

October 07, 2024

Notice of Opportunity for Public Comment related to Passenger Facility Charges

The Akron – Canton Regional Airport Authority is providing an opportunity for public comment until November 12, 2024, related to our proposed new Impose and Use Passenger Facility Charge (PFC) Application #10 for the Akron – Canton Airport (CAK). This written notice is provided in accordance with requirements contained in Federal Aviation Regulation 49 CFR Part 158.24 Passenger Facility Charge.

The Airport Authority plans to continue the maximum PFC allowable of \$4.50 per enplaned passenger. We anticipate collection on this application to begin May 01, 2039, when the previous application is fully collected. The total revenue to be collected for the project in this application is \$9,073,322. The PFC expiration date for this application is estimated to be April 01, 2045.

The Airport Authority recommends continued exclusion of Air Traffic/Commercial Operators (ATCO) filing FAA Form 1800-31, from the collection of PFCs. These nonscheduled/on demand air carriers comprise less than 1% of the total enplanements at CAK. ATCO carriers include Aero Charter's Inc., Cobalt Air, LLC, M and N Equipment, LLC, and Talon Air, LLC. In 2023, this class of carriers enplaned 82 passengers. We request this exemption based on the complexity of record keeping, the cost of implementation of collecting and monitoring the PFC program for small carriers, and again the fact that ATCOs account for such a small percentage of total enplanements.

The one project in this application is described below.

10-001 Terminal Rehabilitation Continuance

Background: The Airport Authority has an existing approved PFC Project known as PFC Project 6-015 Terminal Rehabilitation as part of PFC Application 05-06-C-00-CAK. This project was to fund both the debt service and pay as you go portion to rehab and build a new section of airport gates that were replacing older obsolete gates. The approved PFC amount of the project allocated to debt service was based on an interest rate swap financing bond agreement. This financing arrangement led to additional interest expenses beyond the approved repayment schedule due to market conditions. The Airport Authority subsequently refinanced this swap agreement prior to ultimately refinancing to a fixed rate long term bond agreement. The Airport Authority initially set out to create an amendment to fund the additional interest associated with the debt service. Due to the age of the PFC Application and at the request of our Airport's District Office, The Airport Authority has decided to propose a new passenger facility charge application for this one project.

Description: This new PFC application will adjust the authorized passenger facility charge amount to cover the additional interest expense as well as the remaining bond principal and interest payments per the repayment schedules. These repayment schedules can be found in the additional attachment submitted with this application. The application will also reclassify the Pay as You Go amount and Debt Service amount to the actual final values of each area.

The total amount of this application is \$9,073,322. This is comprised of \$3,084,700 of Pay as You go and the remaining \$5,988,622 towards debt service. The Pay as You go amount is

comprised of the local share of four (4) grants the Airport received for this project. These grants were AIP 3-39-0001-035-2003, AIP 3-39-0001-038-2004, AIP 3-39-0001-040-2005 and AIP 3-39-0001-042-2006. The total local share component of the Pay as You go amount is \$1,216,912. A more detailed breakout has been included within this PFC Application request.

Justification: This project is necessary to maintain financial discipline and stability for the Akron – Canton Regional Airport Authority. The project is essential for the Airport Authority as it allows more financially resources to be put towards the safety and upkeep of the airport's operation.

Comments or a request for more detailed project descriptions should be sent to Mr. James Krum, Vice President of Finance & Administration, Akron – Canton Airport, 5400 Lauby Rd. Box 9, North Canton, Ohio 44720-1598 or via email at jkrum@akroncantonairport.com