



Passenger Facility Charge
New Application #10
**Airline Consultation
and Public Notice Materials**
April 24, 2024



Blue Grass Airport

bluegrassairport.com Lexington, KY

Agenda

- Overview of PFC Program at Blue Grass Airport
- Proposed New PFC Application (PFC #10)
- Class of Air Carriers Not Required to Collect PFC
- Air Carrier Requirements and Public Comments

PFC Program Status

- PFC #1-4: Amended and Closed
- PFC #5-9: Currently Open
- PFC #10: New Application
- PFC #8 amendment submitted
- Decreases collection authority by \$8.0 million

PFC Approval and Proposed Charge Effective and Expiration Dates
(as of December 31, 2023)

	Current Approval Amount	Proposed Changes	Proposed Approval Amount	Revenues Applied	Remaining Authority
PFC Approvals					
PFC #1 (93-01-C-08-LEX)	\$ 10,470,932	\$ -	\$ 10,470,932	\$ 10,470,932	\$ -
PFC #2 (95-02-C-03-LEX)	592,354		592,354	592,354	-
PFC #3 (96-03-U-02-LEX)	925,039		925,039	925,039	-
PFC #4 (98-04-U-02-LEX)	413,201		413,201	413,201	-
Subtotal Closed PFC Approvals	\$ 12,401,526		\$ 12,401,526	\$ 12,401,526	\$ -
PFC #5 (03-05-C-01-LEX)	\$ 4,708,629		\$ 4,708,629	\$ 2,317,294	\$ 2,391,335
PFC #6 (05-06-U-00-LEX)	45,695,766		45,695,766	22,652,725	23,043,041
PFC #7 (09-07-C-00-LEX)	37,400,347		37,400,347	13,949,227	23,451,120
PFC #8 (19-08-C-00-LEX) (a)	10,613,761	(8,032,422)	2,581,339	2,581,339	-
PFC #9 (20-08-C-00-LEX)	4,072,893		4,072,893	-	4,072,893
Subtotal All PFC Approvals	\$ 114,892,922		\$ 106,860,500	\$ 53,902,111	\$ 52,958,389
 New PFC #10	 \$ -	 3,079,725	 \$ 3,079,725	 \$ -	 3,079,725
Total	\$ 114,892,922	\$ 3,079,725	\$ 109,940,225	\$ 53,902,111	\$ 56,038,114

PFC #10 Proposed Effective Date: June 1, 2040

PFC #10 Proposed Expiration Date: May 1, 2041

(a) The amendment to PFC #8 was submitted to the FAA on March 8, 2024.

PFC #10 Application

Project number	Project title	Level of collection	Proposed PFC Amount
1	Improve Runway Safety Area (Phase 2, Runway 4 EMAS Construction)	\$4.50	\$ 557,500
2	ARFF Training Facility Modernization, Phase 1 (Design; Construct Simulator)	4.50	887,482
3	Master Plan Update	4.50	215,600
4	Class V ARFF Truck Replacement	4.50	74,830
5	Replacement Snow Removal Equipment	4.50	86,090
6	Replacement Airfield Lighting Control and Monitoring System	4.50	6,050
7	Improve Runway Safety Area (Phase 3, Runway 22 EMAS Construction)	4.50	1,044,607
8	Replace PBBs at Gates A2 and A3	4.50	177,566
9	PFC Consulting Services	4.50	30,000
	Total		\$ 3,079,725

Note: Columns may not add to totals shown because of rounding.

The proposed PFC amounts for projects 1 through 8 represent the local share of FAA grants for eligible projects that have already been completed.

Plan of Finance for PFC #10

Project number	Project title	Proposed PFC Amount	AIP funding	Local funds	Total project cost
1	Improve Runway Safety Area (Phase 2, Runway 4 EMAS Construction)	\$ 557,500	\$ 5,017,500	\$ -	\$ 5,575,000
2	ARFF Training Facility Modernization, Phase 1 (Design; Construct Simulator)	887,482	7,987,340	-	8,874,822
3	Master Plan Update	215,600	1,940,404	-	2,156,004
4	Class V ARFF Truck Replacement	74,830	673,443	-	748,273
5	Replacement Snow Removal Equipment	86,090	774,779	-	860,869
6	Replacement Airfield Lighting Control and Monitoring System	6,050	54,444	-	60,494
7	Improve Runway Safety Area (Phase 3, Runway 22 EMAS Construction)	1,044,607	9,401,458		10,446,065
8	Replace PBBs at Gates A2 and A3	177,566	2,650,728		2,828,294
9	PFC Consulting Services	30,000	-	-	30,000
	Total	\$ 3,079,725	\$ 28,500,096	\$ -	\$ 31,579,821

Note: Columns may not add to totals shown because of rounding.

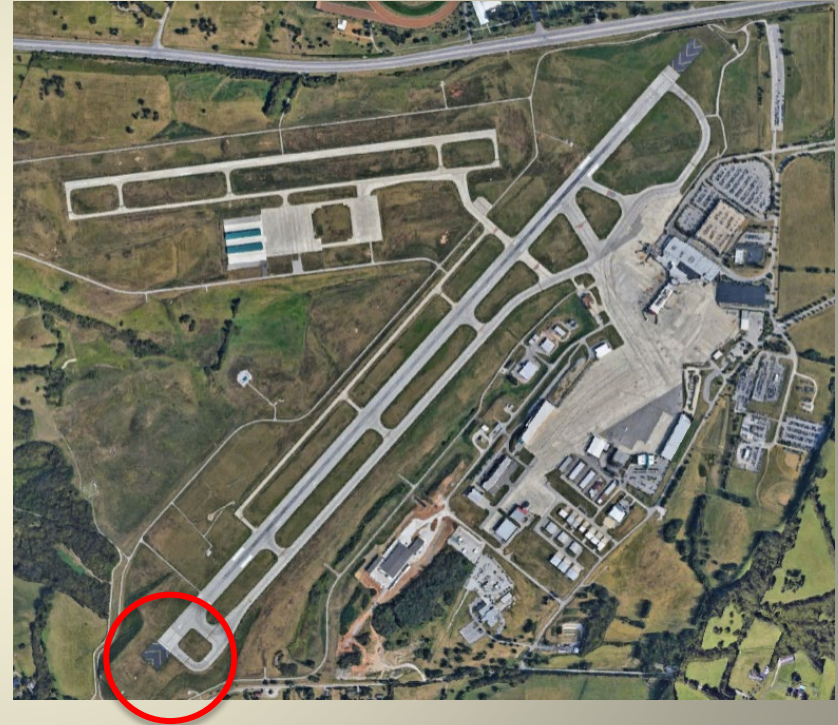
PWE #1 – Improve Runway Safety Area (Phase 2, Runway 4 EMAS Construction)

Description

Construction of an Engineered Materials Arresting System (EMAS) in the existing Runway Safety Area (RSA) of Runway 4. Installation of an EMAS allows for suitable energy management for runway excursion aircraft. The project was completed in October 2022.

Justification

Adding EMAS to both ends of Runway 4-22 was studied as part of a Runway Safety Area Determination. The Runway 4 end EMAS meets a long time FAA goal for LEX Runway 22 departures to meet FAA Order 5200.8 and FAA Order 5200.9.



PFC funding in the amount of \$557,500 will be requested for the local matching share of AIP grant 3-21-0028-83.

PWE #2 – ARFF Training Facility Modernization, Phase 1 (Design; Construct Simulator)

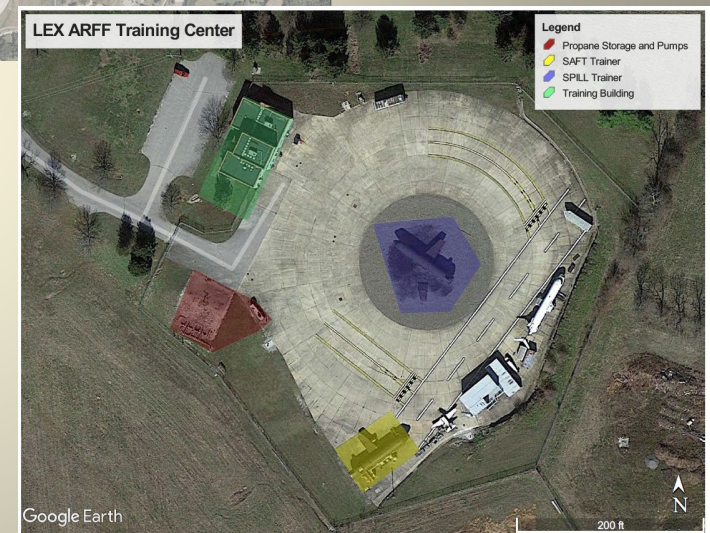
Description

Design and construction costs to replace training simulators, modify the training building to increase classroom and equipment space, and to refurbish associated pavement at the ARFF Training Center. The project was completed in July 2024.

Justification

Replacement of the simulator was necessary to provide adequate training to area first responders and to continue operations of the nationally attended ARFF training facility. More classroom space was required to accommodate more firefighters due to the closure of other facilities.

PFC funding in the amount of \$887,482 will be requested for the local matching share of AIP grant 3-21-0028-84



PWE #3 – Master Plan Update

Description

Development of an updated Master Plan . The project components include: updating the Master Plan with AGIS survey; updating the Airport Layout Plan (ALP); updating the property map; and updating the Pavement Management Program (PMP). Two Modification of Standards for Runway 4-22 were recently approved but will need to be reevaluated during the Master Plan process. The project was completed in September 2024.

Justification

The Master Plan was last update in 2013. The Terminal Area Forecast noted expected passenger growth at 1.5% annually but LEX has experienced average annual growth of 4.3% in the 5 calendar years prior to the pandemic. The airport is experiencing issues in areas including parking, hangar demand, terminal curbside traffic safety, terminal gates, aircraft parking, rental car processing and at the passenger screening checkpoint.

PFC funding in the amount of \$215,600 will be requested for the local matching share of AIP grant 3-21-0028-85.

PWE #4 – Class V ARFF Truck Replacement

PWE #5 – Replace Snow Removal Equipment

Class V ARFF Truck Replacement:

Description

Replacement of a 3,000-gallon Class V ARFF vehicle with a new vehicle of similar size. Engine 60 is a 1990 Oshkosh T-3000 which was placed into service in 2000. The project was completed in August 2023.

Justification

Preventative maintenance and repair costs have increased, and the vehicle is beyond its service life expectancy as designated in AC 150/5220-10E.

PFC funding in the amount of \$74,830 will be requested for the local matching share of AIP grant 3-21-0028-86.

Replace Snow Removal Equipment:

Description

Replacement of a snow sweeper with a multi-function truck with sweeper, displacement plow, and air-blast capabilities and the addition of a dedicated snow blower to the SRE fleet. The project was completed in August 2023.

Justification

The multi-function truck will allow for quicker recovery of snow-covered surfaces and will reduce the number of trucks required to remove the snow which reduces opportunities for runway incursions and limits radio traffic.

PFC funding in the amount of \$86,090 will be requested for the local matching share of AIP grant 3-21-0028-86.

PWE #6 – Replacement Airfield Lighting Control and Monitoring System

Description

Replacement of the Airfield Lighting Control and Monitoring System (ALCMS). The ALCMS allows an airport to effectively control various airfield lighting systems including runway, approach, taxiway, stop bars, apron etc. System components are located in the airfield electrical vault and in the Air Traffic Control Tower (ATCT). The project was completed in August 2023.

Justification

The ALCMS was procured originally in 2009 and was running on an operating system that was no longer supported by the manufacturer. Despite annual maintenance support and software patches, the system had to be replaced to maintain and control the airfield lighting circuits.

PFC funding in the amount of \$6,050 will be requested for the local matching share of AIP grant 3-21-0028-86.

PWE #7 – Improve Runway Safety Area (Phase 3, Runway 22 EMAS Construction)

Description

Construction of an Engineered Materials Arresting System (EMAS) in the existing Runway Safety Area (RSA) of Runway 22. Installation of an EMAS allows for suitable energy management for runway excursion aircraft. The project will be completed in August 2024.

Justification

Adding EMAS to both ends of Runway 4-22 was studied as part of a Runway Safety Area Determination. The Runway 22 end EMAS meets a long time FAA goal for LEX Runway 22 departures to meet FAA Order 5200.8 and FAA Order 5200.9.



PFC funding in the amount of \$1,044,607 will be requested for the local matching share of AIP grant 3-21-0028-88.

PWE #8 – Replace PBBs at Gates A2 and A3

Description

Replacement of two passenger boarding bridges (PBBs) at gates A2 and A3. Each PBB will be climate-controlled and each will include (1) a ground power unit, (2) new foundations and supports, (3) a service door with stairs to the apron, (4) weather-tight connections to the terminal building, (4) and provisions for future Pre-Conditioned Air units (PCA) and baggage slides. The project will be completed in October 2024.

Justification

The existing PBBs are beyond their 20-year useful life expectancy per FAA Order 5100.38D, Change 1, Table 3-7. Due to the age of the PBBs, the Airport has experienced increasing maintenance and reliability issues sometimes rendering the bridges inoperable and requiring extensive maintenance costs to keep them operable. Replacement parts are becoming obsolete and difficult to procure. Functioning PBBs are required to maintain full utilization of the concourse.

PFC funding in the amount of \$177,566 will be requested for the local matching share of AIP grants 3-21-0028-90 and 3-21-0028-91.

PWE #9 – PFC Consulting Services

Description

This project involves consulting services related to the preparation of PFC Application #10 and amendment to PFC Application #8.

The amount requested in this application will reimburse the Airport for expenses incurred for this PFC Application (PFC #10) and for the amendment to subsequent applications, including the collection and organization of project documentation, the preparation of airline and public consultation documents, and the preparation of draft and final PFC applications. This project does not cover the cost of PFC audits. The project will be complete in December 2024.

Justification

The projects included in the proposed PFC application meet the requirements and objectives of approved PFC projects. Funding the cost of PFC consulting services with PFC revenues (1) helps the Airport keep operating costs down, (2) increases the Airport's overall funding capacity, and (3) enables the Airport to keep airline costs as low as possible. The consultant's fees support the administration of the PFC program, which accomplishes a variety of the objectives of the PFC program.

PFC funding in the amount of \$30,000 will be requested for this project.

Class of Air Carriers 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 28 enplaned passengers at LEX in CY 2022, and included:
 - Cobalt Air LLC
 - Northeastern Aviation Group
- The above class of carriers constitutes not more than 1% of the total number of passengers enplaned annually at the Airport.

Air Carrier Requirements / Public Comments

Airline deadline to provide written certification of agreement or disagreement within 30 days, by Friday, May 24, 2024

- 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

Public deadline for submitting comments is Friday, May 24, 2024

Airline certifications and public comments should be sent to:

Ben Harward
Financial Controller

Blue Grass Airport
4000 Terminal Drive, Suite 206
Lexington, KY 40510

bharward@bluegrassairport.com