



**FORMAL AGENDA ITEM**

**COUNCIL MEETING DATE:** November 10, 2009

**TO:** Honorable Mayor and Members of City Council

**VIA:** Penelope Culbreth Graft, DPA - *Penelope Graft for cm* City Manager

**FROM:** Mark Earle, Director of Aviation

**Subject: RESOLUTION AUTHORIZING SUBMISSION OF A SECOND AMENDMENT TO PASSENGER FACILITY CHARGE (PFC) APPLICATION #11 TO THE FEDERAL AVIATION ADMINISTRATION INCREASING THE TOTAL PFC FUNDS TO BE COLLECTED FOR CAPITAL IMPROVEMENTS AT THE COLORADO SPRINGS AIRPORT**

**Strategic Goal:**



**SUMMARY:**

Attached is a resolution authorizing submission of a second amendment to PFC Application #11 to the Federal Aviation Administration (FAA). This amendment will allow the Colorado Springs Airport to increase PFC funding in the amount of \$300,822 to fund final closeout of the Rehabilitation of Taxiways E, G, and H (Phase I) project.

**PREVIOUS COUNCIL ACTION:**

In 2006, City Council appropriated funds for the initial phase of a multi-year program to rehabilitate Taxiways E, G, and H, the taxiway system that serves the primary air carrier runway (RWY 17L/35R) at the Colorado Springs Airport. In conjunction with the appropriation, City Council authorized submission of an application for PFC #11, which included a portion of the funds for this and three other projects. In 2007, City Council approved an amendment to PFC #11.

**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 sixteen such applications and has limited its PFC charges to \$3.00 per segment

The Colorado Springs Airport is now requesting authority to submit a second amendment to PFC Application #11 to the FAA to fund costs associated with the closeout of Phase I of the Rehabilitation of Taxiways E, G, and H project. The other three projects in Application #11 will remain the same. While this application seeks to increase overall PFC collection authority, the Airport will continue to collect PFCs at a rate of \$3.00 per segment.

Airport staff has coordinated funding for this project with the FAA and requested additional AIP funding. The FAA was not able to fulfill the request; therefore, PFCs are being requested to cover the remaining eligible costs of this project.

**FINANCIAL IMPLICATIONS:**

Additional PFC funds are needed on this project to cover costs that were originally programmed as Airport Improvement Program (AIP) funds. As the project was nearing completion, FAA officials advised the Airport that AIP funds would not be available to fund a portion of the work remaining on the project, but that the amount could be funded under the PFC program. Now that the project's final reconciliations are complete, the PFC collection authority can be amended to account for the additional funds needed. The table below shows the change in funding sources, and also reflects the final costs of the project, which are less than previously anticipated:

	AIP Grants	PFC Revenues	Total Project
Current Funding	5,058,979	266,262	5,325,241
Proposed Amendment	(502,651)	300,822	(201,829)
Total Funding	4,556,328	567,084	5,123,412

While the Airport awaits FAA approval to adjust the PFC funding levels, Airport Capital Improvement Funds will be utilized to pay for the PFC portions of this project. Once the PFC application amendment is approved, the Airport Capital Improvement Fund will be reimbursed.

**BOARD/COMMISSION RECOMMENDATION:**

Capital improvement projects are presented to the Airport Advisory Commission and ongoing status reports are provided.

**STAKEHOLDER PROCESS:**

The Airport is an enterprise fund that obtains capital funding from FAA grants, State grants, Passenger Facility Charges, Customer Facility Charges, and the Airport's Capital Fund. While no stakeholder process is required for the approval of capital projects under these programs, the Airport seeks public input through the Airport Advisory Commission process. In addition, the Airport coordinates PFC-funded projects with the airlines that provide service to Colorado Springs.

**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.

**RECOMMENDATION:**

Airport staff recommends approval of the attached resolution.

**PROPOSED MOTION:**

Move to approve the resolution to submit a second amendment to PFC Application #11 to the FAA.

c: Michael L. Anderson, Assistant City Manager  
Terri Velasquez, Chief Financial Officer  
Gisela Shanahan, Assistant Director of Aviation  
Public Communications

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION AUTHORIZING SUBMISSION OF A SECOND AMENDMENT TO PASSENGER FACILITY CHARGE (PFC) APPLICATION #11 TO THE FEDERAL AVIATION ADMINISTRATION INCREASING THE TOTAL PFC FUNDS TO BE COLLECTED FOR CAPITAL IMPROVEMENTS AT THE COLORADO SPRINGS AIRPORT**

WHEREAS, there exists a need to undertake and continue capital improvement projects at the Colorado Springs Airport; and

WHEREAS, it is necessary that funding for these projects be obtained by the assessment of Passenger Facility Charges.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

Section 1. That the Director of Aviation is hereby authorized to submit to the Federal Aviation Administration a second amendment to application number 11 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.

Dated at Colorado Springs, Colorado, this 10th day of November, 2009.

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Mayor

ATTEST:

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City Clerk