

**Public Notice – Passenger Facility Charge PFC Application No. 1
Amendment No. 2
Charlotte Douglas International Airport**

Effective: February 22, 2019

Pursuant to 49 CFR Part 158.24, the city of Charlotte (“City”), owner and operator of the Charlotte Douglas International Airport (“Airport”), hereby provides public notice (“Public Notice”) of the City’s intention to file its second amendment to Passenger Facility Charge (“PFC”) Application No. 1 (“PFC No. 1 Amendment No. 2”) which was approved by the Federal Aviation Administration (“FAA”) to fund, in part, certain eligible improvements at the Airport..

As required by Part 158.24(a)(1) the following information is included in this Public Notice:

- (i) Descriptions of the projects;
- (ii) A brief justification of the need for the projects;
- (iii) The PFC level for each project;
- (iv) The estimated total PFC revenue for each project;
- (v) The proposed charge effective date for the application;
- (vi) The estimated charge expiration date for the application;
- (vii) The estimated total PFC revenue that will be used to finance the projects; and
- (viii) The name of and contact information for the person within the public agency to whom comments should be sent.

On July 25, 2007 the City filed its first amendment to PFC Application No. 1, (“PFC No.1 Amendment No. 1”) to amend the costs of certain PWEs included on PFC Application No. 1 and to remove PWE 1.13 Aircraft Deicing Facility, which the City had decided to pursue at a later date. PFC No. 1 Amendment No. 1 was approved by the FAA on July 25, 2007 in the amended PFC collection amount of \$650,150,414.

In PFC Application No.1 Amendment No. 2, the City is seeking to further amend the costs of the PWEs included in PFC Application No. 1 and their respective approved PFC Impose and Use amounts. Specifically, the City intends to amend the currently approved project costs and funding sources and amounts, to reflect actual project costs and funding sources and amounts. The City also intends to amend the currently approved debt service amounts based on actual to date costs and revised future debt service estimates.

The City intends to continue to impose a **\$3.00** PFC per revenue enplaned passenger for each PWE included in PFC No. 1 Amendment No. 2.

The City, concurrent with this amendment, is updating and amending its PFC Application No. 2, PFC Application No. 3, PFC Application No. 4 and submitting its new, PFC Application No. 8. The legal Charge Effective Date for PFC Application No. 1 is November 1, 2004 and the legal

Charge Expiration Date for PFC Application No. 1 was April 1, 2016. The City's PFC Program is fluid and estimates it will collect PFCs until May 1, 2049 for Application Numbers 1 through 6 (PFC Application No. 7 is a Use application), and the City's new PFC Application No. 8.

The total estimated PFC revenue to be requested by the City in its PFC No. 1 Amendment No. 2 is \$509,782,585 which is \$140,367,820 less than what was approved in PFC No.1 Amendment No. 1 (\$650,150,405) and as depicted below.

I. PROJECT DESCRIPTIONS, OBJECTIVES AND JUSTIFICATIONS

PROJECT TITLE:

P.W.E. 1.4 ADDITIONAL AIRCRAFT RESCUE AND FIREFIGHTING FACILITY

PROJECT DESCRIPTION: Development of a new ARFF station was recommended north of the northern most proposed crossover taxiway connecting the Third Parallel Runway with the existing airfield. This new location was selected in order to meet FAR Part 139 rescue vehicle response time requirements for the Third Parallel Runway and future airfield configuration. This new facility will complement the existing ARFF station located east of Runway 18L/36R.

PROJECT JUSTIFICATION: The construction of the Third Parallel Runway west of the existing airfield will require an additional ARFF facility to satisfy the three-minute response required by Part 139.

FINANCING PLAN:

Total PFC Approved Cost	\$2,107,530
Proposed Amended PFC Cost	<u>\$6,251,736</u>
Proposed PFC Cost Increase/(Decrease)	\$4,143,806
Proposed Amended PFC Funds	
Pay-As-You-Go	\$6,251,736
Bonds Capital	\$ 0
Bonds Financing & Interest Cost	<u>\$ 0</u>
Subtotal Bonds Principal	<u>\$ 0</u>
Total Amended PFC Funds	<u>\$6,251,736</u>

This project does meet the requirements of air carrier consultation. The total increase in the PFC collection request is based on a reconciliation of actual projects, funding and debt expense (if applicable).

PROJECT TITLE:

P.W.E. 1.9 CONOURSE D EXPANSION (phase I)

PROJECT DESCRIPTION: The Concourse “D” Expansion project included (i) the addition of 50,400 square feet; (ii) the renovation of 38,000 square feet; (iii) the addition of two (2) wide body jet gates capable of accommodating international air carrier operations; and (iv) five (5) additional narrow body domestic gates.

PROJECT JUSTIFICATION: This project was required to provide additional capacity to handle the increasing number of international air carrier operations and passenger and their baggage.

FINANCING PLAN:

Total PFC Approved Cost	\$54,655,160
Proposed Amended PFC Cost	<u>\$82,573,491</u>
Proposed PFC Cost Increase/(Decrease)	\$27,918,331
Proposed Amended PFC Funds	
Pay-As-You-Go	\$ 0
Bonds Capital	\$33,596,644
Bonds Financing & Interest Cost	<u>\$48,976,847</u>
Subtotal Bonds Principal	<u>\$82,573,491</u>
Total Amended PFC Funds	<u>\$82,573,491</u>

This project does meet the requirements of air carrier consultation. The total increase in the PFC collection request is based on a reconciliation of actual projects, funding and debt expense (if applicable).

PROJECT TITLE:

P.W.E 1.21 DEDICATED ROADWAY PROJECTS

PROJECT DESCRIPTION: The North Carolina Department of Transportation was scheduled to construct a new entrance road at the Airport from the I-85/Little Rock Road interchange to the Norfolk-Southern Railway tracks. The Airport Entrance Road project was to extend the road, tie it into existing terminal area roadways, and provide access roadways to parking facilities. The Harlee Avenue Access - RCB Parkway project includes the design and construction of entrance and exit ramps to the Birmingham Parkway from Harlee Avenue.

PROJECT JUSTIFICATION: Airport Management determined that the Airport’s existing roadway access infrastructure was inadequate to accommodate an anticipated increase in passenger activity and to accommodate the Airports continuing capital improvements program. This project provided enhanced vehicular circulation for Airport patrons.

FINANCING PLAN:

Total PFC Approved Cost	\$24,227,475
Proposed Amended PFC Cost	<u>\$48,282,775</u>
Proposed PFC Cost Increase/(Decrease)	\$24,055,300
Proposed Amended PFC Funds	
Pay-As-You-Go	\$ 0
Bonds Capital	\$26,053,882
Bonds Financing & Interest Cost	<u>\$22,228,893</u>
Subtotal Bonds Principal	<u>\$48,282,775</u>
Total Amended PFC Funds	<u>\$48,282,775</u>

Note: Increase in proposed PFC costs reflects increase in PFC project cost which was originally submitted for PFC approval. The Dedicated Roadway Improvements project was originally intended to include the construction of a new airport entrance roadway from the I-85/Little Rock Road interchange to the terminal area roadways which provide access to the passenger terminal building. Following the initial conceptual design, Airport management commissioned a traffic and roadway management study to evaluate the roadway requirements to serve the Terminal complex, given recent increases in passenger traffic. The Study determined that the original roadway design was insufficient to accommodate existing and anticipated demand for vehicular traffic. The design for the Airport’s entrance roadway project was redesigned to accommodate the anticipated vehicular traffic. The total cost of the project increased from approximately \$10,577,500 to \$26,053,882.

PROJECT TITLE:
P.W.E. 1.31 PASSENGER LIFT DEVICE

PROJECT DESCRIPTION: This project included the acquisition of a passenger lift device to accommodate passengers requiring assistance in boarding aircraft from the aircraft apron level due of their inability to utilize available aircraft boarding stairs or ramps.

PROJECT JUSTIFICATION: This project was necessary to accommodate passengers requiring assistance in boarding aircraft from the aircraft apron level due of their inability to utilize available aircraft boarding stairs or ramps.

FINANCING PLAN:

Total PFC Approved Cost	\$28,374
Proposed Amended PFC Cost	<u>\$298,996</u>
Proposed PFC Cost Increase/(Decrease)	\$270,622
Proposed Amended PFC Funds	
Pay-As-You-Go	\$ 0
Bonds Capital	\$223,438
Bonds Financing & Interest Cost	<u>\$75,558</u>
Subtotal Bonds Principal	<u>\$298,996</u>
Total Amended PFC Funds	<u>\$298,996</u>

This project does meet the requirements of air carrier consultation. The total increase in the PFC collection request is based on a reconciliation of actual projects, funding and debt expense (if applicable).

PROJECT TITLE:
P.W.E. 1.41 SOUTH TERMINAL EXPANSION

PROJECT DESCRIPTION: The South Terminal Expansion project was completed by the City in 1994. The South Terminal Expansion project included (i) a connector between Concourse “B” and Concourse “C” with moving sidewalks; (ii) a new concession mall; (iii) relocated security checkpoints; (iv) airline office areas; (v) baggage makeup and claim areas; (vi) a ramp control tower; and (vii) a central utility system to serve the entire Terminal complex.

PROJECT JUSTIFICATION: The City completed the South Terminal Expansion project to support expansion of Concourse “B” and to provide direct passenger access between Concourse “B” and Concourse “C” without passing through security screening.

FINANCING PLAN:

Total PFC Approved Cost	\$21,401,332
Proposed Amended PFC Cost	<u>\$30,032,022</u>
Proposed PFC Cost Increase/(Decrease)	\$8,630,690
Proposed Amended PFC Funds	
Pay-As-You-Go	\$ 0
Bonds Capital	\$22,220,412
Bonds Financing & Interest Cost	<u>\$6,811,610</u>
Subtotal Bonds Principal	<u>\$30,032,022</u>
Total Amended PFC Funds	<u>\$30,032,022</u>

This project does meet the requirements of air carrier consultation. The total increase in the PFC collection request is based on a reconciliation of actual projects, funding and debt expense (if applicable).

II. DETAILED FINANCIAL PLAN

The City intends to continue to impose a \$3.00 PFC to pay the PFC eligible costs of the approved PWEs. The City, concurrent with this amendment, is updating and amending its PFC Application No. 2, PFC Application No. 3, PFC Application No. 4 and submitting its new, PFC Application No. 8. The legal Charge Effective Date for PFC Application No. 1 is November 1, 2004 and the legal Charge Expiration Date for PFC Application No. 1 was April 1, 2016. The City's PFC Program is fluid and estimates it will collect PFC's until May 1, 2049 for Application Numbers 1 through 6 (PFC Application No. 7 is a Use application), and the City's new PFC Application No. 8.

The total estimated PFC revenue to be requested by the City in its PFC No. 1 Amendment No. 2 is \$524,923,665 which is \$125,226,740 less than what was approved in PFC No.1 Amendment No. 1 (\$650,150,414) and as depicted below.

PFC APPLICATION #1, AMENDMENT #2 - UPDATE

	Currently Approved	Proposed Amendment	Increase/ (Decrease)
Total PFC Authorization	\$650,150,405	\$509,782,585	(\$140,367,820)
PFC PAYGO	\$1,620,000	\$7,871,518	\$6,251,518
PFC Bonds	340,790,471	258,441,372	(82,349,099)
PFC Bonds Financing & Interest Cost - Estimated	307,739,934	243,469,695	(64,270,239)
Total PFC Authorization Request	\$650,150,405	\$509,782,585	(\$140,367,820)

The public is invited to provide written comment or request additional information through March 26, 2019 by writing:

Michael D. Hill, Chief Financial Officer
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28219
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