



## AGENDA ITEM SUMMARY

City Council

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### STAFF

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Aaron Ehle, Airport Planning & Development Specialist

### SUBJECT

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**Second Reading of Ordinance No. 016, 2025, 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

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This Ordinance, unanimously adopted on First Reading on February 4, 2025, authorizes a permanent, non-exclusive utility easement over a portion of Northern Colorado Regional Airport property to allow for the installation and maintenance of a waterline to serve the Fort Collins-Loveland Water District's (the "District") public water system. The project will improve reliability and redundancy of the water system that serves the Airport and surrounding area. The Airport will receive fair market value compensation for the easement.

### STAFF RECOMMENDATION

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Staff recommends adoption of the Ordinance on Second Reading.

### FIRST READING BACKGROUND / DISCUSSION

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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 planned upgrades to the District's water system, an agreement for a permanent non-exclusive easement for a waterline (the "Easement") has been negotiated by staff from the Airport, both Cities, and the District. The Easement area consists of 3,032 square feet (0.0696 acres) in the northwest area 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 determined the fair market value of the Easement to be \$3,675, which the District will pay to the Airport upon its execution.

The conveyance of the Easement benefits 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 Airport will benefit by receiving financial compensation.

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**

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The Easement does not have a material financial impact to the City but does result in a net benefit to the Airport of \$3,675.

### **BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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The Northern Colorado Regional Airport Commission recommended that the Councils approve the Easement with a 6-0 vote at their January 16, 2025, meeting.

### **PUBLIC OUTREACH**

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

### **ATTACHMENTS**

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First Reading attachments not included.

1. Ordinance for Consideration
2. Exhibit A to Ordinance