

COLORADO SPRINGS AIRPORT

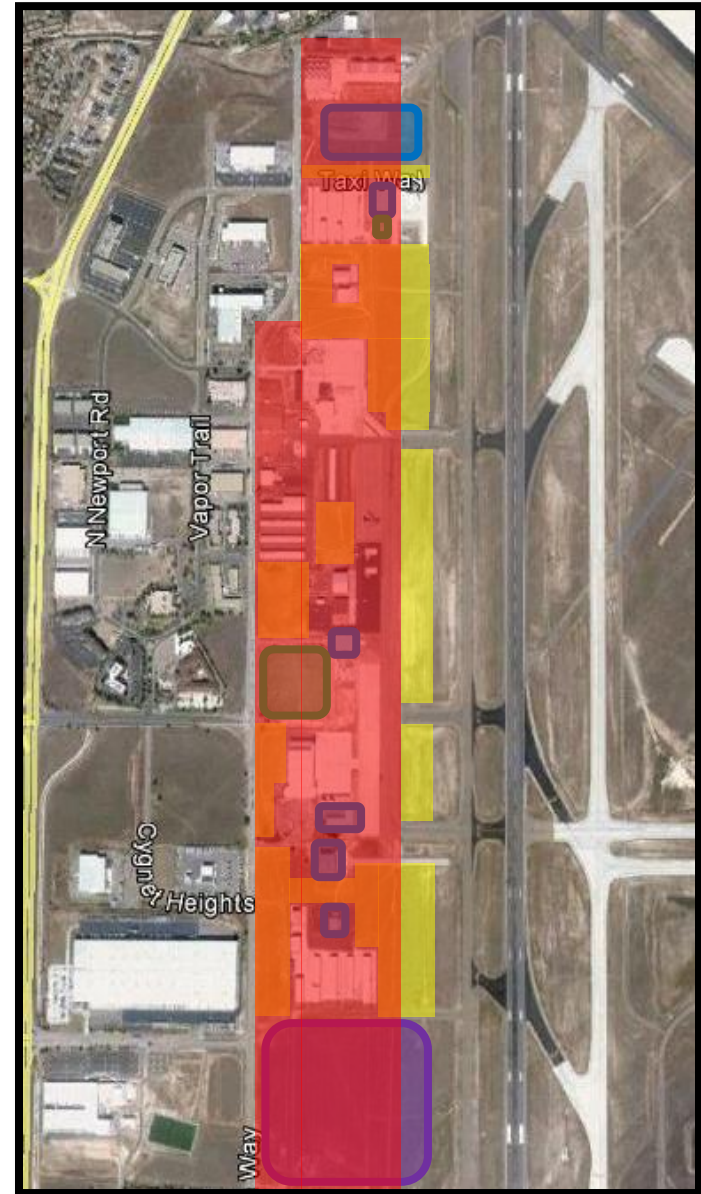
Lease Term Guidelines 03-10-15

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Commercial Aeronautical Development Corporate and General Aviation

NEW COMMERCIAL AERONAUTICAL DEVELOPMENT PROGRAMS

- CITY OF COLORADO SPRINGS
COMMERCIAL AERONAUTICAL ZONE (CAZ)
- EL PASO COUNTY
COMMERCIAL AERONAUTICAL ZONE (CAZ)
- PIKES PEAK RURAL TRANSPORTATION
AUTHORITY (CAZ)
- STATE OF COLORADO
AVIATION DEVELOPMENT ZONE (ADZ)
- ACTIVATE FOREIGN TRADE ZONE (FTZ)



Lease Term Guidelines (current)

A \$20M difference in investment is equivalent to same lease term

For as little as a \$.01 investment, the lessee could receive a maximum ground lease term of 25 years.

An increment of \$1 amounts to 5 extra years in ground lease term

Level of Capital Investment	Ground Lease Term	Ground Lease Term
Less than \$500,000	Financing Term + 5 Years	25 Years
\$500,000 to \$999,999	Financing Term + 5 Years	30 Years
\$1,000,000 to \$4,999,999	Financing Term + 5 Years	35 Years
\$5,000,000 to \$9,999,999	Financing Term + 10 Years	40 Years
\$10,000,000 to \$29,999,999	Financing Term + 10 Years	50 Years
\$30,000,000 or greater	Negotiated	99 Years

Airport is unable to offer lease terms over 50 years without lengthy approval process from FAA

... is authorized to establish the lease term on an...
 ...fair advantage to those who engage in financing term

These guidelines will be reviewed by Airport staff...
 the guidelines will be brought before City Council for approval.

Lease Term Guidelines (proposed)

The maximum ground lease **agreement and** term shall be the lesser of the following: a term based on the level of capital investment **or** the financing term for capital improvements plus a fixed term, not to exceed the Maximum Ground Lease Term as described below:

Level of Capital Investment	Ground Lease Term	Maximum Ground Lease Term
Less than \$500,000	Financing Term + 5 Years	25 Years
\$500,000 to \$999,999	Financing Term + 5 Years	30 Years
\$1,000,000 to \$4,999,000	Financing Term + 5 Years	35 Years
\$5,000,000 to \$9,999,999	Financing Term + 10 Years	40 Years
\$10,000,000 to \$29,999,999	Financing Term + 10 Years	50 Years
\$30,000,000 or greater	Negotiated	99 Years

With investments greater than \$30 million, the Airport is authorized to establish the lease term on a negotiated “case-by-case” basis. However **In accord with City Charter § 10-60**, under no circumstances will the **total** lease term exceed 99 years.

These guidelines will be reviewed **periodically** by Airport staff at five-year intervals. Any proposed change to the guidelines will be brought before City Council for approval.

The Airport shall inform the Airport Advisory Commission during its regularly scheduled meetings of any lease terms granted in excess of twenty-five (25) years for the purpose of land use.

Lease Term Guidelines (proposed)

<p>New Development</p>	<p><u>For investments of less than \$30 million:</u></p> <ol style="list-style-type: none"> 1. Negotiated by the Director; 2. Must comply with all applicable Federal Aviation Administration (FAA) policies, procedures, guidelines, and grant assurances; 3. Must be compatible with the Airport Master Plan and Airport Layout Plan (ALP); 4. Rate may not be below fair market value; and 5. Term granted may not exceed fifty (50) years 	<p><u>For investments of \$30 million or greater:</u></p> <ol style="list-style-type: none"> 1. Negotiated by the Director; 2. Must comply with all applicable Federal Aviation Administration (FAA) policies, guidelines, and grant assurances; 3. Must be compatible with the Airport Master Plan and Airport Layout Plan (ALP); 4. Rate may not be below fair market value; and 5. Term granted may not exceed ninety-nine (99) years and must have prior FAA approval
<p>Redevelopment / Reinvestment in Existing Development</p>	<p><u>For any level of investment:</u></p> <ol style="list-style-type: none"> 1. Negotiated by the Director; 2. Must comply with all applicable Federal Aviation Administration (FAA) policies, guidelines, and grant assurances; 3. Must be compatible with the Airport Master Plan and Airport Layout Plan (ALP); 4. Rate may not be below fair market value; 5. Term granted cannot exceed the original term; and 6. Must amend or grant the right to amend the lease to the then current conditions and requirements of the FAA and the City 	