

February 16, 2024

Air Carriers, Foreign Air Carriers and Others Operating at Richmond International Airport

Re: Notice by Public Agency of Intent to Apply for Authority to Impose a Passenger Facility Charge for New Projects at the Richmond International Airport (RIC)

Dear Operator:

The Capital Region Airport Commission intends to submit an application to the Federal Aviation Administration (FAA) to gain authority to initiate a new imposed and use application for projects at the Richmond International Airport.

As required by Section 158.23 of the Federal Aviation Regulations (FAR) Part 158, Passenger Facility Charges, the Capital Region Airport Commission is hereby providing written notice to all air carriers and foreign air carriers operating at the Airport. This letter serves to inform air carriers of the Commission's intent to initiate a new PFC application and notify air carriers of a PFC Consultation Meeting.

The Commission seeks to initiate a new impose and use application to add projects for:

1. LED Lighting Upgrades
2. Baggage Handling System (BHS) Rehabilitation
3. Passenger Boarding Bridge (PBB) Replacement
4. HVAC Upgrades
5. Concourse and Terminal Restroom Renovations
6. New Aircraft Rescue and Fire Fighting (ARFF) Facility
7. Windows Concourse "B" Replacement
8. Federal Inspection Services (FIS) Facility Renovations (Design & Construction)
9. Snow Removal Equipment
10. Aircraft Rescue and Fire Fighting (ARFF) Equipment
11. PFC Professional Service
12. PFC Professional Services (SOAR Admin, Close-out, and Audit Costs)

In accordance with §158.23(e)(1), the Capital Region Airport Commission requests that air carriers confirm receipt of this letter and additionally state their intended presence at an in-person and virtual meeting scheduled for March 26, 2024, at 2:00 EST.

The in-person meeting location is in the Airport's South Commission Conference Room (located adjacent to the South-end Ticket Counter on the Ticketing Level of the Airport).

Richmond International Airport
1 Richard E. Byrd Terminal Drive
Richmond International Airport, VA 23250

If you wish to participate virtually, please email Hannah Solis at hannah@kutchins-groh.com with your contact information in order to receive information regarding the virtual Consultation Meeting login credentials.

If an air carrier determines that the consultation meeting is not necessary, the Commission requests that the air carrier's certification of agreement or disagreement be forwarded with its written acknowledgment of receiving this notice of intent.

Also, in accordance with §158.23, the Commission requests that air carriers confirm receipt of this letter and additionally state their intended presence at a consultation meeting scheduled for March 26, 2024, at 2:00 EDT.

Section 158.23 (a) (1) Description of Projects

1. LED Lighting Upgrades: Many of these light fixtures are between 17 and 23 years old. The lens covers are becoming extremely brittle and are being damaged during the regular bulb change outs. Many of the replacement parts (including some of the bulbs) are obsolete or difficult to source. As the fixtures age, some are generating more heat than originally designed causing damage to the fixtures. The above reasons cause an inconsistent look, and some areas are visibly darker. The change to LED lighting allows for better visibility and safety for our customers, tenants, and employees. The new LED light fixtures will be more energy efficient, providing an approximately 25% reduction in energy usage compared to the fixtures being replaced. Since the fixtures are in public areas, this project is 100% eligible for PFC funding.

- PFC Funding \$2,450,000

2. Baggage Handling System (BHS) Rehabilitation: The conveyor belting is approaching the end of its useful life. Fire Doors along with various motors, variable speed drives, programmable logic controllers, photo-eyes and other BHS components have reached or is approaching the end of their useful life. This project will replace these BHS components. The BHS was installed as part of the Terminal Building Renovation project which was completed in 2007. Parts for the old system are increasingly hard to obtain, making repairs more difficult. The BHS Rehabilitation project will modernize the systems, make the system more energy efficient and cost effective. This project is used for the movement of passengers and baggage, and, as such is 100% eligible for PFC funding.

- PFC Funding \$1,000,000

3. Passenger Boarding Bridge (PBB) Replacement: This project is to replace the outdated Passenger Boarding Bridges at Concourses A & B. This includes gates A1 – A8 and B1 – B15. FAA funding has been secured for \$4,000,000 for this project. The PFC project will fund the match and the remaining funds needed to complete the project. A total of 21 PBB's will be replaced. Since the bridges are in public areas, this project is 100% eligible for PFC funding. This element of PFC will complete the project funding profile to accompany Federal funding provided under the Airport Terminal Program of the Bipartisan Infrastructure Law (BIL), PFC funds, and other funding.

- BIL ATP Funding \$4,000,000
- PFC Funding
 - Bond Capital \$24,000,000
 - Financing \$13,500,000
- Other Funding _____ \$400,000
- Total Funding \$41,900,000

4. HVAC Upgrades: This project will make improvements to the terminal and concourse building HVAC systems. Many of the components of the existing system, including chillers, cooling towers, boilers, pumps, air handlers, and associated equipment are approaching or have reached the end of their useful life. These improvements will allow for the preservation of the terminal investment and provide a safe and efficient facility for the movement of passengers and their baggage. The PFC funding is only for eligible portions of the buildings. This element of PFC will complete the project funding profile to accompany Federal funding provided under PFC funds other funding.

- PFC Funding \$9,240,000
- Other Funding _____ \$4,760,000
- Total Funding \$14,000,000

5. Restroom Renovations: This project will renovate and modernize the restrooms in Concourses A and B, the ticketing hall, and the bag claim area. Renovations will bring the facilities up to present ADA codes and modernize plumbing fixtures and finishes. These renovations will allow for the preservation of existing facilities while providing a safe and energy efficient facility for the movement of passengers. This is a 100% PFC-funded project.

- PFC Funding
 - Bond Capital \$6,000,000
 - Financing \$1,700,000

6. New Aircraft Rescue and Fire Fighting (ARFF) Facility: This project will construct a new ARFF station which will be located along the Airport's perimeter road adjacent to Taxiway H, just west of the Airport's Maintenance Facility and Snow Removal Equipment Building. The existing ARFF facility was constructed in 1981 and is obsolete. The current facility is in the center of the airfield, requiring the crossing of three active taxiways to reach the facility. The proposed facility will have direct access from the Airport's perimeter road and will not require the crossing of any active surfaces to reach the facility. This element of PFC will complete the project funding profile to

accompany Federal funding provided under the Airport Terminal Program of the Biparty Infrastructure Law (BIL), PFC funds CDF shares, DOAV shares and CRAC only shares.

- BIL Funding \$7,805,399
- DOAV Funding 4,000,000
- PFC Funding
 - Pay-as-you-go 4,000,000
 - Bond Capital \$10,000,000
 - Financing \$5,615,000
- CRAC Funding \$2,000,000
- Total Funding \$33,420,399

7. Windows Concourse “B” Replacement: This project is to replace the outdated and, in some cases, failing windows (broken seals) in Concourse B. These windows were installed prior to 2003. The new windows will help conserve energy within the concourse and in turn reduce operating expenses within the Airport. This is a 100% PFC-funded project.

- PFC Funding \$900,000

8. Federal Inspection Services (FIS) Facility Renovations (Design & Construction): The present FIS facilities are small and do not meet the present standards required by the US Customs and Border Protection requirements. The new facility will meet those requirements while expanding the capacity of the facility to handle passengers more effectively. This project will fund AIP eligible portions of the project for which costs have exceeded available AIP funding. This element of PFC will complete the project funding profile to accompany Federal funding provided under AIP shares, PFC funding, DOAV shares and other shares.

- AIP Funding \$4,147,098
- DOAV Funding \$421,900
- PFC Funding \$1,500,000
- Other Funding \$1,539,518
- Total Funding \$7,608,516

9. Snow Removal Equipment: This project is to replace the Multi-Purpose Snow Tractor, the Runway Plow Truck, and the Dedicated Snow Blower. These vehicles were purchased over 20 years ago and have reached the end of their useful life. Replacements are needed to reduce time to clear runways and taxiways in order to maintain safe operations.

- PFC Funding \$1,500,000

10. Aircraft Rescue and Fire Fighting (ARFF) Equipment: This will replace a 2012 ARFF vehicle. The vehicle to be replaced has undergone a major engine repair and needs another one. ARFF manufacturers are only required to have parts available for 10 years, and consequently it has become very difficult to obtain replacement parts. Additionally, the engine is no longer manufactured so it is increasingly difficult to obtain needed parts and make repairs, which directly impacts the Airport's ability to maintain its ARFF index. This is a 100% PFC-funded project.

- PFC Funding \$1,500,000

11. PFC Professional Services: This project involves the recapture of the professional service fees associated with the preparation of the PFC application. The objective of this project is to successfully navigate the Passenger Facility Charge application process in a manner acceptable to the FAA that will result in the Airport's ability to impose and use the PFC as set out by FAR Part 158. Successful completion of the application will afford the Airport the opportunity to continue the collection of PFC revenue for its Capital Development Program. This project is a 100% PFC-funded project.

- PFC Funding \$65,000

12. PFC Professional Services (SOAR Admin, Close-out, and Audit Costs): This project involves the professional services associated with the required annual audits of the program as well as the monthly administration, review, and update of all SOAR transactions for the life of the application. This project is a 100% PFC-funded project.

- PFC Funding \$150,000

Section 158.23 (a)(3) Request that a Class of Air Carriers Not Be Required to Collect the PFC

Under Section 158.11 of FAR Part 158, the Commission may request in its application to the FAA to impose a PFC that any class of air carrier not be required to collect the PFC if the number of passengers enplaned by the carriers in the class constitutes no more than one percent (1%) of the total number of passengers enplaned annually at the Airport. The number of passengers enplaned annually by the requested class of ATCO-Non-Scheduled/On-Demand Air Carriers filing FAA Form 1800-31 represents approximately 0.00002% of total passengers enplaned at the Airport in 2022.

The Commission believes that the PFC revenue to be collected from the requested class of carriers does not justify the administrative burden that would be imposed on the carriers and the Commission in collecting and accounting for the revenues.

The Commission further believes that the requested class of on-demand air taxi operators is logically distinguishable from the air carriers providing regularly scheduled air service at the main Airport passenger terminal building and that the exclusion of such on-demand operators will not have a discriminatory effect.

Section 158.23 (a)(2) PFC Level, Effective Date, Expiration Date, and Total Revenue

PFC Level:	\$4.50
Charge Effective Date:	August 1, 2024
Charge Expiration Date:	February 1, 2033
Total Revenue:	\$83,120,000

Section 158.23 (a) (4) Meeting Notice

The Commission will hold an airline consultation meeting on **March 26, 2024, at 2:00 EDT** to discuss the proposed application and answer any questions. The in-person meeting location is in the Airport’s South Commission Conference Room (located adjacent to the South-end Ticket Counter on the Ticketing Level of the Airport).

Richmond International Airport
1 Richard E. Byrd Terminal Drive
Richmond International Airport, VA 23250

Please contact Hannah Solis with Kutchins & Groh, LLC, at hannah@kutchins-groh.com for information regarding attendance via virtual means.

It is requested that you provide the Commission your written responses and Certifications of Agreement/Disagreement to the proposed action within 30 days of the consultation meeting or receipt of this letter if no meeting is desired.

Should you have any questions, please contact us. We look forward to meeting with you to discuss this program with you.

Sincerely,



John Rutledge, P.E., C.M.
Chief Operating Officer