



COLORADO
Department of Transportation
Division of Accounting and Finance

4201 East Arkansas Ave., Room 262
Denver, CO 80222

MEMORANDUM

TO: TRANSPORTATION COMMISSION
DATE: APRIL 16, 2015
FROM: MARIA SOBOTA, ACTING CHIEF FINANCIAL OFFICER, CDOT
SUBJECT: \$1.0 MILLION TRANSFER FROM STATE INFRASTRUCTURE BANK TO AVIATION FUND

Purpose

This memorandum summarizes the Department staff recommendation to transfer cash to the Division of Aeronautics from the State Infrastructure Bank (SIB).

Action

The Transportation Commission (TC) is being asked to:

- Authorize a Division of Accounting and Finance (DAF) request for a \$1.0 million transfer from the State Infrastructure Bank (SIB) to the Division of Aeronautics Aviation Fund. In 2008, the Division of Aeronautics provided \$10.0 million in funding to the SIB aviation account. Subsequently, in 2009, \$9.0 million was transferred back to the Aviation Fund through TC approval, in alignment with the Colorado legislature through HB09-1066 (see Attachment A).

Background & Details

In November 2014, Division of Aeronautics staff advised the Colorado Aeronautical Board that discretionary grants in FY2015 may total about \$3.0 million. Such a reduction would represent a significant decrease from the grant totals in the fiscal years 2012 through 2014, which averaged about \$24.0 million per year over those three years. This reduction is made necessary by the combination of the Division of Aeronautics' effort to draw down cash balances and a decline in revenues from the sales and use tax collected on sales of jet fuel in Colorado. Aeronautics is looking to supplement FY2015 funding.

Documentation shows that the SIB aviation account still contains \$1.0 million of funding from the Aviation Fund's original \$10.0 million transfer. In 2007 and 2008, Aeronautics loaned the SIB \$14.2 million, \$13.2 million of which was returned (without interest) in 2008 and 2009. The return of funds was authorized by the Colorado General Assembly through HB09-1066 (see Attachment A) and subsequently approved by the TC (see Attachment B).

Language in HB09-1066 directs "the State Treasurer to transfer moneys from the Aviation Fund created by Section 43-10-109 to the aviation account of the Transportation Infrastructure Revolving Fund created by Section 43-1-113.5, but only if such transfer is approved by the Board. The Division may direct the State



Treasurer to transfer moneys from the aviation account back to the Aviation Fund in an amount not exceeding the amounts previously transferred from the Aviation Fund, but only if such transfer is approved by the Board and by the Transportation Commission."

Due to language in HB09-1066 and prior precedent, DAF can request, from the TC, the return of the final \$1.0 million, which would not exceed the amount previously transferred from the Aviation Fund to the SIB (see Attachment C). DAF is asking the TC today, as supported by the Colorado Aeronautical Board (CAB) (see Attachment D), for the approval to make this \$1.0 million transfer. On March 17, 2015, the CAB authorized DAF to make this request of the SIB and the TC. On March 23, 2015, the SIB Committee unanimously approved this request.

Key Benefits

The ability of the Aviation Fund to offer enough promised program grants to meet federal matching criteria is an important aspect of a regional airport's financial health. A \$1.0 million transfer will help the Aviation Fund to improve the statewide airport system.

Options and Recommendations

- 1) Authorize transfer of \$1.0 million from SIB aviation account to the Aviation Fund. **Staff Recommendation.**
- 2) Request more information on the legality of the \$1.0 million transfer.
- 3) Decline to approve a \$1.0 million transfer from the SIB aviation account to the Aviation Fund.

Next Steps

If the TC approves the request, the State Treasurer will transfer \$1.0 million from the SIB aviation account to the Division of Aeronautics Aviation Fund. Future discretionary grants to regional airports, which help to secure federal matching funds, will continue.

Attachments

1. Attachment A: Colorado General Assembly House Bill 09 - 1066
2. Attachment B: TC Resolution of July 23, 2009
3. Attachment C: Letter from Heath Copp Regarding TC Approval of \$9.0 million
4. Attachment D: Authorization from Colorado Aeronautical Board



NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

HOUSE BILL 09-1066

BY REPRESENTATIVE(S) Vaad, Frangas, McFadyen, McNulty, Nikkel,
Priola, Stephens;
also SENATOR(S) Gibbs.

CONCERNING THE CODIFICATION OF EXISTING PRACTICES OF THE DIVISION OF
AERONAUTICS.

(m) DIRECTING THE STATE TREASURER TO TRANSFER MONEYS FROM THE AVIATION FUND CREATED BY SECTION 43-10-109 TO THE AVIATION ACCOUNT OF THE TRANSPORTATION INFRASTRUCTURE REVOLVING FUND CREATED BY SECTION 43-1-113.5, BUT ONLY IF SUCH TRANSFER IS APPROVED BY THE BOARD. THE DIVISION MAY DIRECT THE STATE TREASURER TO TRANSFER MONEYS FROM THE AVIATION ACCOUNT BACK TO THE AVIATION FUND IN AN AMOUNT NOT EXCEEDING THE AMOUNTS PREVIOUSLY

TRANSFERRED FROM THE AVIATION FUND, BUT ONLY IF SUCH TRANSFER IS APPROVED BY THE BOARD AND BY THE TRANSPORTATION COMMISSION.



**Transportation Commission of Colorado
July 23, 2009**

**Resolution Number TC-1748
CO SIB Transfer to State Aviation Fund**

WHEREAS, the Colorado State Infrastructure Bank (CO SIB) is a transportation investment fund consisting of a highway account, a transit account, an aviation account and a rail account; and

WHEREAS, the State Aviation Fund is a fund consisting of certain revenue reserved for aviation uses and purposes; and

WHEREAS, the General Assembly has passed Legislation (House Bill 09-1066) that allows for the transfer of moneys from the aviation account of the CO SIB in an amount not exceeding the amount previously transferred from the aviation fund (fund160) back to fund 160; and

WHEREAS, in 2007, the Colorado Aeronautical Board (CAB) transferred \$10,000,000.00 from fund160 to the aviation account of the CO SIB; and

WHEREAS, the CAB has requested and approved the transfer of \$9,000,000.00 from the aviation account of the CO SIB back to fund 160 to fund phase II of the Colorado mountain radar project as evidenced by the CAB resolution attached hereto; and

WHEREAS, this is an aviation project and the Director of the Division of Aeronautics has technically approved the project; and

WHEREAS, the Colorado Department of Transportation's Chief Financial Officer (CFO) has reviewed and supports the request; and

WHEREAS, there is a sufficient amount available to make this transfer in the aviation account of the CO SIB.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission authorizes, under the guidance and direction of the CFO, the transfer in the amount of \$9,000,000.00 from the aviation account of the CO SIB back to fund 160 to fund phase II of the Colorado mountain radar project.



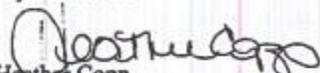
MEMORANDUM

DEPARTMENT OF TRANSPORTATION
Office of Financial Management and Budget
4201 E. Arkansas Avenue
Denver, CO 80222



Date: July 24, 2009

To: Joyce Bunkers

From: 
Heather Copp

Re: Fund Transfer Request

On July 23, 2009 the Transportation Commission approved Resolution Number TC-1748 to transfer \$9,000,000 from the aviation account of the State Infrastructure Bank (fund 715) back to the State Aviation Fund (fund 160). The resolution authorizing this transfer is attached.

If you have any questions or concerns, please call me on extension 2262 or Will Ware on extension 2061.

Thank you.

cc: Lori Copeland
Ben Stein
Will Ware





COLORADO

Aeronautical Board

Resolution

WHEREAS, the Colorado Aeronautical Board (CAB) was created to support the development of a safe and efficient statewide aviation system that supports the needs of the residents, visitors and businesses under CRS 43-10-101; and

WHEREAS, the Colorado Department of Transportation works cooperatively with the CAB to provide an integrated multi-modal transportation system; and

WHEREAS, the Division of Aeronautics provides valuable state funding to Colorado airports for essential aviation projects through the Colorado Discretionary Aviation Grant Program; and

WHEREAS, aviation projects positively impact local communities through safety and efficiency enhancements including the promotion of economic viability; and

WHEREAS, the CAB transferred \$10.0 million into the aviation account of the State Infrastructure Bank (SIB) in 2007 and House Bill 09-1066 allows the CAB to transfer funds between the Aviation Fund and the SIB to meet the needs of the statewide aviation system; and

WHEREAS, the Colorado Transportation Commission (TC) transferred \$9.0 million from the aviation account of the SIB into the Aviation Fund in August 2009; and

WHEREAS, pursuant to House Bill 09-1066, the CAB is eligible to request the TC transfer an additional \$1.0 million from the SIB aviation account to the Aviation Fund;

NOW THEREFORE BE IT RESOLVED, the CAB requests the transfer of \$1.0 million dollars from the aviation account of the SIB into the aviation fund to provide Colorado Discretionary Aviation Grants to Colorado airports, Passed March 17, 2015.


Ray Beck, CAB Chairman


Attest
Stanley J. Buck, Interim Aeronautics Director



Transportation Commission of Colorado
April XX, 2015

Resolution Number TC-XXXX

WHEREAS, the Colorado Department of Transportation works cooperatively with the Division of Aeronautics to provide an integrated multi-modal transportation system; and

WHEREAS, the Division of Aeronautics is overseen by the Colorado Aeronautical Board (CAB) and manages the provision of valuable state funding to Colorado airports for aviation projects that are eligible for federal matching funds; and

WHEREAS, the CAB oversees a State Aviation Fund that consists of certain revenue reserved for aviation uses and purposes; and

WHEREAS, the Colorado State Infrastructure Bank (CO SIB) is a transportation investment bank with the ability to make loans to public and private entities for the formation of public transportation projects within the state; and

WHEREAS, the General Assembly passed Legislation (43-1-113.5 CRS) that made certain provisions for the CO SIB and established within the bank, a highway account, a transit account, an aviation account and a rail account; and

WHEREAS, the General Assembly has passed Legislation (House Bill 09-1066) that allows for the transfer of moneys from the aviation account of the CO SIB in an amount not exceeding the amount previously transferred from the Division of Aeronautics State Aviation Fund (fund 160) back to fund 160; and

WHEREAS, in 2007, the CAB transferred \$10,000,000.00 from fund 160 to the CO SIB aviation account; and

WHEREAS, the Transportation Commission has previously authorized a transfer in the amount of \$9,000,000.00 from the CO SIB aviation account back to fund 160, leaving \$1,000,000.00 in the aviation account of the CO SIB previously transferred from the aviation fund (fund 160); and

WHEREAS, on March 17, 2015 the CAB requested that the Transportation Commission authorize a transfer of the remaining \$1,000,000.00 of aviation fund (fund 160) money in the aviation account of the CO SIB back to the aviation fund (fund 160); and

WHEREAS, the SIB committee has authorized, reviewed the request, and recommends the transfer.

NOW THEREFORE BE IT RESOLVED, the Transportation Commission authorizes, under the guidance and direction of the CDOT Chief Financial Officer, the transfer in the amount of \$1,000,000.00 from the aviation account of the CO SIB back to fund 160 to fund aviation projects eligible for federal matching funds.

Herman Stockinger, Secretary
Transportation Commission of Colorado