



November 17, 2022

# Passenger Facility Charge Application #2

*Airline Consultation Meeting and Public Notice*

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# Notice to Air Carriers and Consultation Meeting

- ✍ Pursuant to 14 CFR, §158.23(a), on October 18, 2022 the Omaha Airport Authority (the Authority) provided written notice to air carriers with a significant business interest operating at OMA of its intent to submit a new PFC application. The notice included:
  - ✍ Project descriptions
  - ✍ PFC level, proposed charge effective and expiration dates, and total PFC revenue
  - ✍ Class of carrier not required to collect the PFC
  - ✍ Date, time, and location of air carrier consultation meeting



# Notice to Air Carriers and Consultation Meeting

- ✍ This presentation provides all information required under 14 CFR, §158.23(b) and 158.24(b) regarding consultation with air carriers and notice to the public:
  - ✍ Project descriptions and justifications
  - ✍ PFC level, proposed charge effective and expiration dates
  - ✍ Estimated PFC revenue for collection and use
  - ✍ Detailed project financial plans
  - ✍ Contact information for public comments



# Overview of PFC Program

- ✍ PFC imposed since 2018
- ✍ Total collection authority of \$43,013,145
- ✍ Collecting at the \$4.50 PFC level
- ✍ Charge expiration date is September 1, 2023

Overview of Existing PFC Program Omaha Eppley Airfield						
Application Number	Amount		Collection Level	Status	Activity Through 06/30/2022	
	Approved for Collection/Use				Collections (a)	Disbursements
17-01-C-00-OMA	\$	43,013,145	\$4.50	Open	\$ 34,595,423	\$ 2,924,367
<b>Total Authority</b>	<b>\$</b>	<b>43,013,145</b>			<b>\$ 34,595,423</b>	<b>\$ 2,924,367</b>
Collections through 6/30/22	\$	34,478,043				
Interest Earnings		117,381				
Total Collections and Interest	\$	34,595,423				
Remaining Approved Collections	\$	8,417,722				
(a) Consists of collections and interest earnings.						

# Proposed New PFC Application (PFC #2)

- ✍ Terminal Modernization Program (TMP) Design & Construction
- ✍ PFC Consulting Services

Project number	Project title	Level of collection	Proposed PFC amount
2.1	Terminal Modernization Program (TMP) Design & Construction	\$4.50	\$259,000,000
2.2	PFC Consulting Services	\$4.50	<u>70,000</u>
			\$259,070,000

# Program Goals and Objectives

- ✎ Establish a **need-based** development plan based on activity at the Airport and level of service trigger points;
- ✎ Maintain **customer convenience** and improve the **customer experience**; and
- ✎ Provide a **cost-effective, phased implementation** plan.



# Project 2.1 - TMP Design & Construction

## Project Description:

This application is to help fund the design and construction costs related to the expansion and renovation of the Airport’s passenger terminal facilities. The TMP will modernize and increase the capacity of the existing terminal, optimize the passenger experience, and provide opportunities for increased air service.

## **Project components:**

- ✎ Demolition of the existing, and construction of a new, central utility plant (CUP)
- ✎ Construction of a new Central Pavilion
- ✎ Renovation and expansion of the existing South Concourse to connect to the Central Pavilion
- ✎ Demolition of the existing North Concourse and construction of a replacement concourse
- ✎ Renovation of the existing terminal on both levels
- ✎ Airside development (regrading apron adjacent to the new concourse)
- ✎ Twelve (12) new passenger boarding bridges
- ✎ New baggage handling system (BHS)

**Funding request:**

**Proposed sources of funding:**

- \$ 50,000,000 PFC pay-as-you-go
- \$110,000,000 Bond capital
- \$ 99,000,000 Financing & interest
- **\$259,000,000** Total funding request



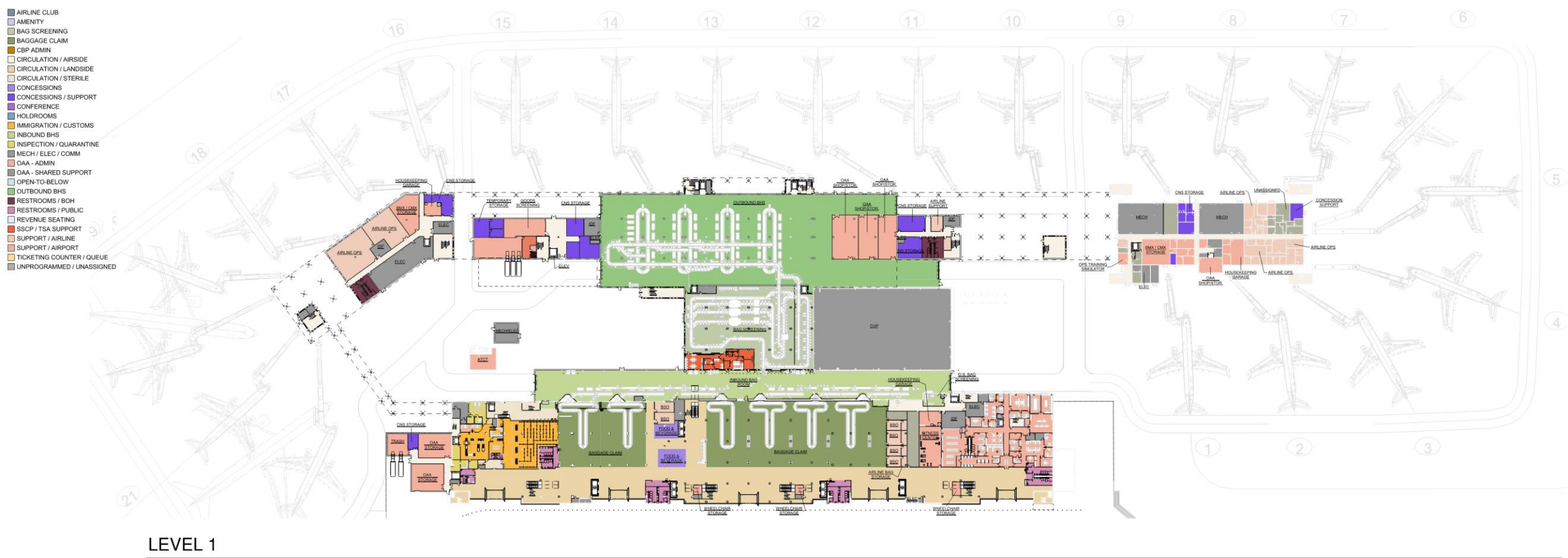


# Project 2.1 - TMP Design & Construction

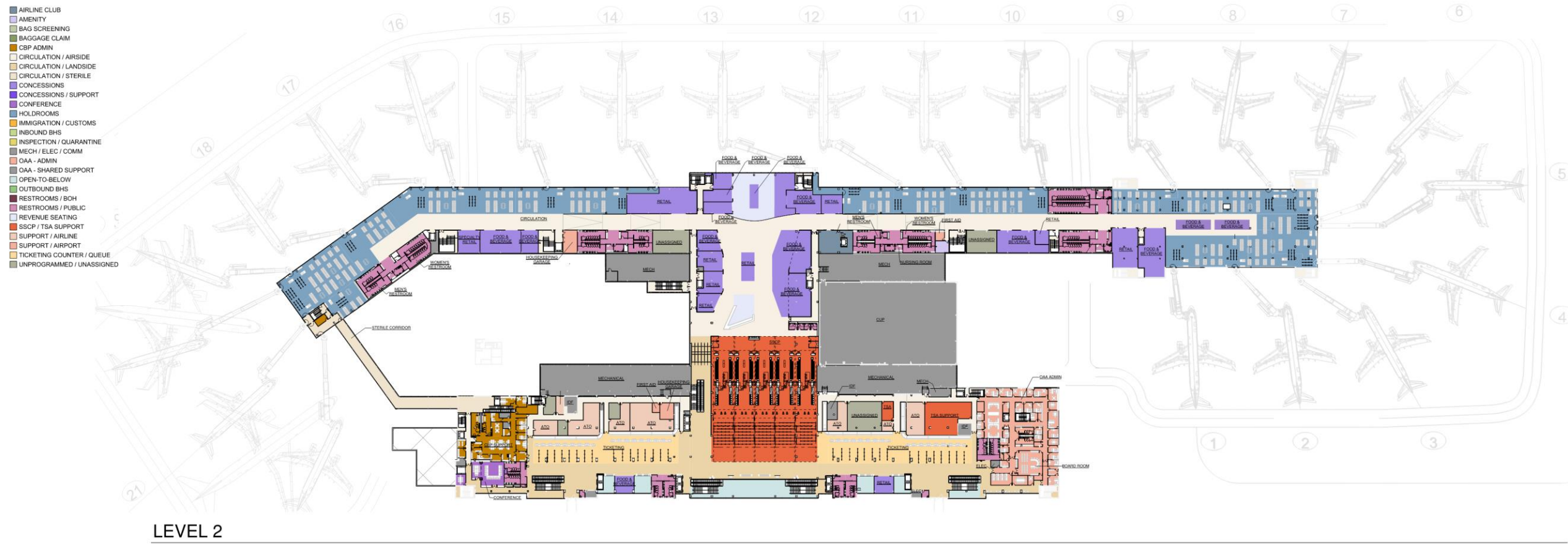
## Project Description (cont'd.):

- ✎ The project increases the size of Terminal by approximately 382,000 sq. ft.
  - ✎ New 16,200 sq. ft. check-in hall with 45 ticket counters and ticketing offices on Level 2
  - ✎ New 72,000 sq. ft. Central Pavilion will include a new consolidated baggage handling system and 31,400 sq. ft. security screening checkpoint (SSCP) with eight screening lanes
  - ✎ Larger, consolidated baggage claim area served by six carousels (36,000 sq. ft.)
  - ✎ New Federal Inspection Service (FIS) facility capable of processing 400 peak hour arriving international passengers
  - ✎ Renovated and expanded South Concourse (13 gates) and new North Concourse (9 gates), combined to be 134,000 sq. ft.
  - ✎ Concession space, airline support space, OAA offices, and passenger amenities (restrooms, services animal relief area (SARA), and mother's rooms)
  - ✎ 21,800 sq. ft. CUP will house cooling towers, chillers, boilers, and pumps for the chilled and hot water systems, fire protection pumps, electrical rooms, data center, and IT distribution room

## Current Concept: Level 1



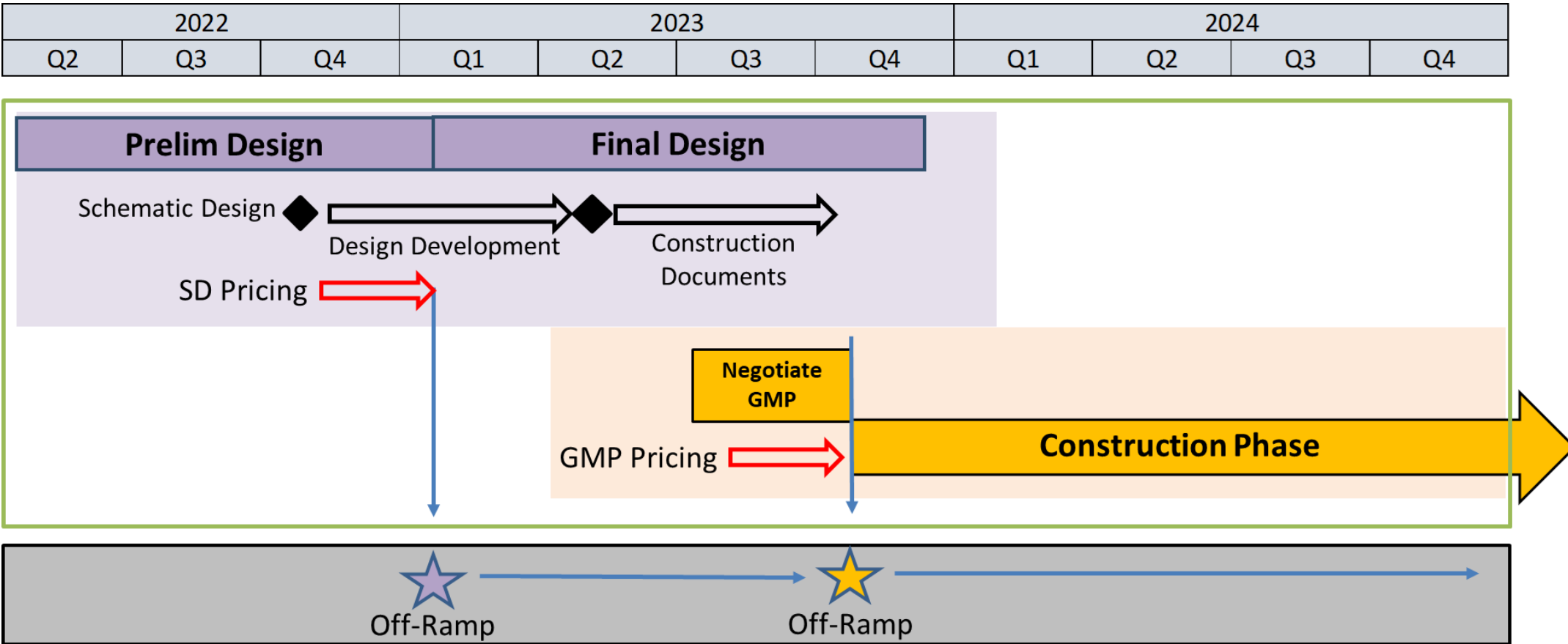
## Current Concept: Level 2





# Project 2.1 - TMP Design & Construction

## Milestone Schedule



Legend: ★ Board Action Required to proceed



# Project 2.1 - TMP Design & Construction

## **PFC Eligibility:**

An eligibility analysis based on space determined that approximately 66% of the new and renovated space will be for public use, non-revenue generating, and directly related to the movement of passengers and baggage.

## **Project Justification:**

This project is necessary for the Airport to meet projected demand and to develop a functional and efficient passenger terminal facility that accommodates the future needs of passengers and airlines.

- ✍ The existing terminal facility is insufficient to meet existing and projected demand.
- ✍ The existing North and South Concourses were constructed in 1969 and 1984, respectively. The building and many systems are nearing end of their useful lives and are in need of renovation.



# Project 2.1 - TMP Design & Construction

## **Project Justification (cont'd.):**

- ✍ The current terminal layout includes separate check-in, security, and baggage claim functions which is inefficient and redundant and there is underutilized space in the landside portion of the terminal building. The TMP design optimizes space by centralizing these functions in the underutilized space.
- ✍ Larger holdrooms and additional gates will alleviate congestion, address overcrowding in the concourses and accommodate passengers at an adequate level of service (LOS).
- ✍ A larger baggage claim area will allow passengers to circulate comfortably and larger carousels will provide adequate presentation length and clearances to accommodate larger narrow-body aircraft.
- ✍ The new baggage screening systems will address the existing insufficient capacity to meet current and future demand.
- ✍ The passenger screening checkpoints are constrained and the new, consolidated checkpoint will provide more lanes and queuing space, alleviating congestion and reducing wait times.
- ✍ The FIS facility will permit international arrivals.

# Project 2.1 - TMP Design & Construction

## Project Cost and Eligibility:

- The Authority is requesting to use PFC funding for the design and construction of the TMP (prorated based on an eligibility analysis) and the costs related to financing bonds (i.e., interest costs, cost of issuance, and associated debt service reserve requirement).

## Assumptions:

- 66% eligibility factor was applied to the expansion and renovation construction cost
- BHS, pedestrian bridges, and PBBs are all 100% PFC-eligible
- 71% eligibility factor applied to design, general conditions, and soft costs to determine the requested PFC funding amount

Facility/Use	Total Costs (a)	Eligibility Percentage	Eligible Costs	Ineligible Costs
Expansion & Renovation	\$ 367,997,000	65.75%	\$ 241,954,000	\$ 126,043,000
Baggage Handling System (BHS)	50,055,000	100%	50,055,000	-
Pedestrian Bridges	13,299,000	100%	13,299,000	-
Passenger Boarding Bridges (PBB)	8,509,000	100%	8,509,000	-
<b>Subtotal</b>	<b>\$ 439,860,000</b>	<b>71.34%</b>	<b>\$ 313,817,000</b>	<b>\$ 126,043,000</b>
General Conditions and Soft Costs	\$ 167,290,000			
Design Cost	57,850,000			
<b>Subtotal</b>	<b>\$ 225,140,000</b>	<b>71.34%</b>	<b>\$ 160,615,000</b>	<b>\$ 64,525,000</b>
<b>Total Construction &amp; Soft Costs</b>	<b>\$ 665,000,000</b>	<b>71.34%</b>	<b>\$ 474,432,000</b>	<b>\$ 190,568,000</b>

(a) All costs are preliminary and subject to change.



# Project 2.2 - PFC Consulting Services

## **Project Description:**

Fees paid to consultants for services related to the development and preparation of this PFC application and of an amendment to PFC Application 17-01-C-00-OMA (PFC #1).

Tasks include:

- ✍ Evaluation of PFC-eligible project costs
- ✍ Collection and organization of project documentation
- ✍ Preparation of airline and public consultation documents
- ✍ Participation in air carrier consultation meeting
- ✍ Preparation of draft and final PFC application and amendment
- ✍ Coordination efforts on behalf of the Authority
- ✍ Other assistance as necessary to complete the PFC application and amendment

### **Funding request:**

#### **Proposed source of funding:**

- **\$70,000 PFC pay-as-you-go**

## **Project Justification:**

Funding the cost of PFC consulting services with PFC revenues (i) helps the Authority keep operating costs down, (ii) increases the Authority's overall funding capacity, and (iii) enables the Airport to keep airline costs as low as possible.





# Proposed PFC #2 Application Funding Plan

✍ Request to increase collection authority by \$259.1 million

Project Number	Project Title	Project Costs	PFC Eligible Project Costs	Sources of Funding			Proposed PFC amount			
				PFCs		Other (a)	PFC Eligible			Total PFC Amount
				Paygo	Bonds		Paygo	Capital	Financing	
2.1	Terminal Modernization Program (TMP) Design & Construction	\$ 665,000,000	\$ 474,432,000	\$ 50,000,000	\$ 110,000,000	\$ 505,000,000	\$ 50,000,000	\$ 110,000,000	\$ 99,000,000	\$ 259,000,000
2.2	PFC Consulting Services	\$ 70,000	\$ 70,000	\$ 70,000	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ 70,000
	<b>Total Requested Authority</b>	<b>\$ 665,070,000</b>	<b>\$ 474,502,000</b>	<b>\$ 50,070,000</b>	<b>\$ 110,000,000</b>	<b>\$ 505,000,000</b>	<b>\$ 50,070,000</b>	<b>\$ 110,000,000</b>	<b>\$ 99,000,000</b>	<b>\$ 259,070,000</b>

(a) Includes costs ineligible for PFC funding and PFC costs eligible for PFC funding, but in excess of PFC financing capacity at this time. Funding sources include Bipartisan Infrastructure Law (BIL) funding, general airport revenue bonds, and airport cash. All costs are preliminary and subject to change.

PFC Level:

Charge effective date:

Proposed charge expiration date:

Estimated PFC revenue to impose and use:

\$4.50 per eligible enplaned passenger

September 1, 2023

July 1, 2044

\$259,070,000



# Class of Carrier Not Required to Collect PFC

## Air taxi / commercial operators (ATCOs)

- ✎ Currently excluded from collection
- ✎ As represented by the Air Carrier Activity Information System (ACAIS), air carriers in this class provided service to 54 enplaned passengers at OMA in CY 2021, and included:
  - ✎ Aero Charter, Inc.
  - ✎ Meregrass, Inc
- ✎ **Reason for not collecting:** The above class of carriers constitutes no more than 1% of total number passengers enplaned annually at the Airport and the administrative burden of collections would outweigh revenues.



# Air Carrier Requirements

- ✍ In accordance with 14 CFR, §158.23, each air carrier shall provide written certification of agreement or disagreement with the proposed application within 30 days, by December 17, 2022.
- ✍ If an air carrier does not provide certification, the air carrier is considered to have certified its agreement.
- ✍ A certification of disagreement must contain the reasons for such disagreement; the absence of such reasons shall void the certification of disagreement.

**Air carrier certifications should be sent to:** Jason Snowden  
Chief Commercial Officer  
Omaha Airport Authority  
Suite 2300  
4501 Abbott Dr.  
Omaha, NE 68110  
Email: [jason.snowden@flyoma.com](mailto:jason.snowden@flyoma.com)



# Public Opportunity to Comment

- ✍ In accordance with 14 CFR, §158.24, the public has the opportunity to file comments on the proposed application for 30 days, until December 17, 2022.

**Comments should be sent to:** Jason Snowden  
Chief Commercial Officer  
Omaha Airport Authority  
Suite 2300  
4501 Abbott Dr.  
Omaha, NE 68110  
Email: [jason.snowden@flyoma.com](mailto:jason.snowden@flyoma.com)

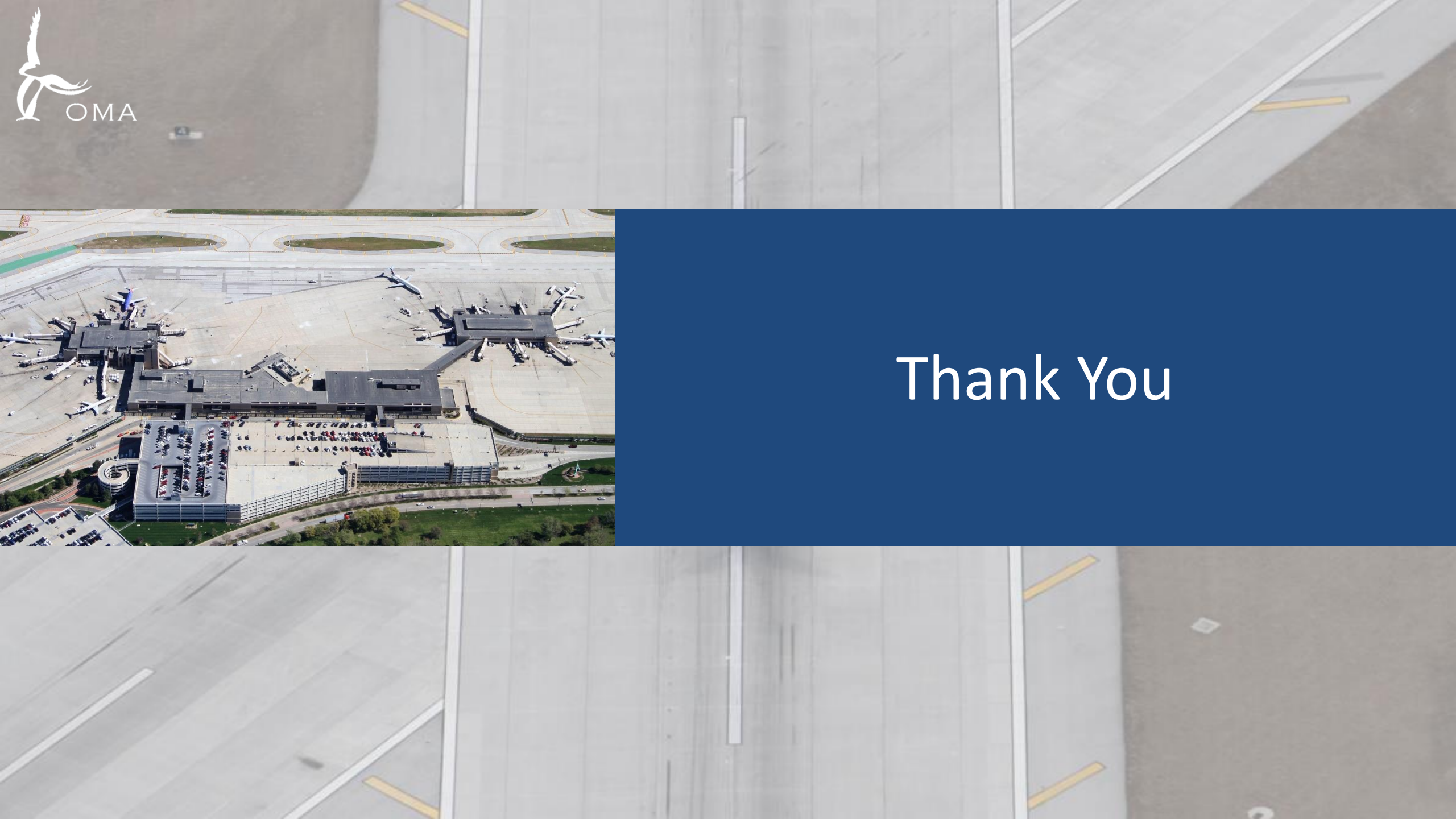


# Proposed PFC #2 Schedule

✂ October 18, 2022	Notice to Airlines
✂ November 17, 2022	Air Carrier Consultation Meeting
✂ November 17, 2022	Notice to Public Posted to Website
✂ December 17, 2022	Air Carrier and Public Comment Deadline
✂ Week of December 26, 2022	Submit Application to FAA
✂ April 2023	FAA Decision (maximum 120 days)
✂ Upon Receipt of FAD	Notice to Air Carriers of Approval
✂ September 1, 2023	Estimated Charge Effective Date for PFC #2

# Notice of Amendment

- ✍ The Authority is requesting to amend PFC #1 to reflect a change in PFC funding due to the removal to two (2) approved design projects related to the TMP:
  - ✍ Main Terminal Expansion & Renovation
  - ✍ Main Terminal Central Plant Utility and North Concourse
- ✍ **Reason for amendment:** The scope, timing, and funding of both design projects has changed enough to warrant removing them from PFC #1 and including them in the proposed PFC #2.
- ✍ The amendment to PFC #1 and the new PFC #2 application will be submitted to the FAA concurrently.
- ✍ Air carrier consultation is not required for this type of amendment. There is no obligation for the air carriers to submit certification of agreement or disagreement on the amendment.



Thank You