



U.S. Department
of Transportation
**Federal Aviation
Administration**

Western-Pacific Region
Office of Airports

15000 Aviation Blvd., Suite 3012
Lawndale, CA 90261

FEB 23 2018

James E. Bennett, A.A.E.
Director of Aviation Services
City of Phoenix Aviation Department
3400 East Sky Harbor Blvd., Suite 3300
Phoenix, AZ 85034-4405

Dear Mr. Bennett:

In accordance with § 158.29 of Title 14, Code of Federal Regulations (CFR), Part 158, the Federal Aviation Administration (FAA) approves your application number 18-11-C-00-PHX to impose and use a Passenger Facility Charge (PFC) at Phoenix Sky Harbor International Airport (PHX). The authority to impose a PFC is contingent on your continued compliance with the terms of the regulation and other conditions included in this letter.

Enclosed is a Final Agency Decision (FAD), which provides specific information about this approval including the approved PFC level, total amount of approved net PFC revenue to be collected, earliest charge effective date, and duration of authority to impose the PFC. This FAD also includes information on the approved projects, as well as the FAA's reasons for its decision. The FAA's findings and determinations required by statute and 14 CFR Part 158 are also included in the FAD.

The FAA approves the impose and use authority for PFC revenue to be collected on 12 projects at PHX. The total approved PFC revenue to be authorized for collection and use is \$69,959,779.

The FAA has also approved your request to exclude these class of air carriers defined as (1) *Nonscheduled/ on-demand air carriers filing FAA Form 1800-31*; (2) *Commuters or small certified air carriers filing U. S. Department of Transportation (DOT) Form T-100 with less than 7,500 enplanements each annually at PHX*; (3) *Large certified route air carriers filing DOT Form T-100 with less than 7,500 enplanements each annually at PHX*; and (4) *Foreign air carriers filing DOT Form T-100(f) with less than 7,500 enplanements each annually at PHX*. We request that you notify the carriers in the excluded class, which were listed in your application, of this exemption.

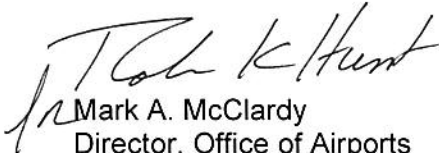
We call your attention to a potential conflict between the definition of airport revenue, which may be proposed in general airport revenue bonds and conditions contained in your PFC approval. Specifically, bond resolutions may define pledged airport revenue in broad terms, which may be interpreted to include PFC revenues. New bond issues must clarify that use of PFC revenues is limited to the allowable costs of approved PFC projects. The terms of PFC approval do not permit the use of PFC revenues to pay debt service on any new or outstanding bonds issued to finance other than approved PFC projects.

Reporting, record keeping, and auditing requirements are specified in Title 14 CFR Part 158, Subpart D. Please issue your required quarterly reports in accordance with the previously provided guidance. Please notify the air carriers and foreign air carriers to begin collecting PFCs, and provide a copy of your notification letter to the FAA's Phoenix Airports District Office. Please coordinate construction proposals with the appropriate federal offices as you would with any non-federally funded construction.

You are required to implement your projects approved for concurrent impose and use authority within 2 years of the date of this letter, in accordance with 14 CFR § 158.33(a)(1).

We have enclosed the list of FAA Advisory Circulars with which you must comply in accordance with your certification of Assurance Number 9, standards and specifications.

Sincerely,


Mark A. McClardy
Director, Office of Airports
Western-Pacific Region

Enclosures

FINAL AGENCY DECISION

CITY OF PHOENIX AVIATION DEPARTMENT PHOENIX, ARIZONA

Application number 18-11-C-00-PHX is to impose and use a passenger facility charge (PFC) at Phoenix Sky Harbor International Airport (PHX).

In accordance with § 158.29 of Title 14, Code of Federal Regulations (CFR), Part 158¹, this Final Agency Decision (FAD) includes all appropriate determinations to approve or disapprove, in whole or in part, an application to impose and use a PFC on 12 projects at PHX.

Procedural History (Dates)

Written notice to air carriers:	March 31, 2017
Consultation meeting with air carriers:	May 4, 2017
Public notice posted:	May 4, 2017
Federal Aviation Administration (FAA) application receipt:	October 27, 2017
FAA finding that application is substantially complete:	November 22, 2017

PFC Level, Amount, and Charge Effective Date

Level of PFC:	\$4.50
Total approved net PFC revenue in this decision:	\$69,959,779
Charge effective date:	December 1, 2035

December 1, 2035, is the *earliest* charge effective date² on which air carriers are obligated to begin collecting PFCs from passengers and is based upon the estimated *charge expiration date* for the previously approved collections in application 15-10-C-00-PHX. If the City of Phoenix (City) changes the charge expiration³ date for the previous application, the *charge effective date* for this application will also change, so that the City can continue to collect the authorized amount of PFC revenue without a cessation in collections. Title 14 CFR § 158.43 contains information regarding notification to air carriers and foreign air carriers of the charge effective date and changes to the charge expiration date. In establishing its charge effective date, the public agency must comply with § 158.43(b)(3), which states, in part, that the charge effective date will be the first day of a month which is at least 30 days from the date the public agency notifies the carriers of approval to impose the PFC.

Duration of Authority to Impose a PFC

The City is authorized to impose a PFC at PHX until the date on which the total net PFC revenue collected plus interest, thereon, equals the allowable cost of the approved projects or the charge expiration date is reached, whichever comes first. Based on information submitted by the City, the FAA estimates, the *charge*

¹ Elsewhere in this document Title 14 CFR Part 158 may be referred to in abbreviated form as “§ 158.xx.”

² Pursuant to Title 14 CFR § 158.3, “charge effective date” means the date on which air carriers are obliged to begin collection of a PFC.

³ Pursuant to Title 14 CFR § 158.3, “charge expiration date” means the date on which air carriers are to cease collecting a PFC.

expiration date for Application 18-11-C-00-PHX to be October 1, 2036. Should the amount of PFC revenue collected for this application ever exceed the allowable costs for all approved projects in this application, the public agency's authority to impose a PFC for this application ceases. If the public agency's authority to impose a PFC ceases, the public agency must, without delay, submit a plan acceptable to the FAA describing the use of accumulated PFC revenue to ensure that it complies with applicable law. If the plan is not acceptable to the FAA, the PFCs may offset the (loss of) Airport Improvement Program (AIP) grant funds. See § 158.39(d).

CUMULATIVE PFC AUTHORITY DECISION SUMMARY TABLE
(including current decision)

<u>Application Number</u>	<u>Approved for Collection</u>	<u>Approved for Use</u>
93-01-C-00-PHX	- withdrawn -	- withdrawn -
95-02-C-00-PHX	- withdrawn -	- withdrawn -
95-03-C-00-PHX	\$80,978,000	\$79,103,000
95-03-C-01-PHX	25,988,000	25,988,000
95-03-C-02-PHX	(13,735,161)	(12,781,586)
97-04-U-00-PHX	0	1,875,000
97-04-U-01-PHX	0	(953,575)
98-05-C-00-PHX	193,445,920	193,445,920
98-05-C-01-PHX	(45,570,243)	(45,570,243)
02-06-C-00-PHX	221,402,900	221,402,900
02-06-C-01-PHX	(13,317,099)	(13,317,099)
04-07-C-00-PHX	177,800,000	177,800,000
04-07-C-01-PHX	44,450,000	44,450,000
04-07-C-02-PHX	24,727,086	24,727,086
07-08-C-00-PHX	202,200,000	202,200,000
07-08-C-01-PHX	(14,550,398)	(14,550,398)
07-08-C-02-PHX	(8,613,160)	(8,613,160)
09-09-C-00-PHX	1,858,636,000	1,858,636,000
09-09-C-01-PHX	81,857,949	81,857,949
09-09-C-02-PHX	31,910,832	31,910,832
15-10-C-00-PHX	82,163,209	82,163,209
18-11-C-00-PHX	<u>69,959,779</u>	<u>69,959,779</u>
Total	\$2,999,733,614	\$2,999,733,614

Project Approval Determinations

For each project⁴ approved in this FAD and for the application as a whole, the FAA, based on its expertise with the PFC program and airport development, exercises its judgment, and finds that the application and record, thereof, contain necessary documentation to support its determinations. Based on its review and pursuant to Title 49, United States Code (U.S.C.) § 40117, the FAA finds that:

- The amount and duration of the PFC will not result in revenue that exceeds the amount necessary to finance the project.
- Each approved project meets at least one of the objectives set forth in § 158.15(a); is eligible in accordance with § 158.15(b) (as set forth in the individual project determinations); and is adequately justified in accordance with § 158.15(c) and paragraph 4-8 of FAA Order 5500.1, *Passenger Facility Charge* (August 9, 2001).
- Each project approved for collection at a PFC level above \$3, meets the requirements of § 158.17(a)(2). In all cases, the FAA has reviewed the City's funding proposal for the projects. For each project, the FAA has determined that either AIP funds are not expected to be available to fund the project or the project does not qualify for additional AIP funds.
- For those surface transportation or terminal projects approved for collection at a PFC level above \$3, the requirements of § 158.17(a)(3) and paragraph 10-8 of FAA Order 5500.1, have been met. For the projects approved in this FAD, the FAA has determined that the public agency has made adequate provisions for financing the airside needs at the airport including runways, taxiways, aprons, and aircraft gates.
- The collection process, including a request by the public agency not to require a class or classes of carrier to collect PFC, is reasonable, not arbitrary, nondiscriminatory, and otherwise in compliance with the law.
- The public agency has not been found to be in violation of § 9304(e) or § 9307 of the Airport Noise and Capacity Act (ANCA) of 1990 (since codified as Title 49 U.S.C. § 47524 and § 47526).
- All project-related requirements, if applicable, pertaining to the airport layout plan (ALP) and airspace studies have been met. Environmental documentation requirements (§ 158.29(b)(1)(iv)) are discussed under a separate heading below.

⁴ In this FAD, the FAA has used the title for each project as presented in the application.

Projects Approved for Authority to Impose and Use a PFC at PHX at a \$3.00 Level

<u>Description:</u>	<u>Approved Amount</u>
1. Utility Vault Upgrade and Infield Paving	\$7,543,000

This project involves airfield utility vault upgrades and infield paving at PHX. The project includes raising the utility and airfield lighting vaults to avoid flooding. The project also includes grading the immediate area around the vaults to improve drainage. The elevation of monitoring wells, catch basins, storm drain manholes, storm drains, and sanitary sewer manholes will also be adjusted to the proper height and slope. In addition, 543,452 square yards of the infields adjacent to Taxiways Alpha, Echo, and Foxtrot, will be paved with asphalt pavement.

The existing infrastructure is 20 years old and reached the end of its useful life. The utility access points across the airfield have water intrusion. Taxiways Alpha, Echo, and Foxtrot infields are unstable and susceptible to erosion from jet wash, which create foreign object debris (FOD). This project is necessary to provide reliable and efficient operation of the lighting system and improve safety of aircraft operations by eliminating FOD.

Determination: Approved for collection and use.

PFC Objective: This project provides for airfield utility vault upgrades and infield paving at PHX. This project prevents water intrusion into the utility and airfield lighting vaults, which causes electrical failures and loss of lighting. This project also provides for paving taxiway infield to mitigate FOD. Thus, this project meets the PFC objective of enhancing the safety at PHX.

Adequate justification: This project provides for airfield utility vault upgrades and infield paving at PHX. This project prevents water intrusion into the utility and airfield lighting vaults, which causes electrical failures and loss of lighting. This project also provides for paving taxiway infield to mitigate FOD. The existing infrastructure is 20 years old and reached the end of its useful life.

Basis for Eligibility: Appendix H, Paragraph H-3, Appendix J, Table – 2(f) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Total Project Cost: \$28,158,000.

Proposed Sources of Financing: PFC revenue [(\$7,543,000 – the amount requested by the City), state grants (\$19,810,000), and local funds (\$805,000)].

PFC Amount Approved for This Project: \$7,543,000

2. Airport Compatible Land Redevelopment Program \$1,309,000

This project involves the redevelopment of properties acquired through the City's Community Noise Reduction Program. This project is associated with a pilot program, Airport Compatible Land Redevelopment Program (Redevelopment Program), which supports the redevelopment of acquired noise land in partnership with the authorized local government jurisdiction. The redevelopment will be undertaken based on recommendations in the City's Airport Compatible Land Reuse Plan (Reuse Plan). The development includes aeronautical and non-aeronautical reuse alternatives that can generate additional aviation revenue and potential economic benefits. It should be noted that the Reuse Plan was approved by the FAA in PFC Application #7 (15-10-C-00-PHX). This project is necessary to meet FAA's requirements to redevelop the acquired property through Community Noise Reduction Program. This program will prevent the introduction of new non-compatible land use within the 65 to 70 DNL noise contours.

Determination: Approved for collection and use.

PFC Objective: This project involves the redevelopment of properties acquired through the City's Community Noise Reduction Program, which is required by the FAA. The Reuse Plan establishes uses for acquired noise land associated with the Community Noise Reduction Program, which relocated residences located within the 65 to 70 DNL noise contours. This program will prevent the introduction of new non-compatible land use within the 65 to 70 DNL noise contours. Thus, this project meets the PFC objective of mitigating noise impacts resulting from aircraft operations at the airport.

Adequate justification: This project involves the redevelopment of properties acquired through the City's Community Noise Reduction Program, which is required by the FAA. The Reuse Plan establishes uses for acquired noise land associated with the Community Noise Reduction Program, which relocated residences located within the 65 to 70 DNL noise contours. This project is necessary to meet FAA's requirements to redevelop the acquired property through Community Noise Reduction Program.

Basis for Eligibility: Chapter 5, Paragraph 5-68 and Table 5-40 of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Total Project Cost: \$6,504,000.

Proposed Sources of Financing: PFC revenue [(\$1,309,000 – the amount requested by the City), a portion of existing AIP 3-04-0029-081-2015 grant (\$5,000,000), and local funds (\$195,000)].

PFC Amount Approved for This Project: \$1,309,000

3. Conduct Runway Incursion Mitigation (RIM) Analysis \$262,000

This project involves the development of a runway incursion mitigation (RIM) analysis at PHX. The goal is to mitigate current "hot spots" involving previous aircraft incursions. The study also includes an airfield pavement geometry study and tenant/stakeholder outreach effort to review existing mitigation efforts and identify if further mitigations are needed.

This is the first RIM analysis performed by the airport. The airport currently has three hot spots, which is identify as airfield safety concerns. These hot spots have a history of aircraft incursions. This project is necessary to develop procedures to mitigate and prevent runway incursions.

Determination: Approved for collection and use.

PFC Objective: This project will provide for a RIM analysis. This project will develop mitigation measures to prevent potential runway incursions. Development undertaken as a result of this analysis will meet the PFC objective of enhancing safety at PHX.

Adequate justification: This project will provide for a RIM analysis. This project will develop mitigation measures to prevent potential runway incursions. The project is necessary to mitigate current "hot spots" involving previous aircraft incursions.

Basis for Eligibility: Appendix E, Table E– 2(c) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Total Project Cost: \$970,000.

Proposed Sources of Financing: PFC revenue [(\$262,000 – the amount requested by the City), a portion of existing AIP 3-04-0029-083-2016 grant (\$679,000), and local funds (\$29,000)].

4. Conduct Airport Master Plan Study \$1,135,000

This project involves the development of a new Airport Master Plan for PHX. This project will also update the existing Airport Layout Plan. The study includes a comprehensive planning guide for a long-term development of the airport. The scope of work includes development of a capital improvement program, environmental considerations, existing conditions inventory, aviation activity forecasts, alternatives developments, identify airfield and terminal facility requirements, facilities implementation plan, and financial feasibility analysis.

The existing master plan was completed in 1989 and outdated. A new plan is required to accommodate the anticipated growth in the number of passengers and aircraft operations. The new airport master plan is needed to provide a strategic plan and schedule to meet future capacity demands.

Determination: Approved for collection and use.

PFC Objective: This project provides for the development of a new Airport Master Plan for PHX. This project will identify capacity and facilities needed for long-term airport development. Development undertaken as a result of this study will meet the PFC objective of enhancing capacity at PHX.

Adequate justification: This project provides for the development of a new Airport Master Plan for PHX. This project will identify capacity and facilities needed for long-term airport development. The existing master plan was completed in 1989. A new plan

is required to provide a strategic plan for addressing the anticipated growth in the number of passengers and aircraft operations.

Basis for Eligibility: Appendix E, Table E – 2(c) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Total Project Cost: \$4,131,850.

Proposed Sources of Financing: PFC revenue [(\$1,135,000 – the amount requested by the City), a portion of existing AIP 3-04-0029-083-2016 grant (\$2,873,350), and local funds (\$123,500)].

PFC Amount Approved for This Project: \$1,135,000

5. Security Master Plan

\$1,123,000

This project involves the development of a new Security Master Plan for the terminals, which will address current security threats. The Security Master Plan will be developed in accordance with Transportation Security Administration's Recommendation. The project includes Threat, Vulnerability and Risk (TVR) Assessment. The existing security plan was implemented in 2003 and outdated. A new plan is required to address the current and future potential security threats.

Determination: Approved for collection and use.

PFC Objective: The project will provide for the development of a new Security Master Plan for the terminals at PHX. This project provides a comprehensive review of security risks and development of security measures to protect passengers. Development undertaken as a result of this plan will meet the PFC objective of enhancing security at PHX.

Adequate justification: The project provides for the development of a new Security Master Plan for the terminals at PHX. This project provides a comprehensive review of security risks and development of security measures to protect passengers. The existing security plan was implemented in 2003 and outdated. A new plan is required to address the current and future potential security threats.

Basis for Eligibility: Appendix E, Table E – 1(k) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Total Project Cost: \$1,242,000.

Proposed Sources of Financing: PFC revenue [(\$1,123,000 – the amount requested by the City) and local funds (\$119,000)].

PFC Amount Approved for This Project: \$1,123,000

6. Update Airport AGIS Survey and Airspace Analysis \$320,000

This project involves updating the Airport Geographic Information System (AGIS) survey and airspace analysis. The project is part of an AIP project, which required by a planning project. This project includes gathering the most current and accurate geographic information. This is required for ensuring the continued safety of aircraft take-offs and landings.

The existing AGIS survey and airspace analysis were conducted in 2004 and outdated. The airport had new development in recent years. This project will provide updated data necessary to address safety of aircraft operations.

Determination: Approved for collection and use.

PFC Objective: This project provides for updating the AGIS survey and Airport Airspace Analysis. This project will provide for the most current and accurate geographic information. The updated AGIS data and airport airspace analysis meet the PFC objective of preserving safety of aircraft operations at PHX.

Adequate justification: This project provides for updating the AGIS survey and Airport Airspace Analysis. This will provide the most current and accurate survey and airspace analysis for PHX. The existing AGIS survey and airspace analysis were conducted in 2004 and outdated.

Basis for Eligibility: Appendix E, Table E- 2(c) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Total Project Cost: \$1,050,000.

Proposed Sources of Financing: PFC revenue [(\$320,000 – the amount requested by the City), a portion of existing AIP 3-04-0029-083-2016 grant (\$700,000), and local funds (\$30,000)].

PFC Amount Approved for This Project: \$320,000

7. Passenger Information Paging System (PIPS) Replacement and Installation of Checkpoint Wait Time System \$1,811,000

This project involves the replacement of the Passenger Information Paging System (PIPS) in Terminal 4 and two Cell Phone lots. This project includes installation of common use devices throughout the public use areas. The new integrated system will provide for passenger with flight information as well as audio and visual paging capability. This project also includes the installation of Checkpoint Wait Time system (Wait Time), which displays wait time at security checkpoints on a real time basis.

The existing PIPS was installed in 2005 and reached the end of its useful life. A new system is required to handle the standard technology. The project will reduce operational costs by eliminating frequent and costly repair of the outdated equipment. The existing PIPS does not provide wait time at security checkpoints on a real time basis.

Determination: Approved for collection and use.

PFC Objective: This project provides for the replacement of the PIPS. The PIPS provides passenger with flight information as well as audio and visual paging capability. The project also provides wait time at security checkpoint areas. Thus, this project meets the PFC objectives of enhancing safety and preserving capacity at PHX.

Adequate justification: This project provides for the replacement of the PIPS. The PIPS provides passenger with flight information as well as audio and visual paging capability. The project also provides wait time at security checkpoint areas. The existing PIPS was installed in 2005 and reached the end of its useful life.

Basis for Eligibility: Appendix N, Paragraph N-7, Table N-5(j) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Total Project Cost: \$1,866,000.

Proposed Sources of Financing: PFC revenue [(\$1,811,000 – the amount requested by the City) and local funds (\$55,000)].

PFC Amount Approved for This Project: \$1,811,000

Projects Approved for Authority to Impose and Use a PFC at PHX at a \$4.50 PFC Level:

1. Runway 8-26 Keel Reconstruction \$2,575,000

This project involves the design and reconstruction of the keel of Runway 8-26 (approximately 9,100 square yards). The scope of work involves demolition and reconstruction of the concrete pavement, excavation, stabilizing fill, base, utility relocation, signage, and related appurtenances. This project includes new paint striping, markings, and electrical repairs to high-speed exit lights.

Runway 8-26 was constructed in 1997 and reached the end of its useful life. The keel section of Runway 8-26 has cracking and spalling, which create FOD. The deterioration had reached to a point where additional patching and crack sealing is not sufficient to maintain the safety of aircraft. The runway pavement has a Pavement Condition Index (PCI) of 50, indicating a poor condition. The project is necessary to bring the pavement up to current FAA design standards improve safety of aircraft operations by eliminating FOD.

Determination: Approved for collection and use.

PFC Objective: This project involves the design and reconstruction of the keel section of Runway 8-26 (approximately 9,100 square yards). This project includes new paint striping, markings, and electrical repairs to high-speed exit lights. This project will improve the pavement conditions and structural integrity, and prevent FOD hazards. Thus, this project meets the PFC objectives of enhancing safety and preserving capacity at PHX.

Adequate justification: This project involves the design and reconstruction of the keel section of Runway 8-26 (approximately 9,100 square yards). Runway 8-26 was constructed in 1997 and reached the end of its useful life. The keel section of Runway 8-26 has cracking and spalling, which create FOD. The project is necessary to bring the pavement up to current FAA design standards and improve safety of aircraft operations by eliminating FOD.

Basis for Eligibility: Appendix G, Paragraphs G-2, Table G-3(c); Appendix J, Paragraphs J-2 and J-3, Table J-2 (a, c) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Significant Contribution: This project involves design and reconstruction of the keel sections of Runway 8-26 (approximately 9,100 square yards). This project eliminates cracking and spalling. The project improves safety of aircraft operations by preventing FOD hazard. Therefore, this project makes a significant contribution to maintaining safety and capacity at PHX.

Total Project Cost: \$9,805,000.

Proposed Sources of Financing: PFC revenue [(\$2,575,000 – the amount requested by the City), a portion of existing AIP 3-04-0029-082-2016 grant (\$6,939,000), and local funds (\$291,000)].

PFC Amount Approved for This Project: \$2,575,000

2. Reconstruct Terminal 3 South Transition Apron And Section of Taxiway Delta

\$2,287,000

This project involves the design and reconstruction of the Terminal 3 South Transition apron (25,300 square yards) and a section of Taxiway Delta (approximately 8,400 square yards) between taxiways D8 and D9. This project includes replacement of taxiway lights and signs.

The Terminal 3 South Transition apron and a section of Taxiway Delta were constructed in 1980 and reached the end of their useful life. The pavements have a PCI of 48, indicating a poor condition. The pavement is infected by Alkali-Silica Reaction (ASR) throughout the full depth of the concrete panels. The ASR caused extensive map cracking and pavement spalling, with loose aggregates creating FOD that may be ingested into aircraft engines. The project is necessary to bring the pavement up to current FAA design standards improve safety of aircraft operations by eliminating FOD.

Determination: Approved for collection and use.

PFC Objective: This project provides for the design and reconstruction of the Terminal 3 South Transition apron and a section of Taxiway Delta. This project will improve the pavement conditions and structural integrity, and prevent FOD hazards. Thus, this project meets the PFC objectives of enhancing safety and preserving capacity at PHX.

Adequate justification: This project provides for the design and reconstruction of the Terminal 3 South Transition apron and a section of Taxiway Delta. This project will

improve the pavement conditions and structural integrity, and prevent FOD hazard. The Terminal 3 South Transition apron and a section of Taxiway Delta were constructed in 1980 and reached the end of their useful life.

Basis for Eligibility: Appendix I, Paragraph I-2, Table I-3(d); Appendix H, Paragraph H2(a), Table H-3(e) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Significant Contribution: This project provides for the design and reconstruction of the Terminal 3 South Transition apron and a section of Taxiway Delta. The existing pavements are at the end of their useful life. The pavements have a PCI of 48, indicating a poor condition. The project will bring the pavement up to current FAA design standards and minimize potential for FOD hazard resulting from deteriorated pavements. Therefore, this project makes a significant contribution to preserve safety and capacity at PHX.

Total Project Cost: \$8,470,000.

Proposed Sources of Financing: PFC revenue [(\$2,287,000 – the amount requested by the City), anticipated AIP funds (\$5,928,000), and local funds (\$255,000)].

PFC Amount Approved for This Project: \$2,287,000

3. Terminal 3 North Inner PCCP Ramp Reconstruction \$4,401,200

This project involves the design and reconstruction of Terminal 3 North Inner Ramp, located around the Terminal 3 North Concourse. The pavement consists of approximately 1,630 concrete panels (20 feet by 12 feet). The scope of this project will include striping, cleanup of contaminated soil, and drainage improvement.

The existing Terminal 3 North Inner Ramp was built in 1979 and reached the end of its useful life. The pavement has a PCI of 48, indicating a poor condition. The pavement is infected by Alkali-Silica Reaction (ASR) throughout the full depth of the concrete panels. The ASR caused extensive map cracking and pavement spalling, with loose aggregates creating FOD that may be ingested into aircraft engines. The project is necessary to bring the pavement up to current FAA design standards and improve safety of aircraft operations by eliminating FOD.

Determination: Approved for collection and use.

PFC Objective: This project provides the design and reconstruction of Terminal 3 North Inner Ramp. The pavement has a PCI of 48, indicating a poor condition. This project will improve the pavement conditions and structural integrity, and prevent FOD hazards. The existing Terminal 3 North Inner Ramp was built in 1979 and reached the end of its useful life. Thus, this project meets the PFC objectives of enhancing safety and preserving capacity at PHX.

Adequate justification: This project provides the design and reconstruction of Terminal 3 North Inner Ramp. The pavement has a PCI of 48, indicating a poor condition. This project will improve the pavement conditions and structural integrity and prevent FOD

hazards. The existing Terminal 3 North Inner Ramp was built in 1979 and reached the end of its useful life.

Basis for Eligibility: Appendix I, Paragraph I-2, Table I-3(d) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Significant Contribution: This project provides for the design and reconstruction of Terminal 3 North Inner Ramp. The existing pavement is at the end of their useful life. The pavement has a PCI of 48, indicating a poor condition. The project will bring the pavement up to current FAA design standards and minimize potential for FOD hazards. Therefore, this project makes a significant contribution to enhance safety and preserve capacity at PHX.

Total Project Cost: \$15,124,000.

Proposed Sources of Financing: PFC revenue [(\$4,401,200 – the amount requested by the City), anticipated AIP entitlement funds (\$10,586,800), and local funds (\$136,000)].

PFC Amount Approved for This Project: \$4,401,200

4. Terminal 3 Modernization and Expansion – Construction \$46,149,000

This project involves the expansion of Terminal 3. The project will increase its size from 550,379 square feet to approximately 680,000 square feet. Specifically, the project consists of the following:

- Expand checkpoint areas (from 17,125 to approximately 26,000 square feet)
- Increase 10 boarding gates
- Increase baggage claim carousels (from four to five)
- Increase baggage claim area (from 8,171 to approximately 13,000 square feet)
- Add three Security checkpoints
- Curb expansion and concession space
- Updating and expanding mechanical and electrical systems

The existing terminal was built in 1979. The terminal was designed to handle 35 million annual passengers (MAP) of passengers. The airport had 44 MAP in FY 2016. The passenger demand is projected to be 58 MAP 2024. The terminal is heavily congested. The project will improve the capacity of the airport by expanding its security checkpoint and providing additional ticket counters, gates and baggage facilities. The project is necessary to meet the future demands of the airport.

Determination: Approved for collection and use.

PFC Objective: This project involves the expansion of Terminal 3. This project adds 10 boarding gates, one baggage claim carousel, and three security checkpoints. This project also expands additional space in the queuing areas to improve passenger traffic

flow. The project allows the airport to handle 58 MAP, which is expected by 2024. Thus, this project meets the PFC objective of enhancing capacity at PHX.

Adequate justification: This project involves the expansion of Terminal 3 to include additional space in the queuing areas to improve passenger traffic flow. The existing terminal was designed to handle 35 MAP. The airport is projected to have 58 MAP by 2024. The existing terminal was built in 1979 and does not meet the future demands of the airport. This project is necessary to accommodate the increasing passenger demands.

Basis for Eligibility: Appendix N, Paragraph N-2, Table N-1, Table N-2(a); Paragraph N-5, Table N-4, Table N-5, Table N-9 of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014), as well as § 158.15(b)(6), “gates and related areas.” Eligibility for the passenger terminal is limited to those portions of the building which are deemed to be public spaces intended for non-revenue producing public use areas related to the movement of passengers and baggage within the confines of the terminal.

The FAA has determined that the overall PFC eligibility of costs for the terminal project is 66 percent. The public agency is only requesting 9 percent of the overall project costs.

Significant Contribution: This project provides for the expansion and reconstruction of Terminal 3. The project provides for improvement to the passenger flow by adding 10 boarding gates, three security checkpoints, and one baggage claim device. The terminal expansion will allow the airport to accommodate the growth from 44 MAP in 2016 to 58 MAP in 2024.

Total Project Cost: \$520,497,672.

Proposed Sources of Financing: PFC revenue [(\$46,149,000 – the amount requested by the City), local funds (\$43,696,672), and bonds (\$430,652,000)].

PFC Amount Approved for This Project: \$46,149,000

5. Perimeter Gates Security Enhancements – Phase II \$1,044,579

This project involves the replacement of 14 electromechanical hydraulic barriers. This project is Phase II of the Perimeter Gates Security Enhancements work. The project also includes the installation of associated electrical cabling, conduit and project management.

The existing barriers were constructed in 2007 and reached the end of its useful life. The existing barriers are experiencing frequent failure, which affects airport security and operations. The existing barriers had three catastrophic failures within two years. Each repair takes weeks to complete due to lack of parts. Equipment failures may compromise security by permitting unauthorized access to the airfield. Replacing the aging barriers will reduce the potential for failure due to debris, permitting the access points to remain in operation and maintain the security of the airport.

Determination: Approved for collection and use.

PFC Objective: This project involves the replacement of 14 electromechanical barriers with hydraulic barriers. The new hydraulic barriers will improve security at the airport. Thus, this project meets the PFC objective of enhancing security at PHX.

Adequate justification: This project involves the replacement of 14 electromechanical barriers with hydraulic barriers. The existing barriers are experiencing frequent failure, which affects airport security and operations. Each repair takes weeks to complete due to lack of parts. The existing barriers were constructed in 2007 and reached the end of their useful life.

Basis for Eligibility: Appendix L, Paragraph L-7, Table L-2(t) of FAA Order 5100.38D, *AIP Handbook* (September 30, 2014).

Significant Contribution: This project provides for the replacement of 14 electromechanical barriers with hydraulic barriers. The prior electromechanical barriers had three catastrophic failures within two years. The new hydraulic barriers will improve security at the airport. Thus, this project will make a significant contribution to improving security at PHX.

Total Project Cost: \$1,078,980.

Proposed Sources of Financing: PFC revenue [(\$1,044,579 – the amount requested by the City) and local funds (\$34,401)].

PFC Amount Approved for This Project: **\$1,044,579**

Calculation of PFC Level

In 2000, the "Wendell H. Ford Aviation Investment and Reform Act for the 21st Century" (AIR-21), Pub. L. 106-181 (April 5, 2000), amended the PFC statute to establish additional eligibility requirements for projects to be funded with PFC levels above \$3.00. As a result, public agencies may be able to collect for certain projects at a \$1.00, \$2.00, or \$3.00 PFC level and others at a \$4.00 or \$4.50 PFC level. This is true here. The FAA determined that five of the proposed projects (for which the City requested to collect at the \$ 4.50 PFC level) met the requirements of Title 49 U.S.C. § 40117(b)(4) as implemented at Title 14 CFR § 158.17(b).

It is consistent with the PFC statute and regulation to apply a single PFC level to the entire application. The FAA notes that the \$4.50 authority established by AIR-21 represents a \$1.50 premium above the current authorized \$3.00 PFC base charge for an application. The \$1.50 premium can be authorized when a sufficient value of projects in the application can be shown to meet the criteria specified by Title 14 CFR § 158.17. Thus, on an application basis, the FAA may authorize a public agency to collect the \$1.50 premium over the \$3.00 base level until the total revenue collected through the PFC premium for that application equals the total value of the projects approved for premium collection status. Once that total value is collected, the public agency would no longer be authorized to collect the premium and would be required to reduce its PFC to \$3.00. As a practical matter, if, in the case of a \$4.50 PFC, the value of the premium projects equaled at least one-third (33 percent) of the total value of collection authority, the total premium value would not be collected before all outstanding PFC authority were collected and there would be no need to step down the PFC to the \$3.00 PFC level. Here, the FAA has determined that 81 percent of the total PFC value of the approved

projects are collectible at \$4.50 and are a sufficient value of projects to permit authorizing the \$4.50 collection level for the entire application. The collection of the entire PFC stream at PHX will be reduced by several months. [See also FAA Order 5500.1, *Passenger Facility Charges*, August 9, 2001, paragraphs 10-16 through 10-22.]

Environmental Requirements

Each project approved in this decision for concurrent authority to impose and use the PFC was examined under the guidelines contained in FAA Order 1050.1F, *Environmental Impact: Policies and Procedures* (July 16, 2015) and FAA Order 5050.4B, *National Environmental Policy Act (NEPA) Implementing Instructions for Airport Actions* (April 28, 2006), in compliance with the National Environmental Policy Act of 1969.

One project was evaluated in a Final Environmental Assessment prepared in November 2016. FAA approved a Finding of No Significant Impact and Record of Decision for that project on December 22, 2016. The other 11 projects, in this application, were determined to be categorically excluded and do not have a significant effect on the human environment. Categorical exclusions are categories of actions that the FAA has determined, based on previous experience, do not have significant individual or cumulative impact on the quality of the human environment except in extraordinary circumstances.

Request Not to Require a Class or Classes of Carriers to Collect PFC's.

The City requests that the following classes of air carriers be excluded from the requirement to collect PFC's: (1) *Nonscheduled/ on-demand air carriers filing FAA Form 1800-31*; (2) *Commuters or small certified air carriers filing U. S. Department of Transportation (DOT) Form T-100 with less than 7,500 enplanements each annually at PHX*; (3) *Large certified route air carriers filing DOT Form T-100 with less than 7,500 enplanements each annually at PHX*; and (4) *Foreign air carriers filing DOT Form T-100(f) with less than 7,500 enplanements each annually at PHX*.

Determination: Approved pursuant to Title 14 CFR § 158.11. Based on information contained in the City's application, the FAA has determined that each proposed class accounts for less than one percent of PHX's total annual enplanements. The City should confirm, on an annual basis using prior year enplanement data, that each approved class does not exceed one percent of the total enplanements at PHX. Upon completion of the annual review, should the approved class no longer meet the requirement for exclusion; the City must initiate collection of PFC's from this class of carriers.

Compliance with the Airport Noise and Capacity Act of 1990 (ANCA)

The FAA is not aware of any proposal at PHX, which would be found to be in violation of the ANCA. The FAA herein provides notice to the City that a restriction on the operation of aircraft at PHX must comply with all applicable provisions of the ANCA and that failure to comply with the ANCA and Part 161 makes the City subject to provisions of Subpart F of that Part. Subpart F, "Failure to Comply with This Part," describes the procedures to terminate eligibility for AIP funds and authority to collect PFC revenues.

Compliance with Subsection 47107(b) Governing Use of Airport Revenue

As of the date of this Final Agency Decision the City of Phoenix Aviation Department has not been found to be in violation of 49 U.S.C. 47107(b) or in violation of grant assurances made under 49 U.S.C. 47107(b).

Compliance with Requirement to Submit a Competition Plan

By a letter dated March 17, 2004, the FAA has determined that the last competition plan submitted for Phoenix Sky Harbor International Airport is in accordance with 49 U.S.C. § 47106(f). Furthermore, as of the date of this approval, the City of Phoenix has met the requirement to submit a competition plan in accordance with § 158.29(a)(1)(viii). Therefore, a submission of a competition plan (or update) is not required for the current fiscal year.

Legal Authority

This decision is made under the authority of Title 49 U.S.C. §§ 46110 and 40117, as amended. This decision constitutes a final agency order to approve, in whole or in part, the City of Phoenix's application to impose and use of PFC revenue on 12 projects at PHX. Any party to this proceeding having a substantial interest may appeal the decision to the courts of appeals for the United States for the District of Columbia upon petition, pursuant to Title 49 U.S.C. § 46110, filed within 60 days after issuance of this decision.

Concur



 Mark A. McClardy
 Director, Office of Airports
 Western-Pacific Region

2/23/18
 Date

Nonconcur

 Mark A. McClardy
 Director, Office of Airports
 Western-Pacific Region

 Date

 A copy of the signed document is in the files at the FAA's Office of Airports, Western-Pacific Regional Office, in Hawthorne, California; as well as in the FAA's Phoenix Airports District Office, in Phoenix, Arizona.



FAA
Airports

Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 1/24/2017

View the most current versions of these ACs and any associated changes at:

http://www.faa.gov/airports/resources/advisory_circulars and

http://www.faa.gov/regulations_policies/advisory_circulars/

NUMBER	TITLE
70/7460-1L Change 1	Obstruction Marking and Lighting
150/5020-1	Noise Control and Compatibility Planning for Airports
150/5070-6B Changes 1 - 2	Airport Master Plans
150/5070-7 Change 1	The Airport System Planning Process
150/5100-13B	Development of State Standards for Nonprimary Airports
150/5200-28F	Notices to Airmen (NOTAMs) for Airport Operators
150/5200-30D	Airport Field Condition Assessments and Winter Operations Safety
150/5200-31C Changes 1 - 2	Airport Emergency Plan
150/5210-5D	Painting, Marking, and Lighting of Vehicles Used on an Airport
150/5210-7D	Aircraft Rescue and Fire Fighting Communications
150/5210-13C	Airport Water Rescue Plans and Equipment
150/5210-14B	Aircraft Rescue Fire Fighting Equipment, Tools and Clothing
150/5210-15A	Aircraft Rescue and Firefighting Station Building Design

NUMBER	TITLE
150/5210-18A	Systems for Interactive Training of Airport Personnel
150/5210-19A	Driver's Enhanced Vision System (DEVs)
150/5220-10E	Guide Specification for Aircraft Rescue and Fire Fighting (ARFF) Vehicles
150/5220-16D	Automated Weather Observing Systems (AWOS) for Non-Federal Applications
150/5220-17B	Aircraft Rescue and Fire Fighting (ARFF) Training Facilities
150/5220-18A	Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials
150/5220-20A	Airport Snow and Ice Control Equipment
150/5220-21C	Aircraft Boarding Equipment
150/5220-22B	Engineered Materials Arresting Systems (EMAS) for Aircraft Overruns
150/5220-23	Frangible Connections
150/5220-24	Foreign Object Debris Detection Equipment
150/5220-25	Airport Avian Radar Systems
150/5220-26, Changes 1 - 2	Airport Ground Vehicle Automatic Dependent Surveillance - Broadcast (ADS-B) Out Squitter Equipment
150/5300-7B	FAA Policy on Facility Relocations Occasioned by Airport Improvements or Changes
150/5300-13A, Change 1	Airport Design
150/5300-14C	Design of Aircraft Deicing Facilities
150/5300-16A	General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey
150/5300-17C	Standards for Using Remote Sensing Technologies in Airport Surveys
150/5300-18B Change 1	Survey and Data Standards for Submission of Aeronautical Data Using Airports GIS
150/5320-5D	Airport Drainage Design
150/5320-6F	Airport Pavement Design and Evaluation

NUMBER	TITLE
150/5320-12C, Changes 1 - 8	Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces
150/5320-15A	Management of Airport Industrial Waste
150/5325-4B	Runway Length Requirements for Airport Design
150/5335-5C	Standardized Method of Reporting Airport Pavement Strength - PCN
150/5340-1L	Standards for Airport Markings
150/5340-5D	Segmented Circle Airport Marker System
150/5340-18F	Standards for Airport Sign Systems
150/5340-26C	Maintenance of Airport Visual Aid Facilities
150/5340-30H	Design and Installation Details for Airport Visual Aids
150/5345-3G	Specification for L-821, Panels for the Control of Airport Lighting
150/5345-5B	Circuit Selector Switch
150/5345-7F	Specification for L-824 Underground Electrical Cable for Airport Lighting Circuits
150/5345-10H	Specification for Constant Current Regulators and Regulator Monitors
150/5345-12F	Specification for Airport and Heliport Beacons
150/5345-13B	Specification for L-841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits
150/5345-26D	FAA Specification For L-823 Plug and Receptacle, Cable Connectors
150/5345-27E	Specification for Wind Cone Assemblies
150/5345-28G	Precision Approach Path Indicator (PAPI) Systems
150/5345-39D	Specification for L-853, Runway and Taxiway Retroreflective Markers
150/5345-42H	Specification for Airport Light Bases, Transformer Housings, Junction Boxes, and Accessories
150/5345-43H	Specification for Obstruction Lighting Equipment
150/5345-44K	Specification for Runway and Taxiway Signs
150/5345-45C	Low-Impact Resistant (LIR) Structures

NUMBER	TITLE
150/5345-46E	Specification for Runway and Taxiway Light Fixtures
150/5345-47C	Specification for Series to Series Isolation Transformers for Airport Lighting Systems
150/5345-49C	Specification L-854, Radio Control Equipment
150/5345-50B	Specification for Portable Runway and Taxiway Lights
150/5345-51B	Specification for Discharge-Type Flashing Light Equipment
150/5345-52A	Generic Visual Glideslope Indicators (GVGI)
150/5345-53D	Airport Lighting Equipment Certification Program
150/5345-54B	Specification for L-884, Power and Control Unit for Land and Hold Short Lighting Systems
150/5345-55A	Specification for L-893, Lighted Visual Aid to Indicate Temporary Runway Closure
150/5345-56B	Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)
150/5360-12F	Airport Signing and Graphics
150/5360-13 Change 1	Planning and Design Guidelines for Airport Terminal Facilities
150/5360-14	Access to Airports By Individuals With Disabilities
150/5370-2F	Operational Safety on Airports During Construction
150/5370-10G	Standards for Specifying Construction of Airports
150/5370-11B	Use of Nondestructive Testing in the Evaluation of Airport Pavements
150/5370-13A	Off-Peak Construction of Airport Pavements Using Hot-Mix Asphalt
150/5370-15B	Airside Applications for Artificial Turf
150/5370-16	Rapid Construction of Rigid (Portland Cement Concrete) Airfield Pavements
150/5370-17	Airside Use of Heated Pavement Systems
150/5390-2C	Heliport Design
150/5395-1A	Seaplane Bases

THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY

Updated: 1/24/2017

NUMBER	TITLE
150/5100-14E, Change 1	Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects
150/5100-17, Changes 1 - 6	Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects
150/5300-15A	Use of Value Engineering for Engineering and Design of Airport Grant Projects
150/5320-17A	Airfield Pavement Surface Evaluation and Rating Manuals
150/5370-12B	Quality Management for Federally Funded Airport Construction Projects
150/5380-6C	Guidelines and Procedures for Maintenance of Airport Pavements
150/5380-7B	Airport Pavement Management Program
150/5380-9	Guidelines and Procedures for Measuring Airfield Pavement Roughness