

**NOTICE OF
OPPORTUNITY FOR PUBLIC COMMENT RELATED TO
PASSENGER FACILITY CHARGES
New PFC #10 Application (27-10-C-00-VPS)**

The Okaloosa County Airports Department (the County) is providing an opportunity for public comment until **October 30, 2026** related to a proposed new Passenger Facility Charge (PFC) Application 27-10-C-00-VPS (PFC #10) for the Destin-Fort Walton Beach Airport (Airport or VPS). PFC proceeds will be used to fund eligible project costs for certain projects at the Airport. This written notice is provided in accordance with requirements contained in Federal Aviation Regulation 49 CFR Part 158.24 Passenger Facility Charge. Accordingly, the County is providing the public with the following information regarding the proposed PFC #10.

HISTORY OF THE PFC PROGRAM AT THE AIRPORT

The County has previously received approval from the FAA for nine (9) PFC applications, as well as several amendments to the applications dating back to 2000. The current amounts approved to be collected under all PFC applications are shown in **Table 1**. Since its inception, through June 30, 2026, the County has collected \$55,106,653 in PFCs and PFC interest earnings.

PFC LEVEL

The County is seeking approval from the FAA to charge \$3.00 on passenger fares for each enplanement at VPS for the impose and use projects included in this PFC application.

CHARGE EFFECTIVE DATE

The proposed charge effective date is estimated to be January 1, 2027 (the month following the current FAA authorized charge expiration date for approved PFC applications) or upon expiration of collection of PFCs for currently approved applications, whichever comes first.

ESTIMATED CHARGE EXPIRATION DATE

The estimated charge expiration date is estimated to be May 1, 2031 (or until collected revenues plus interest thereon equal the allowable costs of the approved projects, as permitted by regulation).

ESTIMATED TOTAL PFC REVENUE UNDER THIS APPLICATION

This application will increase the County's collection and use authority by an additional \$16,192,145, which would increase the Airport's total PFC collection authority for PFC Applications #1 through #10 to \$72,969,015.

Description of each new project pursuant to Section 158.23 (a)(1)

Table 2 below provides a summary of the proposed PFC #10 project costs and the amounts proposed to be funded with PFCs.

A brief summary of each project is also provided below.

Project 1: Gate A1 and A2 Passenger Boarding Bridge Replacements (Design & Installation)

PFC Total: \$6,000,000

Description: The project will remove and dispose of the existing passenger boarding bridges (PBBs) and construct and install two new passenger boarding bridges at Gates A1 and A2. Work includes planning, design, permitting, construction administration, grant administration, demolition, foundations, installation of new bridges, lighting, electrical cabling, guidance signage, conduits, lightning protection, HVAC, fire protection and prevention systems, passenger boarding bridge equipment, and all associated materials, equipment, labor, and incidental work necessary to complete the project.

Justification: The proposed project will replace the existing passenger boarding bridges (PBBs) at Gates A1 and A2 at VPS with upgraded gates capable of safely enplaning and deplaning passengers onto the current fleet of aircraft serving the airport. The project is not a like-for-like replacement based solely on equipment age or condition. Gates A1 and A2 were originally configured for smaller regional-jet operations using passenger boarding ramps, which at the time of installation comprised most of the fleet serving the airport. In 2015, 4,479 of the Airport's 6,358 flights were regional jets, or 70%. In 2026, this has decreased to 1,262 regional jet flights of the Airport's 10,915 flights, representing only 12% of the aircraft.

As a consequence of this dramatic increase in narrow body flights, gates A1 and A2 are currently being regularly used for these larger aircraft. However, the existing PBB geometry limits safe and efficient use by the Airport's current and anticipated ADG-III fleet mix.

When serving taller aircraft, the existing bridge configuration requires excessive slopes and transition angles between the first-floor gate and aircraft cabin door. To serve the taller aircraft, the boarding bridges need to slope at 5.25 degrees, which is in excess of ADA standards (roughly 4.8 degrees). These conditions create safety and accessibility concerns for passengers, including those with reduced mobility and passengers requiring wheelchair assistance, as well as for airline personnel. The Airport has experienced 9 passenger falls in over the last two years within the A1 and A2 bridges that could be attributable to the excessive slope. To bring slopes within tolerance, aircraft markings have been moved back from the gate to the bridge maximum operating limits in order to decrease the slope angle. However, this adjustment has caused rutting in the parking position due to the aircraft main gears being parked on asphalt beyond the concrete hardstand. Additionally, the parking configuration limits the most efficient ramp utilization of ground service equipment and less safety distance from aircraft pushing back from the C gates.

The existing PBBs were placed in service in 2015 and have deteriorated more rapidly than their anticipated 20-year service life because of the Airport's coastal salt-air environment. Annual repair costs have increased, the existing model is no longer supported by the manufacturer, and therefore replacement components are increasingly difficult to obtain; certain components are no longer manufactured. Consequently,

equipment failures can result in extended outages, adversely affecting gate availability, airline operations, and passenger schedules.

Although the current passenger boarding bridges have not reached the standard useful life of 20 years, replacement of the existing units with larger, taller, switchback-configured PBBs designed for ADG-III aircraft is needed. The new configuration will improve boarding geometry, reduce excessive slopes and transition angles, enhance passenger and employee safety and accessibility, improve equipment reliability, and increase the safe operational capacity of Gates A1 and A2. Selecting equipment compatible with the manufacturer recently installed at VPS will also improve maintenance efficiency, parts availability, and lifecycle management across the Airport's PBB network.

The project meets the following PFC eligibility criteria:

- **Eligible terminal/gate development.** FAA Order 5100.38D, Change 1, Appendix N, Table N-5 expressly identifies "passenger boarding bridges at commercial service terminals" as eligible terminal equipment. Appendix N also identifies passenger loading bridges as high-cost, 100-percent eligible items for terminal eligibility-proration purposes. FAA Order 5100.38D, Change 1, Appendix N
- **Direct relationship to passenger enplanement and deplanement.** The PBBs are gate-related facilities used to move passengers between the terminal and aircraft. This satisfies 14 CFR § 158.15(b)(6), which permits PFC funding for construction of gates and related areas where passengers are enplaned or deplaned, as well as areas directly related to passenger and baggage movement.
- **Safety and capacity objective.** The project will correct unsafe boarding slopes, improve accessibility, reduce the risk of gate outages, and allow Gates A1 and A2 to accommodate the Airport's current and anticipated ADG-III aircraft fleet. Accordingly, it preserves and enhances the safety and capacity of the national air transportation system, consistent with 14 CFR § 158.15(a)(1).

Project 2: B4 Holdroom Expansion (Design & Construction)

PFC Total: \$5,500,000

Description: The proposed B Concourse pier addition will construct an approximately 17,000-square-foot, multi-level expansion to the east end of the existing Phase 2 concourse pier addition, which was constructed in 2011. The project will add approximately 8,500 square feet on each of the upper and lower levels. The project will include the building envelope, foundations, structural components, mechanical, electrical, plumbing, HVAC, fire protection, lighting, communications, and other building systems necessary to support passenger enplanement and deplanement operations at Gate B-4. The expansion will increase terminal circulation space, add in needed passenger amenities such as a dedicated pet relief area, children sensory/play area,

another set of restrooms, mother nursing area, increase safety and security with a permanent ground control tower, and add another dedicated passenger boarding bridge facilitating higher gate utilization. The upper level will expand the passenger holding room area and provide Gate B4 with one passenger boarding bridge, fixed passenger seating, public male and female restrooms, an additional stair tower, a hydraulic elevator, and associated terminal building systems and infrastructure. The lower level will provide structural support space and mechanical/electrical space necessary for the expanded hold room and gate facilities. Associated site and airfield work will include removal of approximately 3,000 square yards of Portland cement concrete pavement and 400 square yards of asphalt pavement; reconstruction of approximately 2,000 square yards of Portland cement concrete pavement; utility extensions and tie-ins, including sewer service; and modifications or additions to high-mast lighting necessary to accommodate the pier expansion. The exterior will use decorative burnished concrete masonry units and aluminum-framed curtain wall systems compatible with the existing terminal architecture. The terminal area construction portion of this project (including all costs other than passenger boarding bridges (PBBs)) will be funded with a mixture of grants and Airport funds.

In addition to the building expansion, the project also includes three new PBBs to serve Gates B4, B5, and B6. The additional new boarding bridge at Gate B4 will allow for existing gates B4 and B5 to no longer share a boarding bridge, effectively opening up an additional gate for simultaneous operations. The existing PBBs at Gates B5 and B6 will also be replaced as they will have exceeded their 20-year useful life. These boarding bridges will be funded with the PFC funds included in this application.

Equipment for the proposed permanent roof-level ramp-control tower, airline-owned equipment, airline tenant finishes, and other non-PFC-eligible components will be separately procured and are excluded from costs of the project.

The below table summarizes the total costs, PFC eligibility, and funding sources by project component.

Project Component	Cost	Eligible Cost %	Eligible Cost	Grants	PFC Pay-As-You-Go	Airport Funds
Terminal Constuction	14,409,579	84.55%	12,183,299	12,183,299	0	2,226,280
PBBs	5,500,000	100.00%	5,500,000	-	5,500,000	-
Total	19,909,579	88.82%	17,683,299	12,183,299	5,500,000	2,226,280

Justification: The Airport's 2018 Master Plan Update identified a passenger hold room deficiency of more than 14,000 square feet by 2023, increasing to approximately 19,000 square feet by 2028. While the satellite Concourse C expansion addressed a portion of this need, Concourse C serves only one of the six airlines operating at VPS. The remaining airlines operate from Concourses A and B, where additional hold room capacity is needed to accommodate existing and anticipated passenger demand.

Persistent overcrowding in the B Concourse has required the Airport to relocate American Airlines to Concourse A and displace two other airlines from that concourse. The proposed expansion will relieve congestion in the B Concourse, improve passenger

circulation and hold-room capacity, and allow the Airport to accommodate passengers from all carriers operating in the main terminal.

The project will also provide Gate B4 with a dedicated passenger boarding bridge. Gate B4 currently shares a bridge with Gate B5, limiting independent gate use. When Gate B5 is occupied, passengers arriving at Gate B4 must use stairwells from the aircraft ramp to access the concourse, creating accessibility and safety concerns for passengers requiring wheelchair assistance or who cannot safely use stairs. The dedicated bridge will improve passenger accessibility, safety, gate functionality, and operational flexibility. Replacement of the PBBs at Gates B5 and B6 will improve equipment reliability and preserve the operational capacity of those gates.

The project meets applicable FAA terminal and PFC eligibility criteria:

- **Public-use terminal space directly related to passenger movement.** FAA Order 5100.38D, Change 1, Appendix N provides that eligible terminal areas must be public-use areas that are directly related to the movement of passengers and baggage. The proposed hold room, public circulation areas, public restroom, and gate facilities serve this function. Appendix N, Table N-5 specifically identifies public-use corridors to boarding areas, central waiting rooms, public restrooms, gate holding areas, and passenger boarding bridges at commercial-service terminals as eligible terminal areas or equipment. FAA Order 5100.38D, Change 1, Appendix N
- **Passenger boarding bridges as eligible terminal equipment.** Appendix N, Table N-5 expressly identifies passenger boarding bridges at commercial-service terminals as eligible. The Handbook also identifies passenger loading bridges as high-cost, 100-percent eligible terminal items for eligibility-proration purposes. The new B4 bridge and replacement B5 and B6 bridges are directly associated with passenger enplanement and deplanement. FAA Order 5100.38D, Change 1, Appendix N
- **PFC safety and capacity objective.** The project addresses documented hold-room deficiencies, relieves B Concourse congestion, improves accessibility and passenger safety, and preserves gate capacity and reliability. It therefore preserves and enhances the safety and capacity of the national air transportation system under 14 CFR § 158.15(a)(1). Construction of the gate-related facilities is eligible under 14 CFR § 158.15(b)(6) because the facilities are used for passenger enplanement and deplanement and are directly related to passenger movement consistent with 14 CFR § 158.15(a)(1).

Project 3: Escalator & Elevator Replacement

PFC Total: \$2,250,000

Description: The Airport currently has two (2) automated escalators and three (3) airside elevators located inside the main terminal building that were put into service in 2003, making them 23 years old. The purpose of these escalators and select elevators is to provide deplaning passengers arriving from the B Concourse direct access to the baggage claim and ground transportation services, and enplaning passengers entering the terminal on the ground level direct access from the ticket lobby and TSA checkpoint to the B Concourse. This project includes the design and installation of the Airport's aging escalators and elevators with new ones, replacing two (2) elevators and two (2) escalators. As one elevator is used regularly for maintenance tasks and ramp access by badged individuals rather than dedicated public use, this project component is considered PFC ineligible. The table below shows the project cost by component, PFC eligibility, and funding sources:

<u>Project Component</u>	<u>Cost</u>	<u>Eligible Cost %</u>	<u>Eligible Cost</u>	<u>State Grants</u>	<u>PFC Pay-As-You-Go</u>	<u>Airport Funds</u>
Elevators x 2 (Full Public Access)	1,000,000	100.00%	1,000,000	-	1,000,000	-
Elevator x 1 (Maintenance Access and occasional Public Access)	500,000	0.00%	-	500,000	-	-
Escalators x 2	1,250,000	100.00%	1,250,000	-	1,250,000	-
Total	2,750,000	81.82%	2,250,000	500,000	2,250,000	-

Justification: The Airport's escalators and elevators are approximately 26 years old and are experiencing increasingly frequent shutdowns for routine maintenance and system failures. During outages, passengers must use alternate vertical-transportation equipment or fixed stairways, which increases passenger travel times, reduces terminal level of service, increases passenger risk of trips and falls, and can restrict accessible circulation routes.

As the equipment approaches the end of its useful life, failures and extended outages create operational and capacity risks. The loss of escalator or elevator service constrains passenger circulation between terminal levels, causes congestion at alternate circulation points, reduces accessibility for passengers with disabilities or reduced mobility, and adversely affects the Airport's ability to efficiently process its existing passenger volume. Replacing the existing equipment will improve reliability and operational uptime, reduce the risk and duration of outages, maintain accessible terminal circulation, and preserve the safe and efficient movement of passengers.

The proposed project meets applicable FAA terminal eligibility criteria.

- **Escalators and Elevators 100-percent Eligible Items:** FAA Order 5100.38D, Change 1, Table 3-3 identifies replacement of terminal escalators as an eligible replacement project at any airport, subject to adequate justification. In addition, Appendix N identifies escalators and elevators as high-cost, 100-percent eligible terminal items, and recognizes elevators and escalators as eligible improvements that enhance terminal passenger-handling capability. FAA Order 5100.38D, Change 1, Table 3-3 and Appendix N.

Project 4: PFC Application Preparation

PFC Total: \$25,000

Description: This project includes the costs to develop the proposed new PFC 27-10-C-00-VPS application, consult with the airlines, provide for public comment, prepare and file the PFC application, related attachments, and notify airlines of collection requirements.

Justification: The preparation costs (as delineated in the description for this project) incurred to prepare the new PFC 27-10-C-00-VPS application will be reimbursed under this project. These costs will be incurred in conjunction with the projects that are proposed for approval under either Section 158.15(b)(1), (b)(2), (b)(3), or (b)(6) of the Regulation. Therefore, the Airport submits these costs as reasonable and necessary costs of preparing the PFC program submitted under this Application as prescribed under Section 158.3 of the Regulation.

Project 5: Public Restroom Reconstruction

PFC Total: \$2,417,145

Description: This project will completely demolish and reconstruct the oldest public passenger restrooms in the main terminal. Work will include replacement of flooring, plumbing fixtures, countertops, dispensers, partitions, wall tile, mirrors, ceilings, lighting, and associated finishes; as well as reconstruction or replacement of the plumbing, mechanical, electrical, and other building systems necessary to support the renovated facilities.

The reconstructed restrooms will provide improved fixture capacity, passenger circulation, accessibility, plumbing infrastructure, durability, and maintainability to serve the Airport's current and future passenger volume and operational needs. The project includes all labor, materials, equipment, and incidental work necessary to complete the restroom demolition, reconstruction, and return to service.

Justification: The proposed project will completely demolish and reconstruct the original public restrooms in the main terminal. The facilities have not been comprehensively rehabilitated since the terminal opened in 2004 and have served substantially increased passenger volumes over more than two decades. The Airport now serves approximately 2.6 million annual passengers, compared with a substantially lower passenger volume and a primarily regional-aircraft operating environment when the facilities were originally designed.

The project is not a cosmetic remodeling or modernization effort. The existing facilities have reached the end of their serviceable life. The underlying plumbing infrastructure has deteriorated, including corroded piping, recurring leaks, and related deficiencies that can no longer be reasonably addressed through routine maintenance. Continuing maintenance of the outdated systems is increasingly costly and does not resolve the underlying infrastructure condition or functional limitations.

The project will require complete demolition of the existing restroom facilities and reconstruction of associated plumbing, mechanical, electrical, and building systems. The reconstructed restrooms will provide sufficient fixture capacity, passenger circulation, accessibility for passengers, plumbing infrastructure and better accessibility

for maintenance staff, and durable materials to support the Airport's current operational demands and passenger volume. The project will replace failing terminal infrastructure and preserve the safe, efficient use of public terminal facilities by passengers.

The proposed project meets applicable FAA terminal eligibility criteria.

- **Complete Restroom Renovation is Rehabilitation:** FAA Order 5100.38D, Change 1, Table 3-3, Item S specifically classifies the complete renovation of terminal restrooms as rehabilitation and identifies it as eligible at any airport. The Airport's documented deterioration of the existing facilities, recurring plumbing deficiencies, end-of-service-life condition, increased maintenance costs, and need to accommodate substantially higher passenger volumes provide the required justification for rehabilitation as identified in FAA Order 5100.38D, Change 1, Table 3-3, Item S.

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As required under 14 CFR Section 158.24, the County will be accepting public comments on the proposed PFC Application 27-10-C-00-VPS up to thirty-eight (38) days after the September 22, 2026, date of posting of this Notice on our website (i.e., up to **October 30, 2026**). Any comments or questions should be sent to **Allyson Oury, Airports Chief Financial Officer, 1701 State Rd 85 N, Eglin AFB, FL 32542-1498** or at aoury@myokaloosa.com.

Notice of Opportunity for Public Comment
PFC Application 27-10-C-00-VPS

Table 1
Summary of Existing PFC Program Approvals

Application Number	Approved for Collection	Approved for Use	Collection Level	Legal Effective Date	Legal Expiration Date	Status
00-01-C-00-VPS	\$38,358,324	\$38,358,324	\$4.50	January 1, 2001	November 1, 2011	Closed
00-01-C-01-VPS	(4,079,606)	(4,079,606)				
00-01-C-02-VPS	128,992	128,992				
00-01-C-03-VPS	(18,326,740)	(18,326,740)				
00-01-C-04-VPS	(345,130)	(345,130)				
Total PFC #1	\$15,735,840	\$15,735,840				
03-02-C-00-VPS	\$2,885,235	\$2,885,235	\$4.50	November 1, 2011	August 1, 2012	Closed
03-02-C-01-VPS	(1,536,226)	(1,536,226)				
03-02-C-02-VPS	(17,304)	(17,304)				
Total PFC #2	\$1,331,705	\$1,331,705				
07-03-C-00-VPS	\$1,143,435	\$1,143,435	\$4.50	August 1, 2012	February 1, 2013	Closed
07-03-C-01-VPS	(384,653)	(384,653)				
Total PFC #3	\$758,782	\$758,782				
08-04-C-00-VPS	\$1,485,650	\$1,485,650	\$4.50	February 1, 2013	March 1, 2013	Closed
08-04-C-01-VPS	(1,368,014)	(1,368,014)				
08-04-C-02-VPS	(7,553)	(7,553)				
Total PFC #4	\$110,083	\$110,083				
10-05-C-00-VPS	\$7,816,386	\$7,816,386	\$4.50	March 1, 2013	March 1, 2014	Closed
10-05-C-01-VPS	(6,526,240)	(6,526,240)				
10-05-C-02-VPS	106,778	106,778				
Total PFC #5	\$1,396,924	\$1,396,924				
15-06-C-00-VPS	\$6,182,856	\$6,182,856	\$4.50	March 1, 2014	March 1, 2017	Closed
15-06-C-01-VPS	(627,500)	(627,500)				
15-06-C-02-VPS	(156,362)	(156,362)				
Total PFC #6	\$5,398,994	\$5,398,994				
19-07-C-00-VPS	\$19,116,456	\$19,116,456	\$4.50 / \$3.00 ^{1/}	March 1, 2017	December 1, 2021	Closed
19-07-C-01-VPS	(3,286,365)	(3,286,365)				
Total PFC #7	\$15,830,091	\$15,830,091				
22-08-C-00-VPS	\$7,567,262	\$7,567,262	\$3.00	December 1, 2021	June 1, 2025	Open
Total PFC #8	\$7,567,262	\$7,567,262				
25-09-C-00-VPS	\$8,647,189	\$8,647,189	\$3.00	June 1, 2025	March 1, 2027	Open
Total PFC #9	\$8,647,189	\$8,647,189				
TOTAL	\$56,776,870	\$56,776,870				

1/ The PFC collection level was lowered to \$3.00 on August 1, 2022.

Sources: Okaloosa County Airports and FAA Final Agency Decisions.

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Table 2
Proposed PFC #10 Projects

Project #	Project	Total Project Cost	Funding Sources			
			Federal Grants	State Grants	Airport Funds	PFC Pay-As-You-Go
1	Gate A1 and A2 Passenger Boarding Bridge Replacements (Design & Installation)	\$6,000,000				\$6,000,000
2	B4 Holdroom Expansion (Construction & Design)	19,909,579	12,183,299		2,226,280	5,500,000
3	Escalator & Elevator Replacement	2,750,000		500,000		2,250,000
4	PFC Application Preparation	25,000				25,000
5	Public Restroom Reconstruction	2,417,145				2,417,145
	Total	\$31,101,724	\$12,183,299	\$500,000	\$2,226,280	\$16,192,145

Source: Okaloosa County Airports