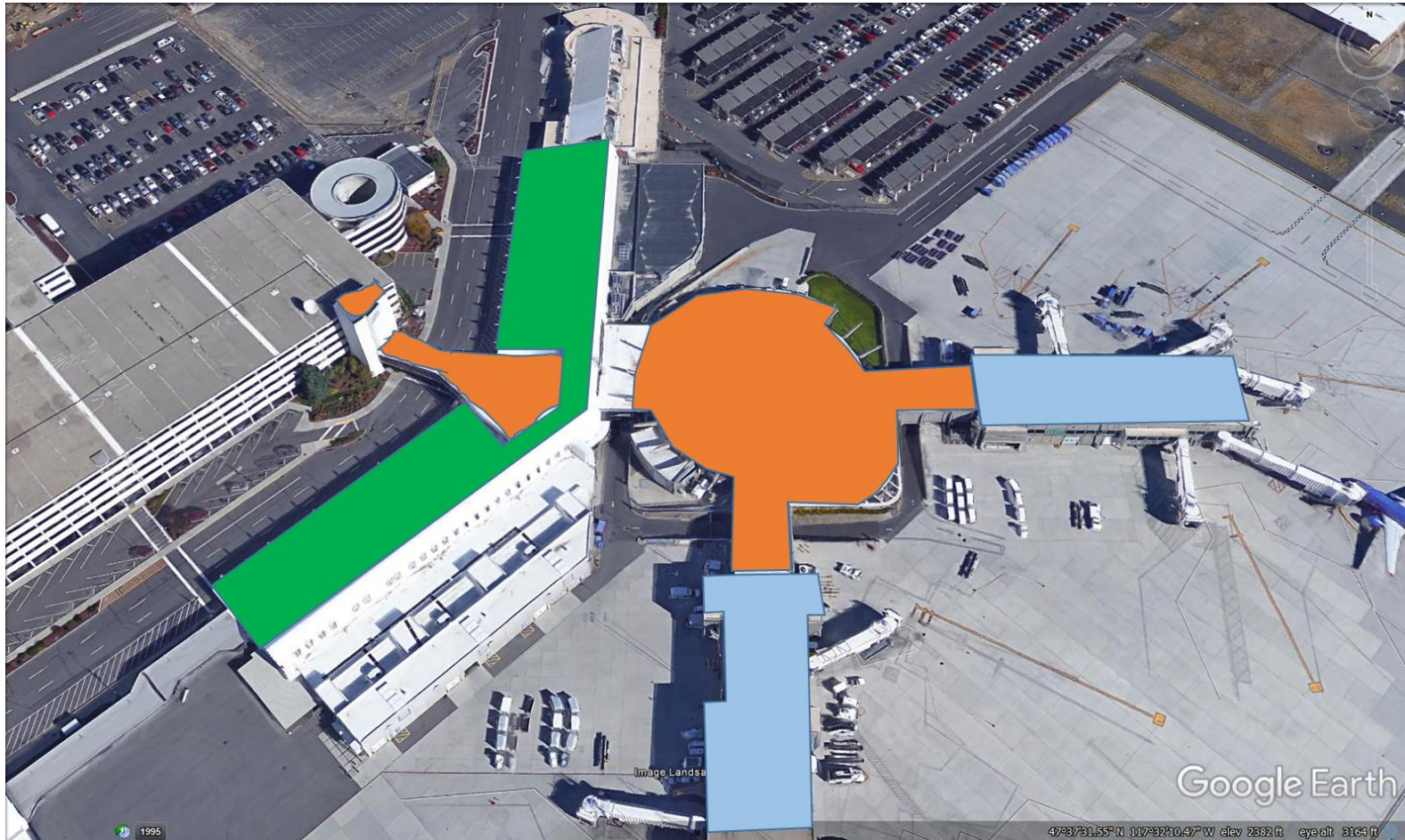
Project 11.4 – Terminal Rehabilitation



- ➔ **Description:** This project consists of the rehabilitation and replacement of significant components of the terminal building including:
 - Reimbursement of prior years' terminal roof replacements along with future replacement of certain portions of roof in Concourse A/B (see diagram attached).
 - Replacement of significant portion of terminal building storefront & glass.
 - Renovation of two each women's and men's passenger accessible restrooms in pre-security Concourse A/B.
 - Replacement of HVAC Components.
- ➔ **Objective:** To preserve capacity by upgrading and rehabilitating significant building components of the 50-year old main terminal / concourse facility along with the 20 year-old second terminal / concourse.


Project 11.4 – Terminal Rehabilitation

- ➔ **Justification:** Much of the main terminal that houses Concourses A and B has not been renovated since original construction in 1962. Roofing projects eliminate leaking and retain the structural integrity of the building. Window units have failed in over 50% of the window panels and contain inefficient glass, increasing heating and cooling costs. Restroom facilities are significantly outdated and lack sufficient capacity to handle current passenger traffic. Heating, Ventilating and Air Conditioning have failed in Concourse C and in the A/B overhead pedestrian walkway. This rehabilitation project is eligible based on **AIP Tables 5100.38D N-9(d)(2), 5100.38D N-9(d)(3)(a), 5100.38D N-9(d)(3)(c), 5100.38D N-9(d)(3)(d).**
- ➔ **Estimated Project Start Date:** August 2017
- ➔ **Estimated Project Completion:** December 2020
- ➔ **Total Project Costs:** \$8,500,000
- ➔ **PFC Eligible Project Costs:** \$7,652,944 based on eligible space
- ➔ **Proposed sources of financing:** PFC pay-as-you-go and Airport funds of \$847,056

Project 11.4 – Terminal Rehabilitation



-  Roof Area replaced in 2008 @ \$718,000 (~52,200 sf)
-  Roof Area replaced in 2011 @ \$807,000 (~46,500 sf)

-  ~107,000 sf roof area proposed to be replaced with PFC 11 @ \$1,500,000

Project 11.5 – Passenger Boarding Bridges Programmable Logic Controls (PBB PLCs)

- ➔ **Description:** Replacement of the Programmable Logic Controls (PLCs) of Passenger Boarding Bridges (PBBs) at fourteen (14) gates.
- ➔ **Objective:** Newer technology components will provide for better control of the PBBs when being positioned on and around aircraft increasing safety of the equipment and the operators of the equipment.
- ➔ **Justification:** Newer technology will allow for tracking of persons accessing the PBBs through logging technology. The existing passenger loading bridges were added to the airport between 1996 and 1998, making them between 19 and 21 years old. This project is eligible based on **5100.38D N-9(d)(2)**.
- ➔ **Estimated Project Start Date:** March 2018
- ➔ **Estimated Project Completion:** December 2019
- ➔ **PFC Eligible Project Costs:** \$2,571,775
- ➔ **Proposed sources of financing:** 100% PFC pay-as-you-go

Project 11.6 – 30% Design of Terminal Renovation and Expansion (TREX)

- ➔ **Description:** TREX design is the next phase of the comprehensive renovation and expansion of the Airport terminals to provide balancing of terminal, airside, and landside requirements related to passenger demand, capacity of the facility, and airport/airline operations. The individual components are:
 - **Central Bag Claim (5 devices):** Current devices are between 20 and 40 years old and are inefficient and unable to facilitate current or future capacity.
 - **Terminal A/B Security Screening Checkpoint:** Current checkpoint is installed in narrow hallways leading from the terminal building to each concourse (A&B) with limited re-composure space.
 - **Terminal C Security Screening Checkpoint:** Current checkpoint is installed in a narrow space leading from the terminal ticket lobby to Concourse C with limited re-composure space.
 - **Terminal C Ticketing:** Area will need rehabilitation and reconfiguration to allow security screening checkpoint reconfiguration.
 - **Concourse Connector:** Passenger Circulation improvements to relieve congested passenger movement areas.
 - **Curbside Canopy:** Installation of overhead protection for arriving and departing passengers at the curb where there is no covering.

Project 11.6 – 30% Design of Terminal Renovation and Expansion (TRES)

- **Objective:** The TRES Project is to preserve capacity by upgrading and expanding the 50-year old main terminal / concourse facility along with the 20 year-old second terminal / concourse, to extend its useful life and provide for a modernized facility to meet current and future demand.
- **Justification:** Baggage claim devices are or will be past their useful lives. Security checkpoints do not meet current TSA requirements. Centralized bag claim area will provide efficiencies. Passenger circulation improvements will address congestion. Curbside canopy will protect passengers from inclement weather. Design elements are eligible under the same section referenced in **5100.38D, predominantly Table N-5**, as it relates to the eligible construction elements.
- **Estimated Project Start Date:** August 2017
- **Estimated Project Completion:** September 2018
- **Total Project Costs:** \$2,708,997
- **PFC Eligible Project Costs:** of \$1,890,590 based on eligible elements
- **Proposed sources of financing:** PFC pay-as-you-go and Airport funds of \$188,407

Project 11.6 – 30% Design of Terminal Renovation and Expansion (TREX)

Project Name	Estimated Construction Cost 2015 Dollars		2% Planning 12% Design 1% EIA
			15%
Central Bag Claim (3 Devices)	\$16,812,381		\$2,521,857
Central Bag Claim (2 Devices)	\$6,183,174		\$927,476
New Administration Offices	\$7,246,133		\$1,086,920
Terminal A/B SSCP Modifications	\$3,198,880		\$479,832
Terminal C Expansion (3-Bays)	\$4,767,167		\$715,075
Terminal C SSCP Remodel	\$1,441,252		\$216,188
Concourse Connector	\$5,560,131		\$834,020
Vertical Circulation Mods	\$944,306		\$141,646
Curbside Canopy	\$3,105,828		\$465,874
	\$ 49,259,253		\$ 7,388,888
Admin 100% Ineligible	\$ (7,246,133)		\$ (1,086,920)
	\$ 42,013,120		\$ 6,301,968
		30%	\$1,890,590

Project 11.7 – PFC Application and Administration Fees

- **Description:** PFC allowable costs include the reasonable and necessary costs of carrying out an approved project, including those incurred prior to and subsequent to the approval to impose and use PFCs.
 - \$48,500 in expenses for consulting services
 - \$10,000 in audit expenses related to the required annual PFC audit for each of the subsequent 5 years
- **Justification:** PFC-eligible general formation costs included in this PFC project are the necessary expenditures to prepare the new PFC application. Also included are eligible ongoing audit costs.
- **Estimated Project Start Date:** April 2017
- **Estimated Project Completion:** April 2022
- **PFC Eligible Project Costs:** of \$98,500
- **Proposed sources of financing:** 100% PFC pay-as-you-go

Opportunity for Comment

- In accordance with 14 CFR, §158.24, the public has the opportunity to file comments on the proposed application for 30 days, until July 28, 2017
- Comments should be sent to:

David R. Armstrong, CPA
Director of Finance
Spokane Airports
Phone: (509) 455-6448
Email: darmstrong@spokaneairports.net

Next Steps In PFC Application Process

June 28, 2017	Airline Consultation Meeting/Public Comment Notice
July 20, 2017	Board Approval of PFC Resolution
July 28, 2017	Airline Certification of Agreement or Disagreement with Proposed Application #11, Public Comment Period Ends
July 31, 2017	Submit Proposed Application #11 to the FAA
August 30, 2017	FAA Determines Application to be Substantially Complete
September 30, 2017	Expected FAA approval (maximum 90 days from substantially complete determination)
October 1, 2017	Notice to Air Carriers of FAA Decision
November 1, 2017	PFC Application #11 Charge Effective Date



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Questions / Comments



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