



CITY OF LONG BEACH

R-17

LONG BEACH AIRPORT

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November 5, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute all documents necessary to amend the existing Passenger Facility Charge program previously approved by the City Council and Federal Aviation Administration, and to accept, implement, administer, collect and expend a new Passenger Facility Charge program related to the Airport Capital Improvement Program, all within the existing authorized Passenger Facility Charge level of \$4.50 per enplaned passenger. (District 5)

DISCUSSION

Federal regulations allow local airport proprietors to charge a Passenger Facility Charge (PFC), which is a "per enplaned passenger" fee of up to \$4.50 for expenditure on eligible non-revenue generating airport capital improvements. The Federal Aviation Administration (FAA) must approve the imposition and use of PFCs through an application process. PFCs are allowed only for approved airport capital project costs that meet the program objectives related to safety, security, capacity, noise mitigation or competition. PFCs are considered to be local charges and are in place at most commercial service hub airports.

On May 20, 2003, the City Council authorized the submission of a PFC application to commence imposition and use of PFCs at the Long Beach Airport (Airport). The program currently collects PFC revenue at the federal maximum allowable level of \$4.50 per enplaned passenger.

Since the program was implemented at the Airport, PFC revenue has been approved to fund portions of airfield projects, security system upgrades and acquisition of aircraft rescue and fire fighting vehicles. Future PFC revenue has been approved for additional Airport projects, including air carrier ramp reconstruction, rehabilitation of several taxiways, and the construction of terminal improvements. Currently, the Airport annually collects PFC revenues of approximately \$6 million.

FAA rules allow airports collecting PFCs to amend their program to reflect new project needs and changing cost requirements. The following are the projects the Airport intends to amend in its existing application 10-05-C-00-LGB.

- **Airfield Pavement and Infrastructure Improvements.** This amendment will adjust requested funds and/or scope for the following components of the project:
 - **Runway 7R-25L Rehabilitation.** The Rehabilitation of Runway 7R-25L consists of the reconstruction of approximately 1,100,000 square feet of runway pavement including shoulders. The Airport is requesting additional PFC funding to reflect the increased local match requirements associated with the AIP grants funding the project.
 - **Access to Taxiways E & F.** The Rehabilitation of Access to Taxiways E and F will consist of the second phase of the rehabilitation project that was originally bid in FY 11. The work planned in this second phase includes the reconstruction of badly deteriorated asphalt concrete pavement and improvements to the pavement markings and drainage systems. The number of necessary sub-phases (required in order to maintain taxiway and leasehold access during construction) and associated high bids prevented award of the full project at one time. The Airport is requesting additional PFC funding to reflect the increased local match requirement associated with the AIP grants funding the project.
- **Terminal Area Access Road.** This amendment will adjust requested funds and/or scope for the project. The increased scope of the Terminal Area Access Road project is part of the Airport's Passenger Experience Program, which will focus on increasing "front of the house" land-side customer service. While the original project included the extension of Donald Douglas Drive (eastbound) to Lakewood Boulevard and the realignment of the return loop, the project will now include a complete reconstruction of the Terminal frontage, along with improvements to traffic signals. The project will include 103,000 square feet of sitework necessary for the frontage roadway and sidewalk improvements included in the program, including demolition of existing pavement and all necessary excavation and electrical improvements.

The Airport also intends to submit an application for the new projects listed below:

- **Construction of Apron (Air Carrier Ramp) – Phases II - III.** This project includes the design and reconstruction of the northwest portion (Phase II) and eastern portion (Phase III) of the air carrier ramp including:
 - Removal of existing bituminous surfaces, removal of existing reinforced concrete pavement, and cold milling of pavements.
 - Demolition and modification of utilities, constructing storm drain improvements, constructing sanitary sewer improvements, constructing asphalt concrete pavement or Portland cement concrete pavement on cement-treated base on soil-cement sub-base.
 - Installation of pavement markings and striping and lighting and signage systems.
 - Phase III work also includes construction of two walkway canopies to provide passengers with a protected path from the Terminal to aircraft parked north or south of the building.

- **Pavement Management & Maintenance System (PMMS).** This project will update the current PMMS database, which is used to effectively manage airport-wide pavement networks and track pavement conditions. Ensuring that this database is up to date with the most current information will give the Airport the best management approach for prioritizing pavement maintenance and rehabilitation activities and for optimizing the allocation of maintenance and rehabilitation budgets. This project will include the hiring of a contractor to perform a comprehensive baseline study of pavement conditions on the airfield.
- **Airfield Geometry Study and Strategic Plan.** This is a project through which the Airport is evaluating a variety of future airfield configuration alternatives, including making no changes to the existing airfield layout. Factors analyzed for each alternative considered includes wind coverage, pilot situational awareness on the airfield, impacts of airfield reconfiguration on the air traffic management, and the need for crosswind runway. The study is also addressing the operational and financial benefits, providing required environmental documentation for the alternatives, and providing an updated Airport Layout Plan (ALP) for the preferred alternative.
- **Runway 30 Runway Safety Area (RSA) Improvements.** The project will address the Southeast End of the Runway 12-30 RSA. It will include the regrading of the infield areas in the RSA to provide better drainage and to comply with FAA RSA slope standards. The project will also include the reconstruction of approximately 3,000 linear feet of perimeter road, installation of new storm drain structures and fencing, including 320 linear feet of new 7-foot high fencing. Associated work includes pavement markings, permanent erosion control features, and reseeding.
- **Taxiway F Rehabilitation.** This project will include the rehabilitation of approximately 550,000 square feet of taxiway pavement, including shoulders. It will also include improvements to pavement marking and lighting, signage and drainage systems, including storm drain improvements and grading of infield areas for positive drainage to comply with runway and taxiway safety area requirements.
- **Runway 7L-25R Rehabilitation.** This project will include the rehabilitation of approximately 1,250,000 square feet of runway pavement, including shoulders. The project also includes drainage improvements, including the replacement of inlets and storm drain pipe that are currently damaged, the relocation of adjacent flowline and drop inlets to be moved outside of the runway safety area, with new inlets being flush with grade and made to withstand aircraft traffic. Additionally, the project includes improvements to the signage, pavement markings and lighting systems. Current edge lighting will be replaced with FAA approved LED lighting.
- **Noise Monitor Replacement.** This project will replace the Airport's aging noise monitoring terminals (NMTs) that compose the Airport Noise and Operations Monitoring System (ANOMS), which is used to enforce the City's

Airport Noise Compatibility Ordinance and support other state mandates for tracking flights. The project will include the purchase, installation and testing of 18 NMTs to replace the Airport's aging Environmental Monitoring Units (EMU) NMTs. The project will be phased, replacing up to 2 NMTs per day in order to ensure continuous noise monitoring without substantial noise data loss.

- **UASI 2011 Perimeter Security Improvements.** This project will address security concerns related to the Airport's extensive perimeter fence, which is currently unmonitored and susceptible to unauthorized breach. The project will include the design and installation of a perimeter monitoring and security system that will include new dual thermal imaging security cameras, enhanced fencing, and an automated security gate.
- **PFC Planning, Application Preparation & Program Administration.** The Airport currently retains outside consultant services to assist in the preparation of the financial plan based on enplaned passenger and associated PFC revenue projections, as well as the preparation of application documentation. The consultant also serves in an advisory role for the development of the information necessary for the PFC applications. This project includes the preparation services provided for this PFC Application and future applications that may be prepared prior to the project completion date (September 30, 2016). In addition, the project will reimburse the Airport for staff services related to the administration of the PFC program and the tracking of PFC revenue distribution for the duration of the four-year project period.

To date, the FAA has approved collection of \$166,870,789 of PFC revenues under prior applications for the Airport; it is estimated that this amount will be fully collected by August 1, 2030. With approval of the proposed application and amendment, another \$14,312,243 would be collected, extending the expiration date of the Airport's PFC collection authority to August 1, 2032.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on October 14, 2013 and by Budget Management Officer Victoria Bell on October 24, 2013.

TIMING CONSIDERATIONS

City Council action on this item is requested on November 5, 2013, to avoid delays in necessary CIP projects.

FISCAL IMPACT

In accordance with FAA regulations, the projected end date for the collection period of the proposed application is based on an estimated annual enplanement growth rate of approximately one percent and the assumption that the PFC level will remain at the \$4.50 per passenger level in the future. These assumptions result in estimated PFC program annual collections, including interest earnings, which vary from \$6 million in FY 2013 to \$7 million in FY 2031.

HONORABLE MAYOR AND CITY COUNCIL

November 5, 2013

Page 5

PFC revenue is restricted to projects that are pre-approved by the FAA and are non-revenue generating. PFC revenue will be deposited in the Airport Fund (EF 320) in the Airport Department (AP). Appropriations to expend newly collected PFCs beyond budgeted amounts will be requested at a later date.

SUGGESTED ACTION:

Approve recommendation.

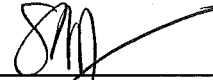
Respectfully submitted,



MARIO RODRIGUEZ
DIRECTOR, LONG BEACH AIRPORT

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City Council - PFC Application 14-07-C-00-LGB rev4.docx

APPROVED:



PATRICK H. WEST
CITY MANAGER