



AGENDA ITEM SUMMARY

City Council

STAFF

David Ruppel, Interim Airport Director
Francis Robbins, Airport Operations & Maintenance Manager
Ryan Malarky, Assistant City Attorney

SUBJECT

First Reading of Ordinance No. 140, 2023, Adopting the 2024 Budget and Appropriating the Fort Collins Share of the 2024 Fiscal Year Operating and Capital Improvements Funds for the Northern Colorado Regional Airport.

EXECUTIVE SUMMARY

The purpose of this item is to adopt the 2024 budget for the Northern Colorado Regional Airport and appropriate Fort Collins's share of the 2024 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.

STAFF RECOMMENDATION

Staff recommend adoption of the Ordinance on First Reading.

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 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 (\$1,515,493) of the 2024 Airport operating budget (\$3,030,986) and 50% share (\$10,979,000) of the 2024 capital budget (\$21,958,000), for a total appropriation of \$12,494,493 by the City (please refer to Exhibit A). The City of Loveland will be appropriating the other 50% of the total 2024 Airport budget (\$12,494,493). 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 and construction to widen the primary runway and repair project, the repaving of an existing aircraft taxiway, and environmental and design of expanded fuel storage facility.

Financial resources for 2024 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 2024 operating and capital budgets:

FAA Grants	\$15,620,000
State Grants	\$522,000
USDOT	\$750,000
Airport Revenues	\$1,966,908
Airport Reserves	<u>\$2,000,000</u>
Total	\$20,858,908

The \$2,000,000 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 2024 Budget for high priority projects. This Airport Reserve appropriation does not require any additional funding from the Cities.

The Northern Colorado Regional Airport Commission approved the proposed 2024 Airport Budget and recommended it for approval by the Fort Collins and Loveland Councils on September 21, 2023. Loveland's City Council has considered the 2024 Airport budget and it was unanimously accepted on first reading October 3, 2023, with the Second Reading scheduled on October 17, 2023.

CITY FINANCIAL IMPACTS

The proposed budget does not include any financial contributions from the City's General Fund. This item appropriates the City's 50% share of the annual budget for fiscal year 2024 for the Northern Colorado Regional Airport, which totals \$12,494,493 and is 50% of the \$24,988,986 total combined 2024 Airport operating and capital budget. The City of Loveland manages the Airport's budget and finances under the IGA; however, each Council must approve the annual budget under the IGA and, since the City of Fort Collins owns 50% of the Airport, it is necessary to appropriate its 50% portion of the total Airport budget.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration
2. Exhibit A to Ordinance
3. Proposed 2024 Draft Budget with Explanation
4. Airport Commission Resolution #R-08-2023
5. Airport Financial Overview