

WORK SESSION AGENDA ITEM SUMMARY

City Council



STAFF

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SUBJECT FOR DISCUSSION

Consideration of Creating an Airport Authority.

EXECUTIVE SUMMARY

The purpose of this item is to provide an update on the work of the Airport Governance Committee and to get feedback on the Committee recommendation to create an Airport Authority.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. What questions do Councilmembers have regarding the Airport Governance Committee recommendation?
2. What questions or suggestions do Councilmembers have regarding the proposed Resolution?

BACKGROUND / DISCUSSION

Historical Context

The Cities of Fort Collins and Loveland agreed in 1963 to jointly build and operate a regional airport. It opened in 1964 under joint agreement and ownership and serves as an important niche in our transportation infrastructure. In addition to its many benefits the airport has faced challenges over the years, both financially and in the governance structure which has challenged the ability of the airport to function at its greatest potential.

The airport is jointly owned and operated by the cities of Loveland and Fort Collins; full control and decision-making authority is placed with the City Councils of both cities. Under the current governance structure, updated in 2015, the Northern Colorado regional Airport Commission is charged with facilitating communication between the cities and advising the Councils concerning Airport issues such as general policies, land use, budget, capital improvements and strategic planning. The Commission is comprised of two members each from Fort Collins and Loveland Council and staff and three resident members.

A historical search of airport related documents shows that the airport has tried a range of governance structures, including an Airport Board, Ad Hoc Committee, Airport Authority (see note*) and Joint Steering

Committee. Each governance model served its purpose at the time it was implemented and was changed for various reasons at the time.

Changes in the growing cities and the airport facility itself have necessitated reassessments and updates to the governance structure. However, one thing has remained constant: the joint ownership model is difficult to manage. It remains an ongoing challenge to find a workable governance structure that effectively balances the two cities' desired level of control and decision-making with the delegation of responsibilities needed to efficiently operate the Airport.

Note*: A 2007 memo states the following:

The Fort Collins-Loveland Airport was governed by an Airport Authority from 1983 – 1990, when it disbanded of its own volition. The Authority had six members, three appointed by City Councils of each City.

The 1991 Strategic Plan notes that the Authority "...suffered with a very serious and ultimately fatal flaw. It had the responsibility for operating the Airport but not the authority." The Fort Collins ordinance establishing the Authority seems to support this statement. It specifies "Nothing in this ordinance shall be construed to assign, convey or otherwise transfer to the Airport Authority any right, title or interest in the Airport or any improvements situated thereon, nor to grant to the Authority any of the rights, privileges, powers, duties or functions of an authority as they apply to said Airport, but, instead, all of such matters are hereby reserved unto the Cities, except as may hereafter be granted by separate agreement or instrument." The lease was intended to give the Airport Authority some operating authority but it appears that did not occur.

Airport Governance Report

In 2023, a new effort was initiated to identify and evaluate the full array of governance options available to the airport and the Cities. As part of this work staff worked with Dam Reimer, joint special legal counsel, who prepared a report (the Report) identifying and summarizing options. Following the release of the Report, an Airport Governance Committee was formed consisting of two Councilmembers from each city to review, discuss, and make recommendations.

The Airport Governance Committee (Committee) met four times in 2024 (notes attached.) The Committee reviewed and discussed numerous options in consideration of the following goals:

- Good steward for regional asset FNL infrastructure.
- Limit liability of airport sponsors to acceptable level.
- Consistency for staff and stakeholders (community) /Clarity to stakeholders on policy direction, day to day operations, etc.

Streamlining of operation decision making was also considered.

Necessary Approval	Status Quo	Amended IGA	Authority
Daily Operation	D	D	D
Budget	AC, CC	CC	AA
Leases	D, AC, CC	D, CM or CC	D, AA
Capital Procurement	D, P, CM, AC, CC	D, P, CM or CC	D, AA
Land Acquisition & Disposal (including utility Easements)	AC, CC	CC	CC
IGA and Grant Agreements	AC, CM, CC	CM, CC	AA
D = Airport Director AC = Airport Commission CM = City Mangers CC = City Council P = Purchasing Body AA = Airport Authority	5 entities	4 entities	3 entities

At the fourth meeting the Commission was in agreement to recommend to each Council moving forward with the creation of an Airport Authority (AA). The greatest benefits expressed were getting the needed skill sets in place to run an airport and de-politicizing the decision-making. The greatest risks and considerations expressed were avoiding financial burdens to the Cities; working to ensure AA success; and maintaining ability to decommission if necessary.

NEXT STEPS

In outlining a high-level roadmap to AA creation, the following steps have been identified:

- Work sessions with each Council to confirm support in moving towards AA creation.
- Regular meeting to formalize support (Resolution)
- 2025 dedicated work in creating an IGA which would define and determine responsibilities, obligations, financial support, bylaws, Conflict of interest standards, and Board member eligibility and selection process.
- Anticipate multiple touchpoints with Committee and Councils in 2025 while negotiating IGA.
- 2026 work would include Board recruitment and selection and all paperwork details for a 2027 start.

ATTACHMENTS

1. Committee Notes
2. Governance Report
3. Resolution Supporting Airport Authority (draft)
4. Presentation