

PFC Applications – Strategies and Details



**G. Thomas Wade, P.E.
PFC Program Manager**



Objectives

- **Identify Strategies of Successful Programs**
- **Simplify Application and Attachment Preparation**



The Program

- ➔ **Formalizes Relationship between Airport and Serving Air Carriers**
- ➔ **Airport/Air Carrier Program**
- ➔ **Regulatory Guidance (14 CFR Part 158)**
- ➔ **FAA Role**
 - **Ensure Airport Compliance with Part 158**
 - **Approve - Eligibility/Justification**
 - **Monitor Program**



Strategies for Success

- **Matching Share on AIP Projects**
- **80/20 or 85/15 funding for Small & Non-Hubs**
 - **Fund Engineering Contract(s) with PFC-Only Funding**
 - **95/5 on Construction Projects**
 - **Grants Based on Bids**
- **50/50 Funding on Major Airfield Projects**
- **Low AIP Priority Projects**
 - **Terminals, Access Roads, Aprons,**



Strategies for Success

- **PFC-Only Funded Contracts**
 - **No Federal Procurement Requirements**
- **3-4 Years Duration**



PFC Eligibility

- **Is the project eligible under AIP?**
- **Expanded Eligibility**
 - **Gates and Related Areas**
 - **Ticket Counters**
 - **Baggage Handling**
 - **Noise Mitigation w/o Part 150 NCP**
- **Maintenance is Not Eligible**



Projects

- **Overall Development Objective**
 - **Several Grants**
 - **Separated by time and Space**
- **Can include Multiple Similar ODO's**
 - **Rehab. Taxiways A, B and C**
- **Multiple Dissimilar ODO's (RW & TW Overlay)**
 - **Same Contract**
 - **Prorate Component Costs**



Projects

→ Professional Services/Administrative

- PFC Formulation, Capital Planning.....
- Not Readily Allocated to Projects
- Can be Staff Costs (if documented)
- Not Include Financing Formulation



FAA Form 5500-1

- **Charge Expiration Date > First Day of Month**
- **Authorization**
 - **Attach Board/Council Action or**
 - **Reference Action/Date in Transmittal Letter**
 - **For Future Amendments**
- **Date**
- **Read Item 7 - Certifications**
- **Assurances**



Attachment A - Capital Plan

- **3-5 Years**
- **Show Plan for Passenger & Cargo Entitlements during Each Year**
- **Consistent with AIP CIP**
- **Critical for \$4.50 Applications**



Attachment B – Project Information

→ Item 3. Title

➤ Single Project (ODO)

➤ Examples

- ❖ Construct ARFF Building
- ❖ Rehabilitate Taxiway A
- ❖ Acquire 1,500 Gallon ARFF Vehicle
- ❖ Extend Runway 18/36 2,500 feet



Attachment B – Project Information

→ Item 4a. Description - Example (What)

- **The project consists of overlaying Taxiway A between Taxiway C and Runway 18/36 (Approximately 2,100 linear feet). Rehabilitation consists of full depth repairs, as required, and a 2-in. asphalt overlay of the taxiway and shoulders. The project includes incidental grading, drainage, remarking and reflector replacement.**



Attachment B – Project Information

➔ Item 5. - Justification Example (Why)

- **The Pavement Management Evaluation rated Taxiway A as poor and no longer cost effective for routine maintenance. The last major rehabilitation was in 1992.**
- **Not - “Identified in Masterplan”**
- **Same Litmus Test as AIP**



Attachment B – Objective

→ Item 8. – Objective

- **Rehabilitate → Preserve**
- **Expand/Extend → Enhance**
- **Req'd by Reg./Standard → Safety/Security**
- **Example**

❖ **Rehabilitating Taxiway A Preserves the Capacity of the Airport by allowing the taxiway to remain available for the carriers.**



Attachment B – Dates

➔ **Item 10. – Implementation & Completion Dates**

➤ **Implementation**

❖ **Impose & Use → Within 2 years from Approval by FAA**

❖ **NTP/Purchase Order**

➤ **Completion Date**

❖ **Physical/Acceptance**



Attachment B – Financing Plan

- ➔ **Item 14. – Financing Plan (Handout)**
- ➔ **Recommend Reference to Table B-1**
 - **Financial Summary (Complete Picture)**
- ➔ **Must Identify Existing Grants & Amounts**
- ➔ **Item 15. – Back-up Plan**
 - **If Discretionary Funding is Planned**
 - **Not Cancel Project**



Attachment B – Supplemental Project Information

- **Terminal Eligibility Analysis**
- **Project Graphics**
- **Cost Information**
- **As Required**



Attachment C – Air Carrier Consultation

- **Distribute to all Non-Excluded Serving Carriers**
- **Distribution Checklist and/or Receipts**
- **Current Air Carrier Activity Report (ACAIS)**
- **Notification Letter & Attachments**
- **Meeting Handout(s)**
- **Certifications of Agreement**



Attachment C – Air Carrier Consultation

→ Project “Tear” Sheets

- Frequently 1/project
- Title, Description/Scope, Justification, Dates, Cost Breakout, Financing (reference to table)

→ Financial Summary (Table B-1)



Attachments D/E/F

✈ **D – Request to Exclude**

- **Most Exclude Part 135 Operators**
- **Usually Same Information as in Consultation Package**

✈ **E – Alternative Use/Project**

- **Impose-Only Projects**

✈ **F – Competition Plan/Update**

- **Must Be Current**
- **Copy of FAA Acceptance Letter Only**



Attachment G – ALP / Environmental / Airspace

→ ALP

- New Infrastructure must be on ALP

→ Environmental

- Get Information from ADO Program Manager
- Categorical Excluded From further Review Date

→ Airspace

- New Infrastructure (Planned → Actual)
- Must Coordinate Construction as Usual



Attachment H – Financial

➔ Methodology for determining Expiration Date

➤ Basic (+/- 3 Years)

- ❖ Remaining to Collect, New Application Authority and Average Collection per Month
- ❖ Revenue/Disbursement Analysis

➤ Cash-Flow Analysis (> 3 Years)

- ❖ Enplanements, Growth, Earned Interest



Cash-Flow Analysis

Assumptions (Calendar Year Basis):

CY-04 Enplanements (Estimated)	500,000
Earned Interest Rate	2.0%
Annual Enplanement Growth Rate:	2.3%
PFC Yield	92%
Carrier Handling Fee:	\$ 0.11
PFC Collection Rate	\$ 3.00
Collections -Remainder of CY	\$ 600,000
Interest Received - Remainder of CY	\$ 5,000

App/Amend	Impose	Use	Cumulative		Estimated Charge Exp. Date	
			Impose	Year	Month	
95-01-C-00-ABC	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	Closed		
98-02-C-00-ABC	\$ 5,000,000	\$ 5,000,000	\$ 9,500,000	Closed		
01-03-C-00-ABC	\$ 4,800,000	\$ 4,800,000	\$ 14,300,000	2005	July	
05-04-C-00-ABC	\$ 6,000,000	\$ 6,000,000	\$ 20,300,000	2009	August	
Totals	\$ 20,300,000	\$ 20,300,000				

Forecast Enplanements	2003	2004	2005	2006	2007	2008	2009	2010
Revenue Enplanements	490,000	500,000	511,500	523,265	535,300	547,611	560,207	573,091
PFC Enplanements	450,000	460,000	470,580	481,402	492,476	503,803	515,390	527,244
Average Monthly PFC Enplanements	37,500	38,333	39,215	40,117	41,040	41,984	42,949	43,937

PFC Duration & Rate	2003	2004	2005	2006	2007	2008	2009	2010
Months Collecting	12	12	12	12	12	12	8	-
Effective PFC Rate (net)	\$ 2.89	\$ 2.89	\$ 2.89	\$ 2.89	\$ 2.89	\$ 2.89	\$ 2.89	\$ 2.89

PFC Revenue	Through June 2004	2004 (July - Dec)	2005	2006	2007	2008	2009	2010
Collections	\$ 13,000,000	\$ 600,000	\$ 1,389,976	\$ 1,391,256	\$ 1,423,255	\$ 1,455,989	\$ 992,985	\$ -
Earned Interest	\$ 120,000	\$ 5,000	\$ 10,500	\$ 10,210	\$ 17,539	\$ 1,175	\$ 58	\$ 1,759
Total Revenue (End of Year)	\$ 13,120,000	\$ 605,000	\$ 1,370,476	\$ 1,401,465	\$ 1,440,793	\$ 1,457,164	\$ 993,043	\$ 1,759
Cumulative Revenue		\$ 13,725,000	\$ 15,095,476	\$ 16,496,941	\$ 17,937,735	\$ 19,394,899	\$ 20,387,942	\$ 20,389,700
Average Monthly Collection			\$ 113,331	\$ 115,938	\$ 118,605	\$ 121,332	\$ 124,123	

Project Disbursements	Through June '04	Remainder of CY	2005	2006	2007	2008	2009	2010	Total Disbursements	PFC Use Approved
All Projects	\$ 9,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,500,000	\$ 9,500,000
Application -01-02 Totals	\$ 9,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,500,000	\$ 9,500,000
3-1 Reconstruct Taxiway A	\$ 1,750,000	\$ 250,000							\$ 2,000,000	\$ 2,000,000
3-2 Reconstruct Terminal Apron (Ph 1/2)	\$ 1,000,000	\$ 700,000	\$ 1,100,000						\$ 2,800,000	\$ 2,800,000
Application -03 Totals	\$ 2,750,000	\$ 950,000	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,800,000	\$ 4,800,000
4-1 Reconstruct Runway 18/36	\$ -		\$ 250,000	\$ 750,000	\$ 1,500,000	\$ 1,000,000			\$ 3,500,000	\$ 3,500,000
4-2 Rehabilitate Terminal				\$ 150,000	\$ 250,000	\$ 200,000	\$ 900,000		\$ 1,500,000	\$ 1,500,000
4-3 Expand Apron				\$ 100,000	\$ 400,000				\$ 500,000	\$ 500,000
4-4 Upgrade ALCS				\$ 25,000	\$ 100,000	\$ 305,000			\$ 430,000	\$ 430,000
4-5 Professional Services			\$ 35,000	\$ 10,000	\$ 9,000	\$ 8,000	\$ 8,000		\$ 70,000	\$ 70,000
Application -04 Totals	\$ -	\$ -	\$ 285,000	\$ 1,035,000	\$ 2,259,000	\$ 1,513,000	\$ 908,000	\$ -	\$ 6,000,000	\$ 6,000,000

Cash Flow	Through June '04	Remainder of CY	2005	2006	2007	2008	2009	2010	Total Disbursements	PFC Use Approved
Program Disbursements	\$ 12,250,000	\$ 950,000	\$ 1,385,000	\$ 1,035,000	\$ 2,259,000	\$ 1,513,000	\$ 908,000	\$ -	\$ 20,300,000	\$ 20,300,000
Annual Balance		\$ (345,000)	\$ (14,524)	\$ 366,465	\$ (818,207)	\$ (55,836)	\$ 85,043	\$ 1,759		
Unliquidated Balance (End of Year)	\$ 870,000	\$ 525,000	\$ 510,476	\$ 876,941	\$ 58,735	\$ 2,899	\$ 87,942	\$ 89,700		



Post Approval

- **Notify Carriers w/Decision and cc to FAA**
- **Update Quarterly Report**



Summary

- **PFC and AIP are complimentary Programs to support Capital Development Needs**
- **Coordinate with ADO/Regional Offices**
- **Remember the KISS Principle**



Questions