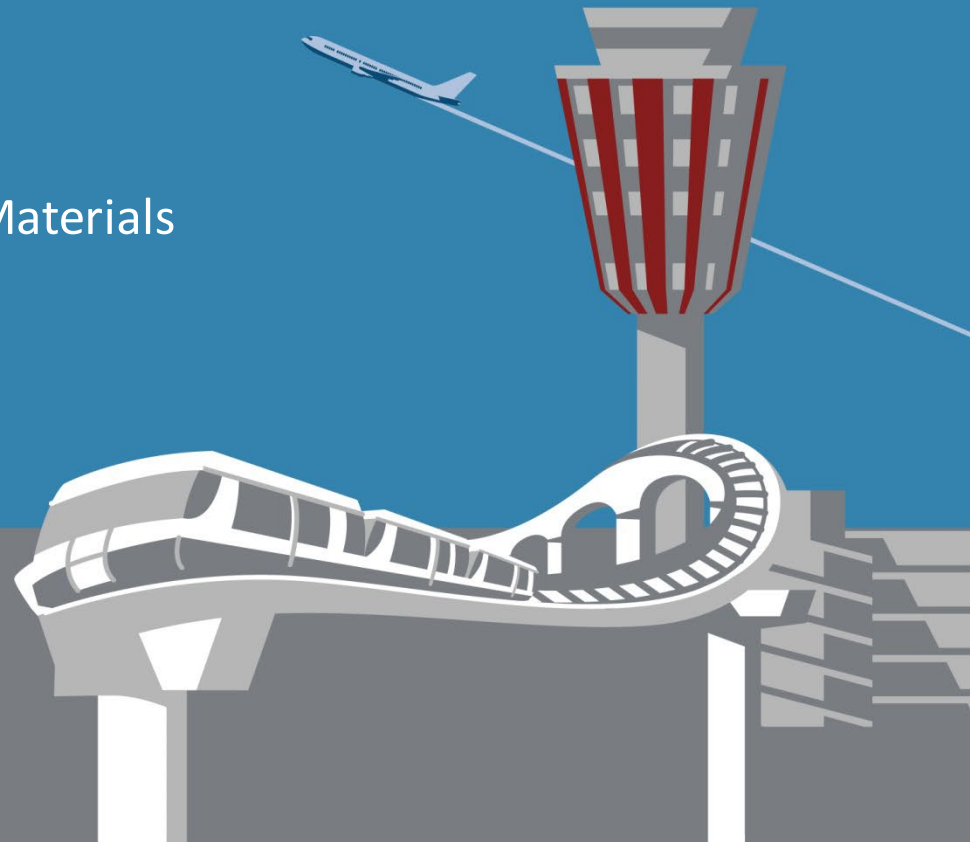


Passenger Facility Charge Application #7 Amendment Phoenix Sky Harbor International Airport

Airline Consultation and Public Notice Materials
Date: November 2, 2023

 **PHX DVT BYR**





- **PFC Program Overview**
- **Proposed Amendment of PFC #7**
- **Plan of Finance**
- **Administrative Matters**



PFC Program Overview



Applications	Amount Approved for Collection/Use¹	Status	Disbursements through 6/30/2023
PFC #1	\$ 92,309,414	Closed	\$ 92,309,414
PFC #2	147,875,677	Closed	147,875,677
PFC #3	208,085,801	Closed	208,085,801
PFC #4	246,977,086	Closed	246,977,086
PFC #5	179,036,442	Closed	179,036,442
PFC #6	1,937,404,781	Open	847,352,497
PFC #7	82,163,209	Open	78,755,814
PFC #8	69,959,779	Open	61,038,239
PFC #9	22,460,400	Open	5,187,302
Total Authority	\$ 2,986,272,589		\$ 1,866,618,272
Collections through 6/30/23	\$ 1,937,866,887		
Interest Earnings	<u>61,357,815</u>		
Total Collections and Interest	\$ 1,999,224,702		
Remaining Approved Collections	\$ 987,047,887		

1. Includes all amendments as of June 30, 2023.

- PFC #1-5: Amended and closed
- PFC #6-9: Currently open
- Total authority: \$2.99 billion
- Collecting at \$4.50 level
- Legal charge expiration: September 1, 2034



PFC #7 Amendment Summary



- **First amendment to PFC #7**
- **No change in PFC collection level – to remain at \$4.50**
- **Amendment will increase collection authority by \$5.14 million**
- **Charge effective date: October 1, 2031 (no change)**
- **Charge expiration date: August 1, 2033 (no change)**
- **Also amending PFC 6 and 8 down by a total of \$17.7 million**

Proposed Change to PFC Program Phoenix Sky Harbor International Airport			
Application Number	[A] Existing Collection Authority	[B] Proposed Action	[A + B] Revised Collection Authority
PFC #1	\$ 92,309,414	\$ -	\$ 92,309,414
PFC #2	147,875,677	-	147,875,677
PFC #3	208,085,801	-	208,085,801
PFC #4	246,977,086	-	246,977,086
PFC #5	179,036,442	-	179,036,442
PFC #6	1,937,404,781	-	1,937,404,781
PFC #7	82,163,209	5,141,278	87,304,487
PFC #8	69,959,779	-	69,959,779
PFC #9	22,460,400	-	22,460,400
Total Authority	\$ 2,986,272,589	\$ 5,141,278	\$ 2,991,413,867



PFC #7 Amendment Summary



- All 15 projects will be amended to reflect actual cost
- Justification: to amend project costs to final in preparation for application closeout

Project number	Project title	Current PFC approvals	Proposed change	Revised amount	Percent change
10-001	Airfield Lighting Enhancements	\$ 1,453,593	\$ (15,590)	\$ 1,438,003	(1.1)%
10-002	East Air Cargo Apron Reconstruction	662,000	170,816	832,816	25.8
10-003	Jetbridge Enhancements	2,850,000	(353,576)	2,496,424	(12.4)
10-004	Perimeter Gates Security Enhancements	1,520,000	(409,212)	1,110,788	(26.9)
10-005	T3 Northeast Transition Ramp Reconstruction	1,244,000	419,522	1,663,522	33.7
10-006	Terminal 4 International Facility Improvements	20,040,364	(1,634,298)	18,406,066	(8.2)
10-007	Terminal 4 North Apron Reconstruction	13,500,000	7,185,447	20,685,447	53.2
10-008	Terminal 4 South Apron Reconstruction	4,590,000	326,968	4,916,968	7.1
10-009	Terminal 4 TSA EDS Enhancements	680,000	(258,171)	421,829	(38.0)
10-010	Taxiway A Reconstruction (Phase I and II)	3,447,898	(125,501)	3,322,397	(3.6)
10-011	Taxiway Connector G5 Construction	1,264,972	(27,922)	1,237,050	(2.2)
10-012	Terminal Development Concept Design	26,850,663	(394,663)	26,456,000	(1.5)
10-013	Terminal Window Glazing	1,219,719	(21,909)	1,197,810	(1.8)
10-014	West Holdbay Ramp Expansion	840,000	445,920	1,285,920	53.1
10-015	Airport Compatible Land Redevelopment Plan Update	2,000,000	(166,553)	1,833,447	(8.3)
	Total Application	\$ 82,163,209	\$ 5,141,278	\$ 87,304,487	



Project 10-001: Airfield Lighting Enhancements

This project is the second phase of Airfield Lighting Control System (ALCS) enhancements. This project includes the replacement of 39 lighting regulators that were not upgraded in the first phase. The 39 regulators are located in the lighting vaults, Airport Traffic Control Tower (ATCT), and the Facility and Service Maintenance Shop. Included also in the project is purchasing of two mobile laptops to monitor the equipment.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$1,453,593 to \$1,438,003 to reflect the application of local funds to an ineligible project component (mobile laptops) as requested by the FAA in the original FAD.

Project 10-002: East Air Cargo Apron Reconstruction

This project consists of the design and reconstruction of approximately 84,000 square yards of the air cargo apron east of the West Air Cargo Facility. The project includes the removal of existing pavement and replacement with six inches of asphaltic concrete pavement and eight inches of cement treated base. The project also includes upgrading the outdated lighting system; aircraft hold position markings; and associated drainage improvements as well as the relocation of existing utilities to provide standard surface grades.

Reason for Increase in Collection Authority:

The PFC-funded cost increased from \$662,000 to \$823,816 to reflect final costs and to account for AIP and state grant funding that was anticipated but not received.



Project 10-003: Jetbridge Enhancements

This project consists of upgrading and replacing of jetbridges in Terminal 3 and Terminal 4. This includes the jetbridges at gates B23, B24, B25, B26, B27, and B28 in Terminal 4 and Gates B25 and B26 in Terminal 3. The project also provides for the installation of fixed preconditioned air (PCA) units, aircraft ground power units (GPU), baggage slides, supporting columns, electrical power, and updated paging and telephone systems for the remaining passenger boarding bridges in both Terminal 3 and Terminal 4 (approximately 57 jetbridges).

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$2,850,000 to \$2,496,424 to reflect to reflect actual versus estimated costs.

Project 10-004: Perimeter Gates Security Enhancements

This project provides for the replacement of 15 underground wedge barriers at 11 perimeter gate access points with enhanced above ground hydraulic drop arm barriers. The project includes the removal of the old underground operated vehicle and pedestrian barriers and the installation of associated electrical cabling, conduit, and project management.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$1,520,000 to \$1,110,788 to reflect actual versus estimated costs.



Project 10-005: T3 Northeast Transition Ramp Reconstruction

The project consists of the design and reconstruction of the northeast transition hold bay located east of Terminal 3 north concourse and south of parallel Taxiway C, including associated lighting and drainage improvements. This northeast transition hold bay (approximately 40,361 square yards) is used for holding aircraft that are waiting on 10 gates in Terminal 3 and 44 gates in Terminal 4 as well as remain overnight parking (RON).

Reason for Increase in Collection Authority:

The PFC-funded cost increased from \$1,244,000 to \$1,663,522 to reflect final costs and to account for AIP and state grant funding that was anticipated but not received.

Project 10-006: Terminal 4 International Facility Improvements

This project consists of the design and improvements to the Federal Inspection Services (FIS) facility located inside the Terminal 4 international facility. The project includes: the expansion of passenger processing and queuing areas; increased baggage claim frontage areas; installation of new passport check kiosks; renovations of vertical circulation; upgrades to Boarding gate B19; and reconfiguration of Customs and Border Protection (CBP) offices.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$20,040,364 to \$18,406,066 to reflect actual versus estimated costs.



Project 10-007: Terminal 4 North Apron Reconstruction

This project consists of the design and reconstruction of the aircraft parking apron at the Terminal 4 South concourses S3 and S4. The project includes removal of approximately 2,000 concrete apron panels and replacement with 18 inches of PCC pavement (approximately 89,000 square yards) and four inches base course. The project also includes construction management, material testing, inspection, and administration work.

Reason for Increase in Collection Authority:

The PFC-funded cost increased from \$13,500,000 to \$20,685,447 to reflect actual versus estimated costs and account for a longer construction period. Additional grant funding and local funds were applied to the project.

Project 10-008: Terminal 4 South Apron Reconstruction

This project consists of the design and improvements to the Federal Inspection Services (FIS) facility located inside the Terminal 4 international facility. The project includes: the expansion of passenger processing and queuing areas; increased baggage claim frontage areas; installation of new passport check kiosks; renovations of vertical circulation; upgrades to Boarding gate B19; and reconfiguration of Customs and Border Protection (CBP) offices.

Reason for Increase in Collection Authority:

The PFC-funded cost increased from \$4,590,000 to \$4,916,968 to reflect final costs and to account for AIP grant funding that was anticipated but not received.



Project 10-009: Terminal 4 TSA EDS Enhancements

This project consists of the design and installation of a new in-line Explosive Detection System (EDS) in Terminal 4 and baggage conveyor belt systems. Included in the project are six EDS units that are provided by TSA. Four EDS units will be installed in Terminal 4 South and two units will be installed in Terminal 4 International processing facility. This project includes space modifications; installation of mechanical and electrical equipment; and software upgrades that are necessary to support the new EDS machines.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$680,000 to \$421,829 to reflect actual versus estimated costs and the application of local funds to ineligible project components.

Project 10-010: Taxiway A Reconstruction (Phase I and II)

This project provides for the phased reconstruction of parallel Taxiway A (approximately 11,500 feet by 200 feet) and connector taxiways A4 through A9. The project also includes associated drainage improvements; grading of surrounding area; installation of new lights and associated electrical utilities; adjustments of airfield signage bases and panels.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$3,447,898 to \$3,322,397 to reflect the application of a state grant that was not included in the original plan of finance.



Project 10-011: Taxiway Connector G5 Construction

This project provides for the construction of a new mid-field Taxiway G5, which is an acute angle connector between Runway 07R/25L and parallel Taxiway F. The taxiway construction will include: lighting; marking; subgrade layer; aggregate base; and PCC pavement.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$1,264,972 to \$1,237,050 to reflect the application of local funds to ineligible project components

Project 10-012: Terminal Development Concept Design

This project provides for the preparation of design documents related to the modernization of the 35 year old Terminal 3. The project will provide the plans and specification for the demolition of the current south concourse, the construction of a replacement south concourse and a centralized security check point to service both north and south concourses. The project includes: evaluating the existing building condition; defining alternatives; developing the initial schematic design; and developing a construction management plan. The design will increase the number of gates in the south concourses from 6 to 15. The project will also include increased baggage claim capacity, additional TSA lanes, and enhancements to passenger signage.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$26,850,663 to \$26,456,000 to reflect actual versus estimated costs.



Project 10-013: Terminal Window Glazing

This project provides for strengthening windows and doors in Terminals 3 and 4 in order to minimize damage and injuries in the event of a bomb blast. The project is part of terminal modifications that are necessary to increase the security within the public use and baggage screening areas. The project includes the glazing of glass adjacent to the terminal curb fronts with blast resistant film, installation of strengthened automatic doors, and a catcher-type system behind the window glazing to capture sheets of the treated glass.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$1,219,719 to \$1,197,810 to reflect the application of local funds to ineligible project components.

Project 10-014: West Hold Bay Ramp Expansion

This project consists of the design and reconstruction of the West Hold Bay apron (approximately 38,850 square yards) and associated lighting, marking, and utility improvements. This project is the second phase for the replacement of the West Hold Bay, located south of Taxiway C, between connecting taxiways C3 and C5. This project provides for the reconstruction with 15.5 inches of PCC pavement, which is stronger than the prior asphalt to accommodate current and future aircraft operations. The project also includes the construction of a blast fence and the realignment of adjacent service road.

Reason for Increase in Collection Authority:

The PFC-funded cost increased from \$840,000 to \$1,285,920 to reflect final costs and to account for AIP and state grant funding that was anticipated but not received. Additional local funds were applied to the project.



Project 10-015: Airport Compatible Land Redevelopment Plan Update

This project provides for the update to the Airport Compatible Land Reuse Plan (ACLRP) for noise-impacted properties adjacent to PHX. The project will prepare plans and recommendations for the compatible land use of approximately 800 parcels north and west of PHX. The project will include both aeronautical and non-aeronautical reuse alternatives that can generate additional aviation revenue and potential economic benefits.

Reason for Decrease in Collection Authority:

The PFC-funded cost decreased from \$2,000,000 to \$1,833,447 to reflect actual versus estimated costs and the application of local funds to ineligible project components.



PFC #7 Amended Application Plan of Finance



Proj #	Project Description	AIP Funds	Other Grant Sources			Local/Other	Total
			TSA	State (ADOT)	PFC Pay Go		
10-001	Airfield Lighting Enhancements	\$ -	\$ -	\$ -	\$ 1,438,003	\$ 15,590	1,453,593
10-002	East Air Cargo Apron Reconstruction	4,028,438	-	664,920	832,816	157,885	5,684,059
10-003	Jetbridge Enhancements	-	-	-	2,496,424	319,015	2,815,439
10-004	Perimeter Gates Security Enhancements	-	-	-	1,110,788	-	1,110,788
10-005	T3 Northeast Transition Ramp Reconstruction	4,520,799	-	-	1,663,522	210,919	6,395,240
10-006	Terminal 4 International Facility Improvements	-	-	-	18,406,066	4,406,219	22,812,285
10-007	Terminal 4 North Apron Reconstruction	57,754,792	-	-	20,685,447	7,827,286	86,267,525
10-008	Terminal 4 South Apron Reconstruction	12,857,489	-	-	4,916,968	754,568	18,529,025
10-009	Terminal 4 TSA EDS Enhancements	-	13,765,344	-	421,829	722,357	14,909,529
10-010	Taxiway A Reconstruction (Phase I and II)	7,968,659	-	998,716	3,322,397	125,501	12,415,273
10-011	Taxiway Connector G5 Construction	2,875,684	-	-	1,237,050	27,922	4,140,656
10-012	Terminal Development Concept Design	-	-	-	26,456,000	-	26,456,000
10-013	Terminal Window Glazing	-	-	-	1,197,810	21,909	1,219,719
10-014	West Holdbay Ramp Expansion	6,156,466	-	1,019,615	1,285,920	123,411	8,585,412
10-015	Airport Compatible Land Redevelopment Plan Update	-	-	-	1,833,447	47,975	1,881,422
Total		\$ 96,162,327	\$ 13,765,344	\$ 2,683,251	\$ 87,304,487	\$ 14,760,556	\$ 214,675,965



The City is no longer exempting the following class of carrier from collecting PFCs:

CAC – Commuters or Small Certified Air Carriers, filing FAA Form T-100 with less than 7,500 enplanements each annually at Phoenix Sky Harbor International Airport

- **ATCO** – Nonscheduled/On-Demand Air Carriers, filing FAA Form 1800-31
- **CRAC** – Large Certified Route Air Carriers, filing FAA Form T-100 with less than 7,500 enplanements each annually at Phoenix Sky Harbor International Airport
- **FFC** – Foreign Air Carriers filing Form T-100(f) with less than 7,500 enplanements each annually at Phoenix Sky Harbor International Airport

The cost of collection, record keeping, and auditing by the air carrier and the City of Phoenix outweigh the benefits to be derived by the collection of PFC revenue within each class.



- **Airline deadline for certification of agreement or disagreement is December 2, 2023**
 - In accordance with Section 158.23 of 14 CFR Part 158, each carrier shall provide the City with a written certification of its agreement or disagreement with the proposed amendment to PFC #7
 - A certification of disagreement must contain the reasons for such disagreement. The absence of such reasons shall void the certification of disagreement
 - If the carrier fails to provide a certification of agreement or disagreement by December 2, 2023, the carrier is considered to have certified its agreement

- **Public deadline for submitting comments is December 2, 2023**

- **Send comments to:**

Andrew Durket
Deputy Aviation Director

Phoenix Sky Harbor International Airport
2485 E. Buckeye Rd.
Phoenix, AZ 85034

Email: Andrew.durket@phoenix.gov

Airline Consultation and Public Notice Materials
Date: November 2, 2023

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