

## **PUBLIC NOTICE**

MBS International Airport  
Freeland, Michigan

### **Passenger Facility Charge (PFC) Application 10-07-C-00-MBS**

**INTRODUCTION:** This Public Notice is issued as part of a Federal Aviation Administration (FAA) requirement for Passenger Facility Charge Applications as directed by changes to the PFC Program resulting from the Non-Hub Pilot Program and Related Streamlining Changes Final Rule that was published on March 23, 2005 and which went into effect on May 9, 2005. The MBS International Airport Commission (the public agency) must provide a notice and opportunity for public comment before submitting (1) a PFC Application, (2) a notice of intent under the non-hub program, or (3) an amendment request to change the scope of a project or projects, increase the PFC level to be collected, or increase the PFC amount for a project by more than 25 percent. The public notice and comment period may be run concurrently with the air carrier consultation period. The notice must allow the public to file comments for at least 30 days, but no more than 45 days after the date of publication of the notice or posting on the public agency's Web site.

**PFC COLLECTION REVIEW:** The MBS International Airport Commission has used Passenger Facility Charge (PFC) revenue on Airport Improvement Program projects since February 1997, and is authorized to impose a PFC until the date on which the total net PFC revenue plus interest equals the allowable cost of approved projects. PFC Application Amendment 03-05-C-01-MBS raised the level of collection from \$3.00 to \$4.50 and reset the anticipated expiration date. The PFC Application addressed in this Public Notice has a \$4.50 level of collection with a proposed effective date of February 1, 2011 and an estimated expiration date of February 1, 2029, with total estimated PFC revenue of \$10,449,784.00. Carriers may keep a portion of the collected PFC revenue as Carrier Compensation for Collection. An air carrier consultation meeting to discuss this Application was held on June 23, 2010. Written Notice to Air Carriers was sent out on May 17, 2010.

**APPLICATION STATUS:** The PFC Application will be submitted upon expiration of the public notice and comment period. The public agency is required to submit evidence of compliance with the public notice and comment requirement in its PFC Application, notice of intent or amendment request.

**DESCRIPTION OF PROJECTS:** The description of Capital Improvement Projects that this current Application Number 7 addresses are as follows:

#### **Impose and Use Projects:**

→ Phase IV Terminal Construction Project; Taxiway Construction: The construction of a connector taxiway between existing Taxiway "C" and the location for the new airline terminal ramp. This project also includes the removal of Taxiway "B", removal of Taxiway "G" and taxiway electrical circuit repairs.

- ➔ Reimbursement of PFC Application Fees Project: Reimbursement of PFC costs incurred from July 2007 through September 2009 for the preparation of other PFC applications.
- ➔ Reimbursement of Administration Expenses for PFC Program Project: Reimbursement of administrative expenses for the PFC program incurred from July 2007 through September 2009.
- ➔ Airfield Pavement Marking Project: Airfield pavement marking remarks the entire airfield.
- ➔ All Phases of Terminal Construction Project: This project will include all phases of new terminal construction including the build-out of the terminal, building shell, interiors, electrical, HVAC, and other associated work. This work specifically excludes site work and utilities, as well as concrete foundation and steel.

#### **Impose Only Projects**

- ➔ Partial Parallel Taxiway and Apron Connector Project: This project constructs the northwest portion of a parallel taxiway to Runway 14/32 and constructs a second access to the airline ramp at the new terminal building location.
- ➔ Completion of the Perimeter Road Project: Completion of the perimeter road to the north around Runway 5/23. The completed perimeter road will tie the east side to the west side of the airport together.
- ➔ Snow Removal Equipment Procurement, High Speed Airport Broom Project: This project consists of the purchase of a twenty (20) feet wide airport high speed broom mounted on a vehicle.

#### **Alternate Projects for the Impose Only Projects Listed**

- ➔ Bituminous Overlay of Runway 5/23 Alternate Project: This project constructs a bituminous overlay of Runway 5/23 and includes necessary pavement marking.
- ➔ Snow Removal Equipment Procurement, Airport Snow Plow Alternate Project: This project purchases a heavy duty truck with a twenty (20) foot runway plow.
- ➔ Snow Removal Equipment Procurement, Airport Snow Blower Alternate Project: This project purchases a dedicated high-speed snow blower vehicle.

**EXPLANATION OF THE NEED FOR THE PROJECTS:** The justification of the Capital Improvement Projects that this current Application Number 7 addresses are as follows:

#### **Impose and Use Projects:**

- ➔ Phase IV Terminal Construction Project; Taxiway Construction: The connector taxiway is required to allow aircraft to taxi from the existing airfield to the new apron area of the new terminal building. The removal of Taxiway “B” and “G” are related to the construction of the new terminal and/or comments received during the FAA Runway Safety Action Team meeting held at MBS. The improvements of the taxiway electrical circuits are also related to the construction of the new terminal building and needed to ensure taxiway/runway safety.
- ➔ Reimbursement of PFC Application Fees Project: Local funds used to cover the cost to prepare past PFC applications will now be reimbursed by PFC revenue.

- ➔ Reimbursement of Administration Expenses for PFC Program Project: Local funds used to cover the cost of administrative expenses will now be reimbursed by PFC revenue.
- ➔ Airfield Pavement Marking Project: The project was completed to maintain compliance with FAR Part 139 certification requirements.
- ➔ All Phases of Terminal Construction Project: The terminal study of the existing terminal building was conducted in 2005 and demonstrated that it was cost effective to construct a new terminal building rather than remodel the existing building. A further study in 2006 reinforced the point. Construction of the new terminal building began in 2008 and continues with an anticipated opening in 2013. The new terminal building will increase the number of ticket counters by one and increase the number of gates by two, to enhance airline competition.

#### **Impose Only Projects**

- ➔ Partial Parallel Taxiway and Apron Connector Project: This project is eligible for both AIP and PFC construction programs. The project provides a second access point to and from the new terminal for any air carrier operation utilizing Runway 14/32.
- ➔ Completion of the Perimeter Road Project: This project is eligible for both AIP and PFC funding. The completed perimeter road will allow access to both sides of the airfield without having to cross runways or taxiways. The completed perimeter road also allows for various security inspections and wildlife control to occur without interfering with air traffic movement.
- ➔ Snow Removal Equipment Procurement, High Speed Airport Broom Project: This project will replace airport broom unit #37 that is over ten years old and will have outlived its usefulness.

#### **Alternate Projects for the Impose Only Projects Listed**

- ➔ Bituminous Overlay of Runway 5/23 Alternate Project: This bituminous overlay allows continual operation of the runway and maintains the runway for future use.
- ➔ Snow Removal Equipment Procurement, Airport Snow Plow Alternate Project: The new plow truck would be a replacement of MBS Plow #43, which is a 1998 model that has outlived its usefulness.
- ➔ Snow Removal Equipment Procurement, Airport Snow Blower Alternate Project: The new snow blower would be a replacement of MBS Blower #20, which will have outlived its usefulness by the time the purchase is made.

**FINANCIAL PLAN:** The estimated total PFC revenue expected to be collected by this application is \$10,449,784.00. The financial plan for each impose and use and impose only project is listed below.

#### **Impose and Use Projects:**

- ➔ Phase IV Terminal Construction Project; Taxiway Construction: \$40,372 in pay-as-you-go PFC funds, \$1,534,116 in existing AIP Grant 3-26-0083-4109 funds, and \$40,371 in State funds for a Total Project Cost of \$1,614,859. The proposed funding level for this project is \$4.50.
- ➔ Reimbursement of PFC Application Fees Project: \$5,500 in pay-as-you-go PFC funds, which is also the Total Project Cost. The proposed funding level for this project is \$4.50.

- ➔ Reimbursement of Administration Expenses for PFC Program Project: \$1,500 in pay-as-you-go PFC funds, which is also the Total Project Cost. The proposed funding level for this project is \$4.50.
- ➔ Airfield Pavement Marking Project: \$2,412 in pay-as-you-go PFC funds, \$91,627 in existing AIP Grant 3-26-0083-4109 funds, and \$2,411 in State funds for a Total Project Cost of \$96,450. The proposed funding level for this project is \$4.50.
- ➔ All Phases of Terminal Construction Project: \$6,500,000 in pay-as-you-go PFC funds, \$2,850,075 in existing AIP Grant 3-26-0083-4209 funds, \$3,149,925 in anticipated AIP funds, \$5,300,000 in local funds and \$200,000 in State funds for a Total Project Cost of \$18,000,000. In the event that anticipated AIP and State funds are not available a back-up financing plan has been prepared as follows: \$9,849,925 in pay-as-you-go PFC funds, \$2,850,075 in existing AIP Grant 3-26-0083-4209 funds, and \$5,300,000 in local funds for a Total Project Cost of \$18,000,000. The proposed funding level for this project is \$4.50.

#### **Impose Only Projects**

- ➔ Partial Parallel Taxiway and Apron Connector Project: \$2,100,000 in pay-as-you-go PFC funds, which is also the Total Project Cost. The proposed funding level for this project is \$4.50.
- ➔ Completion of the Perimeter Road Project: \$1,300,000 in pay-as-you-go PFC funds, which is also the Total Project Cost. The proposed funding level for this project is \$4.50.
- ➔ Snow Removal Equipment Procurement, High Speed Airport Broom Project: \$500,000 in pay-as-you-go PFC funds, which is also the Total Project Cost. The proposed funding level for this project is \$4.50.

**CONTACT INFORMATION:** The name of and contact information for the person within the public agency to whom comments should be sent is as follows:

Mr. Jeff Nagel, Airport Manager  
MBS International Airport  
8500 Garfield Road, Suite 101  
Freeland, Michigan 48623  
Telephone: (989) 695-5555; Fax: (989) 695-6322  
Email: [nagel@mbsairport.org](mailto:nagel@mbsairport.org)

**APPLICATION CONTENTS:** Capital Improvement Projects that will be submitted with the PFC application as Impose and Use Projects are as follows:

<b>Description of Projects</b>	<b>Brief Justification</b>	<b>Estimated Total of PFC Revenue</b>
Phase IV Terminal Construction Project; Taxiway Construction	AIP eligible in accordance with paragraph 525, FAA Order 5100.38C, AIP Handbook 06/28/05	\$40,372.00
Reimbursement of PFC Application Fees Project	Eligible under specific PFC criteria, preamble to Part 158, Section 158.3, Allowable Costs	\$5,500.00
Reimbursement of Administration Expenses for PFC Program Project	Eligible under specific PFC criteria, preamble to Part 158, Section 158.3, Allowable Costs	\$1,500.00
Airfield Pavement Marking Project	AIP eligible in accordance with paragraph 531, FAA Order 5100.38C, AIP Handbook 06/28/05	\$2,412.00
All Phases of Terminal Construction Project	AIP eligible in accordance with paragraph 601, FAA Order 5100.38C, AIP Handbook 06/28/05	\$6,500,000.00
	Total Amount of Impose and Use Projects	\$6,549,784.00

Capital Improvement Projects that will be submitted with the PFC application as Impose Only Projects are as follows:

Partial Parallel Taxiway and Apron Connector Project	AIP eligible in accordance with paragraph 525, FAA Order 5100.38C, AIP Handbook 06/28/05	\$2,100,000.00
Completion of the Perimeter Road Project	AIP eligible in accordance with paragraph 527, FAA Order 5100.38C, AIP Handbook 06/28/05	\$1,300,000.00
Snow Removal Equipment Procurement, High Speed Airport Broom Project	AIP eligible in accordance with paragraphs 541g and 543, FAA Order 5100.38C, AIP Handbook 06/28/05	\$500,000.00
	Total Amount of Impose Only Projects	\$3,900,000.00
	Anticipated Total PFC Revenue	\$10,449,784.00

Eligible Alternate Projects to cover the value for the Impose Only Projects are as follows:

Bituminous Overlay of Runway 5/23 Alternate Project	AIP eligible in accordance with paragraph 521, FAA Order 5100.38C, AIP Handbook 06/28/05	\$2,900,000.00
Snow Removal Equipment Procurement, Airport Snow Plow Alternate Project	AIP eligible in accordance with paragraph 543, FAA Order 5100.38C, AIP Handbook 06/28/05	\$400,000.00
Snow Removal Equipment Airport Snow Blower Procurement	AIP eligible in accordance with paragraph 543, FAA Order 5100.38C, AIP Handbook 06/28/05	\$700,000.00
	Total Amount of Eligible Alternate Projects*	\$4,000,000.00

\* In accordance with FAA Order 5500.1, the eligible alternative projects will cover the value of the impose only projects, or five (5) years of collection, whichever is less. In this case the five years of collection is anticipated to be the lesser value.