

NOTICE OF OPPORTUNITY FOR PUBLIC COMMENT RELATED TO PROPOSED
PASSENGER FACILITY CHARGE APPLICATION
OCTOBER 20, 2025

PENSACOLA INTERNATIONAL AIRPORT
PENSACOLA, FLORIDA
PASSENGER FACILITY CHARGE
PROPOSED PROJECT OVERVIEW

The City of Pensacola is providing an opportunity for public comment until November 21, 2025 related to the airport's new Impose and Use Passenger Facility Charge (PFC) application for the Pensacola International Airport (PNS). This written notice is provided in accordance with the requirements contained in 14 CFR Part 158.24 Passenger Facility Charges.

PNS plans to collect PFCs in the amount of \$4.50 per enplaned passenger for all projects included in the proposed PFC application. The charge effective date for this new application is based on the legal charge expiration date on PNS' current PFC collection authority which is set to expire on October 1, 2031. Therefore, the proposed charge effective date for this new application is also October 1, 2031. The total amount of revenue to be collected under this application is \$178,673,943. Based on PNS's current PFC collection rate, the estimated charge expiration date for this PFC application is estimated to be December 1, 2060.

The proposed charge effective date and charge expiration date may change based on actual PFC collections data or changes to PNS' existing PFC collection authority. The calculation determining the estimated charge expiration date of the proposed new PFC collection authority is based on PNS' actual PFC collections between April 1, 2024 and March 31, 2025. The proposed charge effective date and estimated charge expiration date will likely change over time.

Appendix A to this notice provides additional details regarding the descriptions, justification, funding amounts, funding plan, and timing of the projects included in the proposed new PFC application.

Comments or a written request for more detailed project descriptions or justification should be sent to Roy Remington, Deputy Airport Director, 2340 Airport Blvd., Suite #225, Pensacola, FL 32504. Roy Remington may also be contacted via telephone at 850-436-5000.

Appendix A – Public Consultation Notice Passenger Facility Charge Proposed Project

Pensacola International Airport



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1.0 Purpose of Document

The purpose of this document is to provide the public with an overview of the passenger terminal expansion project that is proposed to be included in Pensacola International Airport's upcoming PFC application. This document provides the following related to the project:

- Description
- Justification
- Eligibility
- Funding
- Schedule

Additionally, photos and exhibits have been included for the project to provide a visual depiction of existing conditions and future improvements.

2.0 Terminal Expansion Project

2.1 Description

This project generally includes the construction of a 5-gate expansion of the existing terminal building at PNS. The expansion will be located southwest of the existing terminal building in a new concourse. The concourse will be two levels with a passenger boarding level that includes the five (5) new gates, associated holdrooms, circulation areas, restrooms, and concessions. The ramp level will include a new bag make-up area and additional unfinished space for future use. Also included is a renovation/expansion of the security checkpoint. The total area of the new concourse (boarding level only) and the expanded/renovated security checkpoint is approximately 56,394 SF. PNS has been working with the selected terminal design consultant to determine the most cost-effective way to expand the existing terminal facility. The version of the plan provided to the FAA for an eligibility determination in August 2024 is shown in Figure 1. This floor plan is expected to change as design progresses.

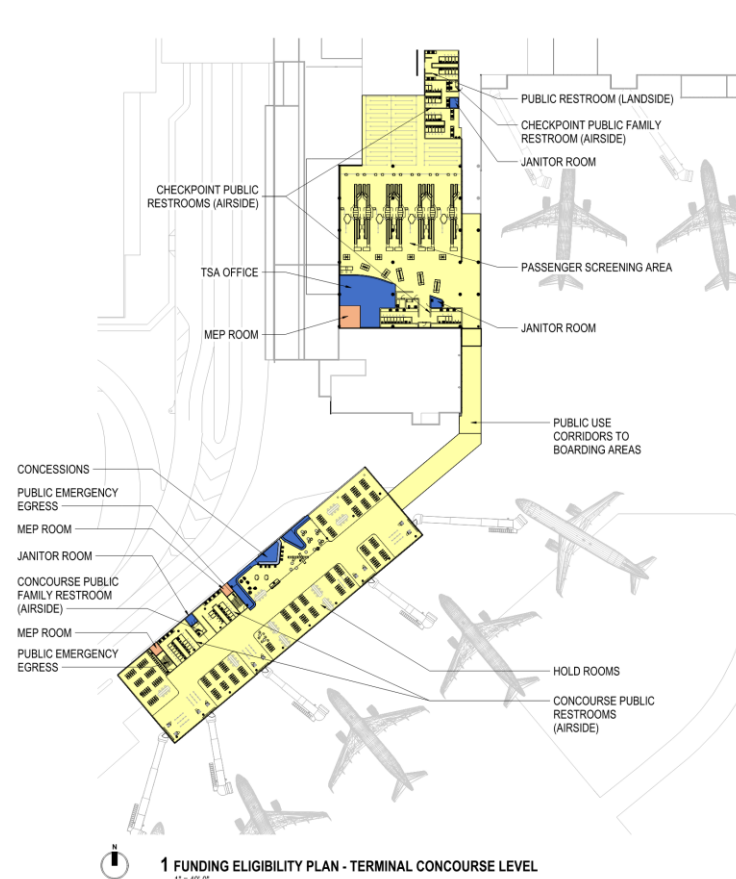


Figure 1 – Terminal Expansion

General descriptions of each of the elements included in the project and the specific aspects of each element to be funded with PFCs are as follows:

- **Holdrooms** – Approximately 13,479 SF of gate holding area will be included within the new concourse for use by passengers waiting to board their planes. The holding areas will include fixed public seating, tables, and counters.
 - **PFC Funding** – PFC funding is expected to be used to fund the construction of the hold rooms. This includes the construction of foundations, structures, framing, flooring, roofing, MEP, finishing, and furniture. This is expected to cost approximately \$17,000,000 in PFC funds.
- **Public Use Corridors/Circulation** – Approximately 14,084 SF of public use corridors are being provided to allow for passenger circulation within the new concourse. A visual rendering of this area is provided in Figure 2.
 - **PFC Funding** – PFC funding is expected to be used to fund the construction of the public use corridors and circulation areas. This includes the construction of foundations, structures, framing, flooring, roofing, MEP, and finishing. This is expected to cost approximately \$18,000,000 in PFC funds.



Figure 2 – Circulation Space

- **Passenger Boarding Bridges** – A new passenger boarding bridge (PBB) will be provided for each of the five (5) gates in the new concourse.
 - **PFC Funding** – PFC funding is expected to be used to fund the purchase and installation of the PBBs. This is expected to cost approximately \$6,000,000. However, the Ground

Power Units (GPUs) and Pre-Condition Air Units (PC Air Units) are not included. These items are anticipated to be funded by a future FAA Voluntary Airport Low Emissions (VALE) grant.

- **Expanded Security Checkpoint** – The existing security checkpoint will be expanded/renovated to a total of approximately 17,615 SF. The expansion will occur over PNS's bag make-up area to provide two additional security lanes for a total of seven (7). The expanded checkpoint will also include expanded queueing. Construction of the expanded checkpoint will require that the roof over the existing bag make-up area is lowered to ensure that the floor of the expansion is at the same level as the existing facility. A visual rendering of this area is provided in Figure 3.
 - **PFC Funding** – PFC funding is expected to be used to fund the general construction of the security screening checkpoint area. This includes site demolition, and construction of foundations, structures, framing, flooring, roofing, MEP, and rough finishing. However, the build out, TSA office areas, and screening equipment associated with the area are excluded from PFC funding. This is expected to cost approximately \$23,000,000 in PFC funds.

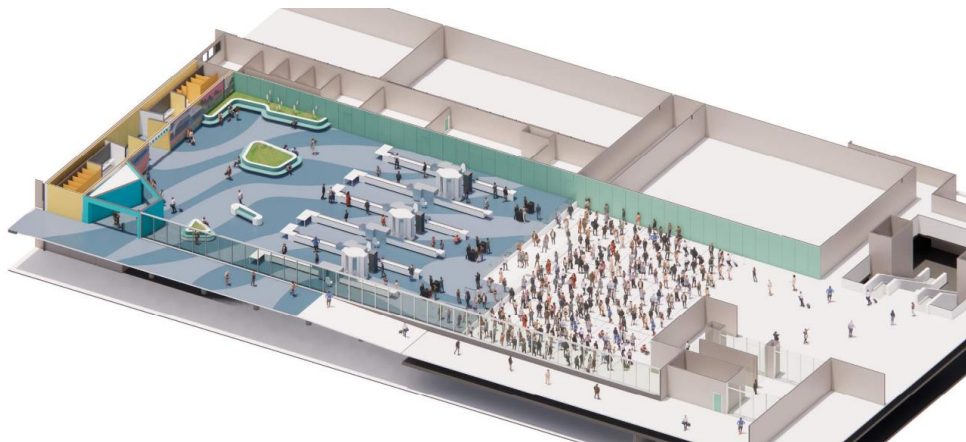


Figure 3 – Expanded Security Checkpoint

- **Restrooms** – New public restroom facilities for both men and women will be provided within the footprint of the expansion. One (1) new set of restrooms will be provided on the new concourse and an additional two (2) new sets of restrooms will be provided within the footprint of the expanded security checkpoint. One set of the restrooms in the checkpoint area will be for landside access while the other is for airside access. The total square footage of public restrooms is approximately 5,498 SF.
 - **PFC Funding** – PFC funding is expected to be used to fund the construction of the restrooms. This includes construction of foundations, structures, framing, flooring, roofing, MEP, restroom finishings, and equipment. This is expected to cost approximately \$7,000,000 in PFC funds.

- **Pedestrian Walkway** – A new elevated pedestrian walkway connecting the existing terminal to the new concourse will be provided. The walkway will be located on the airside along the face of the existing terminal building and will include glass windows so that passengers can view the airfield during their journey from security to their gate. This is part of the aforementioned circulation space. A visual rendering of this area is provided in Figure 4.
 - **PFC Funding** – Included in narrative for public-use corridors/circulation space.



Figure 4 – Pedestrian Walkway

- **MEP/MEP Rooms** – New HVAC and electrical equipment will be installed as part of the project. MEP rooms needed to accommodate the installation of larger HVAC equipment and electrical panels are included. This area is considered prorated space. This area is approximately 2,565 SF.
 - **PFC Funding** – PFC funding is expected to be used to fund the construction of the rooms and equipment. This includes construction of foundations, structures, framing, flooring, roofing, MEP, and finishing. This is expected to cost approximately \$3,500,000 in PFC funds.
- **Vertical Circulation** – Vertical circulation for emergency egress by the public will be provided with the new concourse via three stairwells. This area is included in the square footage provided for the public use corridors/circulation space.
 - **PFC Funding** – Included in narrative for public-use corridors/circulation space.
- **Service Animal Relief Areas** – Not shown but included in the project is a 300 SF service animal relief area which is intended to provide members of the travelling public with service animals a dedicated relief area.
 - **PFC Funding** – PFC funding is expected to be used to fund the construction of the service animal relief area. This includes construction of foundations, structures, framing, flooring, roofing, MEP, and finishing. This is expected to cost approximately \$500,000 in PFC funds.

This document provides additional details regarding the terminal expansion project. This project also includes funding for general sitework and construction administration.

The following elements are included in the project, but will not be funded with PFCs:

- TSA Offices
- TSA Security Checkpoint Screening Equipment and area build out
- Concessions space (behind the counter)
- Janitor's Room
- Terminal Apron Modifications
- Elevators/escalators within the existing terminal
- Terminal Ramp Level Spaces
- Baggage Make-up Area Improvements
- Project Design
- Ground Power Units Pre-Conditioned Air Units for PBBs
- Central Utility Plant (CUP)

The expansion of the PNS terminal will be partially funded through bonds issued by the airport. The total principal on the bonds expected to be backed by PFCs is \$75,000,000.

In addition to the infrastructure items and services previously identified, this project includes utilizing PFCs to pay for the annual interest payments and any financing costs associated with the PFC backed portion of the bonds for the terminal expansion project. The initial financing costs include the following:

- Debt Service Reserve Fund - \$5,955,798
- Cost of Issuance - \$1,024,757

A summary of the bond and financing costs is shown in Table 1.

Table 1 – Preliminary PNS Terminal Expansion Debt Service

PFC BOND SIZING	
<u>Assumptions:</u>	
Bond Issuance Date:	10/1/2024
Debt Service Reserve Fund:	MADS
Cost of Issuance:	1.25%
Debt Service Structure:	Level
Capitalized Interest:	No
Interest Rate:	6.00%
Amortization Period (years):	30.00
<u>Sources and Uses of Bond Issue</u>	
Sources of Bonds...	
Principal Amount of Bonds:	\$ 81,980,555
Uses of Bonds...	
Project Fund Deposit	\$ 75,000,000
Debt Service Reserve Fund:	\$ 5,955,798
Cost of Issuance:	\$ 1,024,757
	\$ 81,980,555
Prepared by: PFM Financial Advisors LLC	

The total estimated interest charges associated with paying the PFC backed portion of the bond is \$96,693,388. The total of the financing costs and interest charges associated with the PFC back portion of the bond are shown in Table 2.

Table 2 – PFC Backed Bond Administration and Interest Costs

Item	Amount
Debt Service Reserve Fund	\$5,955,798
Cost of Issuance	\$1,024,757
Interest Charges	\$96,693,388
Total	\$103,673,943

The bond is expected to be for a period of 30 years.

2.2 Justification

Pursuant to 14 CFR Part 158.15, this PFC collection authority is requested under paragraph (a)(1) – “preserve or enhance safety, security, or capacity of the national air transportation system.” Specifically, this project will increase capacity of the nation’s air transportation system by increasing capacity at

Pensacola International Airport. This project is further eligible under 14 CFR Part 158.15(b)(3) and (6) which relate to terminal development.

PNS completed their latest Master Plan Update (MPU) in December 2018. As part of the MPU, passenger traffic was forecast through the 20-year planning horizon. Figure 5 is from the MPU and shows the forecasted traffic levels for the base case:

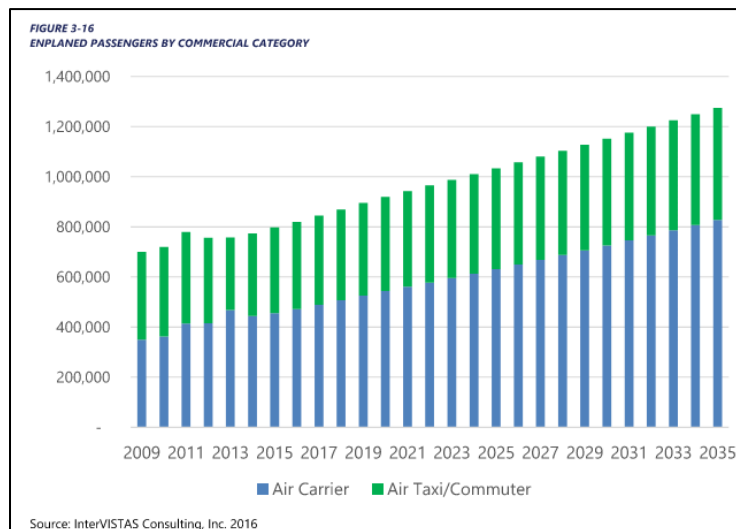


Figure 5 – 2018 Master Plan Traffic Forecast

Per the MPU, the base case forecasted 2035 traffic to be 1.28M enplaned passengers, while the high case showed 1.41M enplaned passengers. Post pandemic, PNS has seen a drastic increase in traffic. For calendar year 2023, the total passenger traffic was 1.33M enplaned passengers. For fiscal year 2024, passenger enplanements exceeded 1.5 million passengers which exceeds the high case scenario identified in the master plan. The year-over-year passenger traffic numbers for PNS for calendar years 2013 to 2023 are shown in Figure 6.

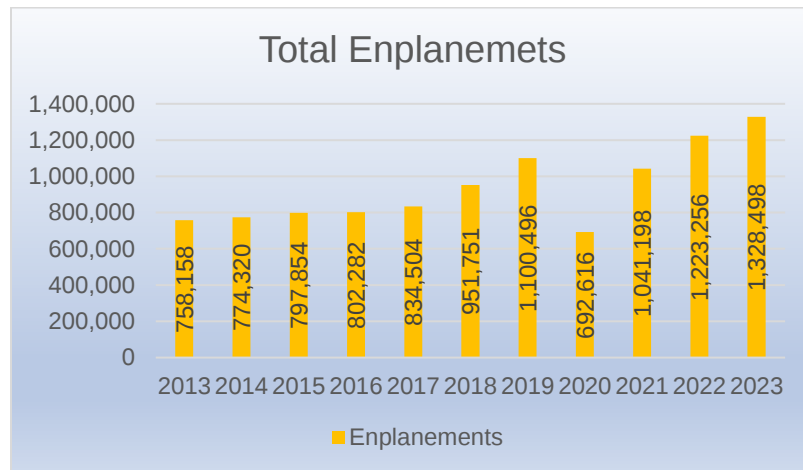


Figure 6 – PNS Year-Over-Year Enplanements

This increase has resulted in long wait times at the security checkpoint, congested hold rooms, and overcrowded restroom facilities post screening. The new 5-gate expansion and expanded checkpoint will help to alleviate these issues. Examples as follows:

- Security Checkpoint Congestion – On heavy traffic volume days during peak season, queue lines for the security checkpoint currently extend out of the designated area and down the hallway located above the Ticket Lobby. In extreme cases, the lines have extended outside the facility. The photo below illustrates this condition:



Photo 1 – Security Checkpoint Queue into Hallway

The expanded security checkpoint will eliminate this issue by providing more screening lanes, which will increase passenger throughput resulting in less time in the queue. Additionally, the expansion will allow for more queue space, keeping passengers contained within the checkpoint area.

- **Restroom Overcrowding** – Currently, PNS has one set of restrooms post security screening. These restrooms are located at the far end of the existing concourse, past the concessions between Gate 5/6 and 7/8. The restroom location is very inconvenient for passengers at the lower numbered gates. During peak travel periods, the restrooms are overcrowded. The terminal and checkpoint expansion will add two (2) sets of new restrooms to the facility post security, reducing overcrowding of existing facilities, adding much needed redundancy, and providing options for shorter walking distances to passengers, particularly those at existing Gates 1 thru 4.

In order to keep up with demand and support the efficient movement of passengers and baggage at PNS, expansion of the existing terminal facility is required.

2.3 Eligibility

The project is eligible for AIP and PFC funding per the AIP Handbook, Table N-5, Items D through K, N, and O for the terminal building. These eligibility calculations were provided to the FAA for an initial eligibility determination in August 2024. Final eligibility calculations and the terminal floor plan may vary.

Costs associated with the cost of issuance and debt service are eligible for PFC funding per 14 CFR Part 158.13(d)(1).

2.4 Funding

Total funding for the terminal expansion project is \$131,381,207. The planned funding allocation strategy is as follows:

Table 3 – Terminal Expansion Funding Sources

Funding Source	Amount	Percentage
ATP Grant	\$4,000,000	3%
Anticipated AIP Grant	\$6,000,000	5%
Anticipated FDOT	\$10,690,604	8%
Anticipated ATP	\$10,690,603	8%
Bonds backed by Airport Revenue	\$25,000,000	19%
Bonds backed by PFCs	\$75,000,000	57%
Total	\$131,381,207	100%

PFC funds will be utilized for 57% of the total project funding in the amount of \$75M. Airport revenue bonds will be issued to meet project cash flow requirements and PFCs will be used to pay the principal on the PFC backed portion of the debt in the amount of \$75M. It should be noted that the AIP/PFC eligibility calculations for the terminal expansion show that approximately 91.3% of the new development is AIP/PFC eligible. However, the portion of the terminal project that will be funded by bonds backed by PFCs is substantially less - 57% of the total project cost.

In addition to using PFCs to pay the \$75,000,000 principal on the project, the airport seeks to use PFCs in the following amounts to support the financing and interest payments associated with the \$75,000,000 PFC backed portion of the terminal expansion bond:

Table 5 – PFC Backed Bond Administration and Interest Costs

Item	Amount
Debt Service Reserve Fund	\$5,955,798
Cost of Issuance	\$1,024,757
Interest Charges	\$96,693,388
Total	\$103,673,943

This brings the total requested PFC amount to what is shown in Table 6:

Table 6 – Total PFC Requested Funding

Item	Amount
Project Principal (Shown in Table 3)	\$75,000,000
Bond Interest and Financing Charges	\$103,673,943
Total	\$178,673,943

2.5 Schedule

Construction is estimated to begin in February 2026 with completion anticipated in August 2027. Project closeout is expected to continue through March 2028. The interest payments associated with the PFC backed portion of the bond are expected to continue for a period of 30 years.