

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**WORKSHOP SUMMARY**

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**Meeting Date: April 16, 2024**

**Department: Department of Airports**

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**I. EXECUTIVE BRIEF**

**Title:** Overview of Department of Airports' Five-Year Capital Improvement Plan

**Summary:** The Department of Airports (DOA) will provide an overview of its Five-Year Capital Improvement Plan (CIP), including current and projected projects, anticipated funding sources and project schedules. DOA will also provide recommendations for new funding sources and strategies in order to expedite critical terminal, landside and airside expansion, rehabilitation and replacement projects. During the January 23, 2024 Board of County Commissioners (Board) regular meeting, DOA was asked to explore the development of a Consolidated Rent-A-Car (ConRAC) facility at Palm Beach International Airport (PBI) and a third airport hotel. The development of a ConRAC is a significant capital project, both in terms of project scope and project cost, which is not currently included in the Five-Year CIP. DOA will provide information regarding facility requirements for the development of a ConRAC based on projected rental car volume and proposed locations based on the facility requirements, along with anticipated project costs and future airport development plans. DOA will also provide strategies for the planning, development and funding of a ConRAC as a part of its overall CIP. DOA will also provide recommendations for potential locations for a third airport hotel. **Countywide (AH)**

**Background and Policy Issues:** Palm Beach County owns a system of four airports, including PBI, Palm Beach County Park Airport (Lantana Airport), Palm Beach County Glades Airport (Pahokee Airport) and North County Palm Beach County General Aviation Airport (Airport System). DOA is responsible for the implementation of the CIP for the County's Airport System. Large-scale capital projects currently require multiple funding collection years or multi-year phasing to complete due to escalation in project costs associated with labor and supply chain issues. Funding shortfalls continue to compound with extended project schedules. Traditional airport capital funding sources, including grants and passenger facility charges, are not increasing at the same rate as project costs. In order to ensure capital projects are completed within reasonable timeframes and to avoid additional costs associated with extended project schedules, the Department will be recommending additional funding sources to support its CIP consistent with funding strategies implemented by other airports completing similar large-scale projects.

**Attachments:** Presentation

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**Recommended by:** Laura Burke 3/19/24  
Department Director Date

**Approved By:** Erin C. Lynch 4/12/24  
Assistant County Administrator Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

<b>Fiscal Years</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
<b># ADDITIONAL FTE POSITIONS (Cumulative)</b>	_____	_____	_____	_____	_____
Is Item Included in Current Budget?		Yes _____		No <u>X</u>	
Does this item include Federal Funds?		Yes _____		No <u>X</u>	
Does this item include State funds?		Yes _____		No <u>X</u>	

**Budget Account No.:**

Fund: \_\_\_\_\_ Department: \_\_\_\_\_ Unit \_\_\_\_\_ Object: \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

There is no fiscal impact associated with this item

**C. Departmental Fiscal Review:** *Deborah Anderson*

*RF* 3-19-24

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Development and Control Comments:**

*Lisa...* 4/11/24  
OFMB 12-4110

*Brandy...* 4/11/24  
Contract Development & Control  
Int 4/11/24

**B. Legal Sufficiency:**

*Anne Helgent* 4/12/24  
Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
Department Director

April 16, 2024

# Department of Airports Five-Year Capital Improvement Plan Overview

Palm Beach County Department of Airports

PRESENTED TO:

**Palm Beach County  
Board of County Commissioners**

PRESENTED BY:

**Laura Beebe  
Director of Airports  
Palm Beach County Department of Airports**

# Agenda

**Introduction/Palm Beach County Airport System**

**Fiscal Year 2025 Proposed Operating Budget**

**Five-Year Capital Improvement Plan (CIP)**

**Funding Recommendations to Support Five-Year CIP**

**PBI Airfield Improvement**

**PBI Consolidated Rent-A-Car (ConRAC) Facility**

**Potential Airport Hotel Locations**



# Palm Beach County's Airport System

## Palm Beach International Airport

Commercial Service and General Aviation

# PBI

## North Palm Beach County General Aviation Airport

Reliever, General Aviation

# F45

## Palm Beach County Park Airport (Lantana)

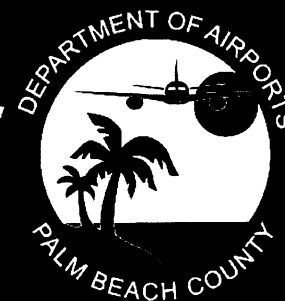
Reliever, General Aviation

# LNA

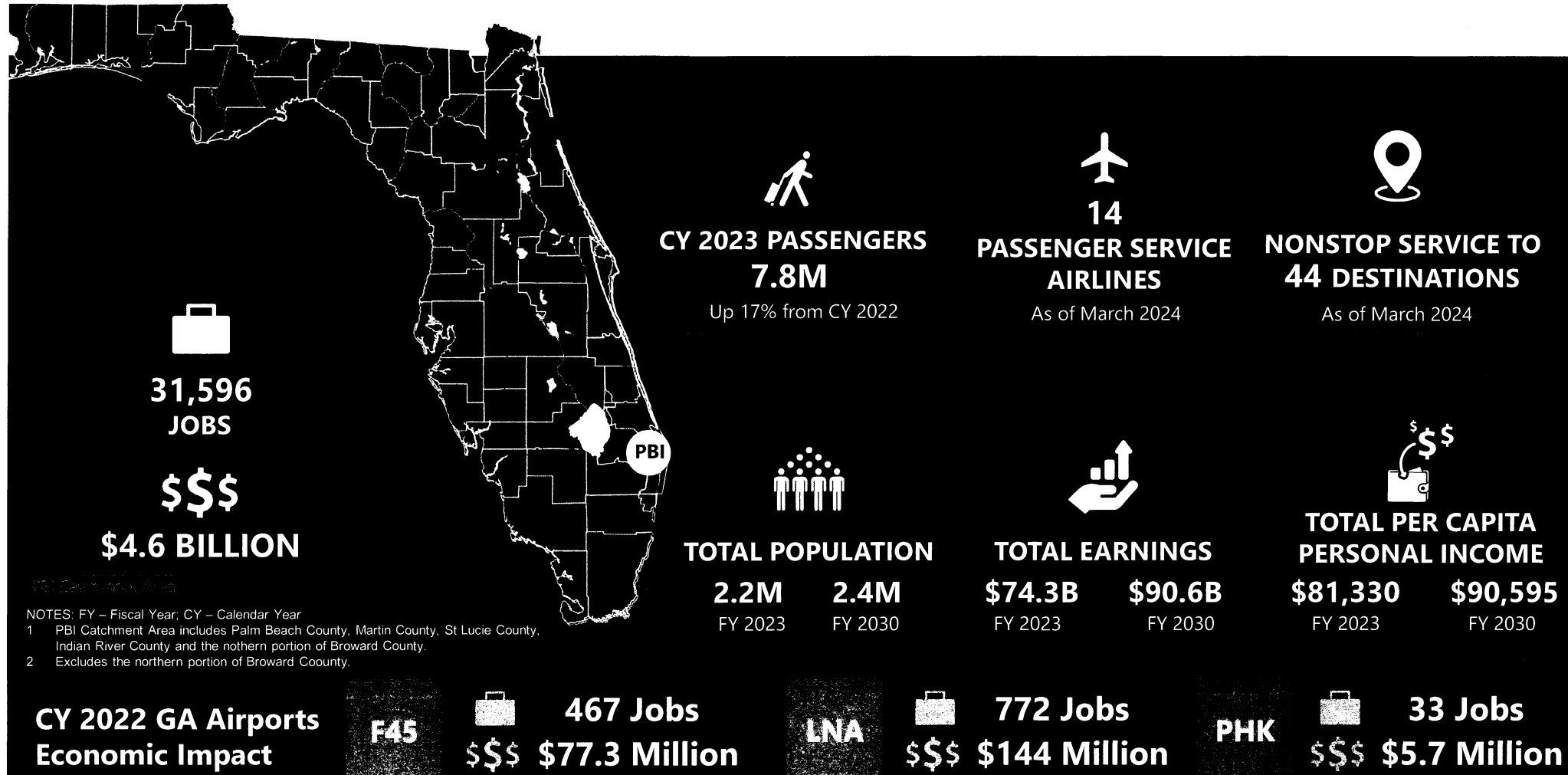
## Palm Beach County Glades Airport (Pahokee)

General Aviation

# PHK



# Palm Beach County Airport System By the Numbers



# **Fiscal Year 2025 Proposed Operating Budget**

## **Department of Airports Funding Overview**

- **Operates as an enterprise fund, no ad valorem tax support**
  - Operation and maintenance costs are funded by user fees paid by airlines, businesses and passengers
  - Capital costs are funded by a combination of Federal and State grants, Passenger Facility Charges (PFC), revenue bonds and airport revenues
- **Revenues consist of “airline” and “non-airline” revenues**
  - Non-airline revenues reduce overall costs to the airlines (e.g. public parking, concessions, general aviation fees, and commercial leases)
  - Airline rates and charges are determined by agreement with the Signatory Airlines
- **Airport revenues may only be used for the operation, maintenance and improvement of the County’s Airport System**



## Role of the Airlines

- **Signatory Airlines assume significant responsibility for the costs of the County's Airport System**
  - Airline rates and charges are established by estimating airport costs for the upcoming fiscal year
  - At the end of the fiscal year, if the actual costs are greater than the estimated costs, the Signatory Airlines are obligated to pay the differential
  - Rates and charges may be adjusted mid-year in the event the County determines there may be a shortfall
  - By assuming the risk, the Signatory Airlines are entitled to revenue sharing in an amount equal to 35% of net remaining revenues, if any
- **PBI's Cost Per Enplanement (CPE), which is the primary metric used by the airline to determine costs, has historically been significantly lower than peer airports**



# FY 2025 Proposed Operating Budget Revenues

	2023 Actual	2024 Adopted Budget	2025 Proposed Budget	Difference	%
Charges for Services	87,357,996	90,429,980	91,718,300	1,288,320	1%
Grants	11,791,979	22,745,950	13,185,216	(9,560,734)	-5%
License & Permits	67,893	88,490	92,000	3,510	0%
Interfund Transfer	624,004	1,971,045	3,335,805	1,364,760	1%
Fund Balance	67,846,168	78,651,114	76,270,679	(2,380,435)	-1%
Others	6,936,266	1,802,017	2,186,621	384,604	0%
<b>Grand Total</b>	<b>174,624,306</b>	<b>195,688,596</b>	<b>186,788,621</b>	<b>(8,899,975)</b>	<b>-5%</b>

## Significant Changes

### Non-Ad Valorem Revenues

Grants - Decrease is due to the spending down of grant funds.

# FY 2025 Proposed Operating Budget Expenses

	2023 Actual	2024 Adopted Budget	2025 Proposed Budget	Difference	%
Personal Services	17,513,407	18,590,373	19,972,521	1,382,148	1%
Operating Expenses	44,431,553	54,450,595	63,193,564	8,742,969	4%
Grants & Aids	-	2,964,535	-	(2,964,535)	-2%
Transfers	40,137,775	36,285,475	45,292,718	9,007,243	5%
Charge Off	(278,510)	(240,000)	(240,000)	-	0%
Reserves	-	83,637,618	58,569,818	(25,067,800)	-13%
<b>Grand Total</b>	<b>101,804,225</b>	<b>195,688,596</b>	<b>186,788,621</b>	<b>(8,899,975)</b>	<b>-5%</b>

## Significant Changes

### Appropriations

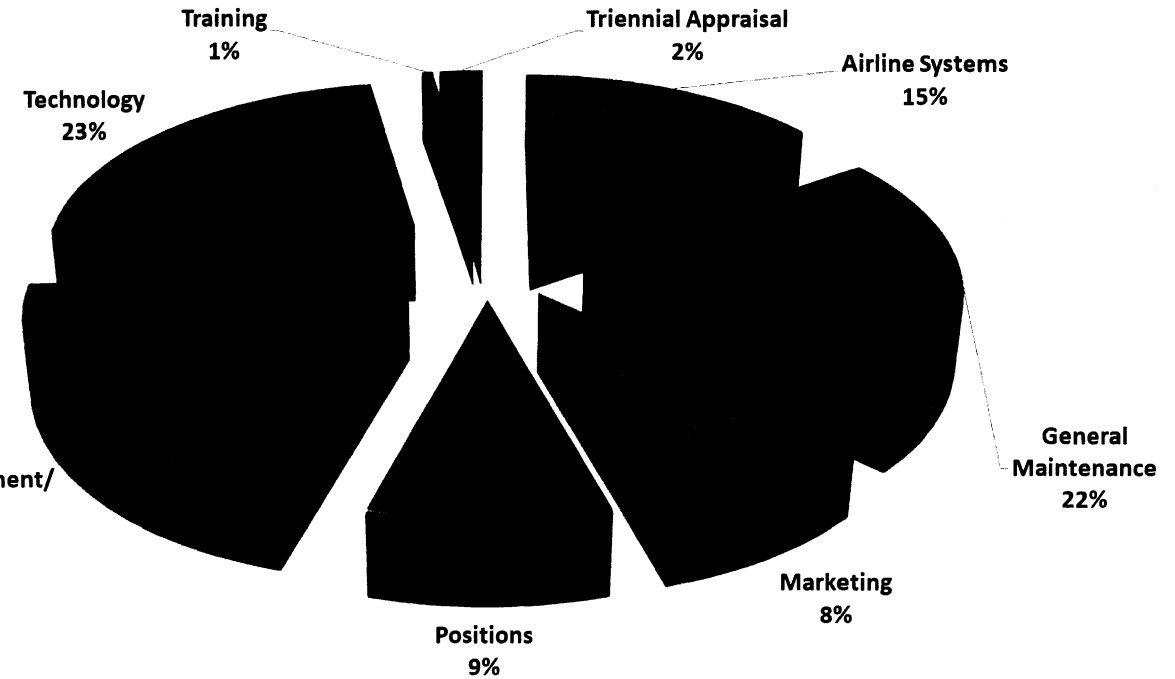
Positions - 3: Project Manager, Senior Manager Emergency Management, Maintenance Supervisor

Operating Expenses - Increase is due mainly to contractual increases/supplemental requests.

Transfers - Primarily due to capital project increases.

Reserves - Decreased due to the increase in capital project funds, increases in operating expenses, and spending down of grant funds.

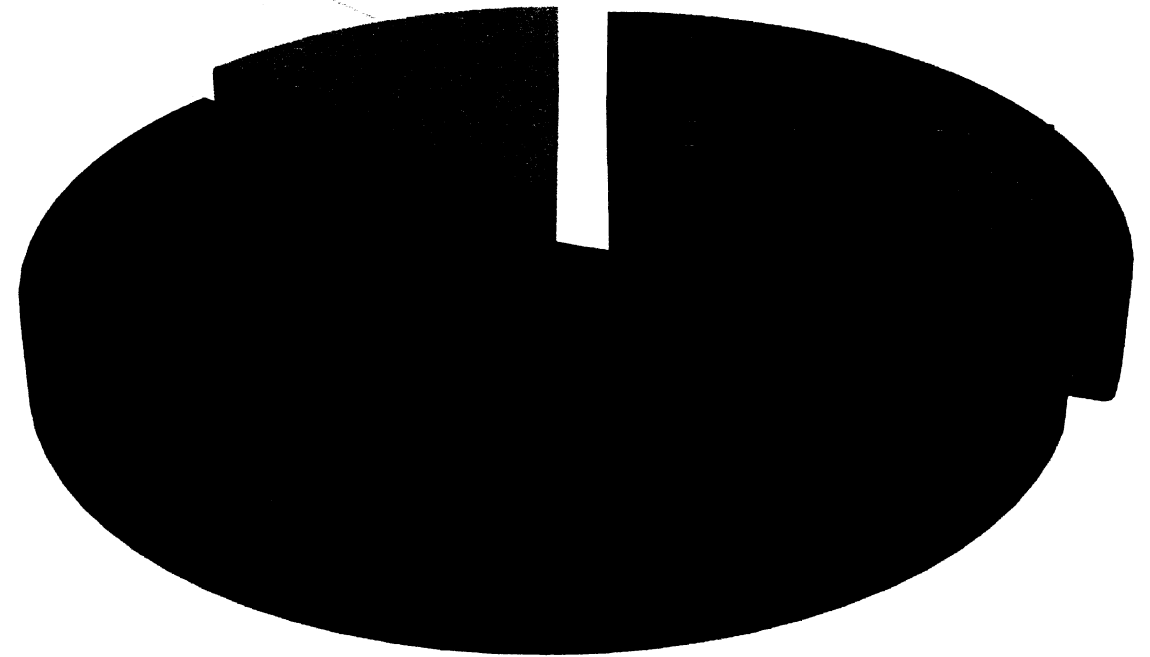
# FY 2025 Supplemental Requests



Airline Systems	\$	525,000
General Maintenance	\$	738,000
Marketing	\$	284,748
Positions	\$	298,989
Security Equipment/ System	\$	695,000
Technology	\$	766,000
Training	\$	18,029
Triennial Appraisal	\$	75,000
<b>Total</b>	<b>\$</b>	<b>3,400,766</b>

# FY 2025 General Capital Requests (Excluding Capital Improvement Program Items)

Capital Repairs/Rehab  
14%



Equipment/Vehicles	\$ 2,959,000
Airline System Updates	\$ 5,492,000
Capital Repairs/Rehab	\$ 1,319,000
Total	\$ 9,770,000

# **Five-Year Capital Improvement Plan (CIP)**

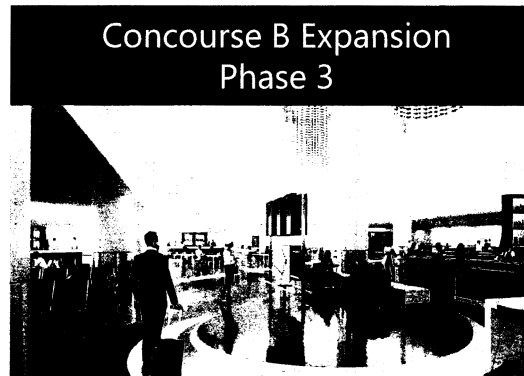
## Anticipated FY 2025 Budget by Funding Source

Airports	Projects	Total Cost	AIP	BIL - Formula (75%/90%)	BIL - ATP (80%)	BIL FCTC (100%)	FDOT	PFC	Local	Previous FY Budget Amount
PBI	Terminal Elevator Rehabilitation/Replacement	\$17,100,000		\$10,875,000				\$2,181,000	\$4,044,000	
PBI	Terminal & Concourse Modernization Phase 1 (Connector)	\$15,000,000					\$7,500,000		\$7,500,000	
PBI	Concourse B Expansion Phase 3 (PFC Collections)	\$8,500,000						\$8,500,000		
PBI	Taxiway R Rehabilitation	\$4,600,000	\$3,450,000					\$1,150,000		
PBI	PC Air (PFC Local Match)	\$3,268,926						\$3,268,926		
PBI	Access Control System Replacement/Upgrade	\$3,000,000		\$2,250,000					\$750,000	
PBI	Switchgear Phase 2 - Substation A	\$2,500,000							\$2,500,000	
PBI	Runway 10R/28L Extension Justification	\$500,000							\$500,000	
PBI	Design Feature Signage, Wayfinding Signage & Landscaping Improvements	\$250,000							\$250,000	
PBI	Aviation Workers Security Screening	\$250,000							\$250,000	
PBI	Airport Layout Plan & Narrative Report Update	\$250,000							\$250,000	
F45	Apron Rehabilitation	\$2,500,000					\$2,000,000		\$500,000	
F45	Runway 14-32 Expansion (Design)	\$2,000,000					\$500,000		\$1,000,000	\$500,000
F45	Air Traffic Control Tower (Design)	\$1,000,000	\$450,000						\$300,000	\$250,000
F45	Runway 9R-27L Surface Treatment	\$1,000,000	\$900,000				\$50,000			\$50,000
PHK	Rehabilitation of Airport Entrance Roadway	\$500,000		\$450,000					\$50,000	
F45	AWOS Replacement	\$300,000		\$270,000					\$30,000	
LNA	AWOS Replacement	\$300,000		\$270,000					\$30,000	
DOA	Consultant Services	\$3,000,000							\$3,000,000	
DOA	Airfield Maintenance & Repairs	\$2,500,000							\$2,500,000	
DOA	Terminal Improvements	\$1,000,000							\$1,000,000	
DOA	Capital Projects Permits & Fees	\$400,000							\$400,000	
<b>TOTAL</b>		<b>\$69,718,926</b>	<b>\$4,800,000</b>	<b>\$14,115,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,050,000</b>	<b>\$15,099,926</b>	<b>\$24,854,000</b>	<b>\$800,000</b>

# Capital Improvement Plan (CIP) Funding Strategy

- **Airports FY25-FY29 Capital Improvement Plan (CIP) will be determined by funding availability:**
  - Historically, project costs could be funded on a pay-as-you-go basis using a combination of grants, passenger facility fees and airport revenues
  - Anticipated costs now exceed funding available from traditional sources; as a result, several projects will be deferred to future fiscal years without additional funding
  - High-priority projects are competing for a limited amount of funds
  - In order to expedite key projects, the Department is recommending issuance of bonds

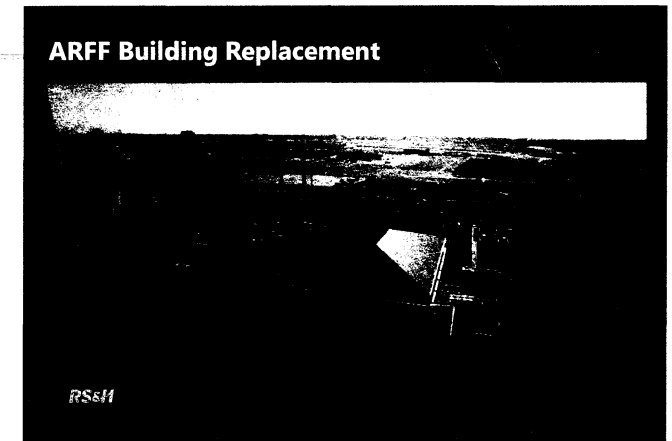
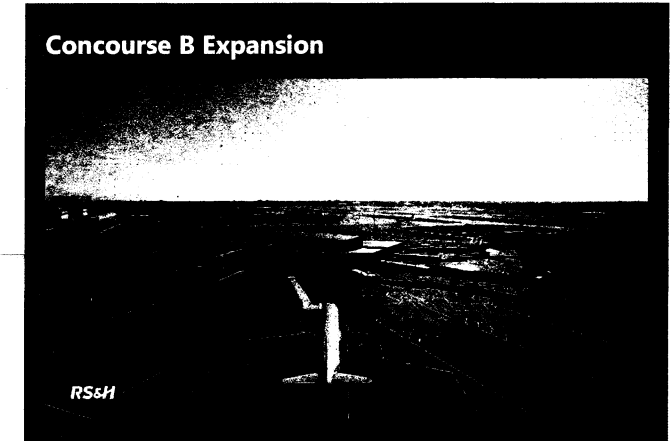
**Three key projects delayed due to project cost escalation**





# FY 2025 Capital Improvement Projects

Scenario	Airports	Projects	Total Cost
<b>No Bonds</b>	PBI	Terminal Elevator Rehabilitation/Replacement	\$17,100,000
	PBI	Terminal & Concourse Modernization Phase 1 (Connector)	\$15,000,000
	PBI	Concourse B Expansion Phase 3 (Partial)	\$8,500,000
	PBI	Taxiway R Rehabilitation	\$4,600,000
	PBI	PC Air (PFC Local Match)	\$3,268,926
	PBI	Access Control System Replacement/Upgrade	\$3,000,000
	PBI	Switchgear Phase 2 - Substation A	\$2,500,000
	PBI	Runway 10R/28L Extension Justification	\$500,000
	PBI	Miscellaneous Projects Under \$500k	\$750,000
	GA	GA Airport Projects	\$7,600,000
DOA	DOA Airport System Projects	\$6,900,000	
<b>With Bonds (Additional Projects)</b>	PBI	Concourse B Expansion Phase 3 (Remainder)	\$85,500,000
	PBI	ARFF Building Replacement	\$27,500,000
	PBI	Revenue Control Building Replacement	\$11,000,000
	PBI	Bond Project Contingency	\$ 5,000,000
<b>TOTAL NO BONDS</b>			<b>\$69,700,000</b>
<b>TOTAL WITH BONDS</b>			<b>\$198,700,000</b>

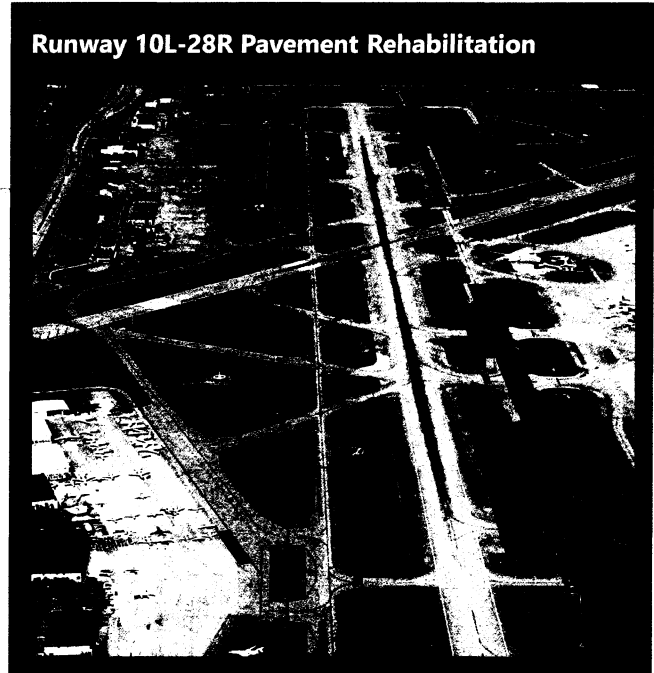


NOTE: 1 Totals may not add up due to rounding.  
 SOURCE: Ricondo & Associates, March 2024.

# FY 2026 Capital Improvement Projects

Scenario	Airports	Projects	Total Cost
No Bonds	PBI	Concourse B Expansion Phase 3 (PFC & Local Share Collections)	\$ 16,000,000
	PBI	Switchgear Phase 3	\$10,000,000
	PBI	Runway 10L-28R Pavement Rehabilitation (PFC Collections)	\$6,000,000
	PBI	Air Handler Unit (Phase 2)	\$4,653,500
	PBI	Runway 10R/28L Extension NEPA	\$2,000,000
	PBI	Feature Signage, Wayfinding Signage & Landscaping Improvements	\$2,000,000
	PBI	Rotating Beacon Replacement	\$500,000
	F45	Runway 14-32 Expansion (State Grant Part 1)	\$11,000,000
DOA	DOA System Projects	\$6,900,000	
With Bonds (Additional Projects)	PBI	Taxiway M, M1, & M2 AC Reconstruction & Electrical Improvements	\$10,000,000
	PBI	Runway 10L-28R Pavement Rehabilitation (PFC Collections)	\$6,000,000
	PBI	Airfield Electrical Vault Improvements	\$5,000,000
	PBI	Air Cargo Building 1475 Landside PCC Repairs	\$4,000,000
	PBI	High Mast Lighting Renovation	\$3,500,000
	PBI	ADA Accessibility Improvements	\$3,000,000
	PBI	Parking Toll Plaza Canopy Structure Replacement	\$3,000,000
	PBI	Campus-Wide Bird Netting and Piping Replacement	\$1,000,000
<b>TOTAL NO BONDS</b>			<b>\$59,100,000</b>
<b>TOTAL WITH BONDS</b>			<b>\$72,600,000</b>

With bonds moved to FY25  
(no phasing required)

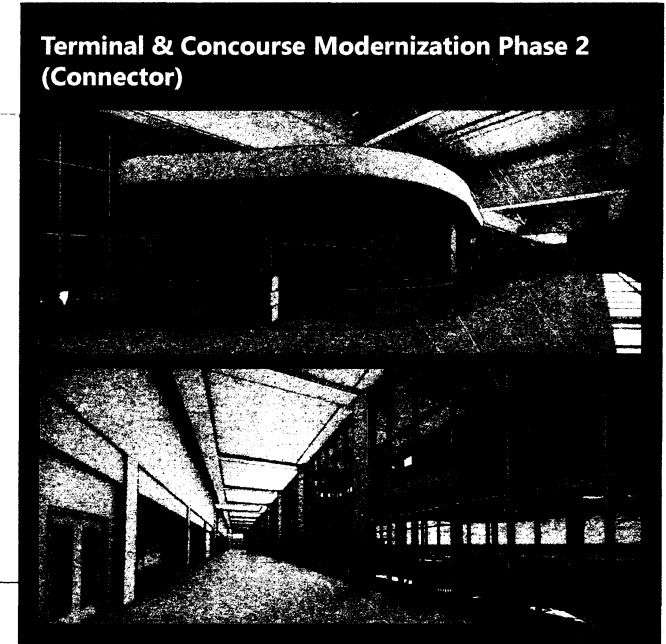


NOTE: 1 Totals may not add up due to rounding.  
SOURCE: Ricondo & Associates, March 2024.

# FY 2027 Capital Improvement Projects

Scenario	Airports	Projects	Total Cost
No Bonds	PBI	Runway 10L-28R Pavement Rehabilitation	\$42,000,000
	PBI	Concourse B Expansion Phase 3 (PFC & Local Share Collections)	\$18,000,000
	PBI	Taxiway M, M1, & M2 AC Reconstruction & Electrical Improvements	\$10,000,000
	PBI	Switchgear Phase 4	\$10,000,000
	PBI	High Mast Lighting Renovation	\$3,500,000
	PBI	ADA Accessibility Improvements	\$3,000,000
	F45	Runway 14-32 Expansion (Construct)	\$19,000,000
	F45	Air Traffic Control Tower	\$12,000,000
	DOA	DOA Airport System Projects	\$6,900,000
With Bonds (Additional Projects)	PBI	Terminal & Concourse Modernization Phase 2 (Connector)	\$25,000,000
	PBI	Construct Holding Apron at Taxiway A and C	\$8,000,000
	PBI	New Taxiway Connector at Taxiway C and Taxiway M	\$4,000,000
	PBI	Common Use Ticket Counter and Backwall Improvements	\$3,500,000
	PBI	Ceiling Mount Flight Information Systems	\$1,500,000
<b>TOTAL NO BONDS</b>			<b>\$124,400,000</b>
<b>TOTAL WITH BONDS</b>			<b>\$131,900,000</b>

With bonds moved to FY25 and FY26 (no phasing required)

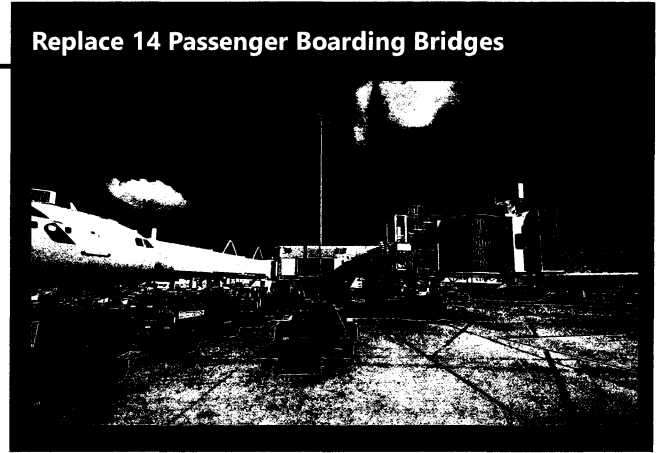


NOTE: 1 Totals may not add up due to rounding.  
SOURCE: Ricondo & Associates, March 2024.

# FY 2028 Capital Improvement Projects

Scenario	Airports	Projects	Total Cost
No Bonds	PBI	Concourse B Expansion Phase 3 (PFC & Local Share Collections)	\$21,500,000
	PBI	Replace 14 Passenger Boarding Bridges	\$17,500,000
	PBI	Airfield Electrical Vault Improvements	\$5,000,000
	PBI	Perimeter Road and VSR Pavement Rehabilitation - Phase 1	\$5,000,000
	GA	GA Airport Projects	\$5,700,000
	DOA	DOA Airport System Projects	\$6,900,000
With Bonds (Additional Projects)	PBI	Concourses A, B & C Re-Roofing (Phase 1)	\$12,000,000
	PBI	Taxiway M New Culvert	\$8,000,000
	PBI	Perimeter Fiber Loop	\$2,500,000
	PBI	Replace Terminal Canopies	\$2,500,000
	PBI	Park and Ride Booth Replacements	\$2,000,000
	GA	GA Airport Projects	\$10,300,000
<b>TOTAL NO BONDS</b>			<b>\$61,600,000</b>
<b>TOTAL WITH BONDS</b>			<b>\$72,400,000</b>

With bonds moved to FY25 and FY26 (no phasing required)

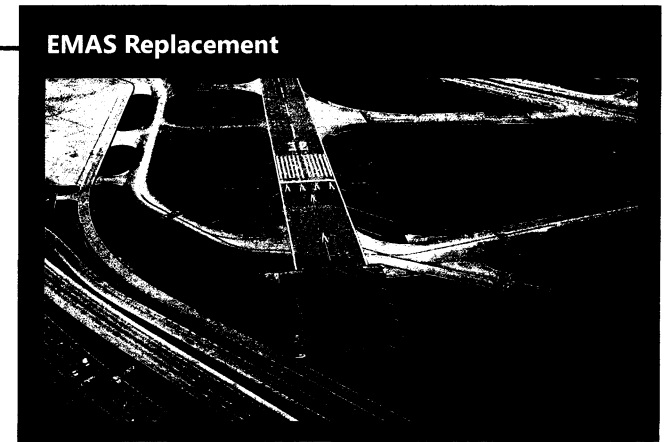


NOTE: 1 Totals may not add up due to rounding.  
SOURCE: Ricondo & Associates, March 2024.

# FY 2029 Capital Improvement Projects

Scenario	Airports	Projects	Total Cost
No Bonds	PBI	Replace 14 Passenger Boarding Bridges	\$17,500,000
	PBI	Concourse B Expansion Phase 3 (PFC & Local Share Collections)	\$15,000,000
	PBI	EMAS Replacement	\$5,000,000
	PBI	Perimeter Road and VSR Pavement Rehabilitation - Phase 2	\$5,000,000
	PBI	Air Cargo Building 1475 Landside PCC Repairs	\$4,000,000
	PBI	Parking Toll Plaza Canopy Structure Replacement	\$3,000,000
	GA	GA Airport Projects	\$10,000,000
	DOA	DOA Airport System Projects	\$6,900,000
With Bonds (Additional Projects)	PBI	Economy Parking Lot Rehabilitation (Local Share Collections)	\$5,000,000
	PBI	Concourses A, B & C Re-Roofing (Phase 2)	\$12,000,000
	PBI	Terminal FIS Improvements	\$20,000,000
	GA	GA Airport Projects	\$7,000,000
<b>TOTAL NO BONDS</b>			<b>\$66,400,000</b>
<b>TOTAL WITH BONDS</b>			<b>\$78,400,000</b>

With bonds moved to FY25, FY26 and FY28 (no phasing required)



NOTE: 1 Totals may not add up due to rounding.  
SOURCE: Ricondo & Associates, March 2024.

## Capital Projects Implementation Timeline

Projects With No Bonds					
FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL
21	9	9	10	10	59

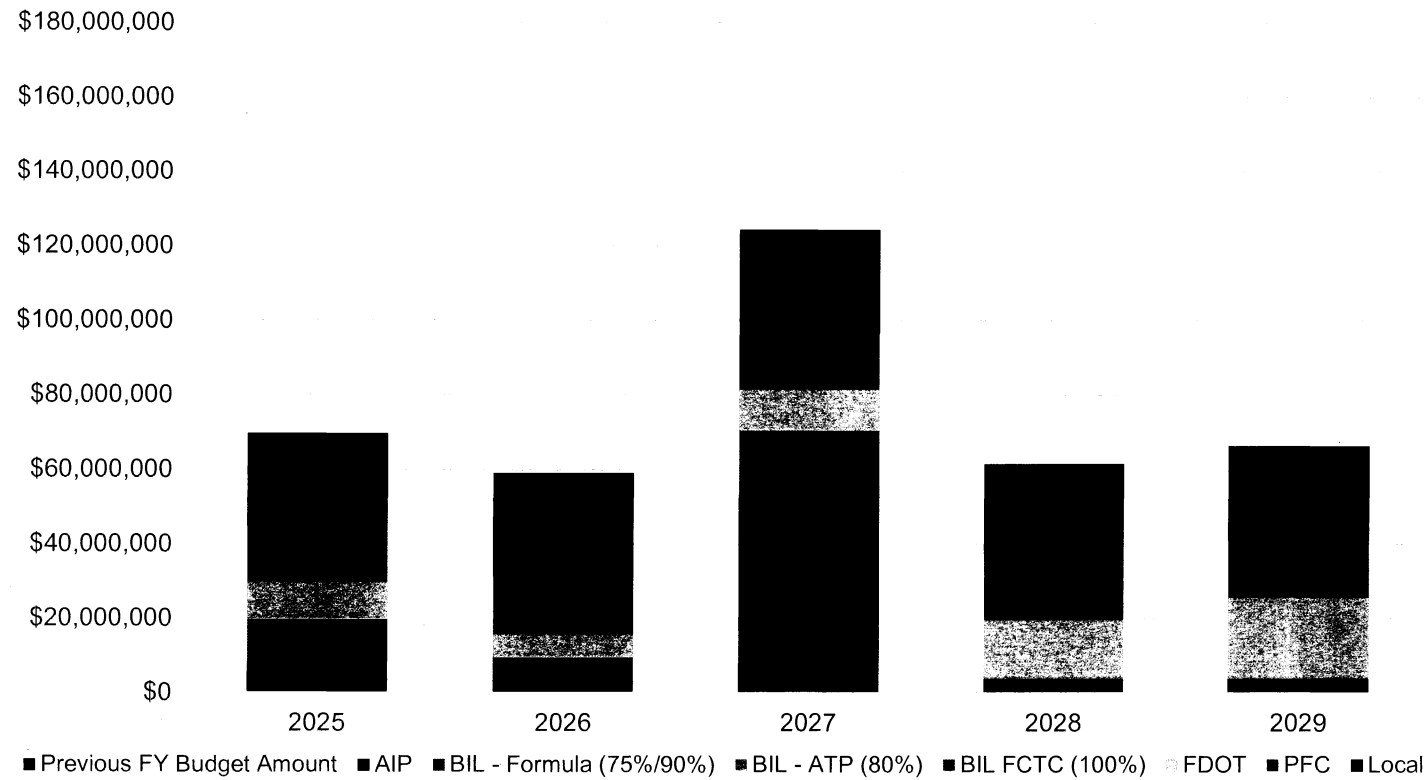
Projects With Bonds					
FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL
24	16	11	16	10	77

# Cost Escalation by Deferring 24 Capital Projects

NUMBER OF PROJECTS	4	2	5	5	4	1	3
	PROJECTS	PROJECTS	PROJECTS	PROJECTS	PROJECTS	PROJECTS	PROJECTS
DEFERRED BY	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	6 YEARS	7 YEARS
	<b>+\$0.9M</b>	<b>+\$0.9M</b>	<b>+\$2.2M</b>	<b>+\$7.3M</b>	<b>+\$2.8M</b>	<b>+\$22.6M</b>	<b>+\$14.3M</b>
<b>ESCALATION COST FROM DEFERMENT/DELAYS</b>	<b>\$51M</b>						

SOURCE: Ricondo & Associates, March 2024.

# FY 2025-2029 CIP Summary – No Bonds

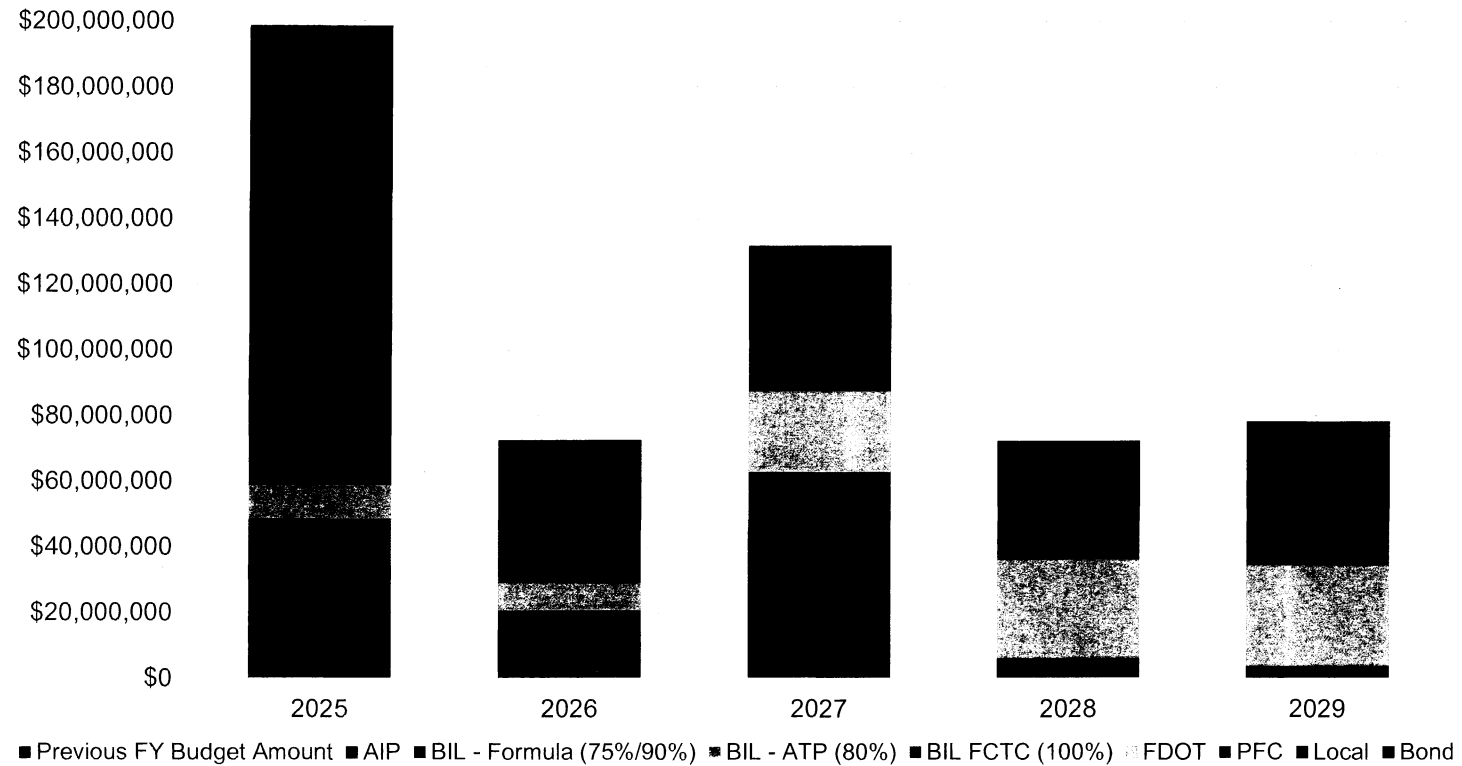


  
**59**  
 Projects

  
 Total Project Cost:  
**\$381.2M**



## FY 2025-2029 CIP Summary – Bonds Assuming \$100M in Bonds Issuance



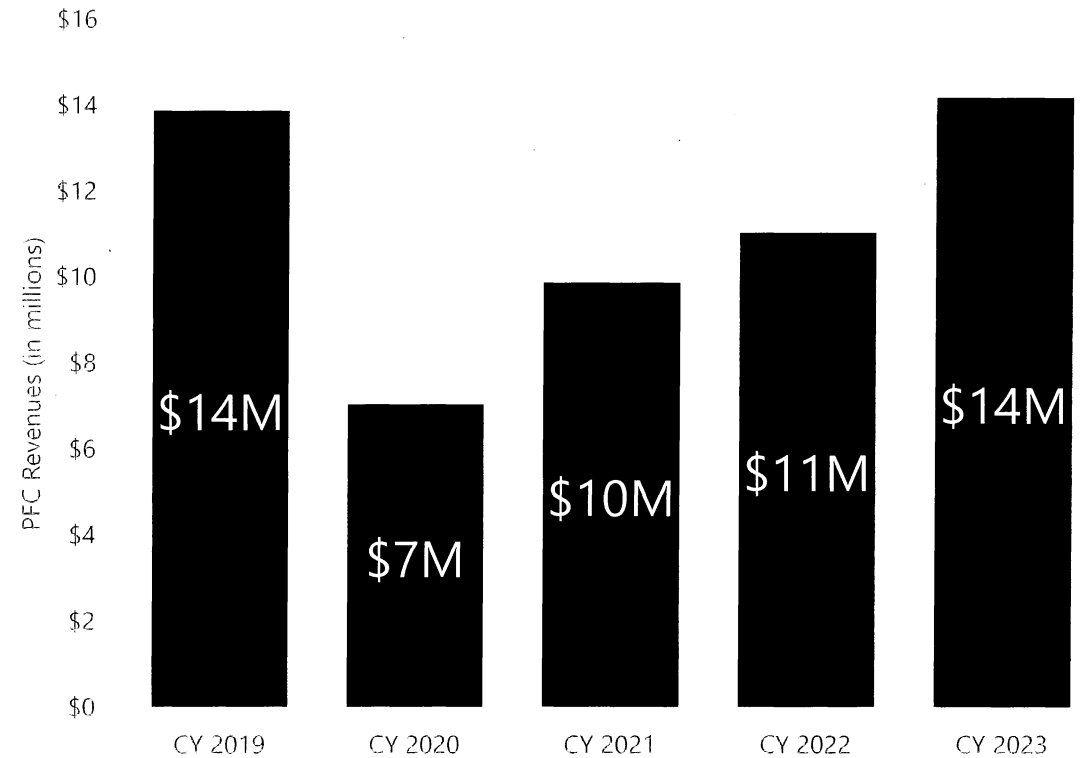
  
**77**  
 Projects

  
 Total Project Cost:  
**\$554.0M**

# PBI PFC Revenue Collections 2019-2023

## Current Status<sup>1/</sup>

- 19 Approved Applications, consisting of a total of 103 projects
- Total PFC revenue collected: \$323.6M
- PFC Collection Level: \$4.50/enplaned pax
- \$328.8M of approved project collections
- Pending Approval: Amendment to increase project funding totaling \$40.5M
- Future Application: \$14.5M



Note: 1/ Status as of March 1, 2024

## Potential Benefits of Issuing Bonds

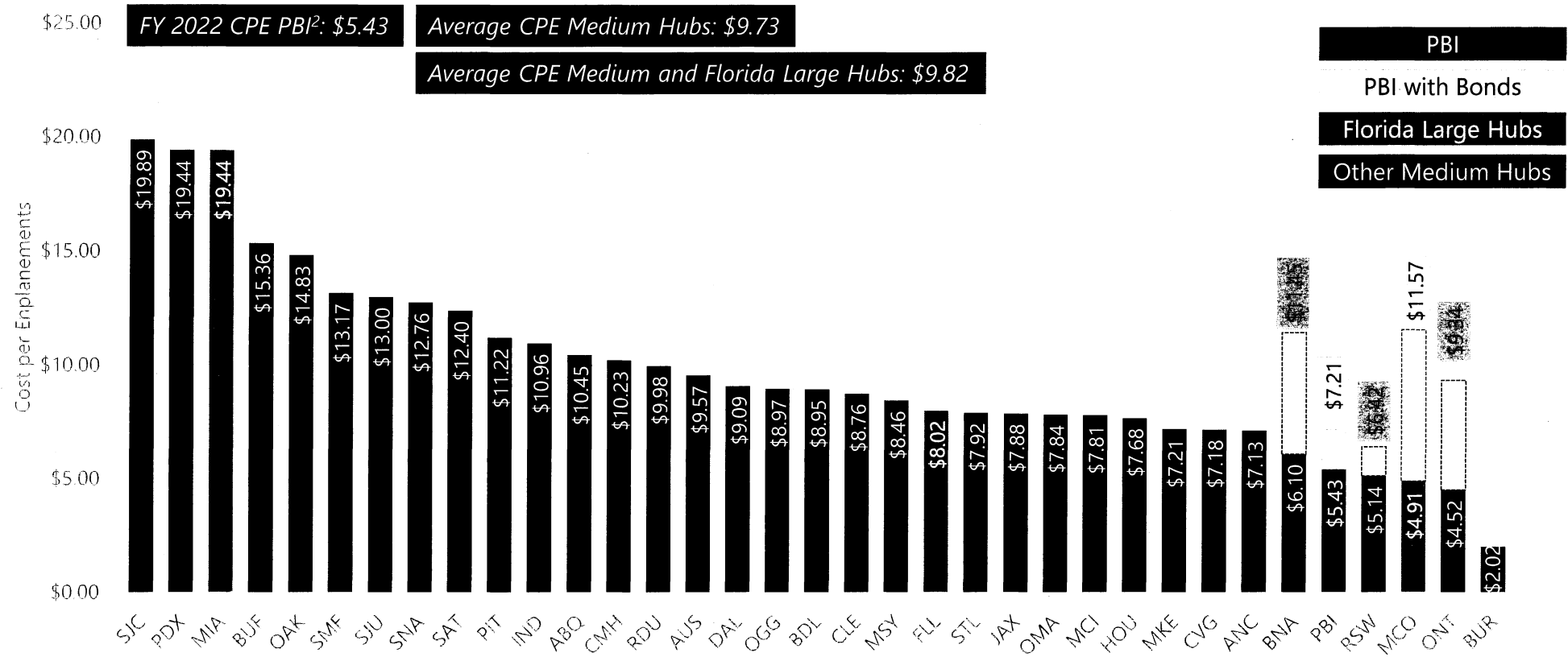
- **Expedites three major projects**
  - Concourse B Phase 3, ARFF Station, Revenue Control Building
- **Ensures critical projects needed for asset preservation are not delayed by freeing up traditional funding**
  - Passenger Facility Fees are no longer pledged to a single large project, providing capacity for additional projects
  - Local revenues remain available for local matches for available grant funding, enabling the County to compete for new grant funding sources
- **Reduces risk of continued cost escalation**
  - Estimated to be \$51M over five years
- **Eliminates risk of losing grant funding due to project delays**

## Potential Risks of Issuing Bonds

- **Additional costs to the airlines, resulting in a reduction of air service**
  - Increased cost per enplanement
- **Increased cost of debt service**
  - Estimated to be approximately \$7.3M<sup>/1</sup> in annual debt service payments for a period of 20 years

Note /1: Based on Municipal Market Rates March 12, 2024

# Cost per Enplanement (CPE) Comparison – FY 2022



NOTES: 1 Differences exist between airports' CPE (what is included or excluded in airport rate base, how revenue sharing is considered).

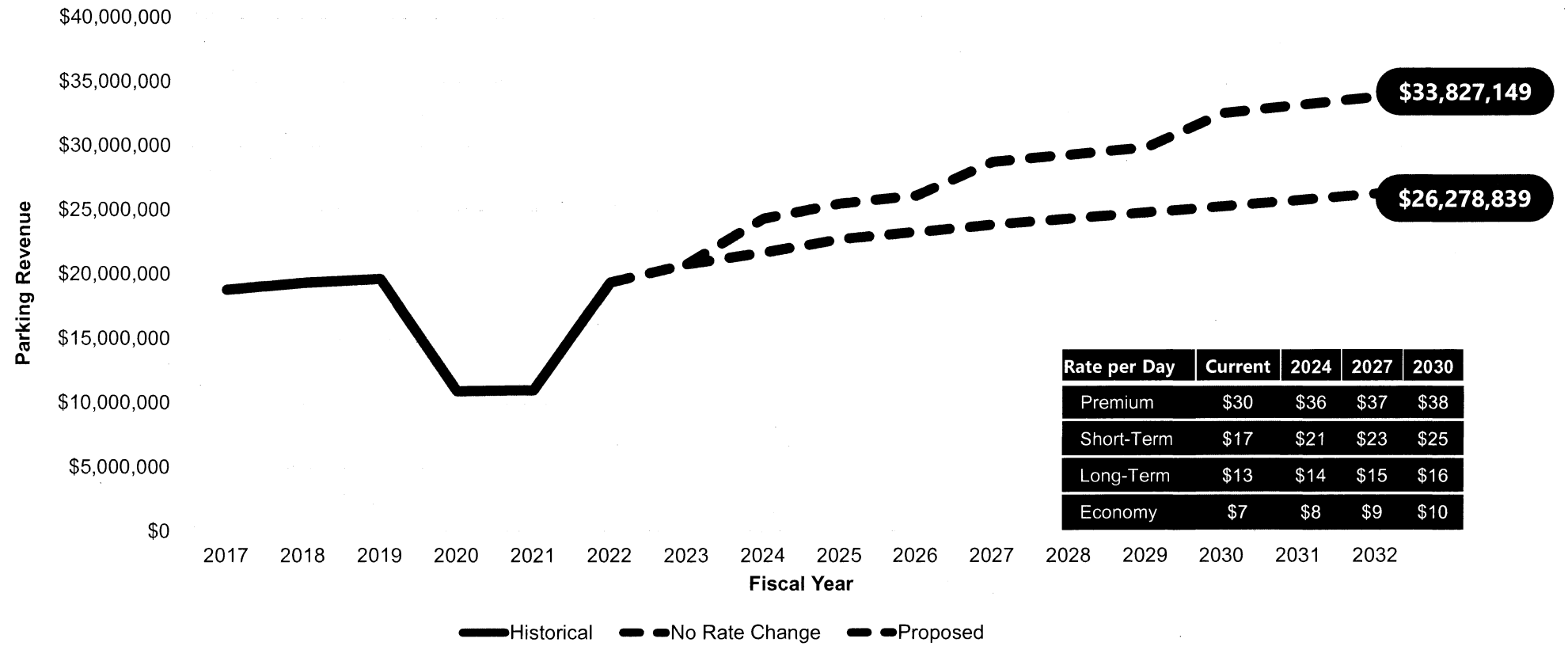
2 Normalized to eliminate the revenue anomalies of COVID grants and recent revenue gains the County recently experienced.

SOURCE: Federal Aviation Administration, Certification Activity Tracking System (CATS) Form 127, February 2024; Ricondo & Associates, March 2024.

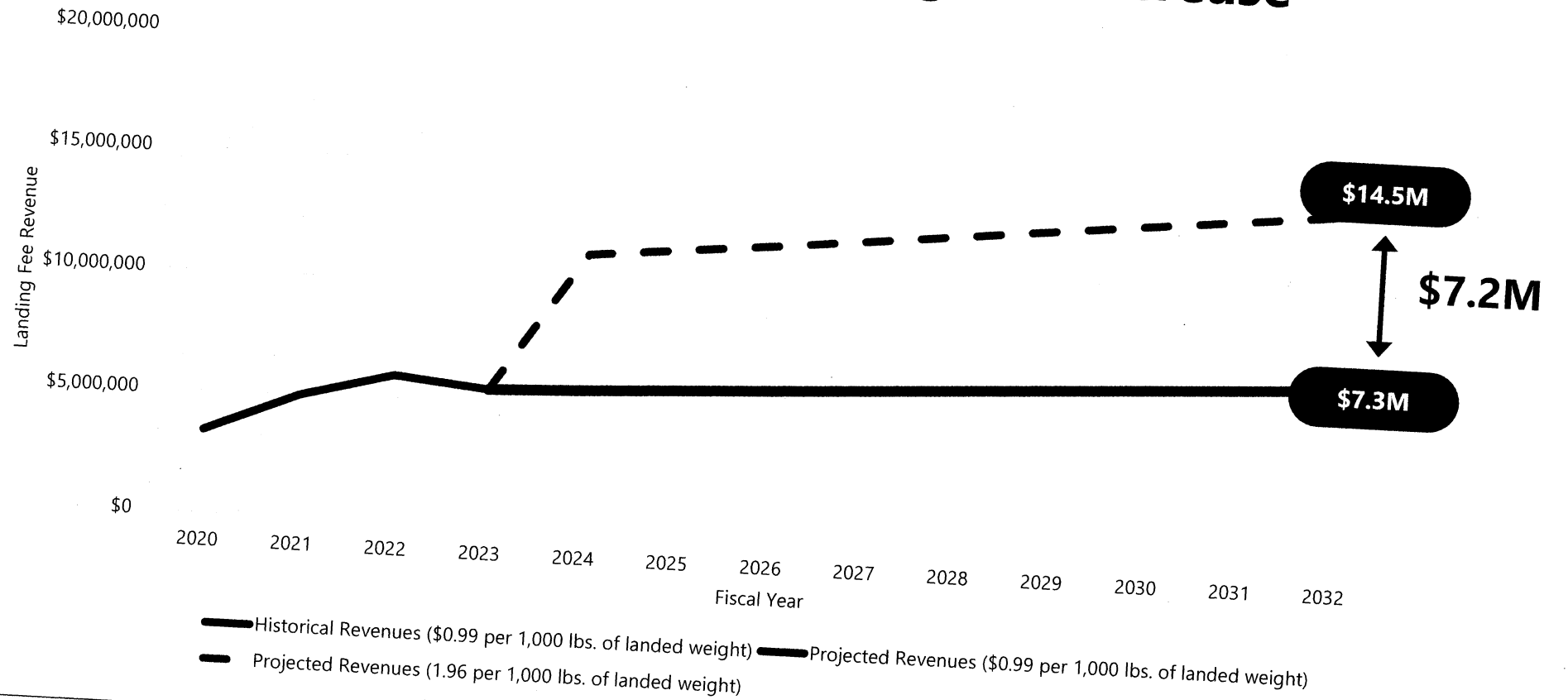
# Proposed Revenue Increases

- **Adjustments to certain non-airline fees are warranted based on benchmark analysis of peers**
  - **Increased non-airline revenues will:**
    - Offset cost of debt service
    - Ensure cost per enplanement to airlines is maintained at, or below, peer airports
  - **Public Parking Fees**
    - Last adjusted in 2009
    - Costs of operation, management, repair and maintenance have significantly increased since 2009
  - **General Aviation Landing Fees**
    - Established in 2008, based on landing fees established for the signatory airlines per 1000 lbs. of maximum gross takeoff weight
    - Based aircraft based on a maximum of 12 landings per month
  - **General Aviation Fuel Flowage Fees**
    - Established in 1987
    - \$0.05 per gallon of fuel
-

# Impact of Public Parking Fee Increases



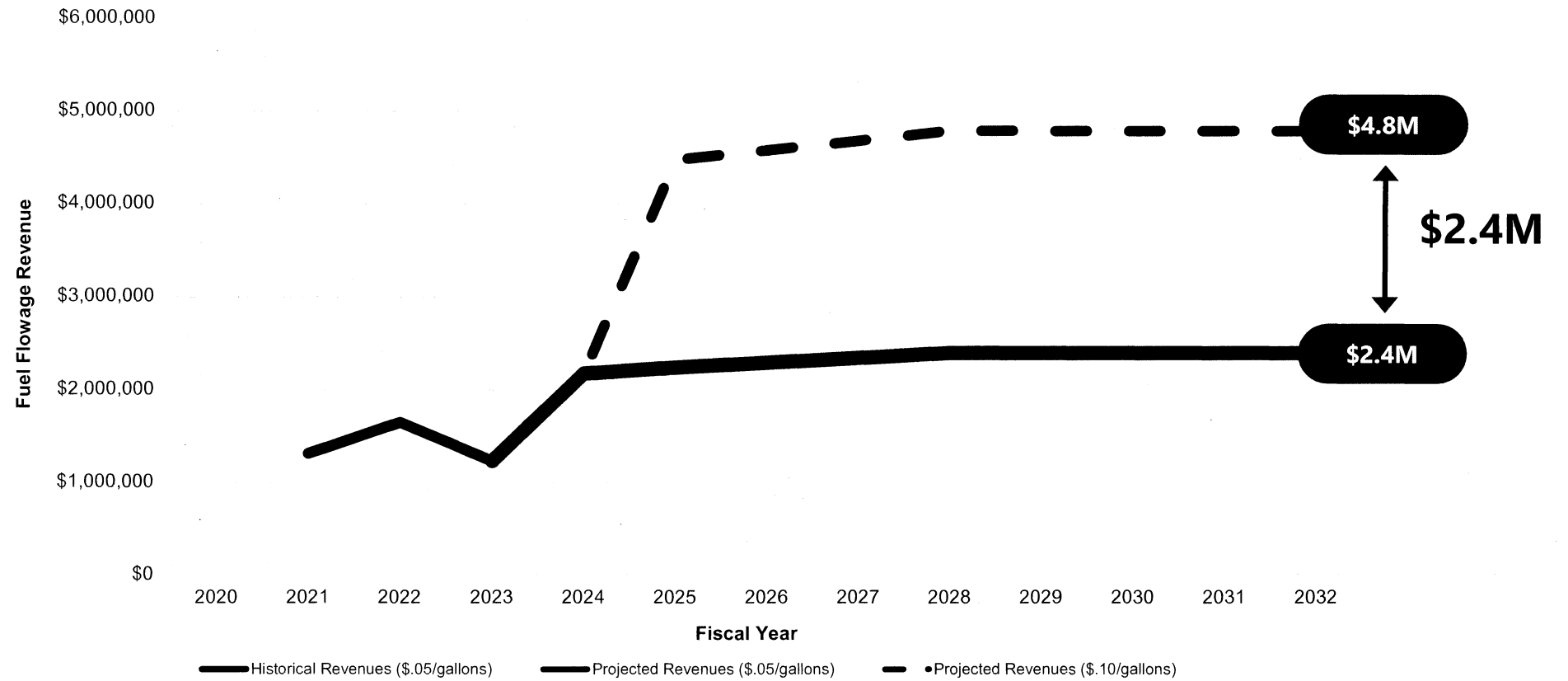
# Impact of General Aviation Landing Fee Increase



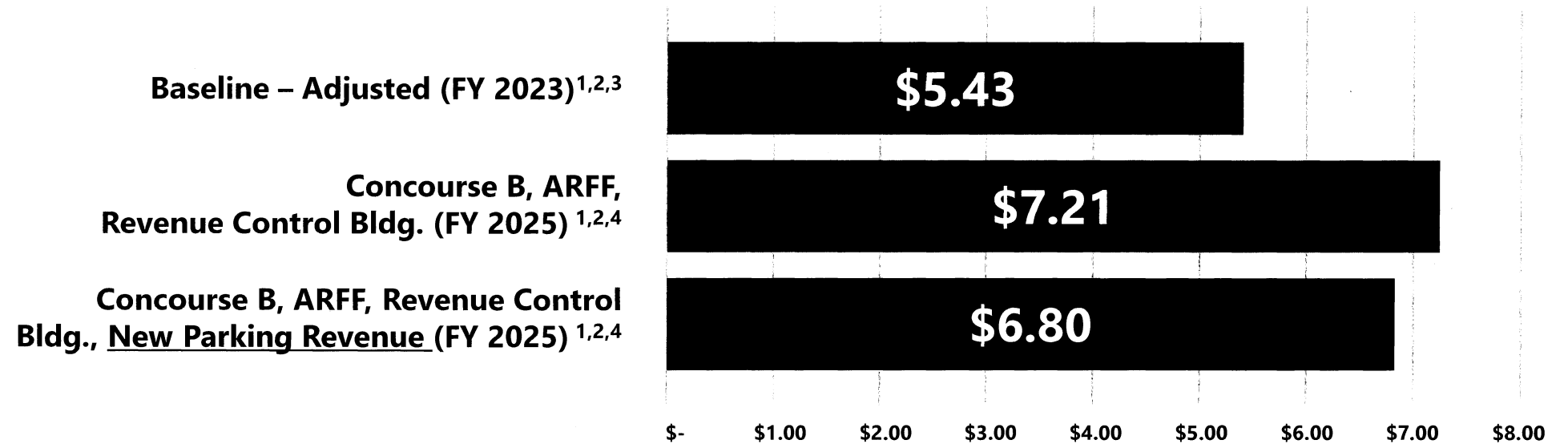
NOTE: 1 These revenues were developed based on projected fleet mix, and representative aircraft's average between Max landing Weight and Operating Empty Weight.  
 SOURCE: Ricondo & Associates, March 2024.



# Impact of Fuel Flowage Increase



# Cost per Enplanement Impact with Bond Issuance for Concourse B, ARFF, and Revenue Control Building



**NOTES:**

- 1 Normalized to eliminate the revenue anomalies of COVID grants and recent revenue gains the County recently experienced.
- 2 O&M expense reserve charges were adjusted to account for prior year net-COVID and current year no COVID.
- 3 Assuming no new debt current baseline CPE of \$5.43 plus additional parking revenue result in CPE of \$5.02.
- 4 Assumes the issuance of \$100M in bonds.

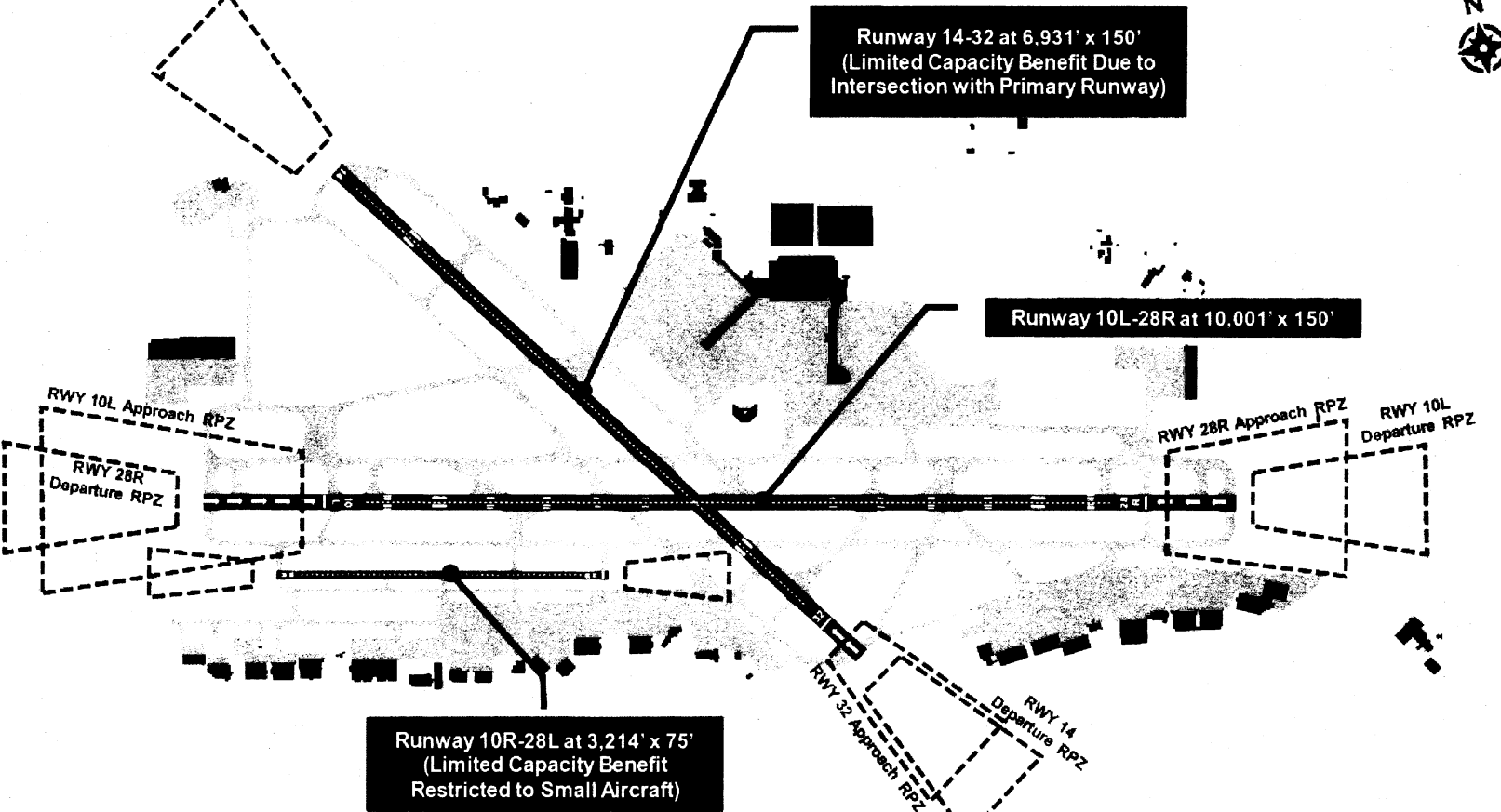
SOURCES: Ricondo & Associates, March 2024.

## **Bonds to Start of Construction**

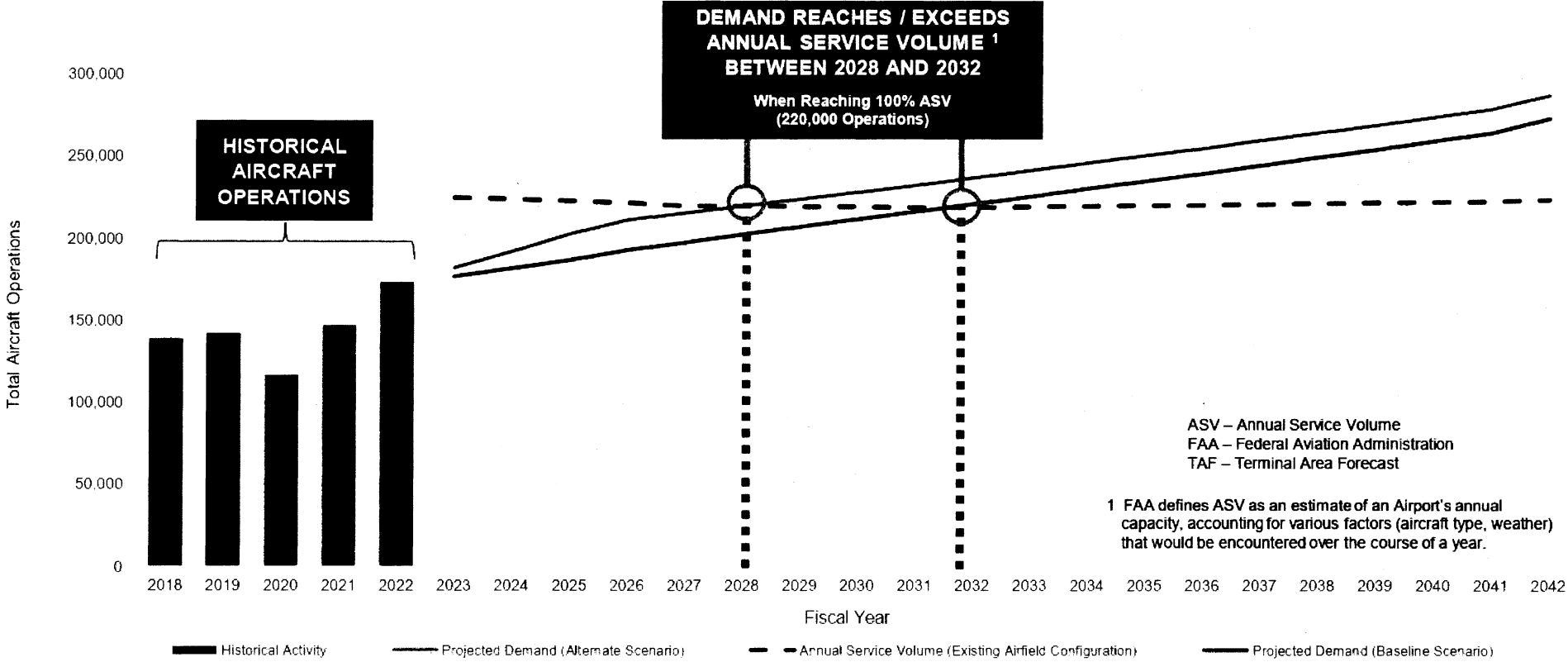
- **Prepare Report of Airport Consultant (Financial Feasibility Report/Project Justification)**
- **Approval of County Financing Committee – Summer 2024**
  - Prepare Bond Resolution and related documents – Summer/Early Fall 2024
- **Approval of Bond Resolution – Late Fall 2024**
- **Award of construction contracts – Winter 2024/25**
  - Commencement of construction:
    - ARFF Station/Revenue Control Building – Spring 2025
    - Concourse B Phase 3 – Fall 2025

# **PBI Airfield Improvement**

# Existing Airfield Limitations and Constraints



# Current Projections



# Potential Impact of F45 Runway Extension Project

- **North Palm Beach County General Aviation Airport (F45) Runway 14-32**
  - Current: 4,300 feet long/75 feet wide
  - Proposed: 6,000 feet long/100 feet wide
- **Project has potential to shift some of the general aviation business jet traffic from PBI to F45**

Some Operations at PBI Could Potentially Benefit from the Runway Extension at F45

Year	Annual Operations (ANOMS) of Business Jet Aircraft Operating at PBI Requiring 4,300' to 6,000' Takeoff Length <sup>1</sup>	Total Annual Operations Captured by ANOMS <sup>1</sup>	Percent of Total
2015	13,399	127,409	10.5%
2016	15,294	136,967	11.2%
2017	13,799	127,814	10.8%
Average:			10.8%

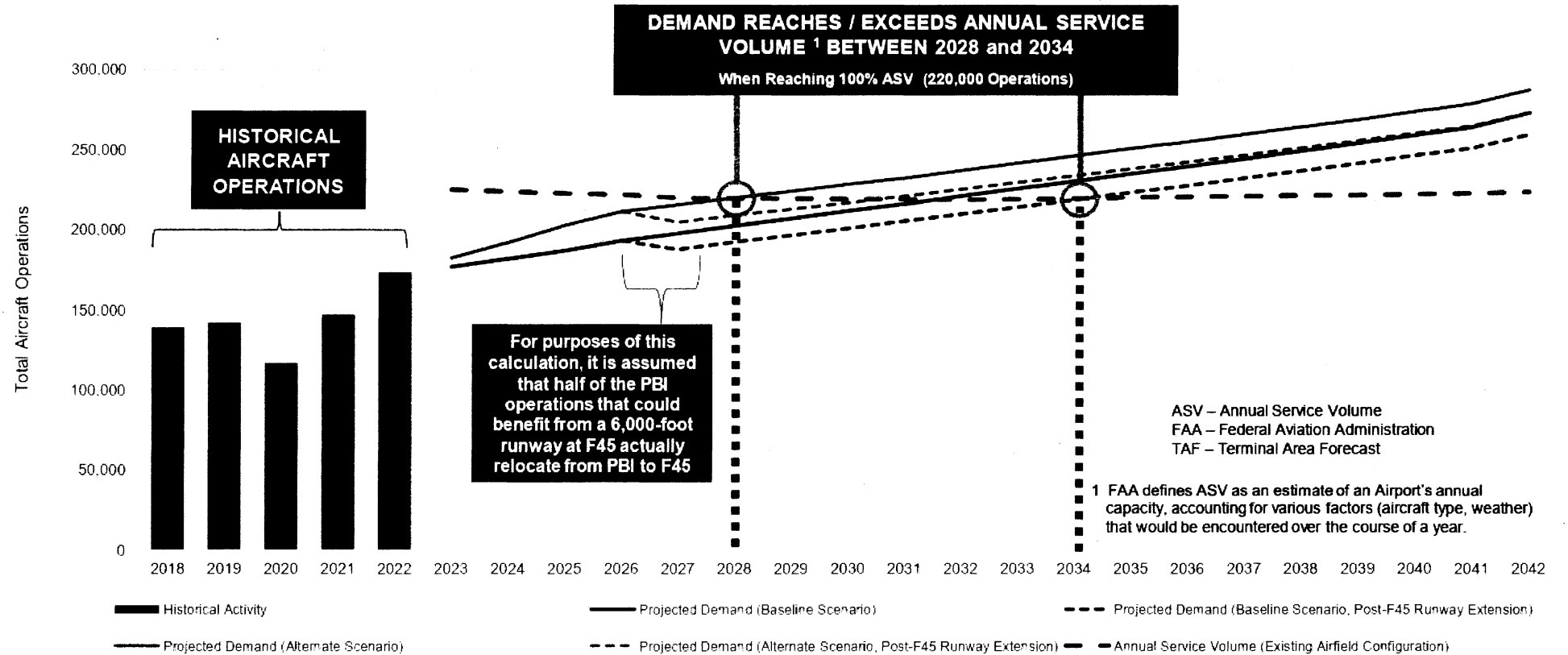
The availability of additional runway length at F45 up to 6,000 feet does not guarantee that all 10.8% of the PBIA operations noted above capable of operating with a 6,000-foot runway would relocate to F45

**Notes:**

<sup>1</sup> Annual operations by Airport Reference Code B-II, C-I, and C-II medium-sized business jets based on their individual runway takeoff length calculated for local conditions at F45. Operational values based on Airport Noise and Operations Monitoring System (ANOMS) data between January 1, 2015 and December 31, 2017, aircraft manufacturers, industry databases, aircraft performance manuals, and ESA analysis, 2018.

Source: Runaway Extension Justification Study, Environmental Assessment for the Extension of Runway 14-32, North Palm Beach County General Aviation Airport (F45), Environmental Science Associates, December 6, 2018; Ricondo & Associates, Inc., September 2022.

# PBI Forecasted Demand with F45 Runway Extension





# Impact of No Action

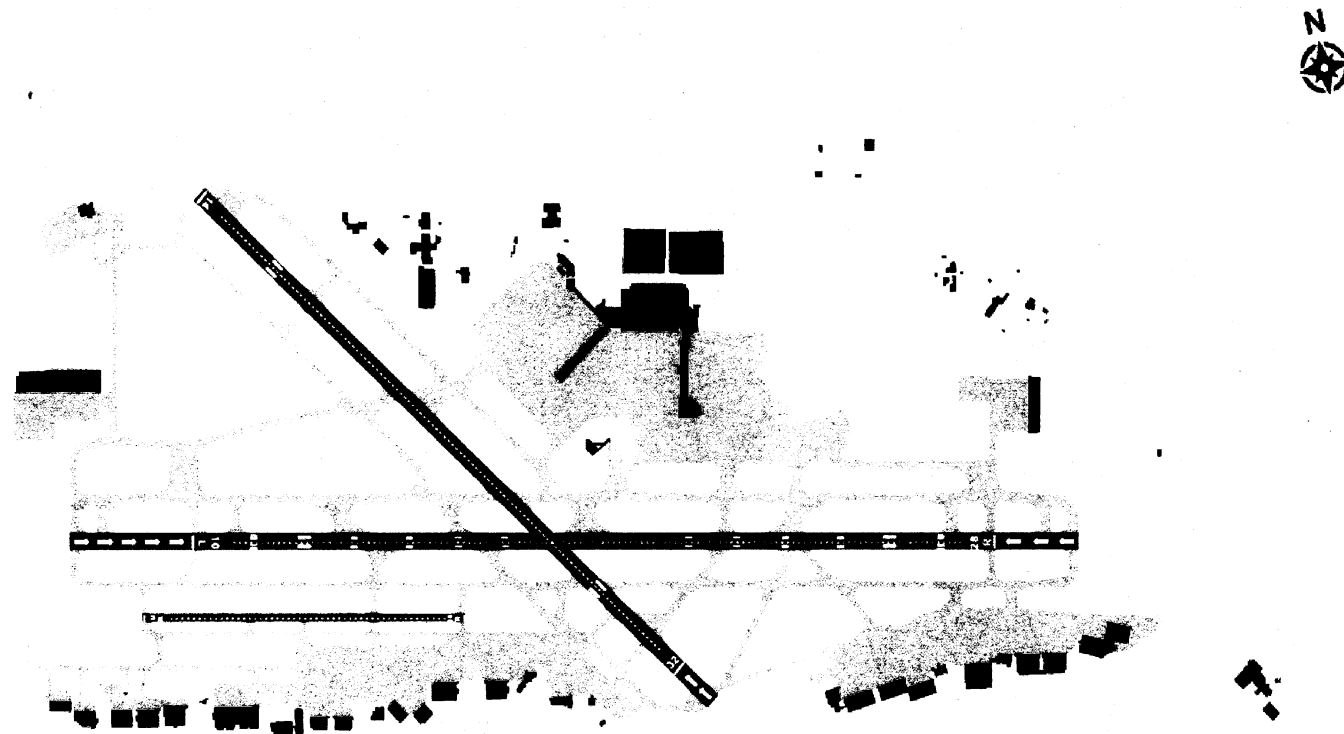
Increased delays

Reduced commercial air service

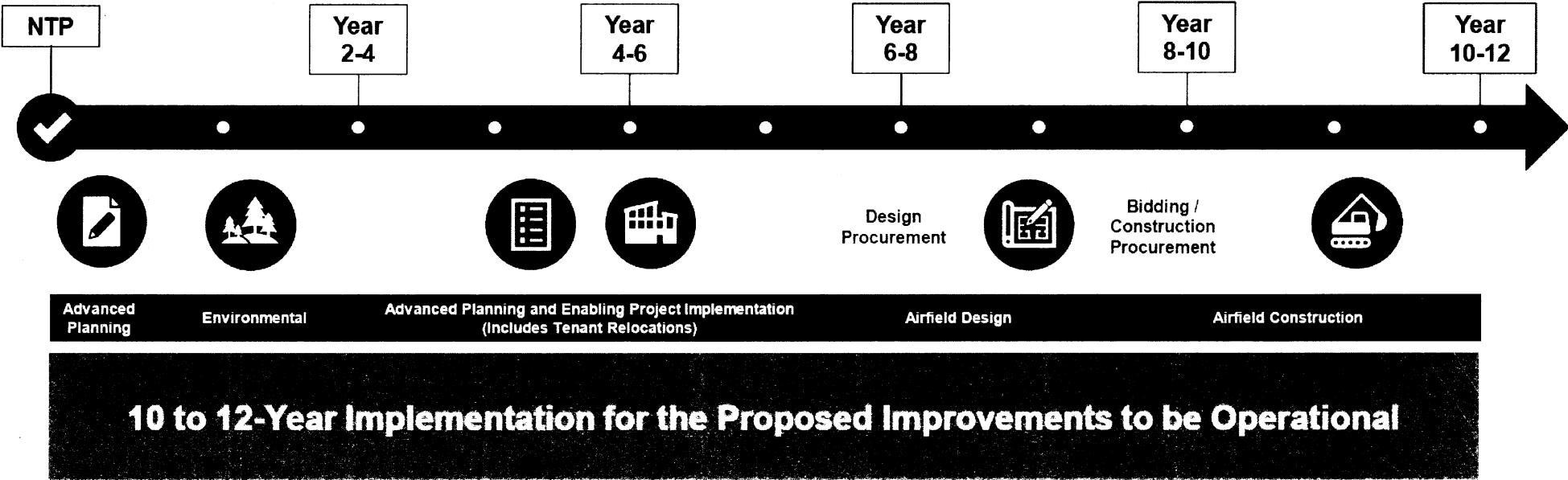
Economic impacts

Increased aircraft emissions

Increased frequency of  
alternative headings



# Projected Timeline for Implementation



NTP – Notice to Proceed

## **Project Planning - Next Steps**

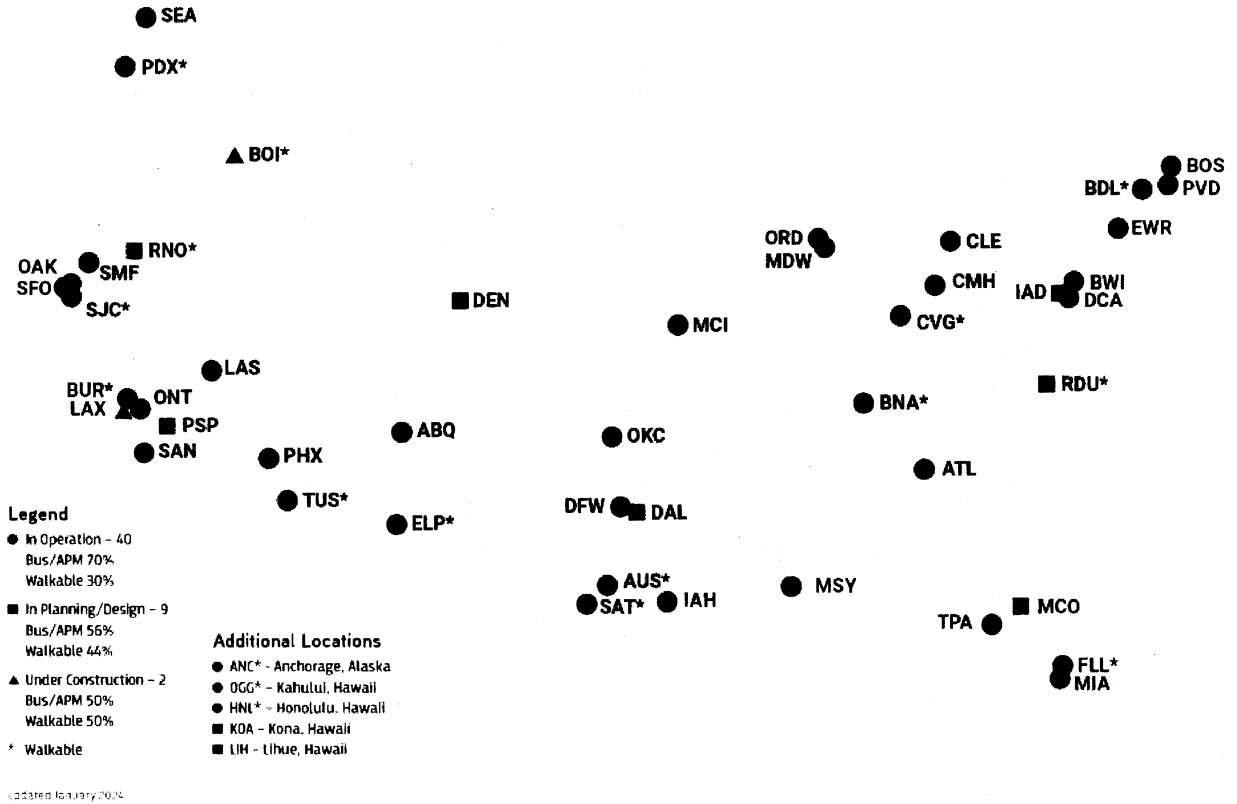
- **Preliminary project planning**
- **Consultation with stakeholders**
  - Federal Aviation Administration
  - Community/Citizens Committee on Airport Noise
- **Consultant Selection**
- **Scoping**
  - Identifying the potential environmental issues requiring review
- **Start of environmental review process**

# **PBI Consolidated Rent-A-Car (ConRAC) Facility**

# Standalone ConRAC Location Trends

**What's Included in a ConRAC?**

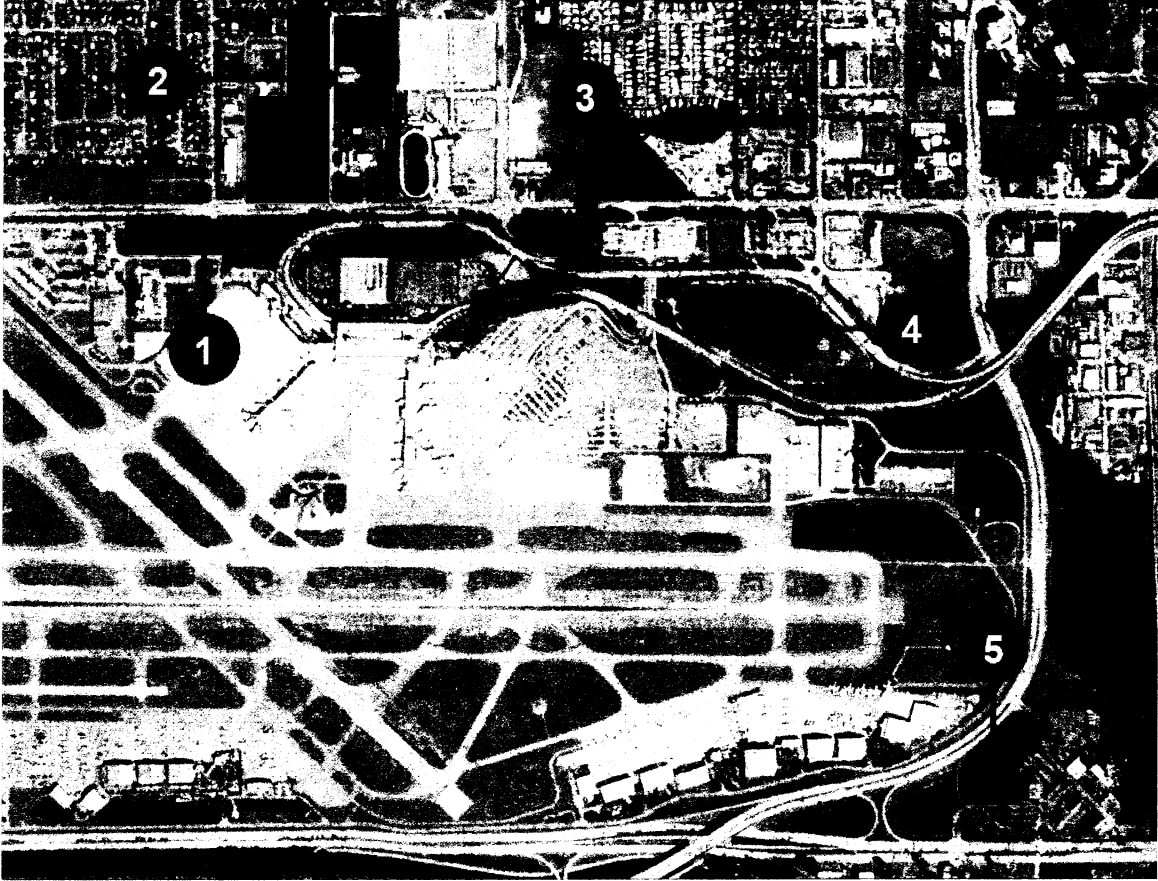
1. Customer service area
2. Ready/return spaces
3. Quick Turnaround Area (QTA)
4. Overflow vehicle storage



# Facility Requirements


Facility Components	Rental Car Facility Requirements			
	2023	2030 (Opening)	2040	2050
<b>Customer Service Counters</b>	39	39	39	39
<b>Vehicle Areas:</b>				
Ready/Return Spaces	1,054	1,282	1,602	
Stacking and Staging Spaces	304	368	456	576
Close-in Vehicle Storage Spaces	600	730	912	1,144
<b>Total Spaces</b>	<b>1,958</b>	<b>2,380</b>	<b>2,970</b>	<b>3,729</b>
<b>Service Facilities:</b>				
Fueling/EV Positions	38	46	57	72
Wash Bays	12	15	18	23
Maintenance Bays	8	9	11	14
<b>Other:</b>				
Administrative Area (sq. ft.)	2,000	2,400	3,000	3,800
<b>Total Area Required (sq. ft.)</b>	<b>730,900</b>	<b>886,300</b>	<b>1,103,400</b>	<b>1,382,500</b>
	<b>17 Acres</b>	<b>20 Acres</b>	<b>25 Acres</b>	<b>32 Acres</b>

# Potential ConRAC Locations Considered



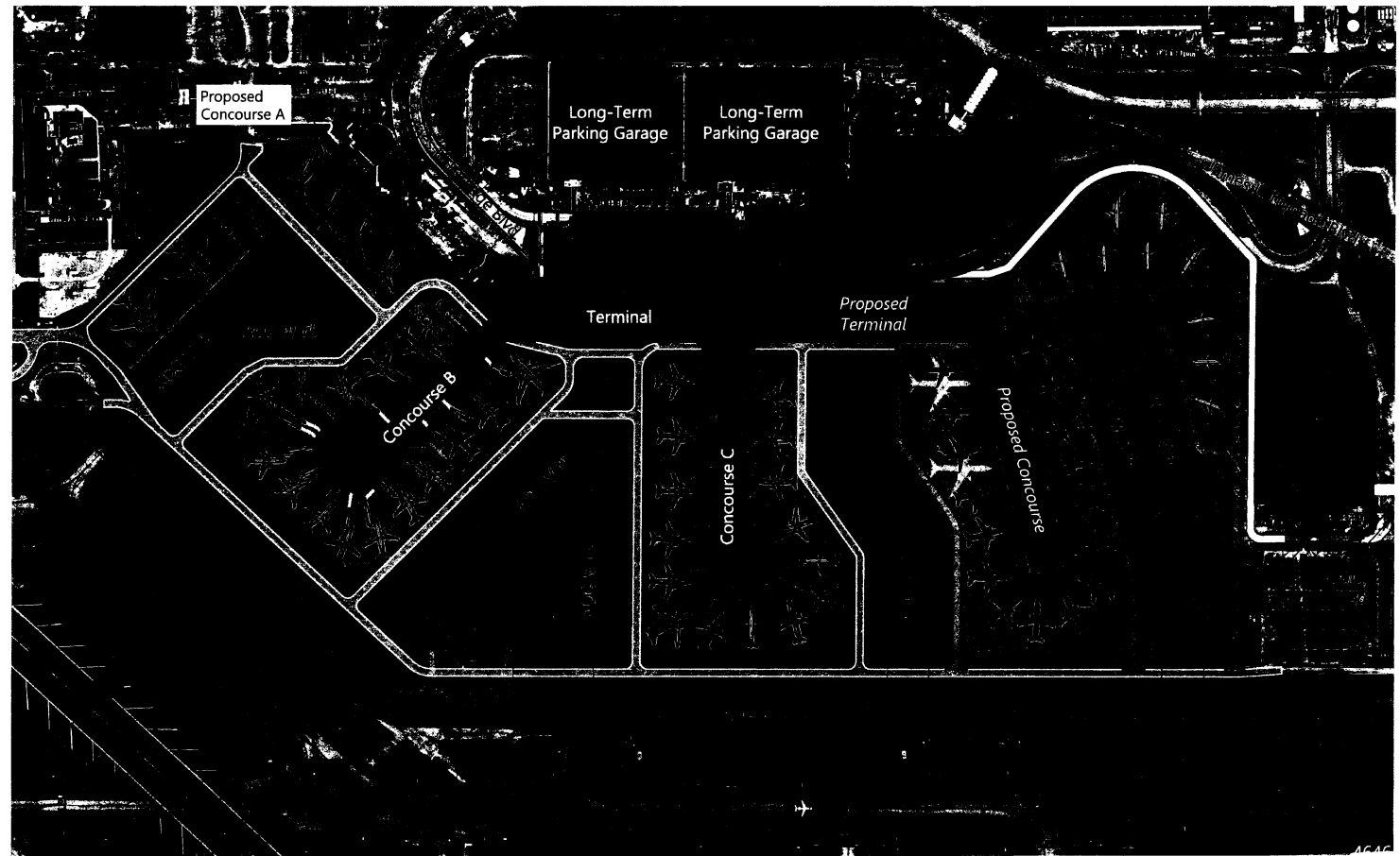
# Potential Terminal Expansion Area

## LEGEND

-  Proposed Building Expansion
-  Apron Pavement
-  Curb / Roadway
-  Airside Vehicle Service Road
-  Landside Vehicle Service Road
-  Proposed (Future) Surface Parking
-  Future Development Area
-  AOA Fence
-  Pavement Marking
-  New Narrowbody Gate
-  Existing Gate

## NOTES:

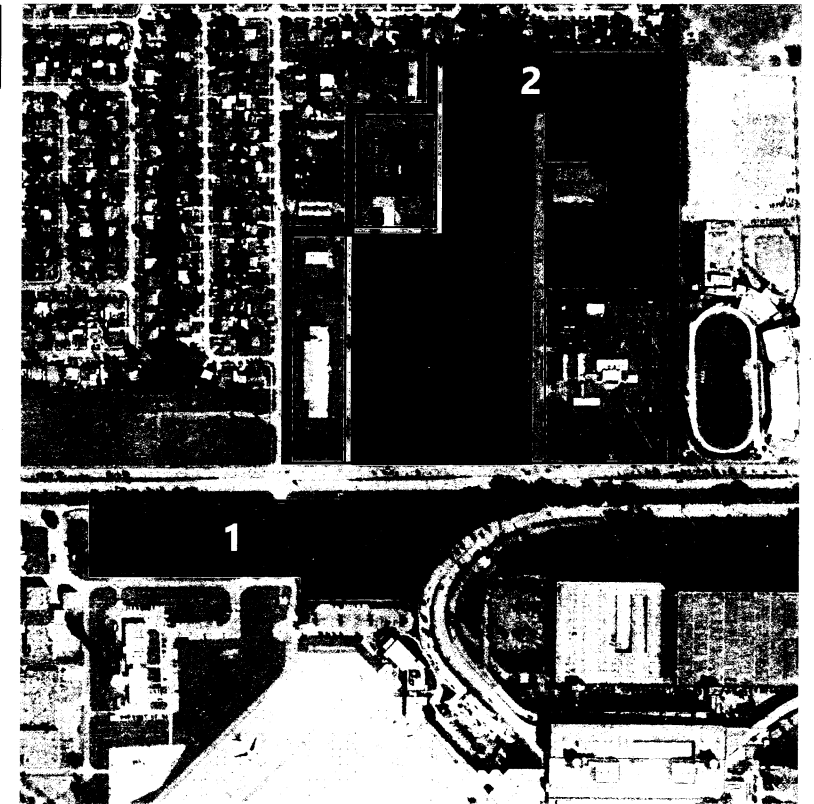
ADG - Airplane Design Group  
 GSE - Ground Support Equipment  
 OFA - Object Free Area  
 TL - Taxiway






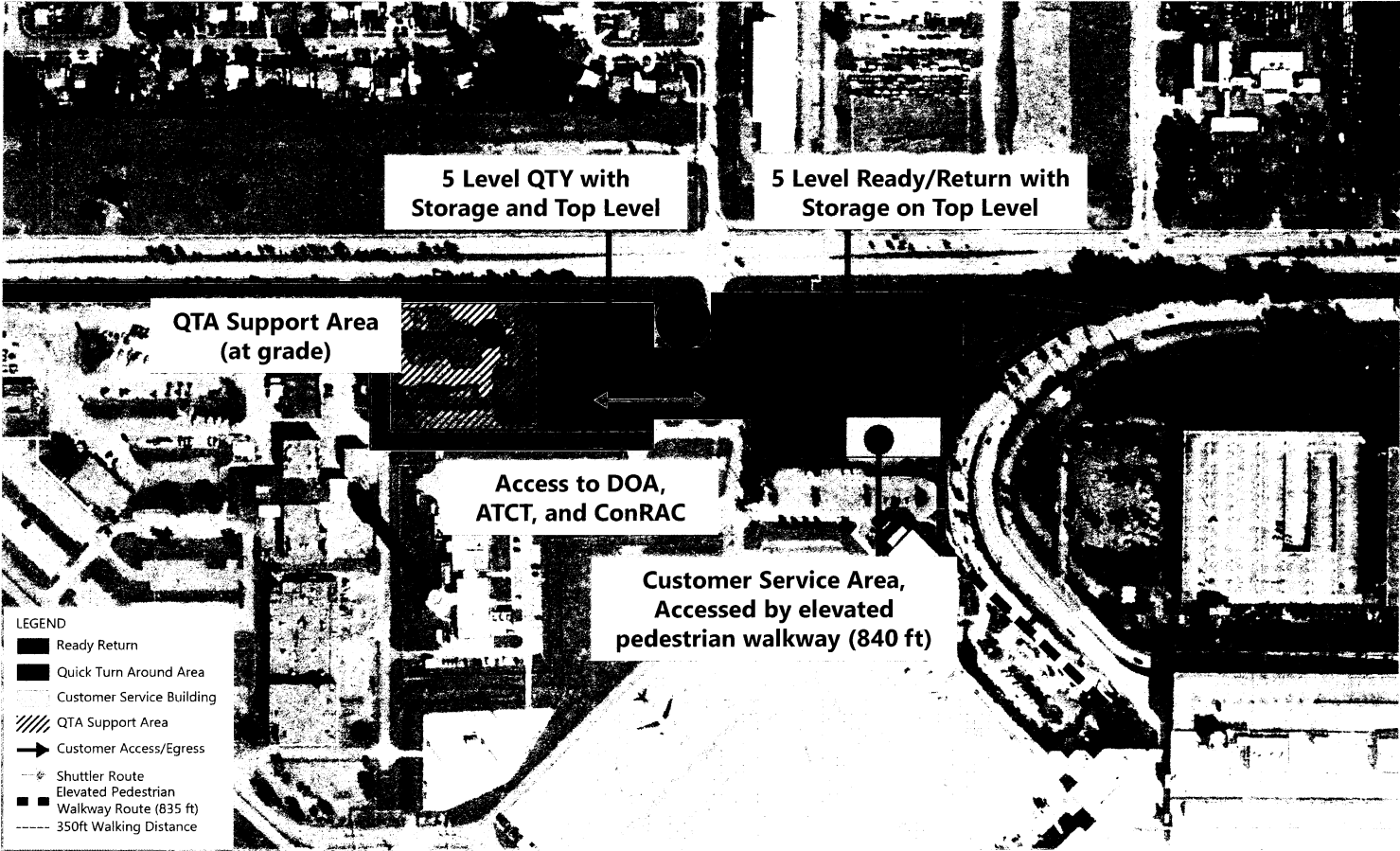
# Potential Sites – Opportunities and Constraints

Site	Size (acres)	Distance (miles)	Opportunities	Constraints
1	5.8	1.1 (walkable distance)	<ul style="list-style-type: none"> <li>• Close proximity to terminal area (walkable)</li> <li>• Limited operational impacts to terminal area during construction</li> <li>• Direct access to Belvedere Rd.</li> </ul>	<ul style="list-style-type: none"> <li>• Small, narrow shape, requires structured parking to accommodate demand.</li> <li>• Portion of the site is currently leased</li> <li>• Limited rental car overflow can be accommodated</li> <li>• Limited expansion opportunity</li> </ul>
2	19.1	1.2 (distance if directly connected across Belvedere Rd.)	<ul style="list-style-type: none"> <li>• Large site</li> <li>• Expandable</li> <li>• Can accommodate future concurrent uses</li> <li>• Close proximity to terminal area</li> <li>• No operational impacts to terminal area during construction</li> <li>• Direct access to Belvedere Rd.</li> </ul>	<ul style="list-style-type: none"> <li>• Not currently walkable, but an elevated automated people mover could connect to the terminal area in the future</li> <li>• Shuttle operation could be used as an interim measure</li> </ul>



 Potential Future Acquisition – 17 acres

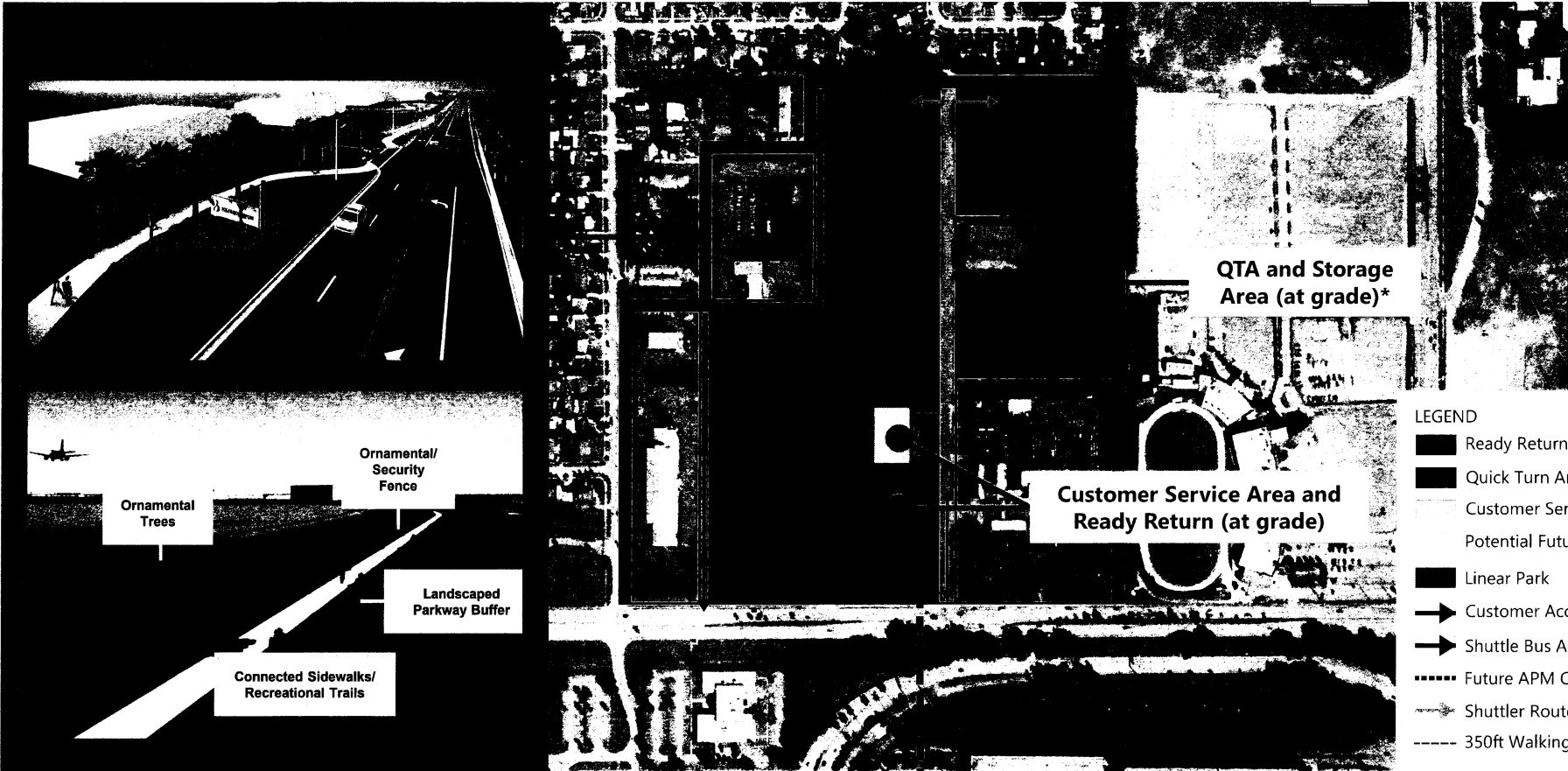
# Site 1 – Terminal Area



\* Approximately 32% of total storage needs accommodated on-site.

# Site 2 – North of Belvedere Road

CR2A  
EB34



- LEGEND**
- Ready Return
  - Quick Turn Around Area
  - ▭ Customer Service Building
  - ▭ Potential Future Acquisition
  - Linear Park
  - ➔ Customer Access/Egress
  - ➔ Shuttle Bus Access
  - ⋯ Future APM Connector
  - ➔ Shuttler Route
  - 350ft Walking Distance

**Slide 49**

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**EB24** Laura: Include parcel to the west (see orange area)

Show potential connection to the terminal

Include a conceptual linear park as a buffer around site from residential uses

Assume design with acquisition of additional parcels to ensure compatibility with the adjacent neighborhoods

Estelle Boudassou, 3/27/2024

**EB34** Updated

Estelle Boudassou, 3/27/2024

# Rough Order of Magnitude Construction Cost Estimates

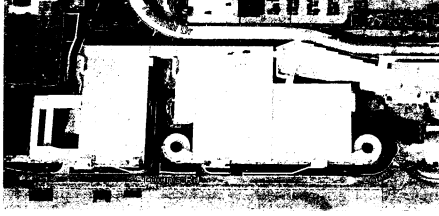
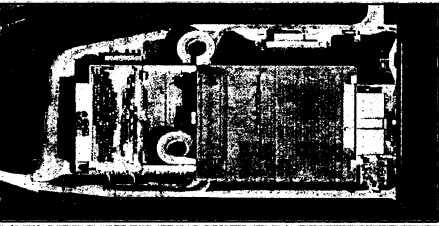
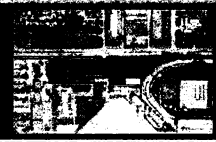
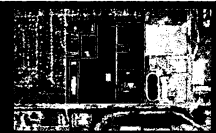
	Site 1 Terminal Area	Site 2 North of Belvedere Road
<b>CONRAC<sup>1/</sup></b>	\$300,000,000	\$168,000,000
<b>Pedestrian Bridge<sup>1/</sup></b>	\$15,000,000	N/A
<b>Annual Busing Operation<sup>2/</sup></b>	N/A	\$3,000,000
<b>TOTAL<sup>3,4/</sup></b>	<b>\$315,000,000</b>	<b>\$171,000,000</b>

Notes:

1. Costs are in 2023 dollars
2. Represents opening year (2030) busing costs, would increase each year with inflation
3. Costs exclude design fees, soft costs, and project/construction contingencies, which are estimated to be ~35% - 38% at this early planning phase (~\$60M-\$120M)
4. Site 2 total cost does not include costs associated with acquisition of additional properties

**An at-grade solution (Site 2) would be 46% less capital cost than a structured solution (Site 1)**

# Comparable Facilities

Airport	2022 Total Passengers	Year Opened	Ready/Return Spaces	Site Footprint	Cost	
Cincinnati/Northern Kentucky International Airport (CVG)		8,700,000	2021	1,800	5 levels on 8 acres	\$134 million <sup>1/</sup> Current CFC = \$6.50 per transaction day
John Glenn Columbus International Airport (CMH)		8,400,000	2021	1,500	4 levels on 11 acres	\$175 million <sup>1/</sup> Current CFC = \$7.50 per transaction day
Palm Beach International Airport (PBI)	 <p data-bbox="1112 920 1335 1060">Site 1</p>  <p data-bbox="1112 1060 1335 1192">Site 2</p>	7,700,000	--	2,000	Site 1 - 5 levels on 5.8 acres Site 2 - At-Grade on 19.1 acres	Refer to Slide 48

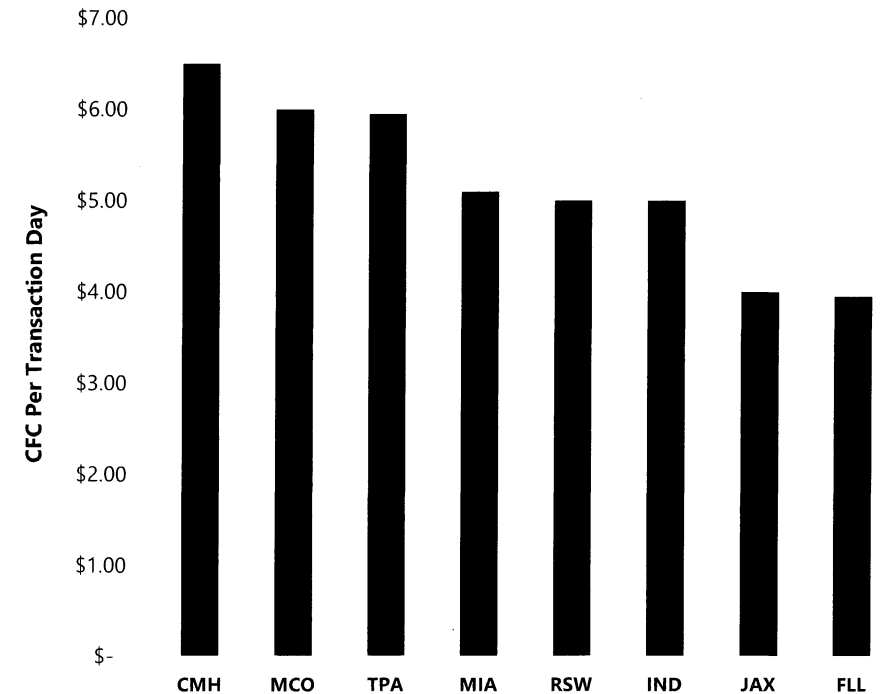
Notes:  
1/ Costs established pre-COVID

# CONRAC Funding Source

## ▪ Customer Facility Charge

- Established by the airport sponsor and collected by rental car companies from their customers to pay for operating expenses and debt service
- Charged on a per day transaction basis
- Can be used to recover costs associated with anything rental car related
  - Relocation of existing facilities, construction of new facilities (including design fees and enabling projects), land acquisition costs, etc.
- CFC rate and implementation process not regulated in the State of Florida
- Provides airport sponsor maximum control of site/facility and future uses

CFCs at Florida and Comparable Airports  
as of January 2024



# Customer Facility Charge (CFC) Revenue Recommendation

Year	CFC Level (per transaction day)	Approximate CFC Revenue <sup>1/</sup>
<b>2030</b>	\$4.00	\$139 M
	\$6.00	\$207 M
	<b>★ RECOMMENDED</b> \$8.00	\$275 M
<b>2035</b>	\$4.00	\$197 M
	\$6.00	\$303 M
	<b>★ RECOMMENDED</b> \$8.00	\$398 M

Notes:

1/ Assumes collections would begin in Q1 2025, and end of collections would match the end date of financing, typically 30 years.



# **Actions Needed for ConRAC Implementation**

- **Consult with rental car companies to discuss future ConRAC opportunity, including dates for project implementation/completion**
- **Establish a Customer Facility Charge (CFC) in anticipation of the future construction of a ConRAC to create dedicated funding source**
  - Commence collection of CFCs
- **Refine facility requirements**
  - Prepare a conceptual plan and schedule
  - Develop a financial plan
  - Property acquisition/planning/design
- **Issue CFC Revenue Bonds**
- **Award Construction Contract**

LR14  
EB37

# Potential Airport Hotel Locations

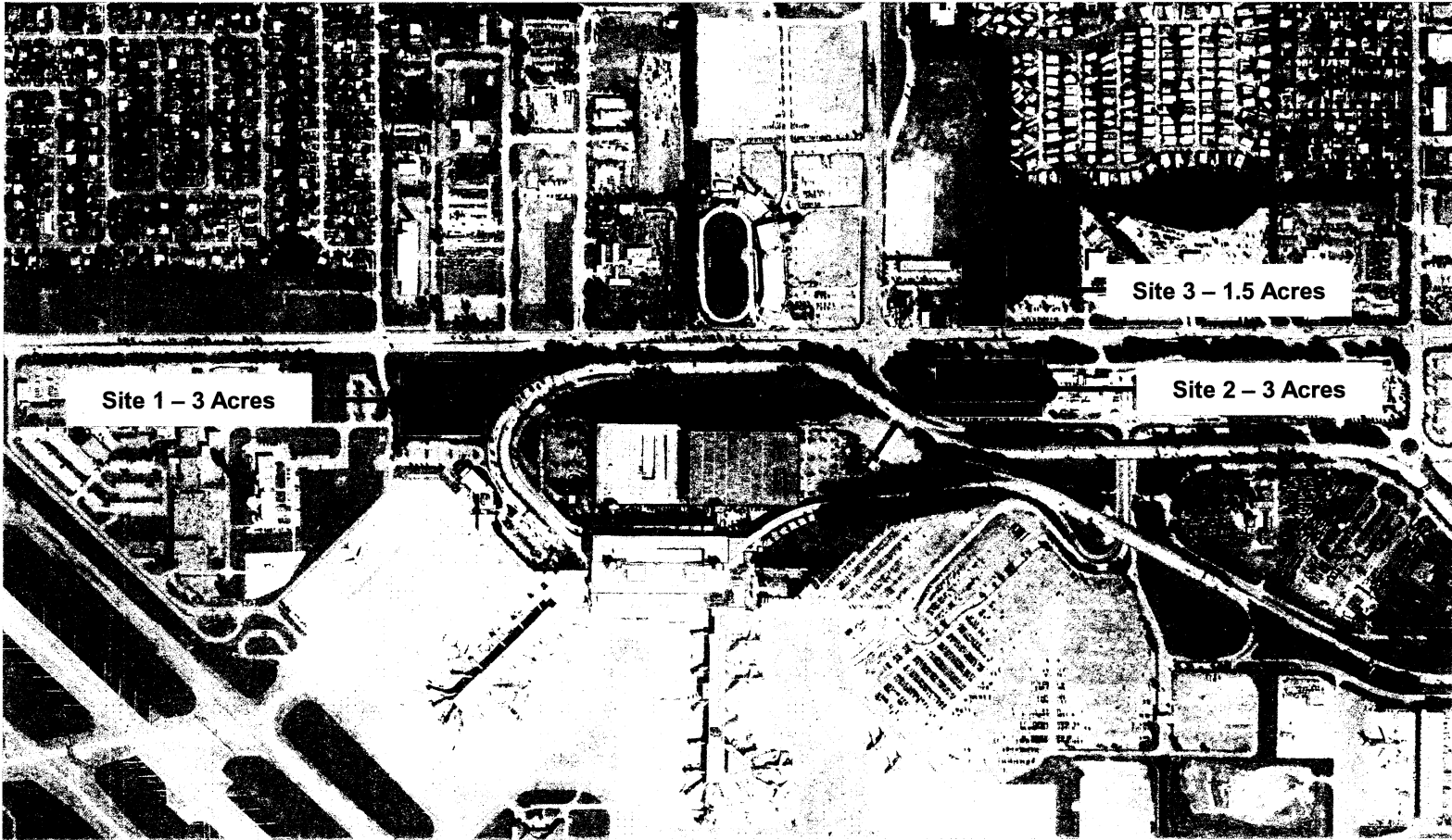
**Slide 55**

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**LB14**    **Add to the agenda slide**  
Laura Beebe, 3/25/2024

**EB37**    **updated**  
Estelle Boudassou, 3/28/2024

# Potential Hotel Locations



LB21

**SUPPLEMENTAL**



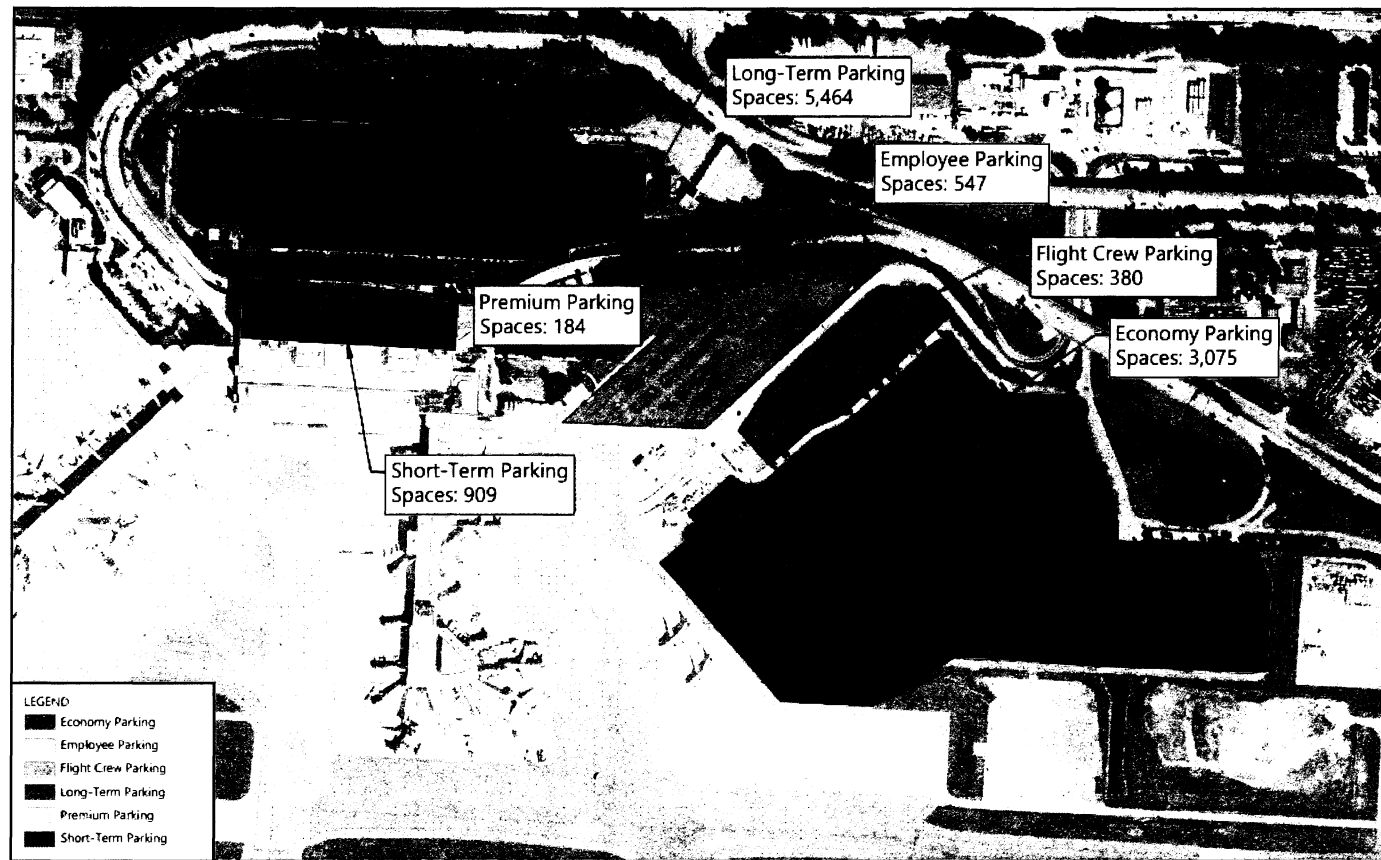
# Parking Rate Benchmark Analysis

	PREMIUM	SHORT-TERM	LONG-TERM	ECONOMY
FLL		\$ 36.00	\$ 15.00	
CMH		\$ 30.00	\$ 22.00	\$ 11.00
ONT		\$ 27.00	\$ 16.00	\$ 13.00
MIA		\$ 25.00	\$ 25.00	\$ 12.00
BDL		\$ 25.00	\$ 25.00	\$ 10.00
TPA		\$ 24.00	\$ 20.00	\$ 12.00
JAX		\$ 24.00	\$ 14.00	\$ 8.00
CHS		\$ 21.00	\$ 17.00	\$ 11.00
MCO		\$ 19.00	\$ 19.00	\$ 10.00
RSW		\$ 18.00	\$ 11.00	
PBI	\$ 30.00	\$ 17.00	\$ 13.00	\$ 7.00
<b>Average</b>		<b>\$ 24.18</b>	<b>\$ 17.91</b>	<b>\$ 10.44</b>

NOTES: BDL – Bradley International Airport; CHS – Charleston International Airport; CMH – John Glenn Columbus International Airport; FLL – Fort Lauderdale–Hollywood International Airport; JAX – Jacksonville International Airport; MCO – Orlando International Airport; MIA – Miami International Airport; ONT – Ontario International Airport; PBI – Palm Beach International Airport; RSW – Southwest Florida International Airport; TPA – Tampa International Airport

SOURCES: Palm Beach County, January 2023 (parking and benchmarking data); Ricondo & Associates, Inc., March 2023 (review of peer airport websites and analysis).

# PBI Public Parking Locations





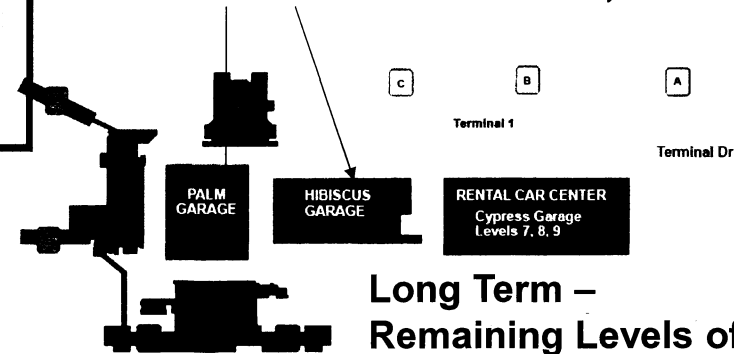
# Fort Lauderdale-Hollywood International Parking



**FLL Short Term is equivalent to PBI Long Term**

**Overflow**

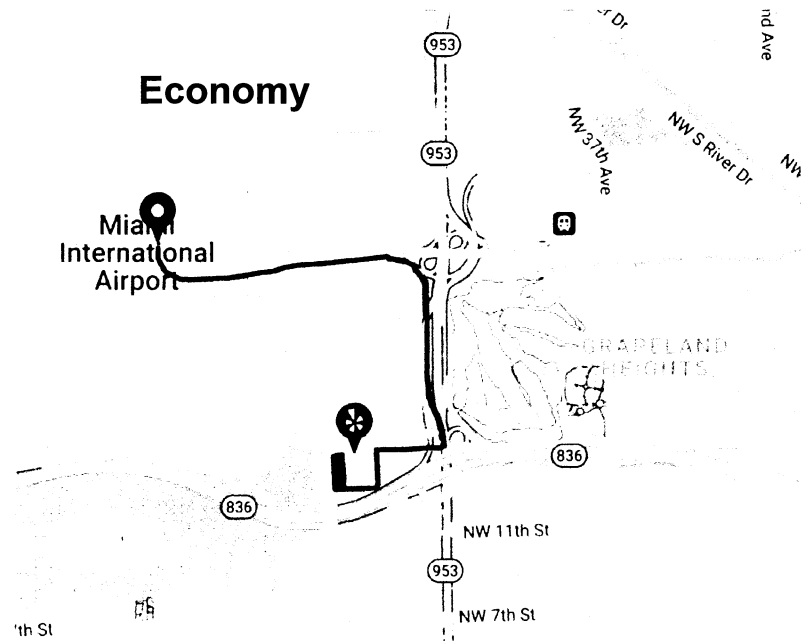
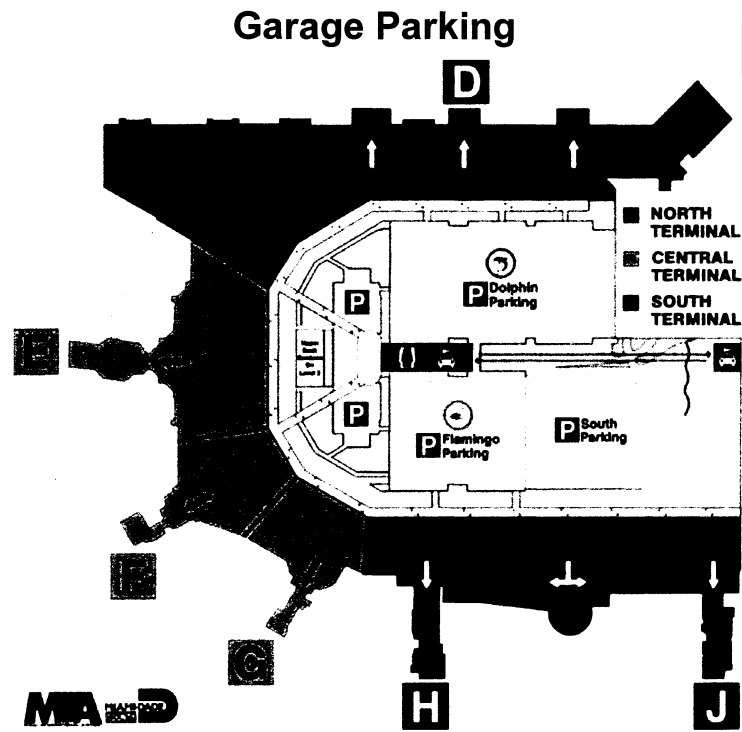
**Short Term – Level 1 Palm; Level 2 Hibiscus**



**Long Term –  
Remaining Levels of Palm  
& Hibiscus; Cypress**

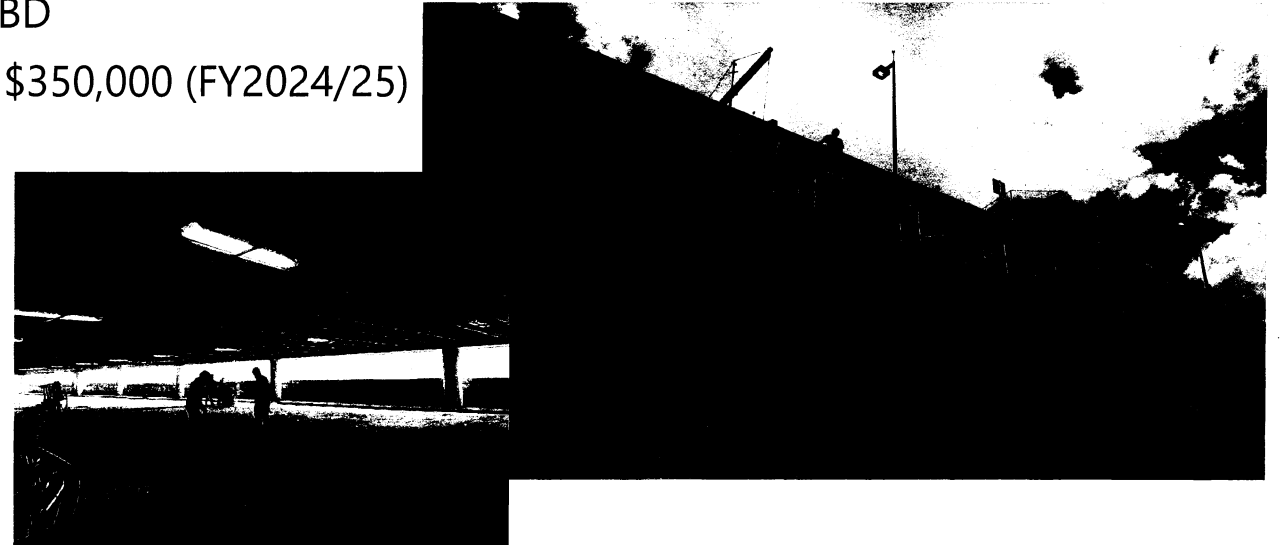
# Miami International Parking

MIA Garage Parking is equivalent to PBI Long Term



## Increased Capital Costs

- Phase I – Short/Old Long Term Repairs - \$3.3M\*
- Phase II – Estimated New Long Term Repairs - \$2.6M\*
- Economy Lot/Long Term Surface Lot Repairs – TBD
- Garage Elevator Replacement - TBD
- Shuttle Bus Replacement Costs - \$350,000 (FY2024/25)



\*Costs do not include design, construction management or construction administration

## Public Parking Operation and Maintenance Costs

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Employee Compensation and Benefits	\$66,407	\$69,940	\$69,908	\$36,975	\$90,522
General and Administrative	\$2,699,884	\$2,482,985	\$2,070,477	\$1,881,728	\$2,735,506
Maintenance	\$478,150	\$631,863	\$461,645	\$475,379	\$656,075
Contracted Security Services	\$3,426,697	\$3,619,703	\$3,655,643	\$3,523,527	\$3,685,934
Utilities	\$380,501	\$465,969	\$390,381	\$294,253	\$488,739
<b>TOTAL</b>	<b>\$7,051,640</b>	<b>\$7,270,461</b>	<b>\$6,648,054</b>	<b>\$6,211,863</b>	<b>\$7,656,776</b>

## General Aviation Landing Fee Benchmark Analysis

Airport Code	PBI	ANC	ASE	AZA	DAL	JAX	SUN	TLH
Airport Name	Palm Beach International Airport	Anchorage International Airport	Aspen/Pitkin County Airport	Phoenix-Mesa Gateway Airport	Dallas Love Field	Jacksonville International Airport	Friedman Memorial Airport	Tallahassee International Airport
Share of General Aviation Operations (FY 2022)	<b>70%</b>	<b>48%</b>	<b>68%</b>	<b>33%</b>	<b>43%</b>	<b>28%</b>	<b>81%</b>	<b>45%</b>
General Aviation Landing Fee	<b>\$0.99</b> per 1,000 lbs. CMGTW <sup>1</sup>	<b>\$1.87-\$2.33</b> per 1,000 lbs. CMGTW <sup>2,3</sup>	<b>\$9.93</b> per 1,000 lbs. of MCGLW	<b>\$2.10</b> per 1,000 lbs. of MCGLW	<b>\$6.55</b> per 1,000 lbs. of MCGLW	<b>\$4.51</b> per 1,000 lbs. of MCGLW	<b>\$2.75 - \$4.40</b> per 1,000 lbs. of MCGLW <sup>3</sup>	<b>\$4.54</b> per 1,000 lbs. of MCGLW

NOTES: CMGTW = Certified Maximum Gross Takeoff Weight; MCGLW = Maximum Certified Gross Landing Weight

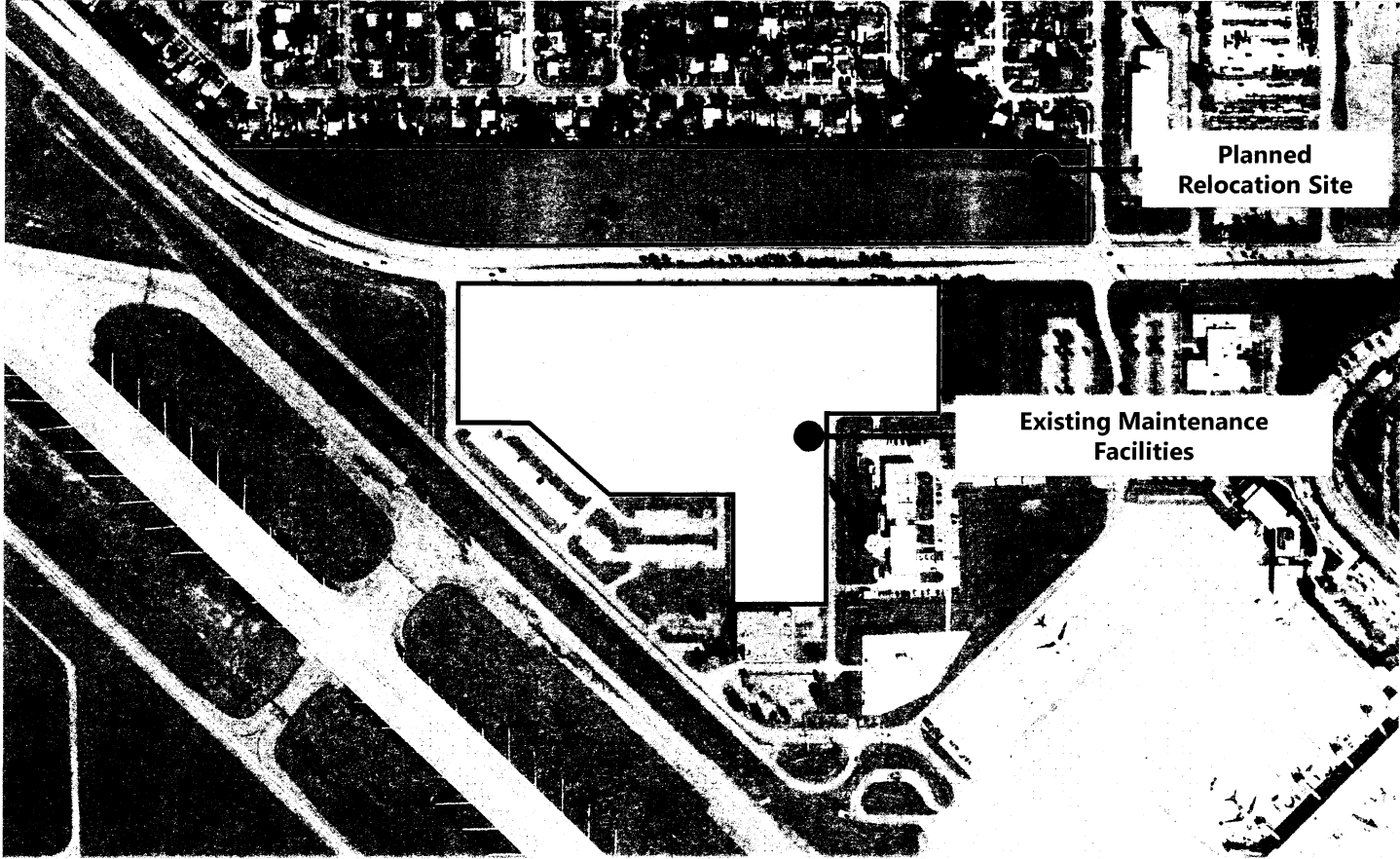
<sup>1</sup> Or a minimum landing fee of \$15.

<sup>2</sup> Landing fee only applied to aircraft with a Certified Maximum Gross Takeoff Weight of 6000 lbs.

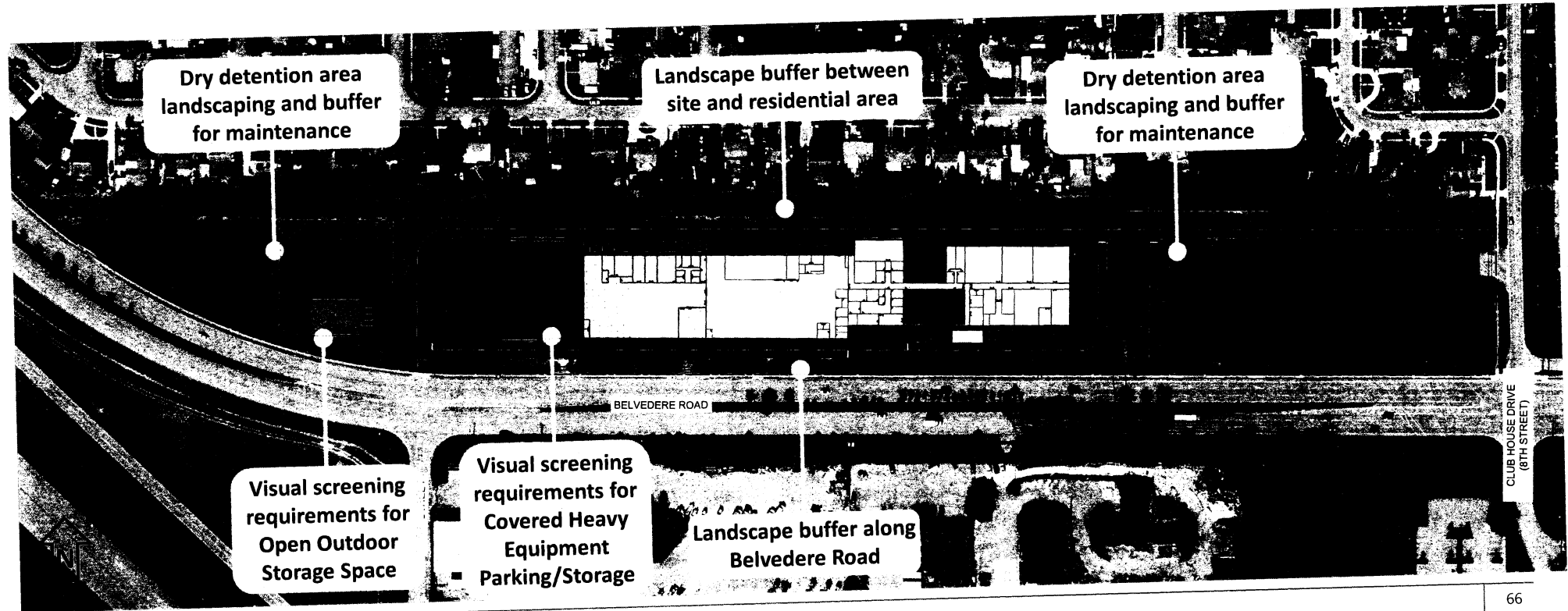
<sup>3</sup> Ranges were provided for airports that have different landing fees based on aircraft weight category.

SOURCES: Federal Aviation Administration, Terminal Area Forecast, March 2024; Airport Rates and Charges Documents, March 2024.

# PBI Maintenance Facility



# Relocated PBI Maintenance Facility



# Parking Rate Alternatives

