

PUBLIC NOTICE

The Dallas Department of Aviation (the Department) intends to file an amendment application to increase the PFC amount of one previously approved project at Dallas Love Field Airport (the Airport) and decrease the approval amount for three projects. The PFC Program collection rate will remain at \$4.50 per enplaned passenger.

The Department, through the amendment application, is requesting the authority to collect additional PFC revenue for one approved PFC project: Project #03-007 (Aircraft Apron and Fuel System). Three projects are being amended to reduce the PFC funding: Project #03-001 (Reconstruct Taxiways A, B and D), Project #03-003 (Taxiway B Modifications) and Project #03-005 (Holding Pad Reconstruction). The changes are summarized on **Table 1**. If the amendment is approved, the total approved collection authority for Application 10-03-C-03-DAL will increase by \$7,929,655 to \$357,015,763 (**Table 2**). The collection rate for PFC Application 10-03-C-03-DAL will remain at \$4.50 per enplaned passenger. As shown in Table 2, if the amendment is approved, the value of \$4.50 projects in Application #3 would be 85.9% of the total approved value of the application. This percentage is well above the 33% threshold established by the FAA for collection at the \$4.50 rate. After accounting for an updated enplanement forecast and the increase in the PFC collection amount, approval of the amendment will change the estimated PFC expiration date for Application 10-03-C-03-DAL from May 1, 2024 to October 1, 2025.

**Table 1
Projects Proposed by Amendment**

PFC Project Number	Project Name	Original Approved PFC Amount	Prior Amended PFC Amount (if applicable)	Proposed Amended Amount	Proposed Increase (Decrease)
	Application 10-03-C-03-DAL				
03-001	Reconstruct Taxiways A, B, and D	\$825,625	\$6,390,425	\$6,337,974	(\$52,451)
03-003	Taxiway B Modifications	\$154,750	\$1,769,330	\$1,529,142	(\$240,188)
03-005	Holding Pad Reconstruction	\$605,889		\$479,567	(\$126,322)
03-007	Aircraft Apron and Fuel System	\$28,165,000		\$36,513,616	\$8,348,616
	Total	\$29,751,264	\$8,159,755	\$44,860,299	\$7,929,655

**Table 2
Proposed Amendment Application 10-03-C-03-DAL**

PFC Project Number	Project Name	Approved PFC Amount ¹ \$3.00	Revised Amounts \$3.00	Difference	Approved PFC Amount ¹ \$4.50	Revised Amounts \$4.50	Difference
03-001	Reconstruct Taxiways A, B, and D	\$6,390,425	\$6,337,974	(\$52,451)			
03-002	Taxiway L and D1 Reconstruction and Extension	\$2,915,832	\$2,915,832	\$0			
03-003	Taxiway B Modifications	\$1,769,330	\$1,529,142	(\$240,188)			
03-005	Holding Pad Reconstruction	\$605,889	\$479,567	(\$126,322)			
03-006	North and West Airfield Electrical Vaults	\$912,293	\$912,293	\$0			
03-007	Aircraft Apron and Fuel System				\$28,165,000	\$36,513,616	\$8,348,616
03-008	New Terminal ¹				\$270,000,000	\$270,000,000	\$0
03-009	Storm Water Outflow Controls System	\$602,179	\$602,179	\$0			
03-010	Runway Safety Area Enhancements	\$3,120,570	\$3,120,570	\$0			
03-011	New Field Maintenance Facility	\$3,000,000	\$3,000,000	\$0			
03-012	Taxiway C and K Rehabilitation	\$1,937,500	\$1,937,500	\$0			
03-014	ARFF Vehicle - Acquire 3,000 Gal Replacement	\$250,000	\$250,000	\$0			
03-016	Rehabilitate Runways	\$3,574,312	\$3,574,312	\$0			
03-017	Taxiway B, C and N Construct and Rehabilitate	\$1,332,555	\$1,332,555	\$0			
03-018	Runway Lighting Update	\$2,357,328	\$2,357,328	\$0			
03-019	Concourse Aprons - East/West Rehabilitate	\$1,964,068	\$1,964,068	\$0			
03-020	Terminal Rehabilitation	\$11,143,556	\$11,143,556	\$0			
03-021	Enhance Security	\$2,526,643	\$2,526,643	\$0			
03-022	Service Road Rehabilitation	\$468,464	\$468,464	\$0			
03-023	Noise Mitigation	\$1,913,478	\$1,913,478	\$0			
03-024	Conduct Planning Studies	\$677,248	\$677,248	\$0			
03-025	Acquire Safety Equipment	\$157,158	\$157,158	\$0			
03-026	Access Road Rehabilitate	\$3,302,280	\$3,302,280	\$0			
Total - 10-03-C-03-DAL		\$50,921,108	\$50,502,147	(\$418,961)	\$298,165,000	\$306,513,616	\$8,348,616
Percentage of Total Approved Amount		14.1%			85.9%		

Total Revised Amounts (\$3.00 and \$4.50)	\$357,015,763
Total Difference (\$3.00 and \$4.50)	\$7,929,655

¹ Approved Amounts include any previously approved amendments.

² Project is bond funded and the PFC amounts include allocable financing and interest expenses.

The Department is seeking public comments on the application and on the following projects:

Reconstruct Taxiways A, B, and D (Amend to Decrease PFC Amount)

The project originally included the reconstruction of pavement on the following Taxiways: Taxiway A from the approach end of Runway 13L to the intersection of Taxiway D; Taxiway D, between Taxiway A and Runway 13L; Taxiway A at the approach to Runway 31R; and a portion of Taxiway B at the approach end of Runway 13L. The original project included the reconstruction of approximately 30,000 SY of pavement (Exhibit A).

Based on the study prepared by Applied Research Associates (ARA) in May 2009, approximately 30,000 SY of existing pavement on Taxiway A, B, and D, was exhibiting severe signs of distress with a pavement condition index (PCI) ranging from 23 to 11 (severe condition) and were in need of total reconstruction. FOD was becoming an issue for this pavement. This

taxiway pavement was last rehabilitated 1989. Replacing with PCC pavement greatly improves the load bearing capabilities and longevity of these portions of pavement.

This project was previously amended in 2011. The first amendment was done to increase the cost of the project in accordance with the preliminary design that was completed after the original application, and to revise the project's funding plan. The original funding plan included an awarded AIP grant and an anticipated discretionary grant. When the first amendment was completed, the Airport was aware that the anticipated discretionary grant would not be awarded. Also, the financial plan that accompanied the first amendment erroneously excluded the AIP grant that had been awarded. The amount of PFC revenue needed for the project was increased at that time to: (1) account for the revised cost estimate; (2) to replace the anticipated discretionary grant; and (3) to make up for the previously awarded AIP grant that was excluded from the funding plan for the 2011 amendment.

The current amendment is being done because the project is complete and final costs are known. The current amendment also accounts for the erroneous exclusion of the AIP grant in the amount of \$110,480 from the funding plan in the first amendment. For purposes of this amendment, there has been no physical change in the project.¹ Final costs increased by \$58,029 over the budget estimates in the first amendment. After accounting for the erroneously excluded AIP grant, the net effect is to decrease the PFC amount by \$52,451.

Prior approved PFC amounts and current requested total are shown below.

- Original Approved PFC Total: \$ 825,625
- Prior Amended PFC Total: \$ 6,390,425
- Total PFC Amount, Current Amendment: \$ 6,337,974

Taxiway B Modifications (Amend to Decrease PFC Amount)

The original project was to modify Taxiway B to provide an additional 3,000 square yards of concrete paving panels and 1,300 square yards of shoulder just north of the B-3 connector to create a fillet. Existing airfield lighting and pavement markings were to be modified to correspond with the project.

This project was previously amended in 2011 to increase PFC funding. The first amendment was done to change the scope of the project by an increase of 1,633 square yards of concrete pavement (4,633 total) and 482 square yards of shoulder (1,782 total) being removed and replaced. The amendment also reflected updated material costs based on actual unit prices.

The current amendment is being done because the project is complete and final costs are known. There have been no further physical changes in the project. Final costs are \$411,744 less than the amount shown in the prior amendment. A portion of this reduction is being offset by a reduction in an AIP grant previously awarded for this project. The net reduction in requested PFCs from the prior amendment is \$240,188.

Prior approved PFC amounts and current requested total are shown below.

- Original Approved PFC Total: \$ 154,750
- Prior Amended PFC Total: \$ 1,769,330
- Total PFC Amount, Current Amendment: \$ 1,529,142

¹ During the course of project implementation, work items were added to the scope of the project. Based on guidance from the FAA, the Department is treating these work items as new projects, and will be submitting a separate PFC application to obtain approval to use PFCs for these work items.

Hold Pad Reconstruction (Amend to Decrease PFC Amount)

This project replaced selected concrete paving panels over a 444 square yard portion of the Hold Bay Apron. The Hold Bay connector to Runway 13R was reconfigured, including modifications to markings and lighting, to reduce the throat dimension to seventy-five feet. The decreased PFC amount reflects the following: (1) a reduction in final costs from the estimate used in the original application; and (2) use of PFCs to finance the amount identified for local funding in the original application. This project is complete.

The Hold Pad was originally constructed in 1964 and had not been rehabilitated. Based on the study prepared by Applied Research Associates (ARA) in May 2009, approximately 444 SY of paving was found to have a PCI between 29 and 21 (very poor to serious condition). The Hold Pad areas were reconstructed to reduce the foreign object debris potential. In lieu of removing some paving panels, the connector throat was reduced to guide aircraft across firm concrete paving.

These Hold Pads are critical to the operation and utilization of the airfield. The Hold Pads provide the Air Traffic Controllers (ATC) greater flexibility to maneuver aircraft onto the departing runway. In addition, the Hold Pads are available to stage aircraft while waiting for departure clearance, thus allowing ATC to prioritize departures as necessary to meet airspace operational requirements.

This amendment is being done because the project is complete and final costs are known. DAL is also modifying the funding plan for this project. For purposes of this amendment, there are no physical changes to the project.² Actual project costs are \$229,902 lower than the estimate in the original application. However, DAL has decided to replace \$103,580 in local funds identified in the original funding plan with additional PFC revenue. The net result is a decrease in requested PFC revenue of \$126,322.

The \$103,580 in local funds will be deducted from the project costs used for the calculation of amortization once the amendment is approved to assure compliance with PFC Assurance 8 that prohibits capital costs that are paid for with PFC revenue to be included in the airline rate base.

Prior approved PFC amounts and current requested total are shown below.

- Original Approved PFC Total: \$ 605,889
- Prior Amended PFC Total: N/A
- Total PFC Amount, Current Amendment: \$ 479,567

Aircraft Apron and Fuel System (Amend to Increase PFC Amount)

This project is being amended to increase the amount of PFC funding. More PFCs are requested to partially offset reduced AIP funding which is approximately \$28.2 million lower than what was estimated at the time of the original PFC application. The AIP funding estimate included in the original application was based on the Airport's Letter of Intent (LOI) application, which was pending when the original PFC application was filed. This amendment reflects the AIP funding levels included in the approved LOI. The balance of the reduction is covered by the

² During the course of project implementation, one work item was added to the scope of the project. Based on guidance from the FAA, the Department is treating this work item as a new project, and will be submitting a separate PFC application to obtain approval to use PFCs for this work item.

application of non-PFC bond principal (bond proceeds paid by local funds) to the project that was not anticipated in the original project funding plan.

The project involves approximately 282,000 square yards of apron being reconstructed for the new Terminal. Twenty contact gates will be provided with a new hydrant fuel system capability at each gate, replacing the existing system. A new fuel supply main line will be installed from the Fuel Farm to the new Terminal Building. Related to the fuel supply line, PFC funds will be used only on the portion located underneath the Apron. The cost of the ineligible fuel supply line and its installation is being paid by Southwest Airlines. The hydrant fuel system will be designed to ensure that all types of aircraft, (i.e. Regional Jets, B737, B777) will be able to access the new hydrant fuel system. This project is complete.

The New Terminal building required that the existing apron be replaced with a new apron constructed to the configuration of the new concourse and to provide proper drainage from the finished grade of the building. The operational demands of the airlines at DAL require an in-ground hydrant fuel system which will provide a safer and more efficient means of fueling aircraft than can be achieved by utilizing large refueling trucks on the aircraft parking apron. The project corrects current airfield geometry that require aircraft to push back from gates directly onto active taxiways – a potential safety hazard that will increase in magnitude and frequency now that non-stop flight restrictions have been removed and Love Field will materially operate as a hub. In addition, the project replaces apron pavement that has reached or exceeded its useful life and is beginning to raise concerns about structural integrity and FOD ingestion.

There has been no change in the physical characteristics of this project, although one work item, Demolition of the North Concourse and Related Facilities, has been funded by other means and is no longer a part of this project and the PFC amendment. The amount of the increase in PFC amount is due to the net effect of the following: a reduction in total project costs due to the elimination of the North Concourse Demolition work item from this project, and lower actual costs of the remaining components of this project (\$6.3 million); a reduction in AIP grants from the amounts anticipated in the original application (\$28.2 million); and the application of non-PFC financed bond principal not anticipated in the original funding plan (\$13.5 million).

Prior approved PFC amounts and current requested total are shown below.

- Original Approved PFC Total: \$ 28,165,000
- Prior Amended PFC Total: N/A
- Total PFC Amount, Current Amendment: \$ 36,515,616

The Airport welcomes the public's comments and support for these projects, and will review all comments submitted in writing by no later than May 6, 2016. Please address any questions or comments to:

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