



Legislation Text

File #: 18-0776, Version: 1

Other/Miscellaneous Request Template (Appointments; ROW; Code Changes; Zoning Action, etc.)

Date Submitted: 7-10-18

Requesting Agency: Finance
Division:

Subject Matter Expert:

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A bill for an ordinance concerning the Airport Facilities of the City and County of Denver; providing for the administration of certain passenger facility charges; ratifying action previously taken; providing for other related matters; and providing the effective date of this ordinance. Authorizes the adoption of a Passenger Facility Charges (PFCs) Supplemental Ordinance, allowing for changes to the treatment and administration of Passenger Facility Charges at Denver International Airport. The last regularly scheduled Council meeting within the 30-day review period is on 8-20-18. The Committee approved filing this item at its meeting on 7-18-18.

Affected Council District(s) or citywide?

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

The proposed PFC Supplemental Ordinance authorizes the continued use and pledge of PFC's currently set to expire in 2018, and is being adopted in accordance with provisions outlined in the General Bond Ordinance.

Passenger Facility Charges are fees imposed by the City as approved by the Federal Aviation Administration (FAA) currently equal \$4.50 per enplaned passenger at the Airport. Pursuant to the existing PFC Ordinance, \$3.00 of the \$4.50 PFC is defined as Committed PFC and is pledged to the Senior Bonds of the Airport through 2018. The remaining \$1.50 portion of the \$4.50 PFC is referred to as Designated Passenger Facility Charges and is also pledged to be used by the City to pay DEN debt service requirements. Unlike Committed PFC's, Designated PFC's can also be used for eligible Airport projects if they are not used to pay debt service. The use of PFC revenues is regulated by the FAA.

The Manager of Aviation has requested that the provisions relating to the administration of Passenger Facility Charges be revised and supplemented as provided in this PFC Supplemental Ordinance as follows: commencing with the Fiscal Year beginning January 1, 2019, (a) the Committed Passenger Facility Charges and the related irrevocable commitments to the payment of Debt Service Requirements of Bonds provided for in Prior PFC Ordinances shall not be continued or extended, (b) the definition of "Committed Passenger Facility Charges" be considered to have been deleted from the General Bond Ordinance, including any applicable supplements thereto, (c) the definition of "Designated Passenger Facility Charges" shall be revised and supplemented to include "amounts received by the City from all PFCs received by the City from time to time pursuant to all existing and future PFC applications of the City, net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues as provided in the FAA PFC Regulations, and (d) Designated Passenger Facility Charges, as defined herein, shall be included in Gross Revenues of the Airport System for purposes of the Authorizing General Bond Ordinances commencing Fiscal Year 2019 and each Fiscal Year thereafter until such time as the Manager of Aviation shall give written notice to the Manager of Finance that the Designated Passenger Facility Charges or any portion thereof shall no longer continue to be included in Gross Revenues for purposes of the Authorizing General Bond Ordinances.

The intended changes to the administration of PFCs allow DEN greater flexibility in use of PFCs for purposes other than debt service, such as eligible PFC projects.

Address/Location (if applicable):

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):

Draft Bill Attached?