

**NOTICE OF
OPPORTUNITY FOR PUBLIC COMMENT RELATED TO
PASSENGER FACILITY CHARGES
New PFC #8 Application (22-08-C-00-VPS)**

The Okaloosa County Airports (the County) is providing an opportunity for public comment until **July 28, 2022** related to a proposed new Passenger Facility Charge (PFC) Application 22-08-C-00-VPS (PFC #8) for the Destin-Fort Walton Beach Airport (Airport or VPS). PFC proceeds will be used to fund eligible project costs for certain projects at the Airport. This written notice is provided in accordance with requirements contained in Federal Aviation Regulation 49 CFR Part 158.24 Passenger Facility Charge. Accordingly, the County is providing the public with the following information regarding the proposed PFC #8.

HISTORY OF THE PFC PROGRAM AT THE AIRPORT

The County has previously received approval from the FAA for seven (7) PFC applications, as well as several amendments to the applications dating back to 2000. The current amounts approved to be collected under all PFC applications are shown in **Table 1**. Since its inception, through March 31, 2022, the County has collected \$40,834,462 in PFCs and PFC interest earnings.

PFC LEVEL

The County is seeking approval from the FAA to charge \$3.00 on passengers enplaned at the Airport for the impose and use projects included in this PFC application.

CHARGE EFFECTIVE DATE

Proposed charge effective date of March 1, 2023 (the month following the current FAA authorized charge expiration date for approved PFC applications) or upon expiration of collection of PFCs for currently approved applications, whichever comes first.

ESTIMATED CHARGE EXPIRATION DATE

The estimated charge expiration date is estimated to be September 1, 2025 (or until collected revenues plus interest thereon equal the allowable costs of the approved projects, as permitted by regulation).

ESTIMATED TOTAL PFC REVENUE UNDER THIS APPLICATION

This application will increase the County's collection and use authority by an additional \$7,567,262, which would increase the Airport's total PFC collection authority for PFC applications #1 through #8 to \$51,778,480.

Description of each new project pursuant to Section 158.23 (a)(1)

Table 2 below provides a summary of the proposed PFC #8 project costs and the amounts proposed to be funded with PFCs.

A brief summary of each project is also provided below. More detailed descriptions, project need and justifications, diagrams, and a plan of finance will be provided at the airline consultation meeting.

Project 1: Acquire Passenger Boarding Bridges (Design & Construction)

PFC Total: \$3,400,000

Description: This project includes design and construction for the acquisition and installation of three (3) new passenger boarding bridges (PBBs). Three PBBs will be replaced on the B1 – B3 passenger loading ramps. In addition to the costs of acquiring the new PBBs, the scope of work also includes design, permitting, construction phase services, and grant services by the Airport's architectural and engineering firm needed to support the project. The project will entail demolition of the existing PBBs and installation of new foundations, new PBBs, lighting, electrical cabling, guidance signs, conduits, lightning protection, HVAC, fire protection and prevention, and airport PBB equipment. Estimated costs include all materials, equipment, labor, and incidentals required to replace the 3 PBBs.

Justification: The three PBBs were put in service at VPS in 2004 (18 years old) and have deteriorated to the point requiring replacement. The normal 20-year life cycle (2024) of the PBBs has been accelerated due to the salt air environment. The condition of the bridges is such that it has become more expensive to restore repair the PBBs each year.

Project 2: Baggage Claim Expansion (Design & Construction)

PFC Total: \$4,109,762

Description: This project includes the design and construction of the expansion of the baggage claim and baggage claim lobby of the Airport's passenger terminal. The east end of the passenger terminal will be expanded by approximately 15,000 square feet to provide additional capacity to meet passenger demand. The baggage claim expansion includes a relocated east entrance, additional public restrooms, space for expansion of rental car ticket counters or customer que, expanded bag claim lobby, two additional sloped plate baggage claim carousels, and modifications to the two existing baggage claim belts from flat plates to sloped plates to accommodate larger aircraft.

Justification: The terminal area study and terminal layout plan update completed in 2019 for VPS identified the need for a total of three (3) baggage claim devices by 2023 and a fourth by 2028. The terminal area study showed that passenger and baggage demand currently exceeds the capacity of the existing baggage claim area and adjoining rental car agency positions. The study recommended that the public baggage claim area be expanded by 6,000 square feet to accommodate the recommended space needs for the claim lobby and in-bound baggage operations. Total facility expansion on the secure and non-secure side of approximately 15,000 square feet is needed to account for expanded rental service counter space and open-air covered area on the secure airside for baggage drop.

Project 3: PFC Application Preparation Costs

PFC Total: \$57,500

Description: This project includes the costs to develop the proposed PFC #8 application, consult with the airlines, provide for public comment, prepare and file Application No. 22-08-C-00-VPS and related attachments, and notify airlines of collection requirements.

Justification: The preparation costs (as delineated in the description for this project) incurred to prepare this PFC #8 application will be reimbursed under this project. These costs will be incurred in conjunction with the projects that are proposed for approval under either Section 158.15(b)(1), (b)(2), (b)(3), or (b)(6) of the Regulation. Therefore, the County submits these costs as

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reasonable and necessary costs of preparing the PFC program submitted under this Application as prescribed under Section 158.3 of the Regulation.

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As required under 14 CFR Section 158.24, the County will be accepting public comments on the proposed PFC Application 22-08-C-00-VPS up to thirty (30) days after the June 27, 2022 date of posting of this Notice on our website (i.e., up to **July 28, 2022**). Any comments or questions should be sent to **Allyson Oury, Airports Chief Financial Officer, 1701 State Rd 85 N, Eglin AFB, FL 32542-1498** or at aoury@myokaloosa.com.

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Table 1
Current PFC Program Approvals

| Application Number | Approved for Collection | Approved for Use | Collection Level | Effective Date | Expiration Date |
|---------------------|-------------------------|---------------------|----------------------|------------------|-----------------------------|
| 00-01-C-00-VPS | \$38,358,324 | \$38,358,324 | | | |
| 00-01-C-01-VPS | (4,079,606) | (4,079,606) | | | |
| 00-01-C-02-VPS | 128,992 | 128,992 | | | |
| 00-01-C-03-VPS | (18,326,740) | (18,326,740) | | | |
| Total PFC #1 | \$16,080,970 | \$16,080,970 | \$4.50 | January 1, 2001 | January 1, 2012 |
| 03-02-C-00-VPS | \$2,885,235 | \$2,885,235 | | | |
| 03-02-C-01-VPS | (1,536,226) | (1,536,226) | | | |
| Total PFC #2 | \$1,349,009 | \$1,349,009 | \$4.50 | January 1, 2012 | November 1, 2012 |
| 07-03-C-00-VPS | \$1,143,435 | \$1,143,435 | | | |
| 07-03-C-01-VPS | (384,653) | (384,653) | | | |
| Total PFC #3 | \$758,782 | \$758,782 | \$4.50 | November 1, 2012 | May 1, 2013 |
| 08-04-C-00-VPS | \$1,485,650 | \$1,485,650 | | | |
| 08-04-C-01-VPS | (1,368,014) | (1,368,014) | | | |
| 08-04-C-02-VPS | (7,553) | (7,553) | | | |
| Total PFC #4 | \$110,083 | \$110,083 | \$4.50 | May 1, 2013 | June 1, 2013 |
| 10-05-C-00-VPS | \$7,816,386 | \$7,816,386 | | | |
| 10-05-C-01-VPS | (6,526,240) | (6,526,240) | | | |
| 10-05-C-02-VPS | 106,778 | 106,778 | | | |
| Total PFC #5 | \$1,396,924 | \$1,396,924 | \$4.50 | June 1, 2013 | June 1, 2014 |
| 15-06-C-00-VPS | \$6,182,856 | \$6,182,856 | | | |
| 15-06-C-01-VPS | (627,500) | (627,500) | | | |
| 15-06-C-02-VPS | (156,362) | (156,362) | | | |
| Total PFC #6 | \$5,398,994 | \$5,398,994 | \$4.50 | June 1, 2014 | June 1, 2017 |
| 19-07-C-00-VPS | \$19,116,456 | \$19,116,456 | \$4.50 | | February 1, 2023 |
| Total PFC #7 | \$19,116,456 | \$19,116,456 | \$3.00 ^{1/} | June 1, 2017 | March 1, 2023 ^{2/} |
| TOTAL | \$44,211,218 | \$44,211,218 | | | |

^{1/} The PFC collection level for PFC #7 will be lowered to \$3.00 on August 1, 2022.

^{2/} The PFC Expiration Date for PFC #7 is to be amended to March 1, 2023, based on the lower \$3.00 collection level.

Sources: Okaloosa County Airports and FAA Final Agency Decisions.

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Table 2
Proposed PFC #8 Projects

| PFC Project # | Project Description | FAA Grants | State Grants | Local Share | | | Total Project Cost | PFC Collection Level |
|---------------|--|---------------------|------------------|--------------------|--------------------|------------|---------------------|----------------------|
| | | | | PFCs | CFCs | County | | |
| 08-001 | Acquire Passenger Boarding Bridges (Design & Construction) | \$4,300,000 | \$400,000 | \$3,400,000 | \$0 | \$0 | \$8,100,000 | \$3.00 |
| 08-002 | Baggage Claim Expansion (Design & Construction) | \$11,861,715 | \$300,000 | \$4,109,762 | \$1,394,458 | \$0 | \$17,665,935 | \$3.00 |
| 08-003 | PFC Application #8 Preparation Costs | \$0 | \$0 | \$57,500 | \$0 | \$0 | \$57,500 | \$3.00 |
| TOTALS | | \$16,161,715 | \$700,000 | \$7,567,262 | \$1,394,458 | \$0 | \$25,823,435 | |

Source: Okaloosa County Airports