



Hosmer Visitor Center and Hotel Polaris Historical and Financial Overview

Sept. 28, 2026

Background

The Hosmer Visitor Center and Hotel Polaris project at the North Gate of the United States Air Force Academy was conceived to enhance visitor engagement while reducing security-related interruptions that had increasingly impeded access to the Barry Goldwater Visitor Center. The project, part of the larger TrueNorth Commons, was undertaken by a third-party developer (unaffiliated with USAFA) utilizing an Enhanced-Use Lease, financed with municipal bonds and tax incentives. The financing supported the construction of infrastructure, Hotel Polaris and the Hosmer Visitor Center on the 57-acre site. Bond payments are serviced by a combination of municipal and occupancy taxes along with Hotel Polaris cash flows. In 2021, the Association of Graduates and the Air Force Academy Foundation separately agreed to support various aspects of the Hotel Polaris and Hosmer Visitor Center development to help enable the project's financing and completion.

Project Objectives

1. **Gateway Enhancement:** Construct a modern visitor center outside the Air Force Academy's secure perimeter at the North Gate to foster tourism and maintain public accessibility regardless of changes to the Academy security posture.
2. **Economic Engine:** Develop Hotel Polaris to serve alumni, parents, visiting athletic teams, military conference guests, future/prospective cadets and the broader public. Ensure that the hotel plays an integral role in the public-private financing structure supporting visitor center construction.
3. **Key Stakeholder Engagement:** Provide a high-caliber hotel and conference center for class reunions, cadet family events and institutional gatherings, adding vibrancy to the broader Academy community.

Financing Structure & Ownership Model

Land Lease: The development occupies Air Force property made available through a 50-year Enhanced-Use Lease. The EUL is a specialized long-term leasing agreement that allows the Air

Force to lease underutilized or vacant real property to public or private entities which, as in this case, serve to improve or enhance the Academy's mission.

Project Financing Model: Hotel Polaris project financing included \$231.89 million in municipal bonds. The bonds are paid primarily through occupancy, meeting, and food and beverage revenues generated by the hotel. The Hosmer Visitor Center was also financed through additional municipal bonds incorporating tax and other project-generated revenues, including future revenues from Hotel Polaris, as well as local and state economic development incentives from the Colorado Springs "City for Champions" initiative. Launched in 2013, "City for Champions" provided public funding through tax increments for five regional tourism projects, all of which are completed and now open. These projects include the U.S. Olympic & Paralympic Museum, Weidner Field, Ed Robson Arena, the William J. Hybl Sports Medicine and Performance Center and the Hosmer Visitor Center at the Academy's North Gate.

Visitor Center and Hotel Ownership Entities: The Hosmer Visitor Center was gifted to the Department of the Air Force and is now owned and maintained by the Air Force Academy. Hotel Polaris is owned by Provident Group-Falcon Properties LLC, a subsidiary of Provident Resources Group, a national 501(c)(3) nonprofit.

Long-Term Asset Transfer: Full ownership of Hotel Polaris is contemplated to transfer jointly to the Association of Graduates and the Air Force Academy Foundation upon retirement of the bond debt in its entirety. This was originally estimated to be in 2057. Philanthropy and strong financial performance can significantly accelerate this timeline.

Institutional Support & Financial Commitment

In late 2021, prior to the issuance of the municipal bonds, the project underwriters, RBC Capital, determined that additional credit support was required in the form of a letter of credit and the purchase of a portion of the subordinated debt. Provident Resources Group approached the Association of Graduates and the Air Force Academy Foundation to evaluate financial support under the rationale that USAFA was a primary beneficiary of the visitor center (immediately) and Hotel Polaris (upon repayment of the municipal bonds).

Both the AOG and Foundation understood and recognized the immediate and future benefits of the project to USAFA. The boards of both organizations independently endorsed the following:

Association of Graduates

2021 Senior Bond Guaranty: To prevent the expiration of critical state tax incentives amid slow-moving initial bond sales, the AOG board of directors in 2021, at the suggestion of Provident

Resources Group, approved a \$6 million guaranty of Hotel Polaris senior bonds to ensure the project's launch.

Risk & Capital Management: The AOG board authorized the guaranty with the knowledge that some or all of the \$6 million could be absorbed as a non-reimbursable project cost. The AOG authorized US Bank to issue a \$6 million letter of credit to support the Hotel Polaris project; investments held on the AOG balance sheet backstopped the letter of credit. Discussion centered around the potential outcome that USAFA would receive a visitor center (estimated cost of about \$45 million for the core and shell) upon completion of construction in exchange for the letter of credit supporting the hotel. The \$6 million guaranty remains a contingent obligation of the AOG. The investments supporting the letter of credit have generated approximately \$4.3 million in returns to the AOG portfolio to date. These investment returns are separate from the \$6 million contingent obligation and do not reduce the amount of the guaranty.

Air Force Academy Foundation

Subordinated Debt: The Foundation coordinated with individual donors to provide \$5 million in subordinated financing at the launch of the municipal bonds. Of that \$5 million, the Foundation currently holds a \$2 million subordinated financial interest, and individual donors hold the remaining \$3 million.

Naming Campaign and Philanthropic Support: Following project completion, individual donors and graduate classes have contributed naming-rights gifts and direct donations to retire debt early, accelerating the payoff timeline and enhancing the long-term solvency of Hotel Polaris.

Current Operational & Financial Status

The core and shell of the 34,000-square-foot Hosmer Visitor Center were gifted to the Air Force as planned and on schedule in 2024. However, Air Force contracting issues related to the interior displays delayed the opening of the visitor center to the public. The Hosmer Visitor Center opened to the public in May of 2026, serves as an official Colorado Welcome Center and partners with Visit Colorado Springs. The 375-room Hotel Polaris opened in November 2024 and is serving the needs of USAFA, its graduates, parents and families of cadets, conference attendees and the public. Offering 40,000 square feet of meeting and event space, it is viewed favorably and considered a major asset of the local area, recently receiving notable recognition, including AAA Four-Diamond Hotel status. A pedestrian bridge connects the Hosmer Visitor Center and Hotel Polaris over North Gate Boulevard. Both the Hosmer Visitor Center and Hotel Polaris are considered excellent amenities for the Air Force Academy, graduates and visitors.

Operating Performance: Now in its second year of operation, Hotel Polaris has increased revenue by 40% compared with its first year of operation. Room occupancy has increased by 42% over the same period. The hotel is actively used for AOG and Foundation events and is an integral part of USAFA reunions, Academy events, meetings and conferences, as well as hosting visiting athletic teams. Hotel performance continues to ramp up to stabilization. Early performance was affected by construction delays (opening during the city's off-peak tourism season), reductions in federal government spending and bookings, and the significant delay in the public opening of the Hosmer Visitor Center. This slower than anticipated start has impacted the hotel's operating cash and reserves.

Debt Service Coverage: Hotel Polaris is projected to generate sufficient operating cash flow to begin contributing toward ongoing debt service obligations within the next 12 months.

Guaranty Protection: A Debt Service Reserve Fund of approximately \$5.4 million remains available to help cover debt-service shortfalls before funds under the AOG's \$6 million letter of credit would be required, subject to the terms of the financing agreements. While Hotel Polaris's prospects continue to look encouraging, the potential for a call on the guaranty remains. The AOG and Foundation staff continually monitor the hotel's performance and keep both boards updated with information provided by owner Provident Group-Falcon Properties LLC and manager CoralTree Hospitality.

Ongoing Development: The Foundation continues to raise major gifts for facility naming rights to accelerate debt reduction and secure the asset's ultimate transition to the Academy community.

Summary

The Association of Graduates and the Air Force Academy Foundation supported the Hosmer Visitor Center and Hotel Polaris project because of the significant, long-term benefits to the Academy, its graduate community and the public. The Hosmer Visitor Center is now an operational Academy asset, open to the public daily and serving as an official Colorado Welcome Center and Visit Colorado Springs destination. Hotel Polaris is demonstrating improving financial performance. Although the AOG-provided \$6 million guaranty remains a potential exposure, the investments supporting the letter of credit have generated approximately \$4.3 million in returns to date. Continued hotel growth and philanthropic support will further strengthen the hotel's path toward financial stability.