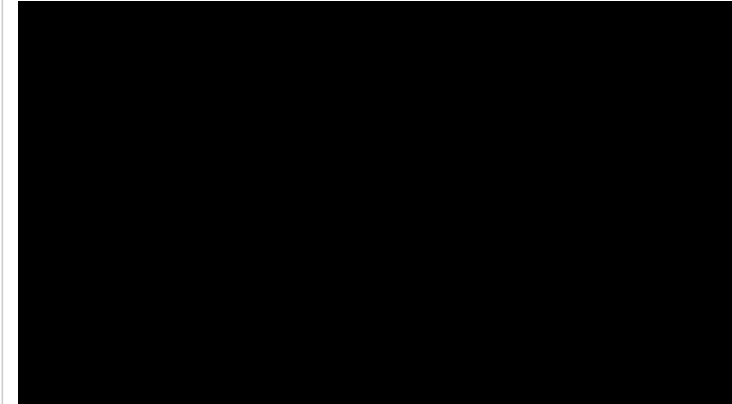


# Eastern Iowa Airport marks end of debt with bond burning

By George C. Ford, The Gazette

Video

Photos



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CEDAR RAPIDS — After taking on millions of dollars of bills to finance improvements over three decades, The Eastern Iowa Airport joined an exclusive club Tuesday by becoming debt-free.

It believed to be one of only three airports nationwide that have 500,000 or more passenger boardings each year that can make the claim.

“It’s a tremendous achievement,” said Michael Boyd, president of Boyd Group International, a Denver, Colo., aviation consultant.

“It makes the airlines confident and it makes vendors confident. The community should pat itself on the back.”

The airport held a ceremony Tuesday to mark the final payment on \$28 million of general obligation bonds issued on its behalf over the last 30 years by the city of Cedar Rapids.

Josh Schamberger, chairman of the Cedar Rapids Airport Commission, said that money was used to finance 14 capital improvement projects.

“In 1983, in the middle of a recession, the Cedar Rapids Airport Commission made the decision to build a new terminal to be funded through bonds,” Schamberger said. “This decision, considered very risky at the time, in hindsight positioned The Eastern Iowa Airport to grow into what it is today.”

The airport, owned by the city of Cedar Rapids, does not receive city or county property tax revenue. It is self-sufficient, deriving its annual revenue from facilities rentals and fees, user fees, federal and state grants, concession revenue and farm rentals. The state grants are funded from airline fees, not taxes.

Airport Director Marty Lenss said the airport is in the midst of a \$50 million renovation that will include updating the terminal, improving the public parking lot, repaving the terminal drive, replacing all of the jet bridges, building a B concourse with jet bridges and expanding the security checkpoint and C concourse.

Lenss said the four-year project will be completed without incurring new debt, increasing costs for tenants or passengers or accepting city or county tax revenue.

Cedar Rapids Mayor Ron Corbett said the airport commission in 1983 — with former Mayor Don Canney’s encouragement — had the vision to take the risk of building a terminal when the state was enduring a devastating farm crisis and its economic impact

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"The commission had the vision of a thriving airport in future years," Corbett said. "Today, we have over a million people each year using The Eastern Iowa Airport."

Corbett said a 2009 air service study conducted by the Iowa Department of Transportation found proximity to a commercial airport was one of the top three factors for companies determining whether to relocate or expand in an area.

"The Eastern Iowa Airport not only connects a million people to the world each year, but also enables the business community to grow, expand and create additional jobs," Corbett said.

Schamberger praised the work of past commissions as well as Donald Swanson, airport director of finance and administration, and his staff for being able to achieve the airport's debt free status.

In recognition of Swanson's financial guidance and service, Chamberger said the terminal's executive conference room will be named for him.

"I'm very honored and fortunate to have been at this airport for the last 28 and half years," Swanson said. "It's a great surprise and I'm almost speechless."