



Legislation Details (With Text)

File #: 19-333 **Version:** 1 **Name:**
Type: Resolution **Status:** Mayor's Office
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Title: A resolution to authorize the Colorado Springs Airport to submit an application, and to accept and execute a loan with the Colorado Department of Transportation State Infrastructure Bank - Aviation Division in an amount not to exceed \$7,500,000 to fund Passenger Facility Charge (PFC) projects at the Colorado Springs Airport

Presenter:
Greg Phillips, Director of Aviation

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2019 SIB Resolution, 2. AAC Letter of Support PFC 23.pdf, 3. Signed Resolution 58-19

Date	Ver.	Action By	Action	Result
7/9/2019	1	City Council	adopted	Pass
6/24/2019	1	Council Work Session	referred	

A resolution to authorize the Colorado Springs Airport to submit an application, and to accept and execute a loan with the Colorado Department of Transportation State Infrastructure Bank - Aviation Division in an amount not to exceed \$7,500,000 to fund Passenger Facility Charge (PFC) projects at the Colorado Springs Airport

Presenter:
Greg Phillips, Director of Aviation

Summary:
Attached is a resolution to authorize the Colorado Springs Airport (Airport) to submit an application for a Colorado Department of Transportation (CDOT) State Infrastructure Bank (SIB) - Aviation Division - loan in an amount not to exceed \$7,500,000. The resolution will also allow the Airport to accept and execute the loan when offered by CDOT. This loan will fund Passenger Facility Charge (PFC) projects at the Colorado Springs Airport.

Previous Council Action:
N/A

Background:
The Airport funds capital projects through a combination of FAA grants, State grants, Passenger Facility Charges (PFC) and the Capital Improvement Fund. The Airport pays project costs out of current reserves and then is reimbursed by the appropriate funding source. 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. Recently, CDOT has indicated funds are available for eligible projects and recommended the Airport submit an SIB loan application by June 2019 for consideration, contingent on approval from City Council.

Financial Implications:

By applying for an SIB loan, the Airport will use the loan proceeds to fund the PFC eligible share of the capital projects planned for 2019 thru 2022. The Airport will utilize future PFC collections to make the principal and interest loan payments over the next 10 years while still maintaining funds available for future PFC Pay-go projects. The current SIB loan interest rate is 3.5% and is substantially lower than the private market place. If PFC collections fall below projections, the Airport's annual share of state fuel and excise tax revenues will be used to make the principal and interest loan payments.

Board/Commission Recommendation:

The Airport's strategic initiatives are regularly presented to the Airport Advisory Commission for public input. The Airport Advisory Commission has been briefed on this strategy and has provided a signed letter of support. (attached)

Stakeholder Process:

The Airport coordinates PFC funded projects with the Airport's airline partners and the FAA. These stakeholders will be briefed on the funding options and the loan application will not be submitted without stakeholder and CDOT support.

The City Council Budget Committee reviewed this resolution at the June 11, 2019 meeting.

Alternatives:

Without approval to submit an application for a 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 and cash ratios. Or, the project may have to be put on hold, which could result in loss of partial funding from the US Forest Service.

Proposed Motion:

Move approval of the resolution.

N/A