



## Legislation Text

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**File #:** 14-0307, **Version:** 1

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A resolution authorizing submission of Passenger Facility Charge (PFC) Application #20 to the Federal Aviation Administration, increasing the total PFC funds to be collected for capital improvements at the Colorado Springs Airport

**From:**

Dan Gallagher, Direct of Aviation

**Summary:**

Attached is a resolution authorizing submission of Passenger Facility Charge (PFC) Application #20 to the Federal Aviation Administration (FAA). Upon approval of this resolution, staff will initiate the process to obtain FAA authorization to collect and use PFC revenue to fund all or a portion of the projects identified in the application.

**Previous Council Action:**

The City Council approved the Rehabilitation of Taxiway E, G, and H Phase 5, the Runway 17R-35L Paint Markings and Regulator, Taxiway A Rehabilitation and a portion of Fleet Improvements in Ordinance 13-77 on December 13, 2013. Fleet Improvements were also approved by City Council in Ordinance 12-32 on April 24, 2012 and by Ordinance 13-13 on March 12, 2013.

**Background:**

Title 49, United States Code, Section 40117 authorizes the Secretary of Transportation, through the FAA, to approve local imposition of PFCs up to \$4.50 per segment. Public airports, such as the Colorado Springs Airport, can apply to the FAA for authority to impose and use PFCs to fund eligible airport projects. Since the inception of the program, the Airport has submitted nineteen such applications and has limited its PFC charges to \$3.00 per segment. The Airport is now requesting authority to submit its twentieth PFC application to the FAA for approval. The Airport will continue to collect PFCs at a rate of \$3.00 per segment.

PFC Application #20 will fund the following projects:

- Rehabilitation of Taxiway E, G, and H (Phase 5)
- Runway 17R-35L Paint Markings
- Taxiway A Rehabilitation (Priority Areas 1 & 2)
- Fleet Improvements
- Cooling Towers
- Regulator for Runway 17R-35L

The projects in PFC Application #20 are described on the attached pages.

**Financial Implications:**

All of the projects described will be partially or fully funded with PFCs. The SIB loan will fund the PFC portion of the projects. Future PFC collections will be used to make the principal and interest payments due on the SIB loan. A financial summary is attached.

**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 is an enterprise fund that obtains capital funding from FAA grants, State grants, Passenger Facility Charges (PFC), Customer Facility Charges, and the Airport's Capital Fund. PFC-funded projects require coordination with the airlines that provide service to Colorado Springs. After the airlines provide a certification of agreement with the proposed PFCs, the Airport submits an official application to the FAA. The FAA issues a Final Agency Decision which outlines the collection period and the projects approved. During the collection period, the Airport is required to file quarterly reports with the FAA on the status of the projects and the use of the funds.

**Alternatives:**

Without a resolution authorizing the submission of this PFC application, the Airport will not have PFC collection authority to fund these capital improvements or repay the SIB loan. Without PFC funding, these projects will be delayed or will have to be funded with Airport Capital Improvement funds, which will reduce the Airport's unrestricted fund balance.

**Proposed Motion:**

Staff recommends approval of this resolution.

N/A