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For Immediate Release

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City responds with accurate information to recent statements about airport reported in media

(Charlotte NC) In an effort to provide the public with accurate information on recent questions or statements made in the press about the City of Charlotte and Charlotte Douglas International Airport, the City is providing the following answers and clarifications. Additionally, several media articles on legislation for an authority at Charlotte Douglas International Airport have contained misinformation. Recognizing there are many complexities surrounding the authority discussion, the City is focusing on these major topics that are important to the ongoing conversation:

Incorrect statement: Airport Bonds are not backed by the City's AAA bond rating.

Fact: The City's existing Airport Revenue Bonds are rated: AA1 Moody's, A+ S&P, A+ Fitch. They are repaid wholly by revenues generated at the Airport. The City of Charlotte - the issuing unit - has an overlying G.O. rating of AAA from all three agencies. Should Airport revenues be insufficient to pay the debt, the City could use other available funds, an option that would not be available to an authority. If the Airport becomes an authority, new ratings will be determined for airport revenue bonds without the benefit of the City's strong credit characteristics and the highly rated "umbrella" issuer will no longer be present or have any responsibility for new debt issued.

Incorrect statement: The City did not approve a Capital Investment Plan for the Airport in 2012.

Fact: On June 25, 2012, City Council approved the Aviation department's 5-year CIP (FY13-FY17), which totaled \$1.04 billion. The projects included in the Airport's CIP include airfield projects, terminal complex projects, general aviation projects, cargo development projects, and other miscellaneous airport improvement projects.

Each of the enterprise funds (Aviation, CATS, Storm Water, and CMUD) have their own capital investment plan (CIP) funded by dedicated fees/charges that are dedicated to each enterprise fund. The various enterprise CIPs are separate from the General CIP.

Incorrect statement: CMPD's presence at the Charlotte Douglas International Airport is because the City needed a place for 50 officers and \$5.6 million once funded by federal stimulus dollars.

Fact: The expiration of Federal stimulus dollars for police officers and the decision to place CMPD in charge of security at the Airport are entirely separate issues. After the stimulus grant ended in FY 12, the

City Council approved shifting the funding for those officers to the City's General Fund/City revenues (property and sales taxes), as was planned all along. Security and law enforcement staffing levels at the airport are based on the CMPD's assessment of need. The 17 (*not 50 as reported*) new airport officers were separate additions to the budget and fully funded by Aviation.

Incorrect statement: *The recent error in distributing bonds was the Finance Department's responsibility, not the Airport's.*

Fact: It is true that only the City Finance Department "disburses" City bond funds. However, the Aviation Department determines where the money is spent. In 2010 the Finance Department responded to a routine inquiry from the Internal Revenue Service concerning the use of the 2004 Aviation Revenue Bonds. The Finance Department consulted with the City's tax counsel who determined that the Airport was financing projects from the proceeds of the 2004 bonds without regard to Federal tax law.

Incorrect statement: *The FBI, Homeland Security and the FAA investigated the Tisdale case and absolved the Airport of any responsibility.*

Fact: These agencies never conducted independent investigations of the Tisdale case. The City Manager, Aviation Director and Police Chief agreed that CMPD would lead the multi-jurisdictional task force to conduct an investigation.

Incorrect statement: *Some Airport revenues such as parking fees might not be covered by federal restrictions on the use of Airport revenue.*

Fact: Since parking fees at the Airport are clearly airport revenues subject to restrictions as outlined by the City Attorney in a March 5, 2013 memo to Mayor and Council, such revenues cannot be diverted for general municipal purposes. During the fall budget workshop process, staff provided information on potential revenues associated with creating a new Business Privilege License tax category for parking facility operators. Since the parking facilities at the Airport are operated by the city, even if such a tax were levied on businesses that operate parking facilities, such a tax would not apply at the Airport.

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