Legislation Details (With Text)

File #:	14-0251 **Version:** 3	**Name:**	
Type:	Resolution	**Status:**	Mayor's Office
File created:	5/16/2014	**In control:**	City Council
On agenda:	7/8/2014	**Final action:**	7/8/2014

Title: A resolution to authorize the Mayor to accept and execute a loan from the Colorado Department of Transportation State Infrastructure Bank-Aviation Division in the amount of $2,336,000 to fund Passenger Facility Charge (PFC) projects at the Colorado Springs Airport.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution to accept execute SIB loan v4.pdf, 2. PFC Plan of Finance briefing paper 053014.pdf, 3. SIB_Loan_Presentation_v9.pdf, 4. AAC Letter of Support-SIB Loan.pdf, 5. RES 81-13 CDOT SIB Loan Application.pdf

Date	Ver.	Action By	Action	Result
7/8/2014	3	City Council	adopted	Pass

A resolution to authorize the Mayor to accept and execute a loan from the Colorado Department of Transportation State Infrastructure Bank-Aviation Division in the amount of $2,336,000 to fund Passenger Facility Charge (PFC) projects at the Colorado Springs Airport.

From:
Dan Gallagher, Director of Aviation

Summary:
Attached is a resolution to authorize the Mayor to accept and execute a loan from the Colorado Department of Transportation (CDOT) State Infrastructure Bank (SIB)-Aviation Division in the amount of $2,336,000. This loan will fund Passenger Facility Charge (PFC) projects at the Colorado Springs Airport.

Previous Council Action:
By Resolution No. 81-13 on September 10, 2013, City Council authorized the Colorado Springs Airport to submit an application to the CDOT SIB for a loan in an amount not to exceed $10,000,000 to fund preapproved and future Passenger Facility Charge (PFC) projects and other anticipated capital projects.

Background:
The Airport funds capital projects through a combination of FAA grants, State grants, Passenger Facility Charges and Capital Improvement Fund. The Airport pays project costs out of current reserves and then is reimbursed by the various agencies. Grant reimbursements are normally received within 30 days. However, since PFC funds are based on enplanements and received throughout the year, the reimbursement period can exceed several years. This results in the Airport

cash flowing PFC projects for a number of years from its reserves.

The Airport has received a loan offer from the CDOT SIB in the amount of $2,336,000 to provide partial funding for capital projects at the Airport. The proposed resolution requests authorization for the Mayor to accept and execute the loan.

Financial Implications:
By accepting and executing the SIB loan, the Airport will use the loan proceeds to fund the PFC local match of the capital projects planned for 2014. The Airport will utilize future PFC collections to make the principal and interest loan payments over the next 10 years. The amount of the loan payment is projected to utilize 15% of the estimated annual PFC collections. By stretching the collection period over 10 years the Airport will be able to restore the cash reserves expended in prior years.

Board/Commission Recommendation:
The Airport's strategic initiatives are regularly presented to the Airport Advisory Commission and the Air Service Task Force for public input. Both the Airport Advisory Commission and Air Service Task Force have been briefed on this strategy and have offered their support.

Stakeholder Process:
The Airport coordinates PFC-funded projects with the Airport's airline partners and tenants. The Airport presents capital projects to the Airport Advisory Commission and the Air Service Task Force and seeks public input through that process.

Alternatives:
Without approval to accept and execute the CDOT SIB loan, the Airport will have to fund the local share portion of the projects from its reserves until sufficient PFC funds are collected to reimburse the reserves. This would have a negative impact on the unrestricted reserves, cash ratios and bond coverage.

Proposed Motion:
Staff recommends approval of this resolution.

N/A