

AGENDA ITEM SUMMARY

City Council



STAFF

John S. Kinney, Director, Northern Colorado Regional Airport

SUBJECT

First Reading of Ordinance No. 093, 2025, Authorizing a Mid-year Budget Appropriation from the Airport Fund for Northern Colorado Regional Airport.

EXECUTIVE SUMMARY

The purpose of this item is to recommend a mid-year budget appropriation of \$642,400 from the Airport fund to support nine priority projects and initiatives identified by Airport staff and the Airport Commission. These efforts are focused on improving airport facilities, strengthening operational plans and procedures, addressing regulatory compliance requirements, enhancing financial sustainability, and supporting efforts to attract commercial airline service.

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

STAFF RECOMMENDATION

Staff recommends 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 intergovernmental agreement and amendments thereto (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.

If approved, the amounts appropriated will be used for the following purposes:

- Air Traffic Control Restroom Facility
 - Install a permanent, all-season restroom facility for air traffic controllers. The existing temporary portable toilet is unsuitable and lacks heating and cooling for year-round use.
- Through-the-Fence Framework
 - Develop a plan to ensure compliance with Federal Aviation Administration (FAA) and Transportation Security Administration (TSA) "through-the-fence" access regulations.
- Airport Commission Workshop
 - Design and facilitate a workshop for the Airport Commission to establish a shared vision, set staff priorities and work plans, and develop a Commission after action plan.
- Capital Improvement Plan (CIP)
 - Create a responsive CIP that reflects Airport priorities and needs, funded through a combination of Federal Aviation Administration (FAA), state, and local resources.
- Comprehensive Financial Plan
 - Develop operating agreements, rates, rents, and charges aligned with facility usage and market conditions. Establish cost centers to ensure fees and charges are commensurate to the services provided and support the timely implementation of the CIP.
- Ground Transportation System Plan
 - Conduct an assessment of the ground transportation market and its pricing flexibility. Based on findings, implement or adjust charges, such as Customer Facility Charges (CFCs), Passenger Facility Charges (PFCs), Transportation Network Company (TNC) fees, rental car fees, and daily parking rates, to align with service levels, support capital improvements, and enhance the long-term customer experience.
- Airport Development Plan
 - Pursue aeronautical and non-aeronautical revenue-generating development opportunities aligned with the airport's brand and vision. Support the timely execution of the CIP and sustained financial independence, eliminating the need for general fund subsidies.
- Air Service Development Plan
 - Develop a comprehensive branding and marketing strategy to establish FNL's presence in the regional market, attract travelers, promote tourism, and support airline recruitment efforts.
- Brand & Experience Marketing Plan
 - Develop a modern marketing approach, including updated social media, website enhancements, and promotional materials.

Breakdown of recommended mid-year budget appropriation:

A) Air Traffic Control Restroom Facility	\$55,000
B) Through-the-Fence Framework	\$80,000
C) Airport Commission Workshop	\$18,000
D) Capital Improvement Plan	\$23,000
E) Comprehensive Financial Plan	\$90,000
F) Ground Transportation System Plan	\$91,000

G) Airport Development Plan	\$80,000
H) Air Service Development Plan	\$82,000
I) Brand & Experience Marketing Plan	\$65,000
<i>Subtotal</i>	\$584,000
J) Contingency – 10%	\$58,400
Total	\$642,400

CITY FINANCIAL IMPACTS

Upon adoption, this Ordinance will appropriate in the current fiscal year \$642,400 from the Airport Fund, authorize expenditures against those revenues for the purposes set forth in this Agenda Item Summary. The proposed mid-year appropriation does not include any financial contributions from the City's General Fund. The revenues appropriated in the current fiscal year, if approved by adoption of this Ordinance, will be drawn from the unassigned balance of the Airport Fund, which currently totals \$2.15 million. This appropriation has no financial impact on the City.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

At its February 20, 2025, meeting, the Northern Colorado Regional Airport Commission unanimously recommended approval of the supplemental appropriation for the 2025 fiscal year.

PUBLIC OUTREACH

The mid-year appropriation request was presented at the February 20, 2025, meeting of the Northern Colorado Regional Airport Commission and the May 6, 2025, and May 20, 2025, meetings of the Loveland City Council.

ATTACHMENTS

1. Northern Colorado Regional Airport Commission, February 20, 2025 Meeting Minutes
2. Ordinance No. 093, 2025