



AGENDA ITEM SUMMARY

City Council

STAFF

Aaron Ehle, Airport Planning & Development Specialist
Ryan Malarky, Assistant City Attorney

SUBJECT

Second Reading of Ordinance No. 170, 2023, Authorizing the Conveyance of a Permanent Non-Exclusive Utility Easement on Property Jointly Owned by the City of Fort Collins and the City of Loveland at the Northern Colorado Regional Airport to the Fort Collins-Loveland Water District.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on December 5, 2023, authorizes a permanent non-exclusive utility easement over a portion of the Northern Colorado Regional Airport property to allow for the installation and maintenance of a regional waterline to serve the Fort Collins-Loveland Water District's (the "District") public water system. This project will directly benefit the Airport by providing water infrastructure to areas that currently lack it and service connection points, which have been strategically located to serve future Airport development.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

BACKGROUND / DISCUSSION

Northern Colorado Regional Airport is a public facility jointly owned and operated by the Cities of Fort Collins and Loveland. In 2015, the Cities entered into an intergovernmental agreement ("IGA") that formed the Northern Colorado Regional Airport Commission, which delegated certain powers and authority to operate and maintain the Airport. However, only the City Councils have the authority to grant easements as permanent property rights at the Airport.

In connection with the planned upgrades to the District's water system, an agreement for a permanent non-exclusive easement for a regional waterline (the "Easement") has been negotiated by staff from the Airport, both Cities, and the District. The Easement area consists of 6.233 acres along the north and east boundaries of the Airport.

Under City Code Section 23-111, the City Council may sell, convey, exchange, or otherwise dispose of any and all interests in City-owned real property if the City Council finds, by ordinance, that such sale or disposition is in the best interests of the City. City Code Section 23-114 requires that any sale, lease or other conveyance of property must be for an amount equal to or greater than the fair market value of such interest unless the City Council or City Manager, as applicable, determines that such sale or lease serves a bona fide public purpose by meeting certain criteria.

Here, the conveyance of the Easement will result in the City, at a minimum, receiving fair market value, because the District has agreed to install certain water infrastructure improvements on Airport property that will benefit the Airport.

The Airport conducted an appraisal in conformance with the guidelines and recommendations set forth in the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Relocation Assistance and Real Property Acquisition Act. It also conforms to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The appraisal concluded that the value to the Airport of the new infrastructure on its property was approximately \$854,141. The value of the land to be encumbered by the Easement is estimated at \$327,233, resulting in a net benefit of approximately \$526,908 to the Airport.

The conveyance of the Easement is in the best interests of the City because it will allow the District to create a more robust and reliable water system that serves, in part, much of south Fort Collins. The Easement will also encourage future private development at the Airport by providing water infrastructure to areas of Airport property where such infrastructure is lacking. This future development will be in alignment with the Airport Master Plan, which has been approved by City Council.

The Airport Commission considered the conveyance of the Easement at a public meeting and voted to recommend its approval by the City Councils.

CITY FINANCIAL IMPACTS

The Easement does not have material financial impacts to the City but does result in a net benefit to the Airport of approximately \$526,908 in new water infrastructure.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Northern Colorado Regional Airport Commission recommended that the City Councils approve the Easement with a 5-0 vote at their September 21, 2023, meeting.

PUBLIC OUTREACH

The item was discussed at two Airport Planning & Development Subcommittee meetings and one Airport Commission meeting, all of which are public meetings.

ATTACHMENTS

First Reading attachments not included.

1. Ordinance for Consideration
2. Exhibit A to Ordinance