



COLORADO
Aeronautical Board

April 18, 2014

**Colorado Springs Airport
SIB Loan Application**

Teleconference

MEMBERS PRESENT:

Joseph Thibodeau	Chairman
Debra Wilcox	Secretary
Kenny Maenpa	Vice-Chairman
Ray Beck	
John Reams	
William "T" Thompson	

MEMBERS ABSENT:

Jeff Forrest

OTHERS PRESENT:

Dave Gordon	CDOT – Division of Aeronautics
Christine Eldridge	CDOT – Division of Aeronautics
Greg Goldman	CDOT – Division of Aeronautics
Todd Green	CDOT – Division of Aeronautics
TK Gwin	CDOT – Division of Aeronautics
Scott Storie	CDOT – Division of Aeronautics
Lenore Manzer	CDOT – Division of Aeronautics
Dan Gallagher	Colorado Springs Airport
June Eveland	Colorado Springs Airport
John Schultz	Colorado Springs Airport

1. The meeting commenced at 9:05 A.M. and the Chairman determined that, with six of the seven board members present, a quorum was established.

2. ***SIB APPLICATION-COLORADO SPRINGS – TK GWIN***

Joseph Thibodeau opened by saying that it was agreed upon at the April 10th Board meeting to bifurcate the discussions on Colorado Springs' SIB loan application into another session where the whole Board could be present or, at least, have afforded the whole Board the opportunity to review the application and give everybody an opportunity to give this a full and fair hearing.

Dave Gordon announced that the SIB Committee met to review the application and they are still doing their investigative work and analysis of the financial portion of the application. Ultimately, it's up to the Transportation Commission to act on this application. The SIB Committee will make a recommendation based on their analysis of the application, along with the Aeronautical Board's recommendation, and, collectively, be assembled into a recommendation to the TC. The SIB Committee consists of a representative from the Division of Aeronautics, the SIB Project Manager, Will Ware, the OFMB Manager, Scott Richrath, the Chairman of the Committee who is also a member of the TC, plus two other TC members that have been asked to participate; one of which represents the Colorado Springs region and the other with banking background.

TK Gwin provided a brief overview of the SIB application from Colorado Springs in the amount of \$2,336,000 to cover six basic projects. Based on all the information on Colorado Springs, the staff doesn't see any financial issues with their request, so is asking the Board to make a strong recommendation to the SIB Committee and the TC that they approve this application.

Debra Wilcox had a question regarding a taxiway rehabilitation project listed on a previous grant, as well as on the current loan application, and how those two fit together. Dan Gallagher explained the portion coming into the SIB is representative of 10% that is not covered in the grant and has to be covered locally. Dan also clarified for Debra the Summary of PFC Revenue & Forecasted Expenses chart, provided in the SIB loan application. Dan wanted to resolve any concerns possibly expressed by the SIB Committee on PFC revenues and would like to reiterate that this is a very low risk loan. He expects to have \$1.8 million+ of PFC revenues annually. Because this is an issue that affects all airports in Colorado, he also requested that a strong advocate for aviation financing, who truly understands PFC revenues, attend the SIB Committee meeting.

John Reams has had a chance to review the SIB application and is satisfied with Colorado Springs' ability to repay the loan.

Ray Beck appreciated the information provided and felt assured that Colorado Springs could repay the loan. In response to one of his questions, he was told the term of the loan was 10 years. He also brought up hangar revenues as an optional source of revenue to pay off the loan. Dan Gallagher went on to explain the different revenue sources available but that the PFC revenues are a protected source that he feels extremely comfortable with as a source to pay off this loan.

Kenny Maenpa referred to the debt/loan synopsis chart provided in the application which, he said, illustrates how truly remarkable it is that Colorado Springs has reduced their debt in an incredibly short period of time and he would like to compliment them on their efforts in the past year. He also pointed out that the pie chart clearly illustrates the application of PFC revenues. He concluded by stating that he thought it was an outstanding application.

William "T" Thompson stated that he was very comfortable with the package. He just wanted to know, since the airport is an asset of the city, if the city was being obligated as well or if this is strictly related to the airport. Dan replied that the airport might be an asset of the city but the city is not obligated because of local and federal jurisdictions that pertain to revenue guarantees and enterprise funding. Colorado Springs airport is a self-sustaining enterprise and can only commit the revenues of the airport.

TK Gwin summarized by stating that Colorado Springs has had a recent change in management and, because of past management, has been challenged to redo their financing to make their airport much more solid and viable and, he acknowledged, they have done a phenomenal job in all capacities of their finances. Since they have done such a good job, TK affirmed this is just one more opportunity for the Division and the Board to support the second largest airport in the state of Colorado. He concluded by saying this is exactly what the SIB is for, exactly what the Division is supposed to be doing with its commission, and he wholeheartedly endorses the approval of this application.

Debra Wilcox made the MOTION, on endorsement from the staff, to recommend this application for favorable consideration to the Transportation Commission and Ray Beck seconded.

Some questions and additional discussion arose regarding the use of an escrow account. June Eveland pointed out that Colorado Springs prefers not to have one because equipment purchases are not normally run through an escrow plus most of the projects will be done within the year. Dave Gordon suggested the motion be amended where the Board also supports finding an acceptable alternative to having an escrow fund set up but Kenny Maenpa said the amendment should include an exemption from utilizing an escrow account as compared to finding an alternative and William "T" Thompson agreed.

Debra Wilcox agreed to amend the MOTION to make a favorable recommendation to the Transportation Commission, which includes honoring the

request that the requirement of an escrow be removed in the Colorado Springs SIB loan application and Ray Beck seconded the amendment.

Joseph Thibodeau raised some additional questions regarding the relationship between Colorado Springs airport and its local governing authority and Dave Gordon and TK Gwin replied that, due to the financial strength of the airport, it would not rely on the city to back them up on a loan. The Board was then called to vote.

The MOTION carried unanimously.

Dave Gordon announced that the Board's favorable recommendation will be put on the Agenda for consideration at the Transportation Commission's May 15th meeting. Dan Gallagher made a special request to have Kenny Maenpa represent airports, CAO, and the CAB in attendance at the next SIB Committee meeting and Kenny said he will do whatever he needs to do to support this program.

Joseph Thibodeau called for a MOTION to adjourn, William "T" Thompson so MOVED and John Reams seconded.

The MOTION carried unanimously.

- 3.** The meeting adjourned at 9:50 A.M.