

# AGENDA ITEM SUMMARY

City Council



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## STAFF

Francis Robbins, Acting Airport Director

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## SUBJECT

**Second Reading of Ordinance No. 153, 2024, Adopting the 2025 Budget and Appropriating the Fort Collins Share of the 2025 Fiscal Year Operating and Capital Improvements Funds for the Northern Colorado Regional Airport.**

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## EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on November 4, 2024, adopts the 2025 budget for the Northern Colorado Regional Airport and appropriate Fort Collins' share of the 2025 fiscal year operating and capital funds for the Airport. Under the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Airport between Fort Collins and Loveland (the "IGA"), the Airport is operated as a joint venture with each City owning 50% of the assets and revenues and responsible for 50% of the operating and capital costs. The proposed budget does not include any financial contributions from the City's General Fund. Because each City has an ownership interest in 50% of the Airport revenues, each City must appropriate its 50% share of the annual operating and capital budget for the Airport under the IGA.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

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## BACKGROUND / DISCUSSION

In 1963, the City of Fort Collins and the City of Loveland agreed to the establishment of a regional aviation facility and became owners and operators of the Northern Colorado Regional Airport, located ten miles southeast of downtown Fort Collins, just west of Interstate 25. The Airport is operated as a joint venture between the City of Fort Collins and the City of Loveland, with each city retaining a 50% ownership interest, sharing equally in policy-making and management, and with each assuming responsibility for 50% of the capital and operating costs associated with the Airport. Airport governance and management is set forth in the IGA.

The Airport's mission is: Serving the region, we are a catalyst for innovation in all modes of transportation, a driving force for innovation in business and training, and a global gateway to a magnificent Colorado. According to a 2020 State of Colorado study, the Northern Colorado Airport provides a regional economic impact of approximately \$295.97 million annually and supports 1,072 area jobs.

All revenues derived from the Airport are applied to both operating and capital expenditures. Each City contributes equal funding, when necessary, for Airport operating and capital needs as defined in the IGA. External funding is also received through grants that are applied for and received by the Airport for eligible projects from the Federal Aviation Administration and the Colorado Department of Transportation Division of Aeronautics.

This Ordinance appropriates the City's 50% share (\$1,063,064) of the 2025 Airport operating budget (\$2,126,128) and 50% share (\$4,628,983) of the 2025 capital budget (\$9,257,967), for a total appropriation of \$5,692,047 by the City. On October 15, 2024, the City of Loveland passed ordinance number 6736 on second reading. Loveland's ordinance number 6736 appropriates the other 50% of the 2025 Airport budget. The appropriation of capital expenditures differed from the Commission approved level and will be adjusted through mid-year budget adjustment to match the attached. The Airport's operating budget is used to maintain and operate the facility in compliance with all regulatory standards for safety and security and to achieve goals set by the Northern Colorado Regional Airport Commission on behalf of the Cities. The Airport's capital budget will be used to complete improvement projects, including the design of a permanent air traffic control facility, and runway 15-33 widening contracting for the work to begin construction early in 2026.

Financial resources for 2025 are expected from the sources listed below. These include external sources, such as federal and state grants and required grant matches, as well as airport revenues and reserves. These resources will provide the necessary funding for the 2025 operating and capital budgets:

FAA Grants	\$8,234,569
State Grants	\$216,699
Airport Revenues	\$2,080,816
Airport Reserves	\$1,000,000
Total	\$9,257,967

The \$1,000,000 Airport Reserves item is an appropriation as set forth through the IGA for use by the Northern Colorado Regional Airport Commission consistent with the approved 2025 Budget for high priority projects. This Airport Reserve appropriation does not require any additional funding from the Cities.

**CITY FINANCIAL IMPACTS**

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No direct impact on City general finances. Airport fund is a balanced operational budget with capital expenditures conservatively less than airport reserves.

**BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

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Northern Colorado Regional Airport Commission recommended the budget for adoption with Resolution #R-07-2024 at its September 17, 2024, regular commission meeting.

**PUBLIC OUTREACH**

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The 2025 Airport budget received comments in six public meetings including the Airport Commission and three Airport Finance Committee meetings.

## **ATTACHMENTS**

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First Reading attachments not included.

1. Ordinance for Consideration
2. Exhibit A to Ordinance