

RESOLUTION NO. \_\_\_\_\_ - 15

A RESOLUTION AUTHORIZING THE CITY OF COLORADO SPRINGS, BY AND THROUGH ITS ENTERPRISE, THE COLORADO SPRINGS AIRPORT, IS HEREBY AUTHORIZED TO ACCEPT CHARITABLE FUNDS FROM PIKES PEAK COMMUNITY FOUNDATION, DEPOSITED BY PRIVATE FOUNDATIONS AND OTHERS FOR THE PURPOSE OF LESSENING THE CITY'S BURDEN BY WAY OF SIGNIFICANTLY AND TANGIBLY DEVELOPING, PROMOTING AND ACCOMMODATING AIR COMMERCE, AIR TRAVEL AND AIR TRANSPORTATION AT COLORADO SPRINGS AIRPORT.

WHEREAS, the City of Colorado Springs Municipal Airport ("Airport") is an enterprise of the City of Colorado Springs ("City"). The operation of the Airport is a governmental function that provides public air transportation. The enterprise is intended to be a self-sustaining governmental-owned business supporting that public purpose and may issue its own revenue bonds; and

WHEREAS, the Airport opened in 1927 with two simple gravel runways. It now covers about 7,200 acres and is the second busiest airport in the state. In 1996 the Airport had 2,386,065 enplanements. It is anticipated 2015 will see 604,970 enplanements. Accordingly, there were 8 times more enplanements in 1996 than 2015; and

WHEREAS, Airport operations and the management of economic development and incentives related to Airport uses is a responsibility of the City. The City Code provides for the creation and function of the Municipal Airport Advisory Commission. See § 14.1.101 *et seq.* The City Code also provides for the creation, purpose, and regulation of the airport itself. See § 14.1.201 *et seq.* Specifically, City Code § 14.1.201 provides that the "Municipal Airport includes a terminal facility for development, promotion and accommodation of air commerce, air travel and air transportation. The operation of the Airport is declared to be a governmental enterprise function of the City." In addition, Resolution No. 73-05, provides for economic development at the airport by extending lease terms up to ninety-nine (99) years, which is a "catalyst and magnet for economic development" intended to support long-term investment, planning, and development; and

WHEREAS, the City along with El Paso County and Pikes Peak Rural Transportation Authority have created a Commercial Aeronautical Zone which provides significant tax advantages for aeronautical businesses; and

WHEREAS, the City is responsible for the Airport and has taken on the burden to ensure it is financially viable and effective for the benefit of community; and

WHEREAS, revenues generated at the Airport are used, in part, to repay outstanding bond indebtedness. By way of example, in 1992, a bond ordinance was enacted by City Council to fund the airport's new terminal. The outstanding bonded indebtedness is \$18,600,000 and is dependent upon sufficient air service generated revenues to provide for repayment. If a charitable organization were to reduce the City's repayment costs, it would lessen the City's burden; and

WHEREAS, the City of Colorado Springs has the burden of operating and maintaining the Airport and support from foundation(s) will lessen that burden; and

WHEREAS, charitable foundation(s) are interested in providing meaningful grant(s) to be paid to Pikes Peak Community Foundation's Aeronautical Enhancement Fund for the purpose of significantly and tangibly developing, promoting and accommodating air commerce, air travel and air transportation. Grants would be subject to progress toward agreed upon benchmarks; and

WHEREAS, charitable funding is capable of offsetting real estate absorption burdens or burdens associated with procuring the capital necessary for attracting or growing airport services. Funding may provide incentives which will give the airport a competitive edge. The effect of relieving the City and Airport of such burdens has a positive impact on marketing, improved ground transportation, improved and increased ground services, the number of strategic non-stop flights, and overall business expansion leading to job growth. Booking in-bound flights also increases tourism dollars and therefore increases general fund revenue; and

WHEREAS, economic development at the Airport will create economic activity for the City's poorest neighborhoods. Zip codes 80910 and 80916 form an area known as Southeast Colorado Springs. The Airport is immediately adjacent to zip code 80910. Poverty levels in Southeast Colorado Springs are twice those in El Paso County as a whole. Economic stability is at the core of individual and family success; and

WHEREAS, enhanced air service would have a directly positive effect on the economy. Colorado Springs enjoys a balanced, diverse economic base. Aerospace and military defense are the leading industries supporting the local economy. The area also has countless producers of high-quality products such as electronic equipment, semiconductors, precision parts, medical devices and plastics manufactured and shipped to national and international markets from within our region. Information technology and data storage operations are flourishing in the community as well as a strong base of financial services/customer support/back office operations. Amateur sports are prominent and feature the Olympic Training Center and the headquarters of the United States Olympic Committee. Many other national nonprofit organizations, such as Junior Achievement and the Space Foundation, have also located their headquarters in the Pikes Peak region; and

WHEREAS, the military and their families need affordable air service. Colorado Springs' five military installations host many commands including the North American Aerospace Defense Command, U.S. Northern Command, Air Force Space Command, U.S. Army Space and Missile Defense Command/Army Strategic Command, the Missile Defense Integrated Operations Center, the Joint Functional Component Command-Integrated Missile Defense, the 310 SW (AFRES), the 302nd AW (AFRES) and the U.S. Army 4th Infantry Division; and

WHEREAS, in 2014, direct, indirect and induced employment from military installation operations exceeded 107,000 with payroll and related earnings of \$7.5 billion; and

WHEREAS, military members and their families are transient and require sound air service for both mission related reasons and for morale and welfare; and

WHEREAS, as America's Olympic City, the City requires affordable air service to support amateur sports and national governing bodies. Colorado Springs is the hub for amateur sports with more than 57 national and international sports organizations based in the region. Led by the United States Olympic Committee, the sports organizations, manufacturers and companies based here generate more than \$400 million of economic activity to the region each year. Many national governing bodies are headquartered here, such as USA Basketball, U.S. Figure Skating, USA Hockey, USA Swimming, and USA Volleyball. Other leading sports organizations include the National Strength and Conditioning Association, the Mountain West Conference, the Professional Rodeo Cowboys Association, and the Women's Professional Rodeo Association; and

WHEREAS, amateur sport athletes, their leadership and family members associated with them require diverse air service connecting to points throughout the nation for both mission related reasons and for morale and welfare; and

WHEREAS, the City has a large retired population that needs affordable air service. Reduced cost of air travel allows out-of-town family members to visit Colorado Springs and allows retirees to visit their out-of-town friends and relatives; and

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

Section 1. The Colorado Springs City Council hereby finds that the City of Colorado Springs has a governmental burden to ensure the Airport is financially viable and effective for the benefit of community.

Section 2. The activities of the Colorado Springs Municipal Airport are authorized under Chapter 14, article 1, part 2 of the City Code.

Section 3. The City of Colorado Springs considers the aeronautical activities of its Airport to be a burden of government (for purposes of Rev. Rul. 85-1, 1985-1, C.B. 177).

Section 4. Grants to the Colorado Springs Municipal Airport by private foundations and other charitable organizations will lessen the burden of Colorado Springs' government by and through its enterprise, the Colorado Springs Municipal Airport, by way of funding economic development activities at the Airport which relieves the City of burdens that it otherwise would be required to perform.

Section 5. Additional charitable purposes are served with such financial support by way of supporting underserved communities and populations.

Section 6. The City of Colorado Springs is authorized to acknowledge that expenditures by Pikes Peak Community Foundation to fund economic development activities at the Airport serves the purpose of lessening the city's burden. The City is further authorized to acknowledge such expenditures fund the development, promotion, and accommodation of aeronautical activity, air commerce, air travel and air transportation, which serves the purpose of lessening the City's burden.

Section 7. The City of Colorado Springs, by and through its enterprise, the Colorado Springs Municipal Airport, is hereby authorized to accept charitable funds from the Pikes Peak Community Foundation, deposited by private foundations and others for the purpose of lessening the City's burden by way of significantly and tangibly developing, promoting and accommodating air commerce, air travel and air transportation at Colorado Springs Airport.

Section 8. The City of Colorado Springs is hereby authorized to accept charitable funds from any foundation, organization, person, group or entity for the purpose of lessening the City's burden, as long as there are no unacceptable conditions.

DATED at Colorado Springs, Colorado, this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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City Council President

ATTEST:

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Sarah B. Johnson, City Clerk