

AIRLINE CONSULTATION MEETING

Passenger Facility Charges

Proposed Projects



Bangor International Airport
Bangor, Maine

March 9, 2010

Bangor International Airport intends to file an application with the Federal Aviation Administration (FAA) to use and to impose Passenger Facility Charges (PFCs) on various projects in the terminal/landside area.

PROJECTS TO BE INCLUDED IN THE NEW APPLICATION

Projects to be included in the new application are as follows:

1. Purchase Snow Removal Equipment:
 - a. 2-runway sweepers
 - b. 1-4000 gallon liquid deicer spreader
 - c. 1-vacuum sweeper
 - d. 1- displacement plow with vehicle
2. Domestic Terminal Master Plan
3. PFC Application Costs

This will cover the work involved in the preparation of the application and the previous amendment to collect Passenger Facility Charges (PFC's)

NOTICE TO AIR CARRIERS

A meeting will be held with the air carriers serving the airport, foreign and domestic, on **March 9, 2010 at 11:00 AM** in the Airport Conference Room.

This brochure provides all of the information that is required to be presented at that meeting as part of the consultation with air carriers.

It includes the following:

1. A description of the projects.
2. An explanation of the need for the projects (justification).
3. A detailed financial plan for the projects, including (1) the estimated allowable project costs allocated to major project elements, (2) the anticipated total amount of PFC revenue that would be used to finance the projects, (3) the sources and amounts of other funds, if any, needed to finance the projects, and (4) a copy of the Airport's five-year Capital Improvement Program.

This brochure is divided into two main sections: Description of Projects and Financial Plan.

PROJECT DESCRIPTIONS

1. PURCHASE SNOW REMOVAL EQUIPMENT

This project will include the purchase of several vehicles intended to remove snow from the airport. The number of vehicles permitted by FAA for funding is clearly spelled out in FAA's advisory circulars (AC). The number of vehicles is based on the annual aircraft operations and the amount of snow to be removed from "Priority One" areas of the airport. In Bangor's case, the "Priority One" area is Runway 15-33; Taxiways A, K, and M; the terminal apron; and the W Ramp. The required clearance time to clear an inch of snow in the priority area is ½ hour.

Based on calculations per the AC's, Bangor is entitled to have 10 sweepers, 4 rotary plows (snow blowers), and 8 plows (20'ft blade). This project will provide the airport with 2 runway sweepers, 1 displacement plow, 1 vacuum sweeper, and 1 liquid deicer spreader.

The airport currently operates two runway sweepers. Both sweepers are owned and maintained by the Maine Air National Guard. At the conclusion of the 2009-2010 winter season, the Maine Air National Guard will no longer be providing the sweepers which will leave the airport without any sweepers.

ESTIMATED PROJECT COST

a. 2-runway sweepers.....	\$1,080,000
b. 1-4000 gallon liquid deicer spreader.....	\$380,000
c. 1-vacuum sweeper	\$200,000
d. 1- displacement plow with vehicle	\$315,000
Total Project 1	\$1,975,000

SCHEDULE

Estimated Project Implementation Dates:

a. 2-runway sweepers.....	June 1, 2010
b. 1-4000 gallon liquid deicer spreader.....	June 1, 2010
c. 1-vacuum sweeper	June 1, 2010
d. 1- displacement plow with vehicle	June 1, 2010

Estimated Project Completion Dates:

a. 2-runway sweepers.....	November 30, 2010
b. 1-4000 gallon liquid deicer spreader.....	November 30, 2010
c. 1-vacuum sweeper	November 30, 2010
d. 1- displacement plow with vehicle	November 30, 2010

2. DOMESTIC TERMINAL MASTER PLAN

DESCRIPTION

The terminal improvements master plan will expand on the study completed by the airport in 2007 and will include:

- Assessing potential areas of improvement to the terminal building,
- Assessing cost, functional benefit, and phasing.
- Conceptual design alternatives for various areas of work.
- Identification of the selected improvements to be implemented.
- 15% Schematic design package: documentation of selected terminal improvements, including justification, phasing strategy, and cost estimates.

JUSTIFICATION

The 2007 terminal area study identified significant deficiencies in safety, security, efficiency, terminal functionality, and passenger service. Various conceptual approaches to address these deficiencies were identified and assessed. However, a detailed analysis of the existing conditions of the building, and a more detailed development of the method and scope of renovation required were not included in the scope of the study. As such, the technical feasibility of the study concepts, as well as the cost-effectiveness and impact on airport operations, remains to be fully understood. This project will build upon the 2007 study, and help lead to a more successful project outcome, in the following ways:

- Document existing building systems and conditions which are currently unknown and may impact cost and feasibility
- Develop the conceptual options to a greater level of detail to confirm deficiencies can indeed be addressed in a feasible, cost-effective manner
- Develop realistic construction phasing and terminal operational impact plans
- Develop more accurate project budget and schedule projections utilizing the more detailed information

This will result in greater accuracy of budgets, timelines, and the technical success of the proposed terminal improvements.

The primary goal of the Project is to make improvements to existing building deficiencies in security, safety, functional efficiency, and customer amenity. Expansion to accommodate increased capacity IS NOT being proposed as part of this effort at this time.

The planning study will specifically identify the needed improvements. Areas believed to require improvement are as follows:

Level 1 ticketing:

- Inadequate queuing space backing up into egress doorways
- Lobby-area TSA bag screening both inefficient and less secure than desired
- Outdated back-of-house space results in inefficient allocation of ATO, TSA, baggage handling, bag screening operations.
- No lobby kiosk space available
- In-line or modified in-line outbound bag screening recommended

Level 1 Baggage claim:

- Inefficient, crowded space for passengers in bag claim area, creating confusion and potential bag mishandling
- Inefficient, crowded space for inbound baggage handling at belt, creating confusion and potential bag mishandling
- Mismatch of bag belts operation and current use
- Under-utilized space adjacent to bag claim (former split ticketing area)

Level 2 security checkpoint:

- Space inadequate for current TSA procedures
- Location at top of escalator a potential safety hazard
- Split (remote) checkpoint for international flights - inefficient

Level 2 waiting areas/secure concourse:

- Gate waiting space taken by toilet rooms requires replacement
- Obstructed passenger concourse traffic
- No concessions post-security

All areas:

- Energy efficiency improvements – building systems, envelope, space utilization
- Public space finish, way finding & lighting upgrades (1980’s era finishes)
- Security access control improvements

PROJECT OBJECTIVE

The primary objective of the project is to establish the cost, phasing needs, and schedule for the proposed improvements. To this end, the general concepts identified in the 2007 study are to be assessed and developed in greater detail, with a focus on the most cost-effective renovation methods capable of addressing the noted deficiencies. A more detailed study will result in budget estimates far more accurate than those based on the preliminary concepts included in the 2007 study.

ESTIMATED PROJECT COST

a. Total Project 2.....	\$399,500
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PROPOSED SCHEDULE

Estimated Project Implementation Date March 1, 2010

Estimated Project Completion Date January 1, 2011

3. PFC APPLICATION COSTS

DESCRIPTION

Professional services are required to assist the airport staff with the preparation of the application and the previous amendment to collect Passenger Facility Charges (PFC's).

This will include the preparation of supporting documentation such as project sketches, funding scenarios, narratives of need and justification for the projects, and assistance with the preparation of the Airport Capital Improvement Program, including cost estimates.

JUSTIFICATION

The Airport has contracted for assistance with the preparation of documentation, cost estimates of projects, graphics, assistance with airline consultation, and general matters relating to the application to collect PFC's.

ESTIMATED GROSS PROJECT COST

a. PFC Application Costs \$66,800

PROPOSED SCHEDULE

Estimated Project Implementation Date February 1, 2010
Estimated Project Completion Date December 1, 2010

FINANCIAL PLAN

Financial Plan

Exhibit A-1 shows a Summary of Project Costs for the new PFC program at Bangor International Airport. The amount of this new impose and use application is \$2,441,300.

In accordance with Section 158.23(b)(3)(ii), Exhibit A-2 presents the calculation of the net PFC revenue that is anticipated to be collected by the City and used to pay for the PFC projects.

PFC collections are currently being collected at a rate of \$3.00 per passenger. Collections will increase to \$4.50 on September 1, 2010 under this new application. Exhibit A-2 shows the amount of PFC fees collected through December 31, 2009. An estimated 92% of the projected enplaned passengers will be required to pay a PFC. The air carrier fee is calculated at \$0.11 per qualifying passenger.

Exhibit A-3 presents the cash flow for the projects using the project costs per year and the net collected PFC revenues.

EXHIBIT A-1

2010 APPLICATION

**BANGOR INTERNATIONAL AIRPORT
PROJECT COST SUMMARY**

PROJECT	DESCRIPTION	Equipment	A/E Costs	Total
1	Purchase Snow Removal Equipment	\$1,975,000	\$0	\$1,975,000
2	Terminal Building Master Plan		\$399,500	\$399,500
5	PFC Application & Amendments Costs		\$66,800	\$66,800
	TOTAL:	\$1,975,000	\$466,300	\$2,441,300

EXHIBIT A-2
2010 APPLICATION
BANGOR INTERNATIONAL AIRPORT
CALCULATION OF TOTAL PASSENGER FACILITY CHARGE REVENUE
PFC PROGRAM

CALENDAR YEAR	TOTAL ENPLANED PASSENGERS (1)	ASSUMED PFC - ELIGIBLE ENPLANED PASSENGERS (2)	TOTAL ESTIMATED PFC REVENUE (3)	AIRLINE COLLECTION FEES (4)	NET PFC REVENUE (5)
Collected through December 31, 2009					\$605,562
2010	174,807	160,822	\$723,699	\$17,690	\$706,009
2011	176,555	162,431	\$730,935	\$17,867	\$713,068
2012	178,321	164,055	\$738,243	\$18,046	\$720,197
2013	74,781	68,798	\$309,591	\$7,565	\$302,026
	604,463	556,106	\$2,502,468	\$61,168	\$2,441,300

(1) Based on actual enplaned passengers for 2008 with 0% growth in 2009 and 2010; 1% thereafter.

(2) Based on 92% of Total Enplaned Passengers

(3) Assumed PFC eligible passengers X \$4.50

(4) Assumed PFC eligible passengers X \$0.11/passenger

(5) Total Estimated PFC Revenue - Airline Collection Fees

Anticipated Expiration date: April 29, 2013

EXHIBIT A-3
2010 APPLICATION
BANGOR INTERNATIONAL AIRPORT
PFC PROGRAM
CASH FLOW

PROJ	DESCRIPTION	CY 2010	CY 2011	CY 2012	CY 2013
	CASH BALANCE: (BEGIN CY)	\$605,562	(\$1,735,291)	(\$1,022,223)	(\$302,026)
1	Purchase Snow Removal Equipment	(\$1,975,000)			
2	Terminal Building Master Plan	(\$399,500)			
3	PFC Application Cost	(\$66,800)	\$0	\$0	\$0
	TOTAL ANNUAL COST:	(\$2,441,300)	\$0	\$0	\$0
	NET COLLECTED PFC (CY):	\$706,009	\$713,068	\$720,197	\$302,026
	TOTAL AVAILABLE NEXT CY:	(\$1,735,291)	(\$1,022,223)	(\$302,026)	\$0

EXCLUDED CARRIERS

Bangor International Airport Passenger Facility Charge Program

Carriers Excluded From Collecting PFCs

JUSTIFICATION:

BGR is excluding On-demand Air Taxi Commercial Operators (ATCOs) enplaning less than 200 passengers per year. The annual revenue to BGR from each proposed excluded carrier would be less than \$200.00. These revenues would not cover the cost of the airport's recordkeeping requirements and the cost of the annual audit.

For the largest collecting carrier in the excluded class this translates to a compensation of \$1.11 per month to pay for the expense of collecting and remitting the PFCs. This equals \$3.33 per quarter to cover the cost of the quarterly report requirements of FAR Part 158.65. If the quarterly reports are not required then there is only \$13.31 available for the required annual report. These compensation levels do not cover the costs of the monthly remittance and annual report for the carrier.

EXCLUDED CARRIERS:

Subsection 11 of FAR Part 158 permits the Bangor International Airport to request that a class of air carriers not be required to collect PFCs. Such a class is one that constitutes less than 1% of the total number of passengers enplaned annually at the airport. The airport intends to request that *On Demand Air Taxi Commercial Operators* (ATCO) that (1) do not enplane or deplane passengers at the airport's main passenger terminal building and (2) enplane less than 200 passengers per year at the airport be exempt from collecting PFCs. This class of carriers represents less than 1% of total passengers enplaned annually as recorded on FAA Form 1800-31.

Carriers excluded from collecting PFCs at the Bangor International Airport based on FAA Form 1800-31 reporting for calendar year 2008 are:

Capital Excel Inc.	3 enplanement
ElanAir, Inc.....	6 enplanements
Executive Air Charter of Boca Raton.....	2 enplanements
Executive Jet Management, Inc..	43 enplanements
Flight Services Group, Inc..	2 enplanements
Jet Solution, LLC	50 enplanements
Jetchoice 1 LLC	87 enplanements
Maine Instrument Flight	79 enplanements
Modesto Executive Air Charter, Inc.	4 enplanements
Nxaero LLC.....	4 enplanements
Ontario Air Service, Inc.	1 enplanements
Pro Airways LLC	5 enplanements
Silver Ranch Airpark, Inc.	10 enplanements
Sun Aviation, Inc.	2 enplanements
Twin Cities Air Service LLC.	121 enplanements

Total enplanements of excluded carriers:..... 419 enplanements
Total enplanements of all carriers:..... 176,395 enplanements
Percentage of total enplanements for excluded carriers:0.23%