

Taxpayers Association Endorses Polk County Referendum for the Des Moines International Airport.

Polk County residents will be asked on November 7 to authorize Polk County to issue up to \$350 million in General Obligation bonds, proceeds from which are to be loaned to the Des Moines International Airport Authority for the long-planned terminal facility.

Without reservation, the Taxpayers Association of Central Iowa endorses the referendum.

- The current facility has outlived its useful life, physically and operationally. The current plan addresses those issues and provides a much-needed increase in capacity.
- Partial financing of the project through a loan from Polk County to the Airport Authority makes eminent sense, a projected savings to the project of \$76 million over 30 years.
- Current and projected airport revenue will be sufficient to pay principal and interest costs without any taxpayer participation.

The need for the new facility has been well documented and widely publicized. Over 2.9 million individuals utilize the 75-year-old facility annually for both business and personal travel. The new terminal project will increase capacity by 50%. According to a 2022 independent study prepared by the Iowa Department of Transportation, the Des Moines Airport contributed \$752 million in economic benefit to the State of Iowa. A properly sized and modern airport provides an essential service to any growing urban center.

Less publicized, but particularly noteworthy, are the details of the proposed financing, a major reason for the Association's endorsement.

Since 1921, the Association has advocated for necessary, effective, efficient, and transparent public sector programs, especially those that demonstrate regional cooperation. The financing of this project meets all the criteria.

Current funding includes Federal grants and additional support from the State of Iowa, 21 regional municipalities & counties, and Prairie Meadows. The additional funding from the proposed Polk County loan will result "in savings to the airport authority of \$76M over 30 years, or a present value of \$47M," compared to the authority's borrowing costs, according to a Piper Sandler analysis.

Projections indicate that all principal and interest due on the loan will be met by the authority, while maintaining prudent reserves for operations and other improvements. The model includes progressive increases in the fees charged to airlines, while keeping Des Moines competitive with other airports.

There was a time when travel by air was a "luxury." Today it is a commodity. It is essential for any vibrant and growing urban center to provide it. Voting YES on the referendum will allow the Des Moines International Airport to remain viable and competitive.

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