How Evan Marks misled the public about airport finances

Amory B. Lovins, President, Aspen Fly Right, 10 July 2024

Just in time to misinform the BOCC's 1 May 2024 vote, but too close to debunk, came investor Evan Marks's comprehensively misleading 28 April *Aspen Times* article, ironically titled "Don't be misled by Aspen Fly Right's financial proposal." The *Times*'s editor sat on my response (43% this length) for over a month, ignoring reminders and requests to meet, so we post it here, updated from some recent Colorado Open Records Act disclosures.

Marks's 28 April article has 14 paragraphs of his opinions. Every paragraph is false and misleading. Twelve aren't even *about* his headline's financial analysis, summarized here and in the *Aspen Daily News* and *Aspen Times*. Instead, those 12 paragraphs attack Aspen Fly Right's "proposal…[for Pitkin County] to take over the FBO" or the airport—both assets that the County already owns. Marks's talking points for business leaders he recruited to lobby the 1 May BOCC meeting emphasized the same county-takeover fiction, rather than addressing our utterly different actual case.

The BOCC seems ready to lease the FBO to incumbent Atlantic Aviation to finance, improve, and run as it wants for another 30 years, charging whatever the market will bear, so that's what our financial analysis assumed. (It also mentioned, but didn't suggest or assume, two other options: the County could hire a skilled contractor, even Atlantic, to run the FBO under County policy direction, or even run the FBO itself. Another option, FAA-required if it fits, is a second competing FBO.) Attacking something we didn't assume makes Marks's concerns about the County's fuel-buying, FBO investment, and insurance not just dubious but irrelevant. (Notice that the County already owns its piece of potential accident liability for the *commercial* flights that carry most of the passengers, but may plead governmental immunity.) What our analysis *did* do is simple: it calculated how much airport bonding the new revenue from Atlantic could finance, and found that it comfortably exceeded the airport's estimated capital costs.

Marks says our cost estimates are too low and "stale," but we used the County's own latest estimates, then on 8 April updated them to the County's newer March 21 estimates, coincidentally released hours after our initial financial analysis. Marks triples our FBO terminal cost by redefining it, but he forgets that Atlantic Aviation, not the County, will pay for it in our assumed FBO model. We agree all costs are uncertain, but so is the County's proposal—more so because it builds more. And while Marks rejects our "unrealistic 5%" bond interest rate, we actually documented a range of five rates (2–6%—the higher four from County estimates and experience, and for a modest part of the project, a special 2% Federal program that the County might have overlooked). County Manager Jon Peacock adopted 5% in his 1 May presentation to the BOCC. Our advisors concurred. We'll use 5% here.

Marks conjures the "frightening possibility" of having to repay over $100 million of FAA grants from the past 20 years—an ancient zombie that FAA regional manager John Bauer dismissed at 32:35 of his BOCC brief last spring: "It's not what we are in the business of doing….It does us no good…to try and claw back funds that have already been spent." I also asked the County to identify any potentially repayable grants, and they could cite only one—which the FAA confirmed didn't exist. The same pattern—a scary County threat of what the FAA would do that the FAA has not actually threatened to do—prevails for airport downgrade or closure, loss of commercial services, and the other bogeymen that some County Staff invent to scare people.

Instead, Bauer twice declared that the County *could* keep its airfield and plane-size limits as they are, *if* it gave up future FAA discretionary grants and requests for bigger planes, and that this is a choice for the County to make. Visiting Bauer's superiors at FAA headquarters in February, County officials omitted the "if" part to get the opposite answer and disregard his offer. Four Commissioners apparently didn't spot the switched question.

Those are the same FAA grants that our financial analysis found are worth little to nothing, or less (with the original layout), because getting them would add comparable or larger costs. We also showed the grants aren't needed, because new, steady, high-quality revenues from the proposed Atlantic FBO contract can fully finance a Better Airport without bigger planes—including a new runway and doubled-size passenger terminal, both buildable about as soon or sooner—unless the FAA prefers to impose and be responsible for denial or delay.

Marks claims those new "guaranteed minimum" revenues are unreliable. He's wrong. Atlantic must reportedly pay them regardless of fuel sales and prices—$18 million per year for the next 30 years—plus an additional $1 million a year for rent (Aspen *Times*, 14 Sep. 2023). Marks's own BOCC memo says the secret bid actually totals *$20* million a year, which would make our analysis more conservative. (I can't confirm that, because dollar figures are all blacked out in publicly available versions. Marks also quantifies a range for three bidders' FBO terminal costs, some or all of which are still secret. Naughty.) Atlantic Aviation's financial strength makes its payments a low risk revenue stream for underwriters. Atlantic's owner, the half-trillion-dollar KKR, was lately the world's biggest private-equity firm. Why endanger its lucrative contract by missing payments? Elsewhere, Marks agrees this new FBO lease revenue will be "essential" to finance the new passenger terminal—exactly the same approach he ridicules when we propose it.

The County's latest estimates, though uncertain, say that with the cheaper new airfield layout, their design, which we call "Bigger Airport," would cost about $313 million, get $106 million in FAA grants, and pay for the other $207 million with $21 million of airport user fees and $186 million of airport bonds. Our "Better Airport"—the same without redesigning for bigger planes—would cost about $225 million, get no grants, spend no airport user fees, and issue $225 million of airport bonds—less than the $289 million that the new FBO payments could support. The math works fine. No one disputes it. Arithmetic is not an opinion.

I urged Peacock to have his experts review our financial analysis because its results surprised us, anyone can make mistakes, and Aspen Fly Right rigorously corrects its own. He thought the County's three-week review found five errors. My posted reply, shared with the BOCC and press, detailed why they're not our errors but his reviewers'.

Tellingly, the County's review identified *none* of the errors Marks claims. Neither did our own advisors and reviewers: eminent bond counsel, plus four municipal-bond experts familiar with Pitkin County's finances—two underwriters, one issuer, and one buyer. Indeed, even while claiming we erred, Peacock graciously called our financial analysis “rigorous,” “thoughtful,” and “punctilious.”

No one has yet told us how it’s wrong—only that they dislike it. It shreds the official policy, intently focused on getting supposedly vital FAA grants, so it should have transformed the airport conversation. Yet the Airport Advisory Board (AAB) ignored it. So did its parent and advisee, the BOCC—because it too has been misled, partly by Marks.

Is his information reliable? He warned the BOCC of a “misguided referendum calling for ASE’s self-management”; there is no such thing. He wrote the BOCC and *The Aspen Times* (12 April) that visitors arriving by private plane are “only 1%” of the patrons of local lodgings, restaurants, retailers, and cultural institutions. That’s sketchy math: Aspen’s commercial jets average about 50 passengers, private planes at least a few—seldom just one, sometimes dozens—and surely many guests arriving by private plane for Food and Wine, Ideas, Music Festival, etc. lack their own house and chef. Asked for his data source, Marks replied in full, “Surveys. Research commissioned by ACRA. Try them.” We already had, thoroughly. ACRA and the other top local experts said no one knows, nor even counts private planes’ passengers. An AAB member couldn’t get Marks to cite his sources either. I infer that he makes stuff up.

In a prearranged March 21 comment to the AAB at 6:45, he blasted our financial analysis, asserting we could fund the runway or terminal but not both. Or maybe his incoherent gripe was our “conveniently neglecting” that the FAA “would” claw back \$112–200 million in past grants. (Very unlikely—see above.) He said the airport can’t “hypothecate” as we supposedly assumed (we didn’t)—yet he wrote a Commissioner that hypothecation would be “likely” for “crucial” terminal financing. When facts fail, wave arms and use big words.

Marks is one of the prominent surrogates who shape and spread the County’s message in collaboration with public servants and each other. Indeed, before publishing his critique, he’d asked Barry Vaughan to submit it in his stead, because Marks was out of town but wanted it published before the BOCC meeting, as he thoughtfully notified the County Manager and Airport Director. And his strong airport views delivered to the BOCC, AAB, business leaders, and citizens identified him as a member of the County’s Financial Advisory Board, implying an official view. Was that authorized? We’ll see.

While waiting, let’s see if our elected officials actually consider any real alternatives—they haven’t yet—and if zealous mouthpieces like Marks, Barry Vaughan (also here and here), Greg Goldfarb, and others have the decency to stop misleading the public.

Honest dialogue takes two. Alas, our community, like so much of America’s public space, is experiencing more reckless disregard for facts than interest in weighing evidence, seeking truth, and coming together. The Great Books’ authors would be disappointed.