



# BURLINGTON INTERNATIONAL AIRPORT

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April 15, 2020

**PROPOSED PASSENGER FACILITY CHARGE APPLICATION NO. 20-07-C-00-BTV TO THE FAA TO IMPOSE AND USE A PFC AT BURLINGTON INTERNATIONAL AIRPORT  
NOTICE OF OPPORTUNITY FOR PUBLIC COMMENT**

The City of Burlington (City) has determined the need to submit to the Federal Aviation Administration (FAA) a Notice to impose a Passenger Facility Charge (PFC) at Burlington International Airport (the Airport) and to concurrently use PFC revenue at the Airport. The City has issued this public notice as part of the PFC application process as per Title 14 Code of Regulation (CFR) Part 158.24 *Notice and Opportunity for Public Comment*.

**Comment Period:** The City will accept public comments on the proposed PFC Application No. 20-07-C-00-BTV (PFC #7) up to thirty (30) days after the date of posting this public notice. As such, comments must be received on or before Friday, May 15, 2020.

**City Point of Contact:** Comments may be mailed to Ms. Marie Friedman, Chief Financial Officer, Burlington International Airport, 1200 Airport Drive, #1 South Burlington, VT 05403 or e-mailed at [mjfriedman@btv.aero](mailto:mjfriedman@btv.aero).

**The following information is provided in accordance with 14 CFR 158.24(b)(1):**

The City will seek authority from the FAA to use PFCs with the following characteristics:

**PFC Level:** A four dollar and fifty cent (\$4.50) charge on passengers enplaned at the Airport.

**Charge Effective Date:** Based on collections to date and projections of enplanements, the charge effective date is estimated to be July 1, 2020.

**Estimated Charge Expiration Date:** Collection of \$4,341,718 of PFC revenues is estimated to take approximately 19 months based on an 89.4 percent collection rate on enplaned passengers and assuming an enplaned passenger growth rate based on the FAA's 2019 Terminal Area Forecast. Therefore, the charge expiration date is estimated to be February 1, 2022 (or until collected PFC revenue plus interest thereon equals the allowable costs of the approved projects, as permitted by regulation).

**Estimated Total PFC Impose and Use Revenue:** \$4,341,718 in total PFC funding, comprised of four projects requiring bond financing and interest costs and one pay-go project.

**Projects for which the City is seeking Impose and Use Authority:**

**1. Increased Bond Financing and Interest - Air Carrier Apron Expansion North End Development**

**Project Description:**

This project requests funding for additional financing and interest costs associated with the Air Carrier Apron Expansion North End Development, a previously approved PFC project under the City's PFC Application 00-03-C-00-BTV. The Air Carrier Apron Expansion North End Development consisted of the expansion of the apron at the north end of the terminal building. The apron expansion is complete, and no changes to the scope or construction cost of the project have occurred.

The Air Carrier Apron Expansion North End Development was originally funded under the Series 2000 Bonds. The Series 2000 Bonds were determined to be 99% eligible for PFC funding, representing a total of approximately \$9.1 million in eligible bond capital costs, and the originally approved PFC funding for the Air Carrier Apron Expansion North End Development represents 7.9% of the total PFC authorized debt service for the Series 2000 Bonds (approximately \$1.2 million).

The additional financing and interest costs are due to the issuance of the City's Series 2012 Bonds which refunded the outstanding portion of debt associated with the Series 2000 Bonds. A summary of the changes in project costs due to the refunding can be found in the table below.

Construction Cost	Approved PFC Bond Capital	Approved PFC Financing and Interest	Actual PFC Financing and Interest	Change in PFC Financing and Interest
\$690,000	\$690,000	\$523,421	\$789,814	\$ 266,393

A summary of the Series 2012 Bond Funded Projects is below.

	Bond Principal (in millions)	Percent of Bond Funded Project Costs
Outstanding Series 1997 Bond Principal	\$7.130	28.9%
Outstanding Series 2000 Bond Principal	\$5.575	22.6%
Retirement of Series 2011 Bond Anticipation Note	\$12.000	48.6%
Total Series 2012 Bond Projects	\$24.705	100.0%

As shown in the table above, 22.6% of the Series 2012 Bond Series Principal is associated with the Series 2000 Bond Principal. The actual financing and interest costs associated with the Air Carrier Apron Expansion North End Development total \$789,814.

The additional costs are included within this new PFC Application rather than an Amendment given that the City's PFC authority experienced a break in collections subsequent to the submittal of the City's PFC Application 00-03-C-00-BTV.

**Project Justification:**

This Air Carrier Apron Expansion North End Development was necessary to ensure safe operations and was required to increase capacity at the Airport, as described in the previously approved PFC Application 00-03-C-00-BTV.

**2. Increased Bond Financing and Interest - Expand Terminal/Landside**

**Project Description:**

This project requests funding for additional financing and interest costs associated with the Expand Terminal/Landside project, a previously approved PFC project under the City's PFC Application 98-02-C-02-BTV. The Expand Terminal/Landside project consisted of the expansion of the terminal building and landside improvements. Components included Access Roadway Improvements, Terminal Expansion, and South End Commuter Concourse Construction. The expansion and landside improvements are complete, and no changes to the scope or construction cost of the project have occurred.

The Expand Terminal/Landside project was originally funded under the Series 1997 Bonds (Access Roadway Improvements and Terminal Expansion) and the Series 2000 Bonds (South End Commuter Concourse Construction). The Series 1997 Bonds were determined to be 31.1% eligible for PFC funding, representing a total of approximately \$6.2 million in eligible bond capital costs, and the originally approved PFC funding for the Access Roadway Improvements and Terminal Expansion represent 100% of the total PFC authorized debt service for the Series 1997 Bonds (approximately \$10.0 million). The Series 2000 Bonds were determined to be 99% eligible for PFC funding, representing a total of approximately \$9.1 million in eligible bond capital costs, and the originally approved PFC funding for the South End Commuter Concourse Construction represents 60% of the total PFC authorized debt service for the Series 2000 Bonds (approximately \$9.1 million).

The additional financing and interest costs are due to the issuance of the City's Series 2012 Bonds which refunded the outstanding portion of debt associated with the Series 1997 Bonds and the Series 2000 Bonds. A summary of the changes in project costs due to the refunding can be found in the table below.

Project Element	Construction Cost	Approved PFC Bond Capital	Approved PFC Financing and Interest	Actual PFC Financing and Interest	Change in PFC Financing and Interest
Access Roadway Improvements	\$2,272,373	\$2,056,955	\$1,270,210	\$1,569,853	\$299,642
Terminal Expansion	\$4,232,209	\$4,162,803	\$2,570,613	\$3,177,020	\$606,407
South End Commuter Concourse Construction	\$5,745,000	\$5,650,785	\$3,489,471	\$5,496,109	\$2,006,638
	\$ 12,249,582	\$11,870,544	\$ 7,330,295	\$10,242,982	\$2,912,687

A summary of the Series 2012 Bond Funded Projects is below.

	Bond Principal (in millions)	Percent of Bond Funded Project Costs
Outstanding Series 1997 Bond Principal	\$7.130	28.9%
Outstanding Series 2000 Bond Principal	\$5.575	22.6%
Retirement of Series 2011 Bond Anticipation Note	\$12.000	48.6%
Total Series 2012 Bond Projects	\$24.705	100.0%

As shown in the table above, 28.9% of the Series 2012 Bond Series Principal is associated with the Series 1997 Bond Principal, and 22.6% of the Series 2012 Bond Series Principal is associated with the Series 2000 Bond Principal. The actual financing and interest costs associated with the Expand Terminal/Landside project total \$10,242,982.

The additional costs are included within this new PFC Application rather than an Amendment given that the City's PFC authority experienced a break in collections subsequent to the submittal of the City's PFC Application 98-02-C-02-BTV.

**Project Justification:**

The Expand Terminal/Landside project was required to increase capacity at the Airport, as described in the previously approved PFC Application 98-02-C-02-BTV.

**3. Increased Bond Financing and Interest - South Commuter Ramp Expansion**

**Project Description:**

This project requests funding for additional financing and interest costs associated with the South Commuter Ramp Expansion, a previously approved PFC project under the City's PFC Application 98-02-C-02-BTV. The South Commuter Ramp Expansion consisted of the expansion of the south commuter ramp by approximately 15,000 square yards, increasing the number of aircraft parking areas from four to eight. The expansion is complete, and no changes to the scope or construction cost of the project have occurred.

The South Commuter Ramp Expansion was originally funded under the Series 2000 Bonds. The Series 2000 Bonds were determined to be 99% eligible for PFC funding, representing a total of approximately \$9.1 million in eligible bond capital costs, and the originally approved PFC funding for the South Commuter Ramp Expansion represents 21% of the total PFC authorized debt service for the Series 2000 Bonds (approximately \$3.2 million).

The additional financing and interest costs are due to the issuance of the City's Series 2012 Bonds which refunded the outstanding portion of debt associated with the Series 2000 Bonds. A summary of the changes in project costs due to the refunding can be found in the table below.

Construction Cost	Approved PFC Bond Capital	Approved PFC Financing and Interest	Actual PFC Financing and Interest	Change in PFC Financing and Interest
\$ 1,800,000	\$ 1,800,000	\$ 1,365,444	\$ 2,060,381	\$ 694,937

A summary of the Series 2012 Bond Funded Projects is below.

	Bond Principal (in millions)	Percent of Bond Funded Project Costs
Outstanding Series 1997 Bond Principal	\$7.130	28.9%
Outstanding Series 2000 Bond Principal	\$5.575	22.6%
Retirement of Series 2011 Bond Anticipation Note	\$12.000	48.6%
Total Series 2012 Bond Projects	\$24.705	100.0%

As shown in the table above, 22.6% of the Series 2012 Bond Series Principal is associated with the Series 2000 Bond Principal. The actual financing and interest costs associated with the South Commuter Ramp Expansion total \$2,060,381.

The additional costs are included within this new PFC Application rather than an Amendment given that the City's PFC authority experienced a break in collections subsequent to the submittal of the City's PFC Application 98-02-C-02-BTV.

**Project Justification:**

The South Commuter Ramp Expansion was required to increase capacity at the Airport, as described in the previously approved PFC Application 98-02-C-02-BTV.

**4. Increased Bond Financing and Interest - North End Expansion Baggage Claim Area**

**Project Description:**

This project requests funding for additional financing and interest costs associated with the North End Expansion Baggage Claim Area, a previously approved PFC project under the City's PFC Application 00-03-C-00-BTV. The North End Expansion Baggage Claim Area project consisted of the expansion of the first floor of the terminal building at the north end, comprising approximately 1500 square feet and including an additional baggage carousel and increased circulation in the baggage area. The expansion is complete, and no changes to the scope or construction cost of the project have occurred.

The North End Expansion Baggage Claim Area work was originally funded under the Series 2000 Bonds. The Series 2000 Bonds were determined to be 99% eligible for PFC funding, representing a total of approximately \$9.1 million in eligible bond capital costs, and the originally approved PFC funding for the North End Expansion Baggage Claim Area represents 12% of the total PFC authorized debt service for the Series 2000 Bonds (approximately \$1.8 million).

The additional financing and interest costs are due to the issuance of the City's Series 2012 Bonds which refunded the outstanding portion of debt associated with the Series 2000 Bonds. A summary of the changes in project costs due to the refunding can be found in the following table.

Construction Cost	Approved PFC Bond Capital	Approved PFC Financing and Interest	Actual PFC Financing and Interest	Change in PFC Financing and Interest
\$ 1,000,000	\$ 1,000,000	\$ 758,581	\$ 1,144,657	\$ 386,076

A summary of the Series 2012 Bond Funded Projects is below.

	Bond Principal (in millions)	Percent of Bond Funded Project Costs
Outstanding Series 1997 Bond Principal	\$7.130	28.9%
Outstanding Series 2000 Bond Principal	\$5.575	22.6%
Retirement of Series 2011 Bond Anticipation Note	\$12.000	48.6%
Total Series 2012 Bond Projects	\$24.705	100.0%

As shown in the table above, 22.6% of the Series 2012 Bond Series Principal is associated with the Series 2000 Bond Principal. The actual financing and interest costs associated with the North End Expansion Baggage Claim Area total \$1,144,657.

The additional costs are included within this new PFC Application rather than an Amendment given that the City's PFC authority experienced a break in collections subsequent to the submittal of the City's PFC Application 00-03-C-00-BTV.

**Project Justification:**

The North End Expansion Baggage Claim Area project was required to increase capacity at the Airport, as described in the previously approved PFC Application 00-03-C-00-BTV.

**5. PFC Reconciliation and Application Development**

**Project Description:**

This project includes consulting costs associated with the development and implementation of the City's application to impose and use PFC revenue for the projects listed in this proposal and includes the following scope of work:

1. Development of consolidated debt service schedules that incorporate the effect of bond refundings on each project included in this application and determination of actual PFC eligible debt payments to-date and future payments associated with:
  - a. Eligible debt service paid on the Series 1997 and 2000 bonds between date of issuance and the 2012A refunding bonds; eligible debt service paid to date for the 2012A refunding bonds, and the amount eligible to be paid until retirement of these refunded bonds
  - b. Eligible debt service paid on the Series 2003A bonds between date of issuance and the 2014A refunding bonds; eligible debt service paid to date for the 2014A refunding bonds, and the amount eligible to be paid until retirement of these refunded bonds
  - c. Development of individual project debt service schedules
  - d. Eligible debt for the capital purchases acquired through the FY2010 Leasing financing instruments including amount paid to date and future payments
  - e. Determination of the eligibility of reimbursed financing costs for internally amortized projects.
2. Assist the City with updating the FAA's System of Airport Reporting (SOAR) once these consolidated schedules were developed and agreed upon.
3. Prepare and coordinate the filing / FAA review of this PFC application to include:
  - a. A draft application for review by the FAA
  - b. The required public notice
  - c. The required airline consultation notice
  - d. Ensure that all FAA procedural requirements are met for the airline meeting
  - e. The impose and use application
  - f. Responses to air carrier comments
  - g. The completed application for submittal to the FAA
  - h. The airline notice of FAA approval.

**Project Justification:**

Retaining a PFC consultant helps ensure PFC applications are filed according to the rules and regulations determined by the FAA. This project is eligible in accordance with Part 158.3, "allowable cost" as explained in that section's preamble.

**Funding Sources:**

**PROJECTS INCLUDED IN PROPOSED PFC APPLICATION NO. 20-07-C-00-BTV**

PFC Project	Description	Project Budget	PFC Bond Financing & Interest	PFC PAYGO	Total PFC Revenue
1	Increased Bond Financing and Interest - Air Carrier Apron Expansion North End Development	\$266,393	\$266,393	\$0	\$266,393
2	Increased Bond Financing and Interest - Expand Terminal/Landside	\$2,912,687	\$2,912,687	\$0	\$2,912,687
3	Increased Bond Financing and Interest - South Commuter Ramp Expansion	\$694,937	\$694,937	\$0	\$694,937
4	Increased Bond Financing and Interest - North End Expansion Baggage Claim Area	\$386,076	\$386,076	\$0	\$386,076
5	PFC Reconciliation and Application Development Consulting Services	\$81,625	\$0	\$81,625	\$81,625
<b>Application Total</b>		<b>\$4,341,718</b>	<b>\$4,260,093</b>	<b>\$81,625</b>	<b>\$4,341,718</b>