

FRESNO YOSEMITE INTERNATIONAL AIRPORT

PUBLIC NOTICE

Date of Posting: March 31, 2025

Pursuant to Title 14 Code of Federal Regulations (CFR) 158, *Passenger Facility Charges*, effective June 28, 1991, the City of Fresno Department of Aviation (the Department), owner and operator of the Fresno Yosemite International Airport (the Airport or FAT), hereby provides public notice of the Department's intention to file Passenger Facility Charge (PFC) Application #6 with the Federal Aviation Administration (FAA) to impose and use PFCs for four (4) projects at FAT.

REQUEST FOR COMMENTS: As required under 14 CFR § 158.24, the Department will be accepting public comments on the proposed PFC Application #6 up to thirty (30) days after the date of posting this public notice on our Internet Web site. Comments must be received on or before **April 30, 2025**.

ADDRESS: Comments or questions may be addressed to:

Henry Thompson
Director of Aviation
City of Fresno Airports
5175 E. Clinton Way
Fresno, CA 93727
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Henry.Thompson@fresno.gov

PFC COLLECTION LEVEL: \$4.50

REQUESTED PFC AUTHORITY: \$54,943,247

PROJECT INFORMATION

In accordance with 14 CFR §158.30, the Department will be requesting authorization to use PFC funds for the following projects:

Project 6.01: Terminal Expansion Phase 2 (Design Only)

Project Description:

This project will provide design engineering services (design through bidding phase services) for construction of passenger terminal expansion and renovation at FAT. Project deliverables include the following:

1. 15% design package;
2. 30% design package;
3. 60% design package;

4. 90% design package
5. Bidding and conformed packages
6. Contractor coordination;
7. Construction support services; and
8. Close-out documents.

The major components of the underlying construction to be designed in this project include the following:

New Concourse with two elevated dual use (domestic and international) gates, including new airline baggage makeup facility.

2. Additional Airline Ticket Office (ATO) and related space
3. Expanded Security Check Point to accommodate a minimum of five (5) lanes, queuing, divest and composure areas, TSA support space, and provisions for future expansion.
4. New Federal Inspection Station (FIS) and arrivals hall with a target throughput of 400 international arrivals per hour per CBP facility guidelines.
5. New in-line outbound baggage screening facility per TSA guidance.

Additional concession and support spaces are also included.

Only the latter three components listed above are included in this application and the total design costs shown represent the share of overall design costs for the larger project attributable to those three components (55.86%). The Airport estimates that 80.38% of the space involved in the underlying construction included in this application will be eligible for PFC funding, and we understand that the FAA bases terminal design project eligibility on the percentage of eligible space. The PFC request for this project represents only 65.71% of the estimated total project costs. The balance of the project costs will be paid with local funds and proceeds from the Transportation Security Administration (TSA) Other Transaction Agreement (OTA).

The construction project being designed includes renovation and upgrades to existing space and construction of new space. The Airport's estimate of 80.38% of eligible space is based on the total of existing space to be renovated/upgraded and the new space to be added to the terminal in this application (65,910 sq. ft., with 54,225 sq. ft. PFC-eligible; 10,360 sq. ft. PFC-ineligible and 1,325 sq. ft. partially PFC-eligible). The 80.38% figure includes a downward adjustment in PFC eligible space for the CBIS. We understand that based on current actual passenger traffic and projected traffic growth, only 80% of otherwise eligible space for the CBIS component currently qualifies for PFC funding. The 80% figure represents the capacity needed to accommodate passenger traffic at the PAL 2 level. The CBIS component is designed and will be constructed to accommodate the higher PAL 3 traffic level. Hence only 80% of the otherwise eligible construction costs for that component currently qualifies for PFC funding. The downward adjustment results in an overall eligible space and cost percentage of 80.38%.

There are currently no constraints on competition at FAT. This project is not intended to address competition, but rather to provide facilities that are adequate to meet current and future passenger traffic needs.

Project Justification:

This project will provide the design for construction projects that are needed to address critical deficiencies in terminal capacity to meet forecast and current demand. Prior to the COVID-19 pandemic, enplanements had increased at FAT by nearly 70% since 2010, with FY 2025 forecast levels being reached in FY 2019 (966,607 enplanements). While the pandemic temporarily reduced passenger and aircraft activity at FAT, June 2023 enplanements were 139% of June 2019 enplanements, indicating a substantial, if not complete recovery of traffic.

By letter dated April 13, 2021, accompanied by a technical memorandum of the same date, the FAA advised the Airport that the terminal project was justified, even accounting for the impacts of COVID 19, based on recent traffic trends and information contained in FAT's 2018 Master Plan update.

Specifically, the FAA concluded that planning activity level (PAL) #2 (1,240,000 annual enplanements) justifies all components of the Terminal Expansion/Renovation project. A December 2020 passenger traffic forecast prepared by FAT's consultants projects that PAL #2 will be attained in calendar year (CY) 2027, within three years of the estimated completion date for construction. This is well under the five-year time horizon the FAA considers acceptable to justify a project based on projected future demand. The FAA Technical Memorandum specifically noted that FAT's traffic recovery exceeded the national average of hub airports by 15-20%.

Further, the December 2020 forecast included two scenarios. Scenario 1 projected a faster recovery of passenger traffic and more robust future growth than Scenario 2. The CY 2027 attainment of PAL #2 in 2027 represents the more conservative growth projection in Scenario 2.

In fact, the Airport's actual enplanements for CY 2024 (1,335,254) exceeded projected enplanements in both Scenario 2 (1,092,395) and Scenario 1 (1,186,156) and exceeded PAL 2 by 7.7%.

Moreover, the Technical Memorandum indicated that actual activity levels would need to "trend closer to the scenarios presented in the [December 2020 Forecast], especially Scenario 1, for a good portion of 2021 before [the FAA accepted] that forecast to demonstrate the need for all subcomponents of the project * * *." Actual enplanements for CY 2021 have not only "trended closer" to the Scenario 1 forecast, but exceeded it. Thus, the Airport has satisfied the Technical Memorandum criterion for reliance on the December 2020 forecast to demonstrate the need for all subcomponents of this Project.

TSA provided a letter of support for the security checkpoint component dated November 17, 2021. CBP submitted a letter of support for the FIS component on October 28, 2021. TSA's support for the CBIS component is shown by its commitment to fund the baggage screening equipment included in the component.

There are currently no constraints on competition at FAT. This project is not intended to address competition, but rather to provide facilities that are adequate to meet current and future passenger traffic needs.

PFC Collection Level: \$4.50

<u>Project Funding:</u>	<u>Amount</u>
Pay-As-You-Go PFCs	\$4,348,534
OTA Funds	\$1,464,984
Local Funds	\$804,730
Total Project Funding	\$6,618,248

PFC Project 6.02: Terminal Expansion Phase 2 (Construction)

Project Description:

This project will provide for the construction of the passenger terminal expansion at FAT being designed in Project 6.01. The major components of the project include the following:

1. New Concourse with two elevated dual use (domestic and international) gates, including new airline baggage makeup facility.
2. Additional Airline Ticket Office (ATO) and related space
3. Expanded Security Check Point to accommodate a minimum of five (5) lanes, queuing, divest and composure areas, TSA support space, and provisions for future expansion.
4. New Federal Inspection Station (FIS) and arrivals hall with a target throughput of 400 international arrivals per hour per CBP facility guidelines.
5. New in-line outbound baggage screening facility (CBIS) per TSA guidance. The costs shown in the financial plan do not include costs associated with TSA-provided baggage screening equipment.

However, PFC funding for the new concourse and additional ATO space was approved in PFC 5, and the costs of these components are not included in the total project costs or the cost data below and not included in Attachment I. Construction costs shown in this application are limited to the costs associated with the expanded security checkpoint, new FIS and new CBIS as described below.

The total costs for each component are set forth below. They include the direct costs for the physical construction of each of the three components included in this application plus a proportionate share of (1) site preparation for all project components in PFC #5 and PFC #6; (2) general conditions; (3) design-builder costs; and (4) other allocable costs.

<u>Component</u>	<u>Cost</u>
Security Checkpoint	\$ 21,924,691
FIS	\$ 30,815,815
CBIS	\$ 23,237,549
Total Project Capital Costs	\$ 75,978,055

The Security Checkpoint component includes relocation of pre-security concessions, the costs for which are ineligible. This status is reflected in the Airport's eligibility estimates.

The cost shown for the CBIS does not include costs associated with TSA-provided baggage screening equipment.

The Airport estimates that 78.86% of project capital costs included in this application are eligible for PFC funding. This estimate reflects the Airport's understanding that only 80% of the otherwise eligible costs of the CBIS component are eligible and justified at this time based on current and projected passenger traffic. The 80% figure represents the capacity needed to accommodate passenger traffic at the planning activity level (PAL) 2 level. The CBIS component is designed and will be constructed to accommodate the higher PAL 3 traffic level. Hence only 80% of the otherwise eligible construction costs for that component currently qualifies for PFC funding. The PFC bond capital request, together with anticipated BIL funding shown in the Financing Plan above represents only 54.73% of the estimated project capital costs. The PFC bond financing and interest costs reflect the share of total financing and interest costs associated with the PFC bond capital shown in the Financing Plan. The balance of the project capital costs will be paid for as shown in the Project Funding table below.

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Project Justification:

This project will provide for construction of projects that are needed to address critical deficiencies in terminal capacity to meet forecast and current demand. Prior to the COVID-19 pandemic, enplanements had increased at FAT by nearly 70% since 2010, with FY 2025 forecast levels being reached in FY 2019 (966,607 enplanements). While the pandemic temporarily reduced passenger and aircraft activity at FAT, June 2023 enplanements were 139% of June 2019 enplanements, indicating a substantial, if not complete recovery of traffic.

By letter dated April 13, 2021, accompanied by a technical memorandum of the same date, the FAA advised the Airport that the projects included in the scope of the EA were justified, even accounting for the impacts of COVID 19, based on recent traffic trends and information contained in FAT's 2018 Master Plan update.

Specifically, the FAA concluded that planning activity level (PAL) #2 (1,240,000 annual enplanements) justifies all components of the Terminal Expansion/Renovation project. By

implication PAL #2 justifies the apron expansion needed to accommodate the Terminal Expansion/Renovation. A December 2020 passenger traffic forecast prepared by FAT's consultants projects that PAL #2 will be attained in calendar year (CY) 2027, within three years of the estimated completion date for construction, This is well under the five-year time horizon the FAA considers acceptable to justify a project based on projected future demand. The FAA Technical Memorandum specifically noted that FAT's traffic recovery exceeded the national average of hub airports by 15-20%.

Further, the December 2020 forecast included two scenarios. Scenario 1 projected a faster recovery of passenger traffic and more robust future growth than Scenario 2. The CY 2027 attainment of PAL #2 in 2027 represents the more conservative growth projections in Scenario 2.

In fact, the Airport's actual enplanements for CY 2024 (1,335,254) exceeded projected enplanements in both Scenario 2 (1,092,395) and Scenario 1 (1,186,156) and exceeded PAL 2 by 7.7%.

Moreover, the Technical Memorandum indicated that actual activity levels would need to "trend closer to the scenarios presented in the [December 2020 Forecast], especially Scenario 1, for a good portion of 2021 before [the FAA accepted] that forecast to demonstrate the need for all subcomponents of the project * * *." Actual enplanements for CY 2021 have not only "trended closer" to the Scenario 1 forecast, but exceeded it. Thus, the Airport has satisfied the Technical Memorandum criterion for reliance on the December 2020 forecast to demonstrate the need for all subcomponents of this Project.

TSA provided a letter of support for the security checkpoint component dated November 17, 2021. CBP submitted a letter of support for the FIS component on October 28, 2021. TSA's support for the CBIS component is shown by its commitment to fund the baggage screening equipment included in the component.

There are currently no constraints on competition at FAT. This project is not intended to address competition, but rather to provide facilities that are adequate to meet current and future passenger traffic needs.

PFC Collection Level: \$4.50

<u>Project Funding:</u>	<u>Amount</u>
PFC Bond Capital	\$ 23,582,242
PFC Bond Financing & Interest	\$ 25,215,254
BIL AIG Funds	\$ 18,000,000
Other Transaction Agreement (OTA)	\$ 21,214,306
Measure C Funds	\$ 3,767,236
Local Funds	\$ 9,414,271
Total Project Funding	\$ 101,193,309

PFC Project 6.03: PFC Application Preparation

Project Description:

This project is for eligible costs associated with the preparation of the PFC application.

Tasks associated with this project include:

- Collection and organization of project documentation
- Drafting of PFC meeting notice letter
- Preparation of airline consultation and public notice documents
- Preparation of draft and final PFC application
- Coordination with Airport and FAA staff
- Preparation of airline notification of PFC decision

Project Justification:

PFC funding has been selected to cover the costs of preparing and submitting this application. Funding the cost of preparing the PFC application with PFC revenues (i) helps the Airport keep operating costs down; (ii) increases the Airport's overall funding capacity; and (iii) enables the airport to keep airline costs as low as possible.

PFC Collection Level: \$4.50

<u>Project Funding:</u>	<u>Amount</u>
Pay-As-You-Go PFCs	\$ 184,200
Total Project Funding	\$ 184,200

PFC Project 6.04: Replace Aircraft Rescue and Firefighting (ARFF) Vehicle

Project Description:

This project is for replacement of FAT's Airport Rescue (AR) #1 – a 3,000-gallon water/foam ARFF vehicle. AR #1 is a 3,000-gallon water/foam ARFF vehicle delivered in 2009. It was acquired using AIP grant funds. Upon delivery of the replacement unit, the current AR #1 will be repurposed as a support vehicle or retained as a substitute vehicle for use when one of FAT's other ARFF vehicles is down for maintenance, to avoid downgrading FAT's required ARFF index. If AR-#1 is retained as a substitute ARFF vehicle, it will be flushed, cleaned and tested for usability with new polyfluoroalkyl substances (PFAS)-free foam.

The replacement ARFF vehicle (new AR-#1) will have a 3,000-gallon water/foam capacity and will be capable of using PFAS free-foam. The replacement vehicle will be constructed in accordance with Federal Aviation Administration's Advisory Circular 150/5220-10E – Guide Specifications for Aircraft Rescue and Fire Fighting Vehicles and standards of the National Fire Protection Association.

Project Justification:

AR-#1 is approximately 16 years old. Due to its age, AR#1 is experiencing more frequent needs for maintenance or replacement of parts. The time to conduct the maintenance work is pushing the limits allowed by FAA for a vehicle to be out-of-service before having to downgrade the airport's index. We fear that we will encounter a breakdown of equipment that will require long lead times and extensive work to put back into service that will force us to downgrade index, causing a major adverse impact to Air Carrier operations.

PFC Collection Level: \$4.50

Project Funding:

	<u>Amount</u>
Pay-As-You-Go PFCs	<u>\$ 1,613,017</u>
Total Project Funding	\$ 1,613,017