



COLORADO

Department of Transportation

Division of Accounting and Finance

4201 East Arkansas Avenue, Room 235
Denver, Colorado 80222
(303) 757-9262

DATE: May 14, 2014

TO: Transportation Commission

FROM: Scott Richrath, Chief Financial Officer

SUBJECT: State Infrastructure Bank (SIB) Application - Colorado Springs Airport

Purpose

The purpose of this memo is to inform the Transportation Commission (TC) that at the time of the TC packet publication, the SIB Committee had not yet made a recommendation regarding the Colorado Springs Airport loan application. The SIB Committee will provide a recommendation to the Commission electronically once rendered. A resolution draft is included in the packet submitted for the Commission's review in advance of receiving the final recommendation.

Action Requested

If desired, review draft resolution.

Options for TC Consideration

Will be provided to the TC electronically once rendered by the SIB Committee.

Staff Recommendation

Will be provided to the TC electronically once rendered by the SIB Committee.

If you have any questions, please feel free to contact me at (303) 757-9793.





Administration Office
7770 Milton E. Proby Parkway, Suite 50
Colorado Springs, CO 80916
Phone: 719.550.1900
Fax: 719.550.1901
www.flycos.com

David C. Gordon, A.A.E
Director
State of Colorado
Department of Transportation
Division of Aeronautics
5126 Front Range Parkway
Watkins, Colorado 81137

Dear Dave,

Enclosed, please find a State Infrastructure Bank Loan Application on behalf of the Colorado Springs Airport. As an existing SIB recipient, the Airport recognizes the great value this program represents, and appreciates the opportunity to submit this latest application. Thank you in advance for any consideration you may afford this application.

Please feel free to contact myself or Mr. Troy Stover with any additional questions or feedback.

Sincerely,

Dan Gallagher
Director of Aviation
Colorado Springs Airport
7770 Milton E. Proby Parkway, Suite 50
Colorado Springs, CO 80916
Office: (719) 550-1910
Cell Phone: (719) 491-0974
dgallagher@springsgov.com

Colorado State Infrastructure Bank Application



Revised (4/12)

Section III – Financial Information

- (1) Requested Loan Amount: \$2,336,000 Total Project Cost or Purchase Price: \$15,227,777
- (2) How will the entity make scheduled payments? Monthly Quarterly Annually Other _____
- (3) How long does the entity need to repay the entire loan in terms of years? 10 (Ten years maximum)
- (4) Does the entity plan to borrow additional funds for this project in the future? Yes ___ No X
- (5) Is the payment of this loan superior, on a parity basis, or subordinate to other debt that is serviced by the revenue source(s) pledged to this loan? Superior ___ Parity X Subordinate ___ List the entity's debt service and payment amounts below:

Please reference our Pro-Forma Debt Service within Attachment A
- (6) Has the applicant suffered an operating deficit in the last five years? Yes X No ___ If yes, give an explanation describing what actions were taken below:

The Colorado Springs Airport has shown an operating deficit in each of the last five years. The operating deficit includes depreciation. If depreciation is excluded, the Airport had operating income in each of the last five years.
- (7) Attach a pro forma statement as attachment "A" that lists all revenue sources that the entity expects to receive. Include three years of historical amounts for each source, the current year's estimate for each source, and future projections of the anticipated amount for each source over the term of the loan. Also, identify the revenue source(s) that will be used to repay the loan, and any funding source or collateral that the entity wishes to pledge to secure the loan.
- (8) Attach a copy of the entity's latest financial statements as attachment "B."

The Statements are preliminary as they are currently under-going audit and will be formally released by May 2014.
- (9) If the entity had a bond rating on any debt previously incurred attach a copy of the latest rating letter as attachment "C."
- (10) Attach a resolution as attachment "D" from the entity's governing board authorizing the application and borrowing of funds from the CO SIB.

Please complete ALL sections of the application. Additional information may be requested.

Colorado State Infrastructure Bank Application



Revised (4/12)

Section IV – Project Information

- (1) Type of Project: Highway Transit Aviation Rail
- (2) Attach the detailed description of the project or purchase as attachment “E” including graphical depictions of the project, scope of work, equipment specifications, and/or other information necessary to fully describe the project or purchase.
- (3) As attachment “F”, attach a certified cost estimate of the project, an appraisal of the real estate being purchased, or a bona fide quote on equipment being purchased.
- (4) Is this project or purchase a part of the statewide transportation improvement program plan?
Yes No If no, please identify the plan document that this project or purchase is associated with and attach it as attachment “G.”
- (5) Does this project or purchase meet the federal-aid eligibility requirements? Yes No
- (6) Does this project involve a public/private partnership? Yes No If yes, please attach an account of the arrangements as attachment “H.”
- (7) Does the project involve the formation of a special finance district? Yes No If yes, attach the status of negotiations with benefited property owners, an engineer’s report on the district formation and assessments, and any resolutions creating the district as attachment “I.”
- (8) In attachment “J.”, explain why this project or purchase is needed. How will the State’s transportation system be enhanced and what benefits will emanate due to this project? *Types of benefits that are of interest include: Congestion mitigation; Environmental mitigation; Safety; Economic development; and Linkages/Connectivity/Access to existing and/or planned projects.*

Section V – Acknowledgement and Certification

The undersigned hereby certifies that the information provided in this application is true and correct as of the date set forth opposite my signature on this application and acknowledge my understanding that any intentional or negligent misrepresentation of information contained in this application may result in civil liability and/or criminal penalties under the state statutes of Colorado, and liability for monetary damages to the Lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application.

Authorized Signature

Date

4/7/14

Dan Gallagher

Print or Type name

Director of Aviation

Title

Please complete ALL sections of the application. Additional information may be requested.

ATTACHMENT F. COLORADO SPRINGS AIRPORT CAPITAL IMPROVEMENT PROGRAM COST

PROJECT INFORMATION

PROJECT SCHEDULE

FUNDING BREAKDOWN

Project	TOTAL DESIGN (2013 - 2014)	TOTAL CONSTRUCTION (2013 - 2014)	Equipment Purchase	Design Start Date	Design End Date	Construction or Project Start Date	Construction or Project End Date	Federal Aviation Administration		CDOT Grant	Passenger Facility Charge	Airport Capital	Total
								AIP Discretionary	AIP Entitlement				
2014 Rehabilitation of Taxiways E, G, and H (Phase V)	\$ 590,862	\$ 9,256,841	\$ -	Nov-13	Feb-14	Jun-14	Nov-14	\$ 5,992,385	\$ 3,362,933	\$ -	\$ 492,385	\$ -	\$ 9,847,703
17R - 35L Paint Markings	\$ -	\$ 596,741	\$ -	Jan-14	Feb-14	Jun-14	Jun-14		\$ 537,067	\$ -	\$ 59,674	\$ -	\$ 596,741
Taxiway A Rehabilitation (Priority Areas 1 & 2)	\$ 266,667	\$ 3,066,667	\$ -	Mar-14	Jun-14	Aug-14	Nov-14	\$ -	\$ -	\$ 3,000,000	\$ 333,333	\$ -	\$ 3,333,333
Fleet Improvement (Phase V)	\$ -	\$ -	\$ 620,000	n/a	n/a	Jun-14	Dec-14	\$ -	\$ -	\$ -	\$ 620,000	\$ -	\$ 620,000
*Cooling Towers	\$ -	\$ -	\$ 800,000	Oct-14	Jan-15	Jan-15	Apr-15	\$ -	\$ -	\$ -	\$ 800,000	\$ -	\$ 800,000
Regulator	\$ -	\$ -	\$ 30,000	n/a	n/a	Jun-14	Jul-14	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000

\$ 2,335,392 \$ -

*Please note the Cooling Towers Project must be designed in 2014 and funding source in place before the project can begin with an anticipated start January 2015

Loan Request Amount = Anticipated PFC or Airport Capital to be Obligated.
\$ 2,335,392

**Transportation Commission of Colorado
May 15, 2014**

Resolution Number TC-

WHEREAS, the Colorado State Infrastructure Bank (bank) 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 bank and established within the bank, a highway account, a transit account, an aviation account and a rail account; and

WHEREAS, a loan application has been submitted by the Colorado Springs Airport (borrower), to borrow \$2,336,000 from the aviation account for taxiway rehabilitation and equipment purchases; and

WHEREAS, the Transportation Commission has adopted rules, pursuant to 43-1-113.5 CRS, in 2 CCR 605-1 regarding the eligibility requirements, disbursement of funds, interest rates, and repayments of loans from the bank; and

WHEREAS, pursuant to 2 CCR 605-1, Rule VI, Section 4 the Review Committee has reviewed and is in support of the application; and

WHEREAS, 2 CCR 605-1, Rule VI, Section 6 (2) provides “loan agreements for construction will specify that funds will be disbursed in their entirety to a third party fiduciary or escrow agent” unless the Transportation Commission provides a specific exemption; and

WHEREAS, the borrower has expressed its intent to attain Wells Fargo Bank (the agent) as the third party fiduciary, escrow, or administrative agent to confirm proper documentation from the borrower for loan draws, with the CDOT Division of Aeronautics, directly disbursing funds to the borrower upon receipt of the agent’s confirmation; and

WHEREAS, the Division of Aeronautics and the Colorado Aeronautic Board have approved this aviation project on technical merit; and

WHEREAS, a sufficient amount is available to loan in the aviation account;

NOW THEREFORE BE IT RESOLVED, the Transportation Commission authorizes CDOT, under the guidance and direction of the Chief Financial Officer, to execute a loan agreement secured by aviation fuel tax revenues with the borrower in an amount of \$2,336,000.00 under the terms and provisions set forth in the adopted rules.

Transportation Secretary

Date

DRAFT