

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: October 30, 2012

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors
Supervisor Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

FROM: Brian Dranzik, Interim Director, Department of Transportation

SUBJECT: **SUBMITTAL OF AIRPORT PASSENGER FACILITY CHARGE (PFC)
APPLICATION #17 and amendment to PFC application 15.01**

POLICY

County Board approval is required to submit Passenger Facility Charge (PFC) applications to the Federal Aviation Administration (FAA).

BACKGROUND

In 1990, Congress established the collection of Passenger Facilities Charges (PFC), and authorized a charge of \$3.00 per enplaned passenger at the nation's airports. PFC's are used for capital projects, debt service coverage of PFC approved capital projects, and direct cost of PFC administration only. PFC's are not used for general airport operating and maintenance expenses.

In 1994, Unison Consulting Group, Inc. ("Unison") was retained to develop a long-range Airport Capital Improvement Plan ("CIP") for the purpose of submitting PFC applications to the FAA on behalf of Milwaukee County ("County"). Based on the original twenty (20) year CIP and the County's successful PFC Application #1, General Mitchell International Airport ("GMIA") began assessing a \$3.00 PFC in 1995 for each passenger enplaning or making a first transfer at GMIA. In 2012, PFC revenues are anticipated to total approximately \$11 million at the \$3.00 per enplaned passenger rate.

After GMIA's first PFC Application was approved, the Airport's CIP and PFC programs have been amended on numerous occasions, adding new projects and/or adjusting previous projects. As recently as September 8, 2011, the FAA approved the addition of 11 new PFC fundable projects (PFC # 16) to the GMIA PFC program and increased PFC funding authorization by \$28,971,429.

In 2000, Congress increased the collection authority to \$4.50. At the July 26, 2012, County Board Meeting, the Board approved of amendments to PFC applications #6 & #7, increasing the PFC at General Mitchell International Airport from \$3.00 to \$4.50. On September 26, 2012 the FAA approved these amendments. Effective November 1, 2012 MKE will be collecting PFC of \$4.50. Of the 353 Commercial service airports that have a PFC, 328 are at \$4.50. All other Wisconsin airports and Chicago's O'Hare & Midway Airports are at \$4.50.

New PFC Application (PFC #17)

GMIA's most recent CIP update has led to the need to add 13 new projects to the PFC program as PFC Application No. 17 and amending a prior application 15.01 increasing PFC total collections by \$34,482,645 for PFC 17 and \$4,098,210 for PFC 15.01 amendment. For PFC Projects # 17.07 & 17.11, the two bonded projects, PFC principal is calculated at \$8,862,500. The application will be initially submitted at \$3.00; however, it will be later amended to \$4.50, after the previous applications are amended. Amendments are planned for PFC Applications #10, #12, #13, #14, #15 and #16 when additional information has been prepared and the FAA review process has been completed. These future amendments will continue the current PFC collection rate of \$4.50.

An Airline consultation on this PFC application #17 and the amendment for PFC application #15.01 was held on November 29, 2012. The Airlines serving General Mitchell International Airport have concurred with this application.

As is indicated, upon the FAA's approval of PFC application # 17 and the amendment to PFC 15.01, the County's PFC collection authority will increase from the current authorized amount by \$38,580,855, from \$357,836,429 to \$396,417,284, over the life of the program. And, the PFC collection end date will be extended to approximately December 1, 2026.

All of the projects have been previously approved by the County Board or have been included in the 2013 Capital Project Budget.

The following projects will be submitted with PFC Application # 17:

Table 1						
Proposed PFC 17 Projects and Funding Sources						
PFC #	Title/Description	Project Cost	Other Funding	PAYGO or Capital	Bond Fin. & Int.	Total PFCs
17.01	Taxiway B Reconstruction	\$2,967,000	\$2,373,600	\$593,400		\$593,400
17.02	Perimeter Fencing	\$2,932,625	\$2,544,625	\$388,000		\$388,000
17.03	Perimeter Road Bridge Over Howell Ave. - Design and Construction	\$7,600,000	\$6,650,000	\$950,000		\$950,000
17.04	Cargo Deicer Pads - Construction	\$80,000	\$0	\$80,000		\$80,000
17.05	Perimeter Road Extension (128th to College Avenue)	\$1,100,000	\$962,500	\$137,500		\$137,500
17.07	Baggage Claim Area Expansion - Construction	\$50,768,000	\$45,768,000	\$5,000,000	\$5,980,000	\$10,980,000
17.10	New Passenger Loading Bridges and Related Improvements - Design and Construction	\$2,500,000	\$0	\$2,500,000		\$2,500,000
17.11	Redundant Main Electric Service Feed - Construction	\$7,726,000	\$3,863,000	\$3,863,000	\$4,620,148	\$8,483,148
17.12	Expansion of Fleet Portion of Combined Maintenance Facility - Construction	\$1,196,180	\$853,750	\$342,430		\$342,430
17.14	Terminal Roadway Signage - Construction	\$2,850,000	\$350,000	\$2,500,000		\$2,500,000
17.15	Runway 7R Deicer Pad - Design and Construction	\$13,200,000	\$5,784,333	\$7,415,667		\$7,415,667
17.16	Taxiway R & R3 Planning and Design	\$400,000	\$350,000	\$50,000		\$50,000
17.17	ALP completion/AGIS	\$500,000	\$437,500	\$62,500		\$62,500
	PFC 17 Projects Totals (13 projects)	\$93,819,805	\$69,937,308	\$23,882,497	\$10,600,148	\$34,482,645
15.01	NCP-Phase II Residential sound Insulation Program - Amend	\$45,080,310	\$40,982,100	\$4,098,210		\$4,098,210
	Total					\$38,580,855

A brief description of the new projects being requested in PFC Application # 17 is attached.

RECOMMENDATIONS

Airport staff recommends that the Milwaukee County Board of Supervisors approve the submittal of PFC Application # 17 requesting that an additional 13 projects and an amendment to PFC application 15.01 be included in the PFC program increasing authorized PFC funding by \$38,580,855.

FISCAL NOTE

Approval of new and amended project recommendations to PFC Application # 17 for 13 additional projects will increase authorized PFC funding by \$34,482,645 and for PFC application #15.01 amendment \$4,098,210 for a grand total \$38,580,855 increase in the County's PFC Program. The estimated charge expiration date at the proposed PFC collection rate is December 1, 2026. The MKE PFC will be \$3.00 per passenger with this application. However, PFC 17 will be amended to \$4.50 in the future.

All Airport Capital Improvement Projects, included PFC application # 17 projects, have been approved in previous years, or have been submitted for approval, as part of the normal County Budget approval processes (2013).

Prepared by: Patricia M Walslager, Deputy Airport Director, Finance & Administration

Approved by:

Brian Dranzik, Interim Director
Department of Transportation

C. Barry Bateman
Airport Director

**ATTACHMENT TO REPORT – PFC 17
DESCRIPTION OF PFC PROJECTS**

PFC 17.01 Taxiway B Reconstruction (CIP # 221, WA165)

Application Type: Impose and Use

Project Description:

The segment of Taxiway B between Taxiways A1 and A2 currently consists of 4 inches of asphalt over a 12" concrete base and a 12" aggregate sub-base course. The Taxiway B segment being reconstructed is approximately 1,000 feet long by 75' in width plus fillets and a revised connection with Taxiway P. Total SY of taxiway pavement is 13,350, not including shoulders. The taxiway is planned to be completely reconstructed with a new aggregate sub-base, a 6" econcrete base course and an 18" concrete surface course. The reconstruction will also include new asphalt shoulder pavement and new taxiway edge lighting. The location of the taxiway will also be shifted slightly to the north to improve the separation distance from the parallel Taxiway A.

PFC PROJECT 17.02 Perimeter Fencing (CIP #233, WA125)

Application Type: Impose and Use

Project Description:

The project will replace the remaining fencing around the perimeter of the airport, over the next 10 years (2010-2019). The project will replace approximately 21,000 LF of fencing. The new fence will be ten (10) foot high, topped with three (3) strands of barbed wire, and having an additional two (2) foot of fabric buried below grade. See the attached diagram of the remaining areas needing replacement.

The 2011 project (included in this project) replaced 4,000 LF of fence extending along East Layton Ave. from the northeast corner of the airport to just east of the north FBO hanger, including the entire perimeter of the 19R observation lot. The balance of the perimeter fencing has been replaced over the past several years as other projects or specific security concerns have arisen.

PFC 17.03 Perimeter Road Bridge Over Howell Ave. – Design and Construction (CIP 247, WA 163)

Application Type: Impose and Use

Project Description:

This project will design and construct a vehicle bridge on the south side of Runway 7R/25L at Citation Way similar to the existing bridge that crosses Howell Avenue and provides access from the Terminal to the Cargo Ramp and hangars located north of Runway 7R-25L. This bridge will be tied into a perimeter road network located within the Secured Area of the airport that will enable vehicles to access all areas of the airfield without the need to cross open taxiways and runways or to travel on public streets. This will be a 2-lane bridge with shoulders, concrete paved. Application 16 contained the planning and preliminary design work, while this project will fund the detailed design, construction drawings and construction.

PFC 17.04 Cargo Deicer Pads – Construction (CIP 250B, WA 147)

Application Type: Impose and Use

Project Description:

Construct a "passive" storm water and deicing fluid collection system at the cargo ramp. A trench drain collection system will be designed along the east end of the cargo ramp which will capture the liquids draining from the ramp. The runoff liquid will be directed to a sump/crock containment system and subsequently pumped to a temporary above ground storage tank for treatment

PFC 17.05 Perimeter Road Extension (128th to College Avenue) (CIP 252, WA166)

Application Type: Impose and Use

Project Description:

This project will extend the perimeter road in the southeast corner of the Airport from the south end of the 128th Air Refueling Wing to the existing road just north of College Avenue. This road extension will be tied into the existing secured perimeter road network. The road extension will be approximately 2,750 feet long and 24 feet wide.

PFC 17.07 Baggage Claim Area Expansion – Construction (CIP 409, WA042)

Application Type: Impose and Use

Project Description:

The expansion includes a total renovation and expansion of capacity of the approximate 45,000 square foot building including the heating ventilating and air conditioning (HVAC) system, construction of a new roof, new lighting for the interior, new lighting for the exterior roadway, new baggage conveyors and carousels, other sidewalk improvements, as well as a basic replacement of the existing canopy to cover the walkways and part of the road.

PFC 17.10 New Passenger Loading Bridges and Related Improvements - Design and Construction (CIP 439A&B, WA153)

Application Type: Impose and Use

Project Description:

Purchase and install 4 new three tunnel loading bridges with ground power and pre-conditioned air units; retain a consultant to design the building modifications necessary for concourse level jet bridge boarding; extend electrical power to the loading bridges; install a second-level door; move the security area to the second floor level; connect the gate to the Flight Information Display System (FIDS); and construct a podium for use by the airline. These bridges will be replacing existing loading bridges which are 30 or more years old.

PFC 17.11 Redundant Main Electric Service Feed – Construction (CIP 511B, WA149)

Application Type: Impose and Use

Project Description:

This project will construct a second two-line electric power service from WE Energies to serve the Terminal Building from a different location than the service feeders that currently exist entering the northwest side of the terminal. The new electrical service equipment required for this project would be similar to that at the Howell Avenue Service Substation and in the Power House currently utilized for provision of the existing primary service to the Terminal. In addition, the project will increase the electrical capacity at the Power House from approximately 4.3 MVA to approximately 8.6 MVA, and the new capacity at the second switchgear location will also be 8.6 MVA. The design work for this project was approved in PFC Application 16.10.

PFC 17.12 Expansion of Fleet Portion of Combined Maintenance Facility – Construction (CIP 516B, WA 148)

Application Type: Impose and Use

Project Description:

Using design documents provided by PFC Project 15.12, GMIA will construct an approximately 1,500 square feet expansion of the Fleet Maintenance portion of the Combined Maintenance Facility to allow for the entry of the combination broom/plow units to provide for their safe and efficient maintenance. The Fleet Maintenance portion of the building located at the south shop area at GMIA has maintenance bays with a length of 72 feet, approximately the length of the broom/plow units. With the garage doors closed, the maintenance bays are too short to allow GMIA's new combination broom/plow units to be serviced.

PFC 17.14 Terminal Roadway Signage – Construction (CIP 519C, WA161)

Application Type: Impose and Use

Project Description:

Application 16 included the design work for this project. This project will provide replacement terminal roadway signs that will address standardized and updated appearance, uniform and more efficient lighting, and structural and space capacity. The signs will all be located on terminal roadways on airport property.

PFC 17.15 Runway 7R Deicer Pad – Design and Construction (CIP 250C, WA158)

Application Type: Impose and Use

Project Description:

Design and construct an aircraft deicing pad at the Cargo Apron including all necessary infrastructure and utilities to support deicing operations. The deicing pad will be located at the west end of the airport between the Cargo Apron and Taxiway Alpha (A) and Taxiways Alpha 4 (A4) and Alpha 5 (A5). It is designed to support Runway 7R departures. Included in the project is the glycol collection system comprising of a trench drain, pump, and underground tanks. Also incorporated into this project are two snow melting units necessary to clear the snow from the deice pad and the adjacent Cargo Apron, as well as the construction of an "Ice House" or Ramp Control Tower Cab. The Ice House will be a space where the ramp controllers or deice pad commanders manage the aircraft and deice vehicle flow into and out of the deice pad in a safe and efficient manner.

PFC 17.16 Taxiway R & R3 – Planning and Design (CIP 224, WA112)

Application Type: Impose and Use

Project Description:

This project includes the planning and design to develop the plan documents for the entire Taxiways R, R3 and Q. The construction documents would be prepared in phases for bidding over the succeeding years. The design would provide for new aggregate sub-base, a 6" econcrete base course and an 18" concrete surface course. The design will also include new asphalt shoulder pavement and new taxiway edge lighting and circuit. The current Taxiway R (between Runway 7R-25L and Taxiway R4) and Taxiway R3 were each constructed in 1975 and have deteriorated significantly as a result of their heavy use for access to and from Runway 1L-19R. Runway 1L-19R is utilized for the majority of commercial airline arrivals and departures at GMIA and as a result Taxiway R is traveled by over half of all commercial aircraft traffic at GMIA. The most recent pavement condition inspection reports (from 2008 and 2010) indicate a pavement condition index (PCI) for these taxiways at below minimum service level and identify these as in need of major rehabilitation.

PFC 17.17 GMIA Airport Layout Plan/ AGIS (CIP 224, WA176)

Application Type: Impose and Use

Project Description:

Complete the Airport Layout Plan (ALP) prepared in 2009 by making all of the modifications required by the Wisconsin Bureau of Aeronautics (WBOA) and by the FAA. Additional adjustments to the ALP will be made to include updates and to reflect as-built conditions of all construction work that has been completed since 2009. An additional element of scope within this project will be to begin entry of GMIA ALP survey data into the FAA Airport Geographic Information System (AGIS). The FAA is implementing the AGIS to manage spatial data required to support safe and efficient aviation activities. All AGIS data entry made with this project will fully support and contribute to the eventual development of the eALP for GMIA when so mandated by the FAA.

PFC 15.01 (amendment) NCP – Phase II Residential Sound Insulation Program

Application Type: Impose and Use

Project Description:

Phase II of this program is being amended to increase the amount of PFC funding due to an increase in the estimated cost per dwelling. This project involves the voluntary sound insulation of noise-sensitive structures, including single-family, multi-family homes, and assisted care facilities. The program includes structures within the updated 65 DNL noise contour. Based upon the existing Noise Exposure Map and "squaring off" the eligibility boundary, there are approximately 560 dwelling units, approximately 700 single or multifamily housing units, that are eligible for sound insulation. A pilot group of eleven homes were completed in 2011. It is anticipated that the program will complete treatment of an additional 137 homes in 2012 for a Phase II program total of 148 by year end. Homes are located in the City of Milwaukee, City of St. Francis, City of Cudahy, and City of Oak Creek that are within the FAA approved program boundary are considered for sound insulation eligibility. Additional eligibility factors are also considered, such as age of the structure, as required by FAA Federal Aviation Regulation Part 150 and FAA Airport Improvement Program (AIP) grant assurances.