

# AGENDA ITEM SUMMARY

City Council



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## STAFF

Aaron Ehle, Airport Planning & Development Specialist

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## SUBJECT

**Second Reading of Ordinance No. 008, 2024, 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 for the New Airport Terminal Facility.**

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## EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on January 16, 2024, authorizes a permanent non-exclusive utility easement over a portion of the Northern Colorado Regional Airport property owned jointly by the City of Fort Collins and the City of Loveland to allow for the installation and maintenance of electrical infrastructure for the new Airport terminal facility.

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## STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

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## 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 Cities Councils have the authority to grant easements as permanent property rights at the Airport.

In connection with the new terminal, the City of Loveland has requested a permanent non-exclusive easement for the installation and maintenance of electrical infrastructure (the “Easement”) to serve the facility. The total area of the easement is 4,483 square feet.

Under City Code Section 23-111, the Council may sell, convey, exchange, or otherwise dispose of any and all interests in City-owned real property if the 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 Council or City Manager, as applicable, determines that such sale or lease serves a bona fide public purpose because:\*\*

- (1) *The use to which the property will be put promotes health, safety or general welfare and benefits a significant segment of the citizens of Fort Collins;*

The Airport is a public use facility jointly owned by Fort Collins and Loveland. The Easement will allow for public investment and development that will bring improvements to the Airport and the users it serves.

- (2) *The use to which the property will be put supports one (1) or more of the City Council's goals, adopted policies, projects or plans;*

The Easement will allow for public development of the site in alignment with the Airport Master Plan, which was approved by City Council.

- (3) *The financial support provided by the City through the below-market disposition of the property will be leveraged with other funding or assistance;*

The City is benefiting from the grant of the Easement by allowing its partner, the City of Loveland, to install and maintain utilities necessary for the terminal project. In addition to federal grant funding and Airport revenue being used for the terminal, both Cities individually contributed \$1,000,000 towards the project.

- (4) *The sale or lease will not result in any direct financial benefit to any private person or entity, except to the extent such benefit is only an incidental consequence and is not substantial relative to the public purpose being served; and*

The Easement will simply allow the City of Loveland to provide electrical service to the new public terminal, which will add value to the Airport.

- (5) *Selling or leasing the property for less than fair market rent will not interfere with current City projects or work programs, hinder workload schedules or divert resources needed for primary City functions or responsibilities.*

Granting the Easement will not interfere with City projects or work programs, workload schedules, or resources needed for primary City functions or responsibilities.

As the Easement meets the above criteria, Airport staff and the Airport Commission recommend approval of the Easement as it allows for the electrical infrastructure required to serve the new public facility to be installed and maintained. The new terminal is in alignment with the Airport Master Plan, which has been approved by Council.

## **CITY FINANCIAL IMPACTS**

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The Easement does not have material financial impacts on the Airport or City.

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

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The Northern Colorado Regional Airport Commission and the City Councils of Fort Collins and Loveland have approved the 2020 Airport Master Plan, which prominently features plans for the new terminal facility.

The Fort Collins and Loveland City Councils have each appropriated \$1.0 million in support of the new terminal.

The Airport Commission unanimously voted at its November 16, 2023, meeting to recommend the City Council approve the utility easement.

## **PUBLIC OUTREACH**

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The development of the 2020 Airport Master Plan, which took more than two years to complete, included numerous public meetings and significant outreach by the Airport, far exceeding what is recommended by the Federal Aviation Administration (FAA).

## **ATTACHMENTS**

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First Reading attachments not included.

1. Ordinance for Consideration
2. Exhibit A to Ordinance