

★ **Roll Call Number**

Agenda Item Number

44

Date June 8, 2015

Communication from the Des Moines International Airport (Airport) requesting support from the City of Des Moines for the pending modernization of the Federal Aviation Administration (FAA) Reauthorization bill. Discussion on this bill includes a \$4.00 increase in the cap imposed on the Passenger Facility Charge (PFC) user fee to a total of \$8.50 per enplaned passenger. To the Airport, this is vitally important to help fund its proposed \$400 million terminal project. It equates to \$4.8 million per year in funding that will help fund a large portion of the necessary bonds for the proposed terminal.

America's airports are a fundamental component of our nation's transportation infrastructure, annually welcoming more than 700 million passengers and processing roughly 27 million metric tons of cargo. Collectively, airports make a tremendous contribution to U.S. GDP – more than \$1.1 trillion – and employ more than 1.1 million people. To meet the capacity demands of the future with safe, efficient, and modern facilities that passengers and cargo shippers expect, we need to make the investments to maintain and modernize our nation's infrastructure.

Congressional reauthorization of the FAA in 2015 provides us the opportunity to do just that by modernizing the locally-set but federally-capped PFC user fee paid by passengers who use the airport. The PFC user fee has not been adjusted since the year 2000. As a result of significant construction cost inflation over the past decade and a half, the current \$4.50 PFC user fee has lost approximately half of its purchasing power.

Modernizing the PFC by adjusting it to \$8.50 and indexing it to keep up with inflation will provide airports the self-help they need to make critical infrastructure and safety improvements within their terminal buildings and on their runways. Such is the case with the Des Moines International Airport. The proposed new terminal replaces the Airport's 1948 terminal and provides for future growth that their current terminal cannot handle.

Moved by _____

to receive, file, and authorize the Mayor to send the attached letter of support for and on behalf of the City Council.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED
 _____ Mayor

_____ City Clerk

44



DES MOINES
International Airport

May 7, 2015

Scott Sanders
City of Des Moines
400 Robert D Ray Drive, First Floor
Des Moines, IA 50309

RECEIVED

MAY 13 2015

CITY MANAGER'S OFFICE

Dear Scott:

The FAA Reauthorization bill is at a critical juncture. It is vitally important that our Iowa Congressional delegation understands the importance of this legislation to Des Moines International Airport's proposed new \$400 million terminal project. You may have already written a letter of support. If so, thank you! If you have not, please do so and encourage your associates, employees, and friends to do the same. See link below for sample documents.

Congress is currently debating FAA Reauthorization funding. An effort is underway to increase Passenger Facility Charge (PFC) user fees to \$8.50, up from \$4.50. This increase will be one of the most important elements in the financing of the terminal project.

Each enplaned passenger through U.S. airports is assessed at a \$4.50 PFC user fee which is included in the ticket price. These PFC's come back to the individual airports for use in capital improvement projects – terminals, runways, etc. Des Moines International Airport currently experiences approximately 1.2 million passenger enplanements. An increase of \$4.00 in the PFC user fee will generate an additional \$4.8 million annually that may be applied toward the cost of a new terminal. While not a total solution, this may be the single most important initiative to help close the new terminal funding gap.

Thank you for your help.

Sincerely,



Kevin J. Foley
Executive Director



David J. Fisher
Consultant

Sample letter, addresses of Iowa's Congressional delegation, and supporting documents found at:

<http://www.dsmairport.com/about-the-airport/proposed-dsm-terminal-site-study-plan.aspx>

Sample Letter

Date _____

Dear Senator/Representative _____:

I am writing in support of the pending modernization of the FAA Reauthorization bill. Discussion on this bill includes a \$4.00 increase in the cap imposed on the Passenger Facility Charge (PFC) user fee to a total of \$8.50 per enplaned passenger. To the Des Moines International Airport this is vitally important to help fund its proposed \$400 million terminal project. It equates to \$4.8 million per year in funding that will help fund a large portion of the necessary bonds for the proposed terminal.

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Modernizing the PFC by adjusting it to \$8.50 and indexing it to keep up with inflation will provide airports the self-help they need to make critical infrastructure and safety improvements within their terminal buildings and on their runways. Such is the case with Des Moines International Airport. The proposed new terminal replaces our 1948 terminal and provides for future growth that our current terminal cannot handle.

I hope I can count on your strong support of this legislation -- FAA Reauthorization bill.

Thank you,

Signature