

**Public Notice – Passenger Facility Charge Amendment 1
PFC Application No. 5
Charlotte Douglas International Airport**

Effective: September 1, 2016

Pursuant to CFR 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 amend Passenger Facility Charge (“PFC”) Application Number 5 (15-05-C-00-CLT) previously approved by the Federal Aviation Administration (“FAA”) to fund, in whole, or, 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.

The City proposes to amend PFC Application Number 5 (“PFC Amendment Number 1”) to adjust the approved costs of five (5) project work elements (“PWE”) to reflect updated cost estimates or actual project costs, and to amend the PFC Impose and Use approval amount for PFC Application No. 5 accordingly.

The City proposes to impose a \$3.00 PFC to pay the PFC eligible costs of the PWEs. The proposed charge effective date for PFC Amendment Number 1 will remain to be February 1, 2022. Based on proposed amended PFC project costs the estimated Charge Expiration Date for PFC Amendment Number 1 is estimated to be May 1, 2023.

In summary, the City’s proposed PFC Amendment Number 1 amends the total PFC revenue approved for impose and use on the PFC eligible costs in PFC Application Number 5 from \$67,659,044 to \$87,818,369 (an increase of \$20,159,326) on a PAYGO basis.

The following sets forth the PWEs included in PFC Amendment Number 1, including a description of the projects, justification for the projects and the estimated total PFC revenue the City will use for each project.

I. PROJECT DESCRIPTIONS, OBJECTIVES AND JUSTIFICATIONS TO BE AMENDED

PROJECT TITLE:

PWE 5.17 TERMINAL CURBFRON ROADWAY

PROJECT DESCRIPTION: This PWE will construct a new terminal curb front roadway on the upper and lower levels. This PWE will replace the existing upper three lane roadway that is 800 feet long by 33 feet wide with eight lanes that are 800 feet long by 88 feet wide. This PWE will also replace the existing five lane lower roadway that is 800 feet long by 55 feet wide with eight lanes that are 800 feet long by 88 feet wide. Commercial vehicles will be moved to the lanes closest to the terminal and private vehicles to the outside lanes resulting in less pedestrian traffic crossing the lanes. The lanes will also be constructed further north to accommodate future terminal lobby expansion.

Based on bids received and the construction contract(s) now awarded, the cost of this PWE is now \$44,689,049 which is \$14,4577,036 higher than the amount approved (\$30,112,013) in PFC Application No. 5. This represents an approximately 48% increase and is attributable to an understated estimated project cost at the time the City submitted PFC Application No. 5 for FAA approval, and additional costs for project completion acceleration.

PROJECT OBJECTIVE: This PWE is eligible pursuant to 158.15(a)(1) and will enhance capacity at the airport and for the national air transportation system. This project will enhance capacity at the airport by doubling the public and commercial vehicle ingress and egress at the terminal providing over 800 feet of curbside access. This will allow the curb front to better serve the current passenger numbers and prepare for the anticipated growth in the future. The position of the new roadway will also provide space for the terminal lobby to expand approximately 90 feet.

The Airport currently utilizes 22,000 long term and hourly parking spaces that are served with the airport owned shuttle buses. By the end of 2014 the Airport will have more over 29,000 long term and hourly, and valet parking spaces served by the airport's shuttle buses. Switching the commercial lanes closer to the terminal allows the majority of the Airport's customers to be dropped off closer to the airport. Also, it will keep customers from crossing the passenger vehicle traffic.

PROJECT JUSTIFICATION: The Airport has experienced significant growth since the initial construction of the terminal loop and curb front roadways in 1982 and has exceeded the design capacity. The Airport currently experiences over five Million Annual Originating Passengers (MAOP). By 2020 traffic is projected to be between six MAOP and seven MAOP.

This PWE will allow the Airport to grow to the projected 9 MAOP by 2035 and support the amount of vehicular and passenger traffic in front of the terminal. This PWE will also allow the Airport to expand the terminal for the passenger ticketing capacity which is currently needed. However, the terminal passenger ticketing expansion cannot be constructed until the new elevated roadway project is complete. Once the new elevated roadway is complete, the existing lanes can be demolished; providing necessary space to all for the terminal expansion.

The Airport is currently required to use traffic control officers to handle the existing passenger traffic in excess of more than 5 MAOP. The Airport will need these new/additional lanes to handle the near term projected growth to 6 MAOP. Also, the Airport needs the space occupied by the current 5 lower level lanes and 3 upper level lanes to expand the terminal lobby. The terminal lobby expansion is needed for customer circulation in the ticketing area now and for the anticipated growth over the next 20 years to 9 MAOP.

FINANCING PLAN - AMENDED

Project Cost:	\$44,689,049
AIP Grants Existing:	\$0
AIP Grants Future:	\$0
PFC PAYGO:	\$44,689,049
PFC Bonds:	\$0
Non-PFC Bonds:	\$0
% PFC Est.	100%

PROJECT TITLE:

PWE 5.18 TERMINAL EXPANSION PEDESTRIAN TUNNELS

PROJECT DESCRIPTION: This PWE will construct two pedestrian tunnels under the future Terminal Curb Front Roadway. These tunnels will allow passengers parking in the Hourly Parking Deck and Rental Car Facility (currently under construction) to cross underneath the vehicular traffic using the new Terminal Curb Front Roadway. Separating the pedestrian traffic allows better vehicular traffic flow. Each of these pedestrian tunnels will be 136 feet long and 40 feet wide.

The Hourly Parking Deck and Rental Car Facility (currently under construction) will be complete by March 2015. The construction of the Terminal Expansion Pedestrian Tunnels will start with the Terminal Curb Front Roadway in April 2015 and will be complete by September 2019.

Based on bids received and the construction contract(s) now awarded, the cost of this PWE is now \$6,063,037 which is \$63,037 higher than the amount approved (\$6,000,000) in PFC Application No. 5. This represents an approximately 1% increase over the amount originally approved for this PWE. Please note that the scope of this amended cost does not require air carrier consultation because the proposed increase is less than 25%.

PROJECT OBJECTIVE: This PWE is eligible pursuant to 158.15(a)(1) and will enhance capacity at the airport. This PWE will enhance vehicular traffic by allowing for the separation of pedestrian and vehicular traffic. This project will allow passengers utilizing the Hourly Parking Deck and Rental Car Facility (currently under construction) to safely cross under the vehicular traffic using the new Terminal Curb Front Roadway while walking to the terminal. The tunnels will provide pedestrian traffic direct access to the terminal lobby from the Hourly Parking Deck and Rental Car Facility. The Airport needs two tunnels to accommodate all of the pedestrian traffic generated from 4,000 public parking spaces and 3,000 rental car parking spaces. One pedestrian tunnel does not have sufficient capacity.

PROJECT JUSTIFICATION: Completion of this project is necessary to provide ingress and egress between the future expanded terminal building and the Hourly Parking Deck and Rental Car Facility currently under construction, keeping the future Terminal Curb Front Roadway free from pedestrian traffic using the Hourly Parking Deck and Rental Car Facility thereby maximizing vehicle traffic flow in front of the terminal. Passengers that are dropped off on the future Terminal Curb front Roadway will either walk across the three lanes of Commercial Vehicle traffic or walk into the Hourly Deck. The Airport needs two tunnels to accommodate all of the pedestrian traffic generated from 4,000 public parking spaces and 3,000 rental car parking spaces. One pedestrian tunnel will not provide sufficient capacity.

FINANCING PLAN - AMENDED

Project Cost:	\$6,111,988
AIP Grants Existing:	\$0
AIP Grants Future:	\$0
PFC PAYGO:	\$6,111,988
PFC Bonds:	\$0
Non-PFC Bonds:	\$0
% PFC Est.	100%

PROJECT TITLE:

PWE 5.19 MASTER PLAN UPDATE

PROJECT DESCRIPTION: This PWE provides for a new Airfield Capacity Enhancement Plan (ACEP), FAR Part 150 Noise Exposure Map Update (NEM), and Terminal Capacity Enhancement Plan (TCEP). This PWE is separated into three sections to better explain the proposed PWE in each area.

Section 1: ACEP

The ACEP will identify capacity opportunities for the airfield for the next 20 years and concentrate on outlining the benefits of airfield capacity enhancements and provide supporting documentation for the National Environmental Protection Act (“NEPA”) process. Specific elements of the ACEP include an updated aviation activity forecast to determine operational demand according to fleet mix and markets, an airfield geometry study to establish design characteristics, and a revised Airport Layout Plan developed in accordance with FAA Advisory Circulars. All information gathered for the ACEP will provide sufficient data to complete a benefit-cost analysis for the identified enhancements.

Section 2: NEM Update

The FAR Part 150 Noise Exposure Map Update will update the existing noise exposure maps (“NEMs”) approved by the City of Charlotte and Federal Aviation Administration (FAA) in 1996 as a part of the FAR Part 150 Noise Compatibility Program. Specific elements of the Update include reviewing existing conditions, developing NEMs, determining impacts, and conducting public meetings.

Section 3: TCEP

The TCEP will identify capacity opportunities for the terminal facility for the next 20 years.

As a result of an expanded scope to include the cost of planning the relocation of existing support facilities and the new locations of future support facilities, the cost of this PWE is now \$4,242,915 which is \$664,255 higher than the amount approved (\$3,578,660) in PFC Application No. 5. This represents an approximately 19% increase over the amount originally approved for this PWE. Please note that the scope of this amended cost does not require air carrier consultation because the proposed increase is less than 25%.

PROJECT OBJECTIVE: This PWE is eligible pursuant to 158.15(a)(1) and will, at a minimum, lead to future projects that preserve and enhance capacity and/or mitigate noise impacts at the airport and for the national air transportation system.

Section 1: ACEP Projects resulting from the ACEP will maintain and/or increase the safety, security and/or capacity and/or will reduce noise impacts resulting from aircraft operations and/or furnish opportunities for enhance competition among air carriers

Section 2: NEM The updated NEMs will provide a noise exposure map that depicts current conditions that will identify noise impacts and land use compatibilities to enable the Airport to mitigate noise impacts.

Section 3: TCEP Projects resulting from the TCEP project will maintain and/or increase the safety, security and/or capacity and/or furnish opportunities for enhance competition among air carriers.

PROJECT JUSTIFICATION:

Section 1: ACEP

On July 25, 2013 the ATCT restricted use of the crosswind runway, Runway 5/23, following a National Transportation Safety Board report highlighting safety concerns with converging operations. The amended operation has reduced airport capacity from 96 to 85 arrivals per hour while the airport is in a south operation which occurs approximately 70 percent of the time. This reduction in capacity has caused operations on the parallel runways to be extended beyond the established noise abatement hours. The ACEP is necessary to identify strategic airfield developments to recapture recently lost capacity and enable potential growth.

Section 2: NEM

Since the 1996 Part 150 update, the Airport has experienced significant growth in aircraft operations, altered flight patterns due to converging operations, and commissioned a new third parallel runway. This update will better support the Airport in its commitment to respond and mitigate noise issues impacting the surrounding community. In addition, this update further promotes the Airport’s dedication to involve and work with the local community regarding noise issues.

Section 3: TCEP The Airport’s terminal facilities are nearing capacity with each airline currently operating at CLT requesting additional gate space. As the ACEP determines potential airfield development to accommodate future demand it is imperative to undertake a TCEP to maintain facilities that will support such growth.

FINANCING PLAN

Project Cost:	\$4,242,915
AIP Grants Existing:	\$0
AIP Grants Future:	\$0
PFC PAYGO:	\$4,242,915
PFC Bonds:	\$0
Non-PFC Bonds:	\$0
% PFC Est.	100%

PROJECT TITLE:

PWE 5.26 CONCOURSE E JET BRIDGES (13)

PROJECT DESCRIPTION: Concourse E currently comprises 48 gates, 18 of which are currently equipped with jet bridges. This project will procure 13 new jet bridges to be installed on some of the 30 gates currently without jet bridges. After installation of these new jet bridges, 31 out of the current 48 Airport-owned gates will be equipped with jet bridges. An electrical upgrade to the concourse will also be required to complete the project.

The estimated cost of this PWE is now \$12,350,000 which is \$4,756,047 higher than the amount approved (\$7,593,953) in PFC Application No. 5. This represents an approximately 63% increase over the amount originally approved for this PWE. This increase is attributable to an understated estimated project cost at the time the City submitted PFC Application No. 5 for FAA approval.

PROJECT OBJECTIVE: This PWE is eligible pursuant to 158.15(a)(1) and will enhance capacity at the Airport and for the national air transportation system. This project will enhance capacity at the Airport by equipping 13 common use aircraft boarding gates located on Concourse E with jet bridges. Concourse E gates are common use gates and operated by the City of Charlotte and available to any airline operating at the airport.

The jet bridges will accommodate a range of aircraft currently serving the Airport and those aircraft that might serve the Airport in the near future. Currently, passengers board aircraft by stairs. The jet bridges will reduce passenger boarding times which in turn will reduce the amount of time aircraft utilize the gate and the boarding area.

PROJECT JUSTIFICATION: Concourse E currently has 48 gates but only 18 of those gates have jet bridges. Equipping additional gates with jet bridges will enhance capacity by allowing passengers to board the aircraft faster, thereby reducing the amount of time aircraft utilize the gate and the boarding area.

FINANCING PLAN - AMENDED

Project Cost:	\$12,350,000
AIP Grants Existing:	\$0
AIP Grants Future:	\$0
PFC PAYGO:	\$12,350,000
PFC Bonds:	\$0
Non-PFC Bonds:	\$0
% PFC Est.	100%

PROJECT TITLE:

PWE 5.29 PFC APPLICATION NO. 5 DEVELOPMENT

PROJECT DESCRIPTION: This project will provide for the development and completion of the PFC application process for PFC Application Number 5. Costs expected to be incurred by the Airport include consulting services covering the preparation of the appropriate documentation including the PFC project detailed financial plan (Attachment A), the air carrier consultation information packages, FAA informal review information packages, the ultimate PFC Application document for submittal to the FAA and notification to air carriers of FAA approval of PFC Application Number 5 as mandated by Part 158.43 and to begin collecting PFCs.

Based on the actual cost of developing and completing the City’s PFC Application No. 5, the cost of this PWE is now \$225,000, \$50,000 higher than the cost originally approved (\$175,000). This represents an approximately 29% increase over the amount originally approved. The increase in the cost of completing the application process is attributable to an unforeseen level of effort to compile and coordinate the documentation required by the FAA for the projects included in PFC Application No. 5.

PROJECT OBJECTIVE: Projects resulting from this project will maintain and/or increase the safety, security and/or capacity and/or will reduce noise impacts resulting from aircraft operations.

PROJECT JUSTIFICATION: As defined in 14 CFR Part 158.3, PFC allowable cost includes the reasonable and necessary cost of carrying out an approved project, including costs incurred prior to and subsequent to the approval to impose a PFC (processing of the required air carrier notice letter of FAA approval of PFC Application Number 5 and to begin collecting PFCs as mandated by Part 158.43).

FINANCING PLAN - AMENDED

Project Cost:	\$225,000
Grants:	\$0
PFC PAYGO:	\$225,000
PFC Bonds:	\$0
Non-PFC Bonds:	\$0
% PFC Est.	100%

II. DETAILED FINANCIAL PLAN

The City proposes to undertake this program of capital improvements and to fund them with PFCs on a PAYGO basis. The City is applying to the FAA for the authority to impose and use PFC revenue to pay the PFC eligible cost of the proposed PWEs.

The City proposes to impose a \$3.00 PFC to pay the PFC eligible costs of the PWEs.

The proposed charge effective date for PFC Amendment Number 1 will remain to be February 1, 2022. Based on proposed amended PFC project costs, the estimated Charge Expiration Date proposed PFC Amendment Number 1 to PFC Application Number 5 is May 1, 2023.

In summary, the City's proposed PFC Amendment Number 1 to PFC Application Number 5 amends the total PFC revenue approved for impose and use on the PFC eligible costs in PFC Application Number 5 from \$67,659,044 to \$87,818,369 (an increase of \$20,159,326) on a PAYGO basis. Combined with the estimated PFC revenues to be collected pursuant to approved PFC Applications Number 1, Number 2, Number 3, Number 4 and Number 5, as proposed to be amended, the total amount of Impose and Use authority for the City's PFC program would be \$1,088,799,314

The public is invited to provide written comment or request additional information through October 3, 2016 by writing:

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