



## Legislation Text

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**File #:** 17-1012, **Version:** 1

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A resolution authorizing the submission of Passenger Facility Charge (PFC) Application #22 to the Federal Aviation Administration increasing the total PFC funds to be collected for capital improvements at the Colorado Springs Airport

**Presenter:**

Greg Phillips, A.A.E., Director of Aviation Colorado Springs Airport

**Summary:**

Attached is a resolution authorizing the submission of Passenger Facility Charge (PFC) Application #22 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:**

Per ORD 16-116, four (4) of the nine (9) projects listed in this PFC Application began in January 2017, with the remaining five (5) projects commencing in future years and appropriated within future annual budgets (see Table 1: Previous Council Actions).

**Background:**

This item supports the City's strategic goal relating to investing in infrastructure by following the Airports sustainable plan of finance for capital improvements.

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 twenty-one (21) such applications. The Airport is requesting authority to submit PFC Application #22 to the FAA for approval. The Airport will continue to collect PFCs at a rate of \$4.50 per segment.

PFC Application #22, if approved by the FAA, will fund the projects shown in Table 1: Previous Council Actions attached to this resolution.

Descriptions for the projects included in PFC Application #22 are attached (see Exhibit A: Project Descriptions).

**Financial Implications:**

All of the projects described will be partially or fully funded with PFCs. Interim funding for PFC expenditures has and will come from the Airport's Capital Improvement Fund, which will be reimbursed with PFCs once collections are approved and under way. A financial summary is

attached to this resolution as Table 2: Financial Implications.

**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 the proposed resolution and has unanimously voted to support the submission of PFC Application #22. Letter of support attached.

**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 that are 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. 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 and increase annual Rates and Charges.

**Proposed Motion:**

Motion to authorize the Director of Aviation to execute and submit to the Federal Aviation Administration Application #22 for authority to assess Passenger Facility Charges for capital improvement projects, including the assurances contained therein, and any other documents necessary for implementation of the Passenger Facility Charge program on behalf of the City of Colorado Springs.

N/A