

May 6, 2011

**Notice by Public Agency of Intent to Apply for Authority to Amend an Approved Passenger Facility Charge (PFC) Program at the Richmond International Airport**

The Capital Region Airport Commission intends to submit an application to the Federal Aviation Administration (FAA) to gain authority to amend its current PFC program, which is providing financing for several projects at the Richmond International Airport.

As required by Section 158.23 of the Federal Aviation Regulations (FAR) Part 158 Passenger Facility Charges, the Airport Authority is hereby providing written notice to all air carriers and foreign air carriers operating at the Airport. This letter serves to inform air carriers of the Airport Authority's intent to modify its PFC Program and notify air carriers of a PFC Consultation Meeting.

In accordance with §158.23(e)(1), the Airport Authority requests that air carriers confirm receipt of this letter and additionally state their intended presence at a consultation meeting scheduled for May 5, 2011 at 10:00 a.m. in the Commission Conference Room, 2<sup>nd</sup> floor, adjacent to the south airline ticket counters, 1 Richard E. Byrd Terminal Drive, Richmond Int'l Airport, VA 23250.

If an air carrier determines that the consultation meeting is not necessary, the Commission requests that the air carrier's certification of agreement or disagreement be forwarded with its written acknowledgment of receiving this notice of intent.

Please address all correspondence regarding this matter to:

Capital Region Airport Commission  
1 Richard E Byrd Terminal Drive  
Richmond Int'l Airport, VA 23250  
Attn: Finance Department

### **Section 158.37 (b) Amendment of an Approved PFC**

The Commission intends to submit an amendment application to the Federal Aviation Administration (FAA) to revise the detailed financial plans of the previously approved applications. This includes (1) revising the project costs for existing approved PFC projects to account for changes in project budgets, and (2) revising the allocation of funding sources to account for changes to the overall financing plan. Details of these changes are enumerated later in this correspondence.

### **Section 158.23 (a)(1) Description of Projects**

The general description of the projects remains unchanged from the original application process. However, there are some changes to the budgets of the projects due to allowable cost overruns, which are enumerated later in this correspondence.

### **Amendment Actions**

#### **Revision of approved project budgets and project funding allocations**

Through the course of the bidding and construction of the approved projects, there have been general construction changes that have necessitated the revision of the project budgets due to allowable cost overruns. Since the original inception and approval of the financing plan for these projects, there have also been changes regarding the sources and uses of available funding. Consequently, this amendment action seeks to update the approved financing plan to reflect the current funding amounts, sources, and uses. This amendment does not include the addition of any new projects. The revised PFC budgets include the debt service and are enumerated as follows.

## Application Number One (Amendment Number 94-01-C-04-RIC)

This application has an original charge effective date of May 1, 1994. At its inception, it included several elements – some of which were approved for Impose and Use Projects, and others were approved as Impose Only Projects. The following table depicts the projects that are currently included (as of the last amendment action 94-01-C-03-RIC) in this application along with their final costs and required amendment actions.

| PROJECTS   | Current Approved Project Amount for Impose and Use | Final Project Amount Required | Amendment Amount Required |
|--|--|-------------------------------|---------------------------|
| Midfield Taxiway and North Extension                       | \$7,981,832  | \$10,535,005                  | \$2,553,173               |
| Extension of Taxiway L                                     | \$ -   | \$ -                          | \$ -                      |
| Snow Removal Truck (withdrawn by Amend #1)                 | \$ -   | \$ -                          | \$ -                      |
| Rehabilitate Taxiway A North, Construct                    | \$ -   | \$ -                          | \$ -                      |
| New Partial Parallel Taxiway U North                       | \$3,074,871  | \$4,270,367                   | \$1,195,496               |
| Rehab Taxiway F (withdrawn by Amend #1)                    | \$ -   | \$ -                          | \$ -                      |
| Rehab Taxiway S (withdrawn by Amend #1)                    | \$ -   | \$ -                          | \$ -                      |
| Terminal Area Drainage Improvement (withdrawn by Amend #1) | \$ -   | \$ -                          | \$ -                      |
| Reimburse Local Share of AIP Projects                      | \$790,363  | \$790,363                     | \$ -                      |
| Airfield Drainage (withdrawn by Amend #1)                  | \$ -   | \$ -                          | \$ -                      |
| Totals   | \$11,847,066                                       | \$15,595,735                  | \$3,748,669               |

All of the projects in this application are physically and financially complete. With the approval of this amendment action, this application is administratively complete and ready to close.

## Application Number Two (Amendment Number 97-02-C-03-RIC)

This application has an original earliest charge effective date of April 1, 2000. The following table depicts the projects that are included in this application along with their final costs and required amendment actions.

| PROJECTS                       | Current Approved Project Amount for Impose and Use | Final Project Amount Required | Amendment Amount Required |
|--------------------------------|--|-------------------------------|---------------------------|
| Part 150 Study                 | \$15,931   | \$15,931                      | \$ -                      |
| Terminal Area Drainage         | \$414,469  | \$368,417                     | (\$46,052)                |
| Midfield Drainage improvements | \$3,895,273  | \$3,594,166                   | (\$301,107)               |
| Totals                         | \$4,325,673  | \$3,978,514                   | (\$347,159)               |

All of the projects in this application are physically and financially complete. With the approval of this amendment action, this application is administratively complete and ready to close.

**Application Number Three (Amendment Number 99-03-C-04-RIC)**

This application has an original earliest charge effective date of November 1, 2000. At its inception, it included several elements – some of which were approved for Impose and Use Projects, and others were approved as Impose Only Projects. The following table depicts the projects that are included (as of the last amendment action 99-03-C-03-RIC) in this application along with their final costs and required amendment actions.

| PROJECTS                                  | Current Approved Project Amount for Impose and Use | Final Project Amount Required | Amendment Amount Required |
|---|--|-------------------------------|---------------------------|
| Terminal Roadways & Elevated Platform     | \$42,291,144                                       | \$42,291,144                  | \$ -                      |
| Terminal Building Addition & Modification | \$69,116,257                                       | \$69,116,257                  | \$ -                      |
| Totals                                    | \$111,407,401                                      | \$111,407,401                 | \$ -                      |

As can be seen by this table, there is not an amendment requirement for this application. These projects are physically completed; however, they include bond capital and financing costs and will not be financially completed until the debt instruments are retired.

**Application Number Four (Amendment Number 01-04-C-04-RIC)**

This application has an earliest charge effective date of July 1, 2015. At its inception, it included several elements, and the following table depicts the projects that are currently included (as of the last amendment action 01-04-C-03-RIC) in this application along with their final costs and required amendment actions.

| PROJECTS   | Current Approved Project Amount for Impose and Use | Final Project Amount Required | Amendment Amount Required |
|--|--|-------------------------------|---------------------------|
| Expand Concourse C and Apron   | \$2,735,708  | \$2,643,070                   | (\$92,638)                |
| Repair /Replace Storm Drain Runway 2/20 (withdrawn by Amend #1)                        | \$ -   | \$ -                          | \$ -                      |
| Refurbish Existing Concourse & Terminal (withdrawn by Amend #1)                        | \$ -   | \$ -                          | \$ -                      |
| Extend Taxiway 'U'   | \$580,725  | \$4,798                       | (\$575,927)               |
| Fluid Collection, Treatment and Recovery System (withdrawn with this Amendment Action) | \$85,000   | \$ -                          | (\$85,000)                |
| Totals   | \$3,401,433  | \$2,647,868                   | (\$753,565)               |

All of the projects in this application are physically and financially complete. With the approval of this amendment action, the Fluid Collection, Treatment, and Recovery System Project is being withdrawn. Additionally, following approval, this application will be administratively complete and ready to close.

## Application Number Five (Amendment Number 03-05-C-03-RIC)

This application has an original earliest charge effective date of September 1, 2016. The following table depicts the projects that are included in this application along with their final costs and required amendment actions.

| PROJECTS  | Current Approved Project Amount for Impose and Use | Final Project Amount Required | Amendment Amount Required |
|---|--|-------------------------------|---------------------------|
| Extend Taxiway A  | \$34,000   | \$34,000                      | \$ -                      |
| Terminal Drive Flyover & Access Roads<br>(withdrawn with this Amendment Action) | \$652,878  | \$ -                          | (\$652,878)               |
| Renovate Existing Concourse A, B, C   | \$5,346,009  | \$5,243,899                   | (\$102,110)               |
| Totals  | \$6,032,887  | \$5,277,899                   | (\$754,988)               |

All of the projects in this application are physically and financially complete. With the approval of this amendment action, the Terminal Drive Flyover Project is being withdrawn. Additionally, following approval, this application will be administratively complete and ready to close.

### Summary of Amendment Requirements

| Amendment Summary | Current Approved Project Amount for Impose and Use | Final Project Amount Required | Amendment Amount Required |
|-------------------|--|-------------------------------|---------------------------|
| 94-01-C-04-RIC    | \$11,847,066                                       | \$15,595,735                  | \$3,748,669               |
| 97-02-C-02-RIC    | \$4,325,673  | \$3,978,514                   | (\$347,159)               |
| 99-03-C-04-RIC    | \$111,407,401                                      | \$111,407,401                 | \$ -                      |
| 01-04-C-04-RIC    | \$3,401,433  | \$2,647,868                   | (\$753,565)               |
| 03-05-C-03-RIC    | \$6,032,887  | \$5,277,899                   | (\$754,988)               |
| Totals            | \$137,014,460                                      | \$138,907,417                 | \$1,892,957               |

**Section 158.23 (a)(2) PFC Level, Effective Date, Expiration Date, and Total Revenue**

PFC Level: \$4.50  
Total PFC Revenue: \$138,907,417  
Charge Effective Date: May 1, 1994  
Estimated Charge Expiration Date: July 1, 2019

The following table provides a summary of the approved amounts, charge effective, and charge expiration dates that are proposed by this amendment action.

| <b>Application Number</b> | <b>Approved Amount</b> | <b>Charge Effective Date</b> | <b>Charge Expiration Date</b> |
|---------------------------|------------------------|------------------------------|-------------------------------|
| 94-01-C-04-RIC            | \$15,595,735           | May 1, 1994                  | January 1, 1999               |
| 97-02-C-02-RIC            | \$3,978,514            | January 1, 1999              | November 1, 1999              |
| 99-03-C-04-RIC            | \$111,407,401          | November 1, 1999             | January 1, 2016               |
| 01-04-C-04-RIC            | \$2,647,868            | January 1, 2016              | July 1, 2016                  |
| 03-05-C-03-RIC            | \$5,277,899            | July 1, 2016                 | July 1, 2019                  |
| <b>Total</b>              | \$138,907,417          |                              |                               |



**Section 158.23 (a)(3) Request that a class of air carriers not be required to collect the PFC**

**(i) Class Designation:**

FAR Part 135 On-demand air taxi/commercial operators (ATCO).

**(ii) & (iii) Names of known carriers belonging to class and estimated number of annual enplaned passengers:**

Carriers in the class of FAR Part 135 on-demand air taxi/commercial operators (ATCO) that reported passengers at the Airport on FAA form 1800-31 for 2009 are:

| <u>Air Carrier</u>       | <u>Enplaned Passengers</u> |
|--------------------------|----------------------------|
| AMAV, Inc.               | 3                          |
| Jet Solutions, Inc       | 53                         |
| Maverick Aviation, LLC   | 1                          |
| Meridian Air Group, Inc. | 1                          |
| USAirports Air Charters  | 2                          |
| Wilson Air Charter, Inc. | <u>3</u>                   |
| Total                    | 63                         |

**(iv) Reasons for Requesting That Carriers Belonging to Class Not Be Required to Collect the PFC:**

Under Section 158.11 of FAR Part 158, the Airport may request in its application to the FAA to impose a PFC that any class of air carrier not be required to collect the PFC if the number of passengers enplaned by the carriers in the class constitutes no more than one percent (1%) of the total number of passengers enplaned annually at the Airport. The number of passengers enplaned annually by the request class of ATCO operators, as recorded on FAA Forms 1800-31, represented approximately .00004% of total passengers enplaned at the Airport in 2009.

The Airport believes that the PFC revenue to be collected from the requested class of carriers does not justify the administrative burden that would be imposed on the carriers and the Airport in collecting and accounting for the revenues.

The Airport further believes that the requested class of on-demand air taxi operators is logically distinguishable from the air carriers providing regularly scheduled air service at the main Airport passenger terminal building and that the exclusion of such on-demand operators will not have a discriminatory effect.

Sincerely,  
CAPITAL REGION AIRPORT COMMISSION  
Jon Mathiesen, AAE  
President & CEO

