

AGENDA ITEM SUMMARY

City Council



STAFF

John S. Kinney, Airport Director

SUBJECT

First Reading of Ordinance No. 050, 2026, Authorizing a Mid-year Budget Appropriation from the Airport Fund for Northern Colorado Regional Airport.

EXECUTIVE SUMMARY

The purpose of this item is to approve a mid-year budget appropriation of \$378,057 from the Airport fund to support six priority projects and initiatives identified by Airport staff. Of this amount, \$228,057 is an appropriation of new revenue received in the Airport Fund and \$150,000 is a re-appropriation of funds previously appropriated in 2025. These efforts are focused on strengthening operational safety and real-time airfield visibility, enhancing security and regulatory compliance, maintaining critical infrastructure, aligning the Airport's budget with current operating demands, and advancing strategic initiatives to establish a clear brand and attract future commercial airline service.

The proposed funding will enable the Airport to make targeted investments that align with long-term strategic goals and to improve overall performance and service levels.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Background and Governance

Northern Colorado Regional Airport (FNL) is jointly owned by the Cities of Fort Collins and Loveland. The former Airport Commission provided policy oversight until its sunset in 2025. The Airport now operates under the direct governance of both City Councils, with the Airport Director reporting to the respective City Managers. Major actions, including budget approvals, non-standard lease agreements, and significant capital projects, require approval from both Councils.

Financial Structure and Funding

FNL operates as a self-sustaining enterprise fund. All Airport-generated revenues are applied to operating and capital expenditures. As outlined in the intergovernmental agreement (IGA), the Cities provide administrative support functions and contribute equally when additional funding is necessary to support Airport needs.

In addition, the Airport actively pursues external funding for eligible projects, including grants from the Federal Aviation Administration and the Colorado Department of Transportation Division of Aeronautics.

Vision

Northern Colorado Regional Airport's vision is to become a premier corporate, general aviation, and commercial service airport that helps drive the regional economy while serving the transportation needs of its partner communities.

Economic Impact

According to a 2025 State of Colorado study, FNL generates approximately \$160.5 million annually in total business revenues and supports 839 jobs across the region.

2026 Mid-Year Appropriation Request

If approved, the \$378,057 in mid-year appropriations will be used for the following purposes:

- 1) **Air Service Development Plan, \$85,000:** This re-appropriation funds an air service development consultant to support the Airport's efforts to attract a new airline service. A consultant provides specialized industry expertise, market analysis, and established relationships with airline planners that are not available in-house. They help identify the most viable routes, prepare data-driven business cases, and guide the Airport through airline network planning processes. The appropriation also supports airline meetings and site visits, which are critical for demonstrating the Airport's facilities, regional demand, and readiness for future scheduled service.
- 2) **Brand and Marketing Plan Development, \$65,000:** This re-appropriation supports the development of an updated Airport brand and modernized website as part of a coordinated outreach effort to airlines. The project includes refreshed branding, improved online presence, updated marketing materials, and modernization of the website to ensure it is digitally compliant. Airlines rely heavily on digital first impressions when evaluating new markets, and our current branding and website do not reflect the strength of the region or the Airport's readiness for future service. Updating these materials is an essential step in preparing for airline recruitment efforts targeted for 2027.
- 3) **Air Traffic Control Tower System Improvement, \$60,000:** This appropriation funds the purchase of a radar-like system that gives the control tower better real-time visibility of aircraft and vehicle movements. The tower does not currently have any comparable tool, which limits controllers' ability to monitor the airfield. Most airports use similar systems to support safe and efficient operations. This funding brings FNL in line with those standards and improves day-to-day tower coordination and safety.
- 4) **Airport Security and Compliance System Improvement, \$45,000:** This appropriation supports the implementation of an updated Airport-wide air badge system to strengthen security and regulatory compliance. The Airport's current badge process is functional but outdated and increasingly hinders TSA compliance and operational efficiency. Modern airfield access systems are the industry standard at airports nationwide, providing consistent credentialing, improved access control, and better accountability. Updating to a contemporary system is essential to maintain compliance and support safe and efficient operations.
- 5) **Airport Utilities, \$73,057:** The Airport is requesting a mid-year appropriation to align the 2026 utilities budget with known costs established by 2025 actual expenditures. The introduction of the new terminal and increased use of airfield navigation aids have expanded the Airport's utility demand compared to historical levels. These operational changes have resulted in higher ongoing electricity, heating, and related utility costs than what was originally budgeted for 2026. The additional funding is necessary to fully support the current operational footprint of the Airport and ensure uninterrupted delivery of essential terminal and airfield services for the remainder of the fiscal year.
- 6) **Pavement Management, \$50,000:** CDOT has awarded the FNL a \$450,000 grant for apron restoration work a year earlier than originally anticipated. As a condition of the award, the Airport is required to provide a local match of \$50,000. This funding will allow the Airport to secure the full CDOT contribution

and complete necessary pavement restoration to maintain safe and reliable aircraft operations on the apron.

CITY FINANCIAL IMPACTS

Upon adoption, this Ordinance re-appropriates \$150,000 of funds held in prior year reserves in the Airport Fund, appropriates \$228,057 in new revenue received in the Airport Fund the current fiscal year, and authorize expenditures for the purposes set forth in Ordinance No. 050, 2026.

This appropriation has no financial impact on the City's General Fund.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Loveland City Council adopted Ordinance No. 6826 approving the mid-year appropriation request on second reading at its regular meeting on April 21, 2026.

PUBLIC OUTREACH

None.

ATTACHMENTS / LINKS

1. Ordinance No. 050, 2026