

**NOTICE OF  
OPPORTUNITY FOR PUBLIC COMMENT RELATED TO  
PASSENGER FACILITY CHARGES**

Ketchikan Gateway Borough, Alaska is providing an opportunity for public comment until February 14, 2024 related to our proposed new Impose and Use Passenger Facility Charge (PFC) Application #3 for the Ketchikan International Airport. This written notice is provided in accordance with requirements contained in Federal Aviation Regulation 49 CFR Part 158.24 Passenger Facility Charge.

Ketchikan Gateway Borough plans to impose the maximum PFC allowable of \$4.50 per enplaned passenger. We anticipate collection to begin on August 1, 2028, with a total revenue impact of \$11,800,000. The PFC expiration date for the two projects described below is estimated to be August 1, 2054. Future PFC projects will likely extend the expiration date.

**03-001          Terminal Building Expansion and Rehabilitation**

This project includes the design and construction of an expansion to and rehabilitation of the Passenger Terminal Building at the Airport. It is anticipated that the project will expand the terminal building by 22,025 square feet and approximately 5,180 square feet of the existing terminal building will be rehabilitated. The project will relocate the security screening checkpoint to the first floor. It will provide for a new air taxi holdroom on the first floor and additional expanded holdroom areas on the second floor. The project includes a passenger loading bridge and public elevator. The rehabilitation efforts include the rehabilitation of the second floor area previously used as the security screening checkpoint into additional hold room space. The public restrooms on the second floor will also be rehabilitated. The project includes the conversion of a portion of the commercial apron from asphalt to concrete.

The terminal building at KTN is significantly undersized and based on the Terminal Area Plan (TAP) completed in 2020, should be twice its size just to accommodate CY2019 passenger levels. The security screening check point is undersized and poorly configured, and the terminal and apron have numerous cross flow circulation issues that are a safety hazards for passengers. The terminal expansion to the southwest impacts one of the existing concrete aircraft hardstands or aircraft parking positions. Consequently, the impacted aircraft parking position must be relocated and a new concrete hard stand constructed to support the aircraft weight when parked.

The terminal building at KTN was originally constructed in 1970. The building was expanded and renovated in 2003, at which time annual enplanements were approximately 103,000 passengers. After the economic recession, enplanements had recovered back to approximately 103,000 passengers in 2012. Since 2012, the Airport has experienced consistent growth, with 2022 passenger enplanements reaching over 143,000 passengers. This represents a compound annual growth rate since 2013 of 3.1 percent. Enplanements as reported by the FAA from 2013 through 2022 are as follows:

Calendar Year	Enplanements	% Growth
2013	109,433	-
2014	115,948	6.0%
2015	124,747	7.6%
2016	127,881	2.5%
2017	131,144	2.6%
2018	135,389	3.2%
2019	137,090	1.3%
2020	65,793	(52.0%)
2021	117,728	78.9%
2022	143,786	22.1%

The TAP’s forecasts were approved by FAA and project passenger enplanements to increase at an annual growth rate of 2.1 percent to more than 200,000 by 2038. The FAA’s Terminal Area Forecast issued in February 2023 also reflects KTN is forecast to have enplanements exceeding 200,000 by 2038. Additionally, the air carriers operating at KTN have moved to the next generation aircraft resulting in higher peak hour volumes during the day. To safely and efficiently accommodate this growth, the terminal square footage needs to increase and the interior layout needs to be improved.

This project is anticipated to start in November 2024 and be completed in October 2026. The total capital cost of this project is estimated to be \$42,600,000 with anticipated funding sources as follows:

<b>Funding Sources:</b>	
Federal Funding (AIP/AIG)	\$31,800,000
PFC Bond Capital	5,000,000
PFC Pay-as-you-go	300,000
Local Airport/Borough Funds	5,500,000
<b>Total Funding Sources – Capital Costs</b>	<b>\$42,600,000</b>
PFC Funded Financing & Interest Costs	6,400,000
<b>Total PFC Funding Required</b>	<b>\$11,700,000</b>

### **03-002 PFC Application Administration Fees**

The PFC-eligible general formation costs included in this PFC project are the necessary expenditures to prepare the new PFC application. This includes funds necessary to prepare, amend and close the application. Development associated with the approved projects in this application will preserve and enhance capacity and safety at the Airport. The total cost of this project is \$100,000. PFCs are anticipated to provide 100% funding for this project. This project started in August 2023 and will be complete in August 2054.

**Comments or a request for more detailed project descriptions should be sent to Alex Peura, Airport Director, 1000 Airport Terminal Building, Suite 10, Ketchikan, Alaska, 99901.**