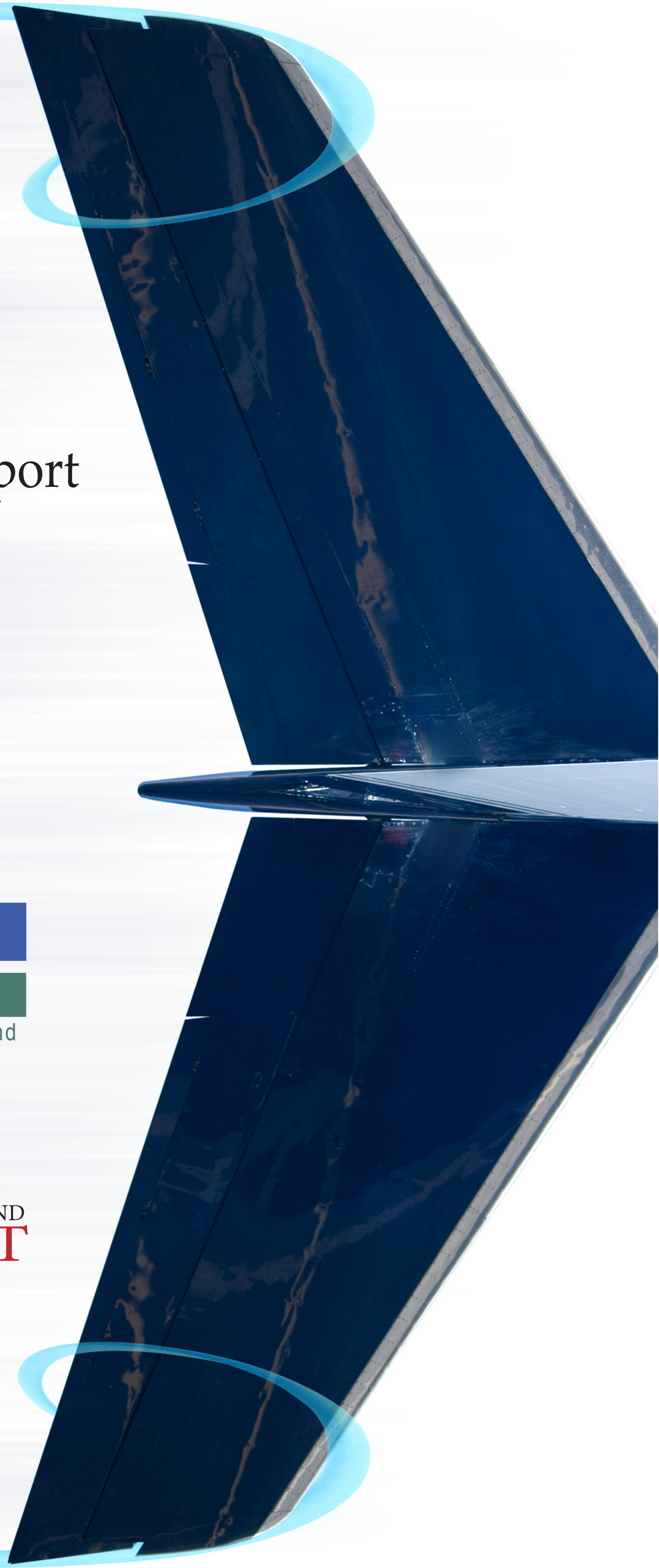
Fort Collins • Loveland Airport Business Plan

September 15, 2009



City of Fort Collins

City of Loveland

FORT COLLINS • LOVELAND AIRPORT

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Fort Collins-Loveland Airport SWOT Analysis

Strengths

- Full service FBO
- Land available for development of aviation businesses
- 8,500 foot runway meets most general aviation needs
- Excellent road access
- Located in strong growth area
- Good weather
- High quality of life

Weaknesses

- Length of runway does not meet all corporate aircraft and commercial service needs
- Age and appearance of facilities
- Inadequate infrastructure for expansion
- Two city governance

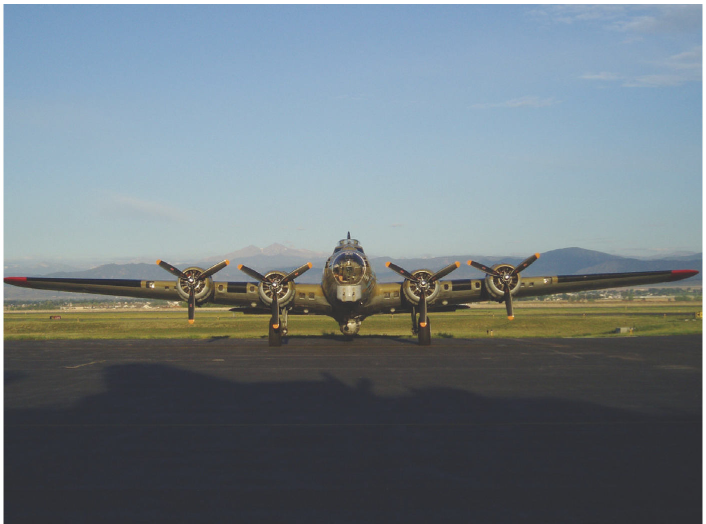
Opportunities

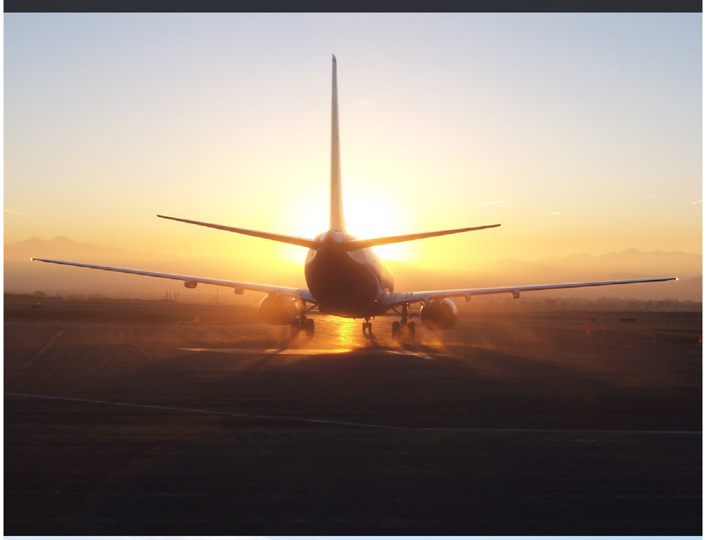
- Funding from State and Federal Government
- Through the Fence agreements to encourage strong public/private partnerships
- On airport economic opportunities are available and encouraged

Threats

- Economy
- Competition from nearby surrounding airports

1 Executive Summary





Why prepare a business plan?

Every outstanding business needs a road map to success and the Fort Collins-Loveland Airport (FNL) is no exception. The goal of the business planning effort is to map current and future conditions and then apply strategic plans to accomplish the critical goals of the airport and the community owners.

The Fort Collins-Loveland Airport has not previously developed or implemented a Business Plan. In 1993 and again in 2006/2007, the Federal Aviation Administration (FAA) and the two municipal owners completed an FAA Master Planning Project. The goal of the Master Planning Projects was "…prepared to assess and direct improvements that will likely be necessary to accommodate future aviation needs… a long-term plan for …potential future facilities." The Master Plan does not identify critical components of a Business Plan, notably:

- Business vision and goals;
- Funding plans, revenue and expenditure goals;
- Economic development principals;
- Encourage private investment;
- Operational success strategies; and
- Opportunities, both short and long-term, for improvement.

This Business Plan document seeks to provide a strategic plan for the success of FNL. The Plan will be updated on a regular basis to support changes in the airport, community, and business environment seeking to be a living document guiding airport management and leadership.

FORT COLLINS • LOVELAND AIRPORT

Vision Statement

The Fort Collins-Loveland (FNL) Airport will be Colorado's premier regional airport supporting general aviation, regional air carrier services, and business opportunities for both aviation and non-aviation uses.

The Goals of the Fort Collins-Loveland Airport

FNL will be a regional leader in providing competitive general aviation services to the public, including corporate flight activities, pilot training, and personal aviation.

FNL will provide outstanding opportunities as an investment engine for aeronautical related business, including FBO services, vertical facility investment, hangar operations, aeronautical operations, and aircraft manufacturing and sales.

FNL will provide economic development opportunities, both on and off airport, through support of investment zones and appropriate corporate incentives that support the mission of the airport and community owners. The airport will seek to attract forward thinking investors with sound business models who will be industry leaders and attract investment and employment opportunities to the region. FNL will seek to work with existing businesses to retain, expand, and attract opportunities for economic growth and vitality.

FNL will strive to provide commercial airline services based on appropriate regional market models and embrace new air carrier market opportunities as the industry develops.

FNL will seek to be a good neighbor with the surrounding community by working actively with regional jurisdictions to secure appropriate adjoining land uses and support public disclosure of aircraft activities in nearby residential development. The airport will seek to operate within all industry standard and FAA noise abatement procedures and expect all operators to safely and responsibly operate within those parameters; including following AOPA Noise Awareness Steps and manufacturer's abatement procedures whenever consistent with safety.

FNL will invest all federal, state, and local monies in support of a long-term capital and financial plan to maintain the highest standards of airport infrastructure and in accordance with FAA Regulations and to grow the airport to a self-sustaining enterprise fund jointly owned by the City of Fort Collins and Loveland.

FNL will work within FAA, the Department of Agriculture, and EPA regarding air and water quality to promote an environmentally conscientious airport in support of greater community goals and to improve the safety of air travel.

Fort Collins – Loveland Airport Business Plan Proposed Actions

Fixed Base Operator
1. Renegotiate FBO lease to encourage investments and improve viability
2. Pursue significantly upgraded FBO facilities
3. Negotiate responsibility for new fuel farm (either Cities or FBO project)
4. Evaluate existing fuel surcharge – update if needed
5. Negotiate with FBO to manage all on-airport leasing that the cities are currently performing

Re-negotiate the Triad Agreement
1. Apply new Through the Fence (TTF) policies
2. Clarify appropriate aeronautical uses/businesses
3. Address appropriate fees for airport services

Economic Development
1. Retain commercial broker to list on-airport properties
2. Develop marketing material on airport opportunities
3. Develop economic development focused web site for the airport
4. Implement a capital improvement plan (different than the Master Plan) to facilitate on-airport aviation related businesses/uses

FNL Finances
1. Adopt a goal of airport financial self-sufficiency by 2013
2. Adopt an enterprise fund model for the airport at a future time
3. Adopt 10-year financial plan for the airport by January 2011
4. Cities to continue to make appropriate financial contributions to support community goals

2 Introduction and Background

How Does the Business Plan Compare to the Master Plan?

Airport Master Plan	Business Plan
Formation of the long term physical needs. • 20 year time frame • Determine aviation needs • Address concerns of a development plan	**Establish strategies to achieve goals objectives** • Mission of the airport • Governance • Funding • Maximize development and revenue potential

The approved 2006/2007 Airport Master Plan is an update to the 1993 Plan. The FAA funded the Master Plan study to determine the existing and future aviation needs to accommodate the anticipated development within the next 20-year time frame. The Master Plan addresses the long-range physical needs of the airport. The primary goal is the continued improvement of the airport in a manner that is financially realistic and appropriate in the consideration of its surroundings. The Business Plan goes beyond where the Master Plan stops. The Business Plan establishes the strategies necessary for the Cities to achieve the goals and objectives of the airport over the long-term. The Business Plan identifies the Vision and Goals of the Airport, evaluates governance options to operate the airport, maximize Federal and State funding to make improvements identified, identify methods to maximize the development and revenue potential of the airport property, and develop strategies to implement the plans necessary to accomplish the goals and objectives.

Facilities

The airport is a general aviation and commercial service airport. The main airport facilities include a primary runway with high intensity runway lights, full length taxiway with medium intensity lighting system, an Instrument Landing System, and a cross wind runway. The airport also has an Automated Weather Observation System (AWOS); one Fixed Base Operator; passenger Terminal Building; Fuel Storage facility; Aircraft Rescue and Fire Fighting Fire house and fire equipment; and 10 businesses offering aviation related services from flight instruction to fuel sales, aircraft maintenance, food services, and scheduled commercial air service.

Airport Statistics

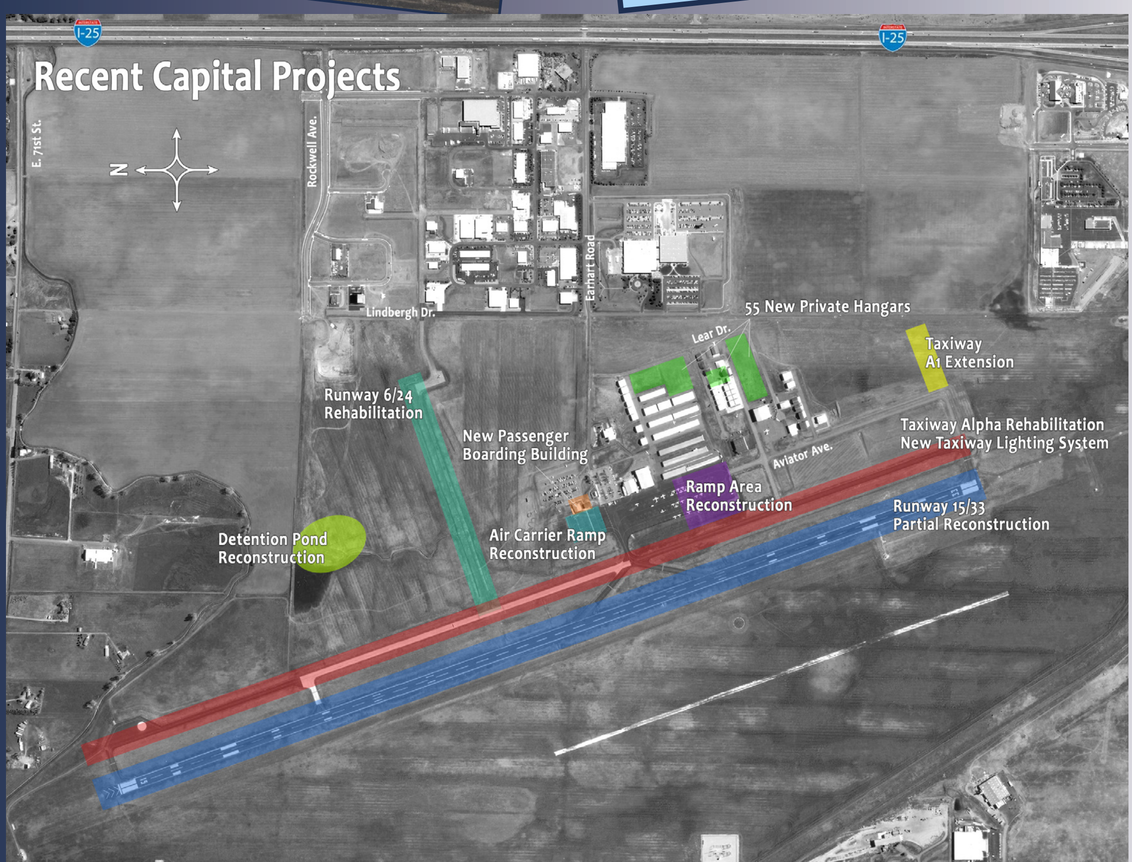
Size	**1,100 Acres**
Runway: Main	**8,500′ X 100′**
Runway: Crosswind	**2,273′ X 40′**
Based Aircraft	**245**
Hangars	**210**

Tenant Provided Aviation Services

- **Fixed Based Operations**
- **Fuel Sales**
- **Flight Instructions**
  (Fixed Wing and Helicopters)
- **Aircraft Maintenance/Modifications/Upgrades**
- **Aircraft Engine Overhaul**
- **Avionics Sales/Installation/Service/Training**
- **Aviation Weather/Camera Systems Sales and Maintenance**
- **Commercial Air Carrier Service**
- **Hangar Rentals**

Environmental Review

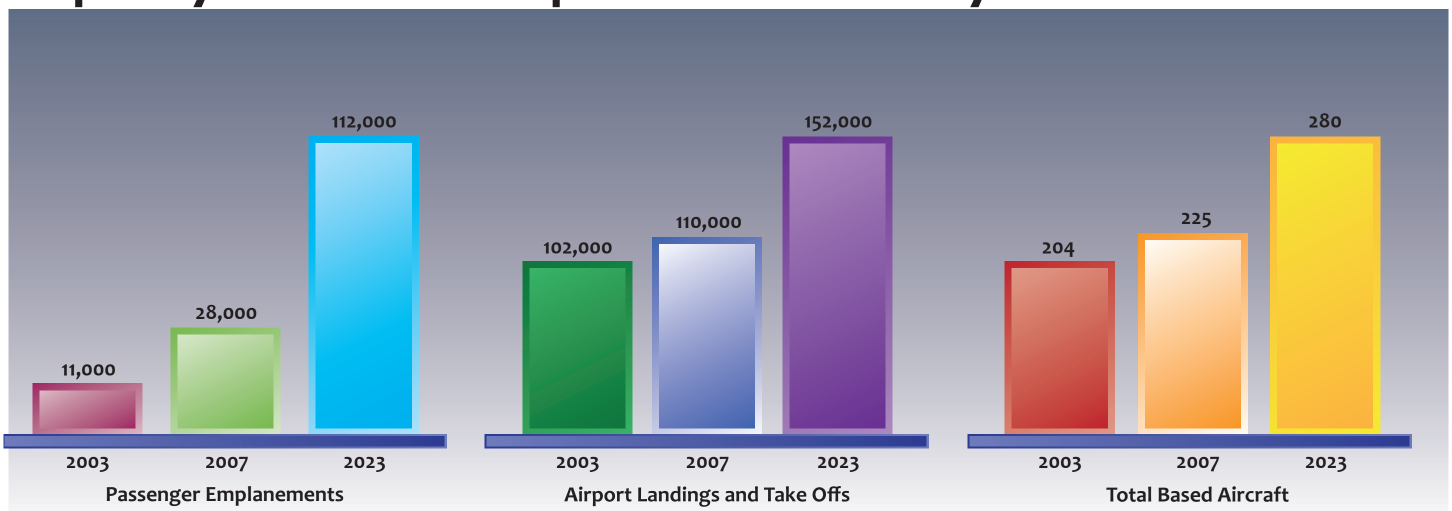
The recently completed Airport Master Plan was funded through the FAA. Because these are Federal funds, the Airport Master Plan was required to abide by Federal environmental review and the Wildlife Management Plan in preparing the Master Plan. A draft wildlife management plan will be submitted March 2009.



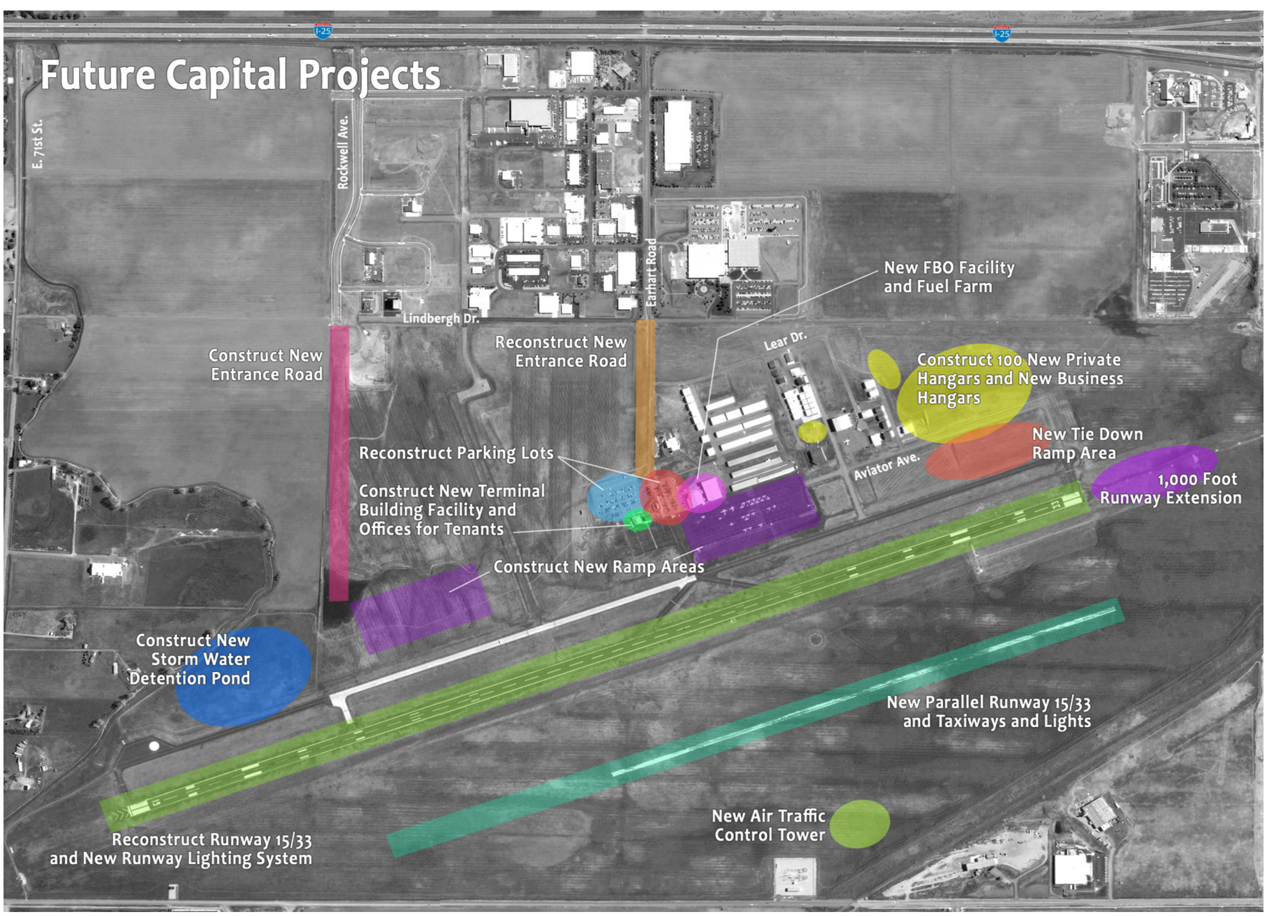
Airport Master Plan Proposed Improvements

The Airport Master Plan identified approximately $140 million of airport improvements by 2026. Significant airport improvements identified in the Master Plan include: a 1,000 foot extension of the existing runway, construction of a air traffic control tower, construction of a parallel runway, development of additional hangars for aircraft storage and expansion of aviation related businesses, aircraft ramp repair and expansions, storm water drainage improvements, access road improvements, security fencing and access control gates, construct new terminal building for passenger facilities, replace the aviation fuel storage facility, construct a new fire house, and construct an equipment storage facility for snow removal equipment.

Capacity Levels and Operational History



* Forecasts projected by Fort Collins - Loveland Airport Master Plan



3 Aviation and Airport Trends

Based on FAA's 2008 to 2025 Aviation Forecasts, the increasing high fuel prices and concerns about the economy are dampening the near-term prospects for the general aviation industry, but the long-term outlook remains favorable. There continues to be a strong growth in business aviation demand driven by a growing U.S. and world economy.

The number of general aviation hours flown is projected to increase an average of 3.0 percent a year through 2025. The FAA continues to be optimistic about the future. Since 2000, U.S. airlines have dealt with the impacts of 9/11, heightened concerns about pandemics, the bankruptcy of four network carriers, and record high fuel prices. In spite of these challenges, the number of passengers traveling has grown, demonstrating the value of air transportation to the public. Last year, that number was a record 765 million and is on track to carry one billion passengers by 2016. In addition, international traffic is growing at much faster rates than domestic traffic.

These national and international trends will also impact operations at FNL. The following highlights some of the major trends:

- **Growth in Airport Building Square Footage and Uses:** The airport currently has a waiting list of approximately 40 aircraft owners who want to lease one of the airport's 41 aircraft hangars. In addition, approximately 15 people are on a waiting list to lease ground to construct aircraft storage hangars for personal use. In 2007, the airport constructed a new taxiway that will provide access to a 20-acre parcel of land reserved for hangar development and the Cities will select a land developer to construct these improvements. Once the economy improves and the cost of oil stabilizes, business and personal investment in the airport will gain momentum.

- **New Pilots:** The number of people starting to learn to fly has been on the decline. However, most new pilots are entering the field for career opportunities and not for personal enjoyment as in the past. This trend is being addressed by the pilot organizations and flight training businesses.

- **Very Light Jets:** The Very Light Jet, VLJ, is a new category of business jet that some feel will provide less expensive and more convenient air travel for the business person. However, recent economic conditions are creating obstacles for implementation. The VLJ is a much smaller corporate jet capable of carrying up to 4 passengers at economical costs for flights generally less than 1,000 miles. The ability of the jet to land at small airports will increase the convenience and savings in cost compared to commercial flights. The high costs of fuel will, for the airline industry, reduce the frequency of flights to smaller communities and increase fares. This will improve the VLJ market. As traffic and congestion getting to DIA increases on the I-25, and with the flexibility VLJ has to serve smaller market airports, there is an opportunity to capitalize on this growing trend.

- **Commercial Air Service:** Commercial air service to Las Vegas and other niche markets will continue to be an important service to our communities and a significant revenue stream for the airport. The addition of one or two other airlines serving similar destinations in the future will improve service to the business/private communities and further enhance revenues to the airport.

4

Real Estate Holdings, Fixed Base Operations, and Through the Fence Lease Agreements

The Cities hired an aviation consultant, Airport Business Solutions, to evaluate the airport's real estate holdings, the FBO lease agreement, and the "Through the Fence" agreements. The data and recommendations from the report will assist the Cities in establishing policy to maximize development of airport property and encourage private investment on the airport and on adjacent properties that have access to the airport's facilities.

Fixed Base Operation (FBO) Facility

A Fixed Base Operation or FBO facility is the primary business on an airport that provides the basic services to the flying community, such as fuel sales, aircraft tie-down, hangar storage, aircraft maintenance, and flight instruction. The primary FBO revenue source is fuel sales. In 2007, 542,000 gallons of aviation fuel was sold; of this, 135,000 was 100LL/Avgas and 407,000 gallons of jet fuel. Of the 407,000 gallons of jet fuel, 88% or 358,000 gallons are sold to transient turbine aircraft flying through the area and making fuel stops. It is estimated that approximately 286,000 gallons of jet fuel is sold at true retail prices. At this level of fuel sales and volumes, the economic return is marginal at best. This situation is further exacerbated from the loss of fuel sales from self-fueling fuel farms that have been built on "Through the Fence" property.

Recent record high prices of oil and retail aviation fuel prices have stifled the growth and sustainability of the general aviation and commercial aviation. This is undercutting the primary revenue source of the FBO industry, as well and further aggravates the financial viability of the airport's single FBO business. Furthermore, the existing FBO facilities at the airport are old, outdated, and present a poor visual image to the general public and air travelers.

The airport consultant, Airport Business Solutions, recommends that improvements to the FBO facility be made to adequately compete within the regional marketplace. In order to create a viable investment opportunity for improvements, new lease terms and conditions will be required. The consultant further recommends that the new lease agreement with the FBO should be typical for the industry, and be structured in a manner that encourages capital investment in facility upgrades, which are commensurate with projected fuel sales and business activity.

Existing Lease Terms, Conditions, and Rental Rates

The airport's existing lease terms, conditions, and rental rates are consistent with industry standards. Discussions with airport tenants regarding the reversion of tenant improvements are ongoing.

"Through the Fence" Agreements

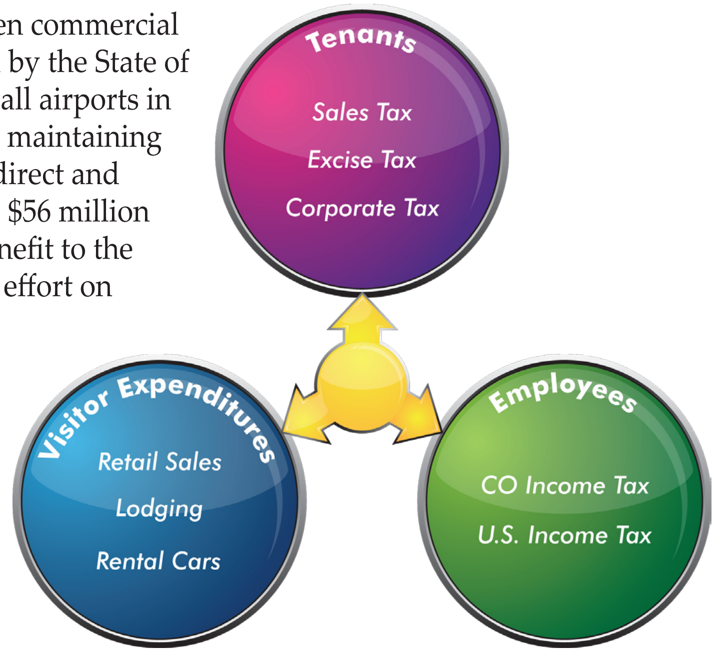
The report provided analysis of "Through the Fence" agreements and what terms and fees that should be included in Access Agreements. Generally, the Access Agreements should contain provisions for compliance with FAA Grant Assurances, Airport Rules and Regulations, Airport Minimum Standards, Transportation Security Administration rules for access control, and payment of access fees that are at parity with similar developments located on the airport property. The cities utilized data from the Airport Business Solutions report and input from stakeholders, including the FAA to negotiate new through the fence agreements, and will continue to pursue appropriate fee structures for through the fence access.

Other Revenue Options

The airport consultant also suggested ideas where other revenues could be generated, some of which are non-aviation. Suggestions include appropriate revenue leases, owning and operating the aviation fuel storage facility, operating the FBO facility, and utilization of a real estate broker to market the airport property more aggressively.

5 Airport Economic Development Opportunities

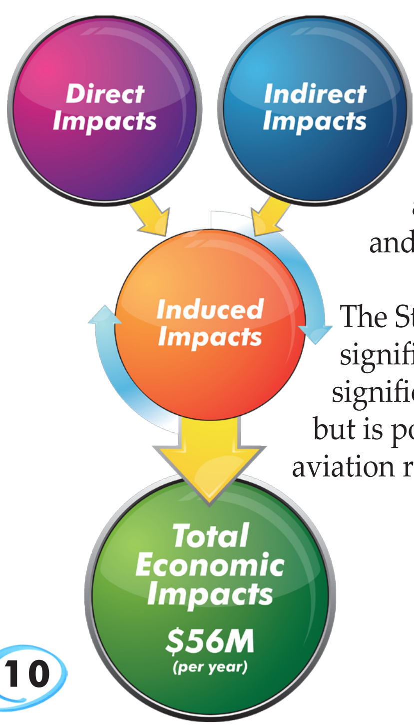
Fort Collins – Loveland Airport (FNL) is one of only fourteen commercial airports in the State of Colorado. A recent study completed by the State of Colorado, which looked broadly at the economic impact of all airports in the state identified that FNL is accountable for creating and maintaining 750 jobs, with an annual 2008 payroll of $22 million. Total direct and indirect regional economic benefits created by the airport is $56 million per year. FNL is already producing significant economic benefit to the region, but it can do a lot more in the future with a focused effort on promoting aviation related businesses on and off-airport.



Recent Development History

Development over the past five years around FNL has principally been focused off-airport, with the vast majority of developments not having an aviation related use. The commercial brokers that market off-airport properties note that there is a strong industrial market in Northern Colorado and that most inquiries for property adjacent to FNL are focused on businesses that need warehouse/storage needs as well as access to I-25.

There has been little on-airport development in recent years. In 2008, FNL began working with private developers to construct two new on-airport hangar projects that will add over 50 individual aircraft storage units.



Market Needs

The cities recently approved a second "Through the Fence" agreement. FNL is in a unique position for a smaller commercial airport in that there are ample on-airport and off-airport properties that can be developed for aviation and non-aviation uses.

The State of Colorado's Economic Impact of Airports indicates that there has been significant growth in aviation related businesses around the state. FNL has not significantly benefited from this growth in aviation related economic development, but is poised to do so in the future with some changes in how FNL is marketed to the aviation related development community.

Marketing Strategy

Aviation Business Tax Credit

The Fort Collins-Loveland Municipal Airport could see increased business activity after receiving a shot in the arm from the state. Qualified employers on the airport now are eligible for a $1,200-per-employee tax credit. Aviation businesses that locate at the airport or expand must employ at least 10 people to be eligible. The tax credits are good for five years, per employee. The businesses are eligible for the tax credit each additional year in which full-time employees are added.

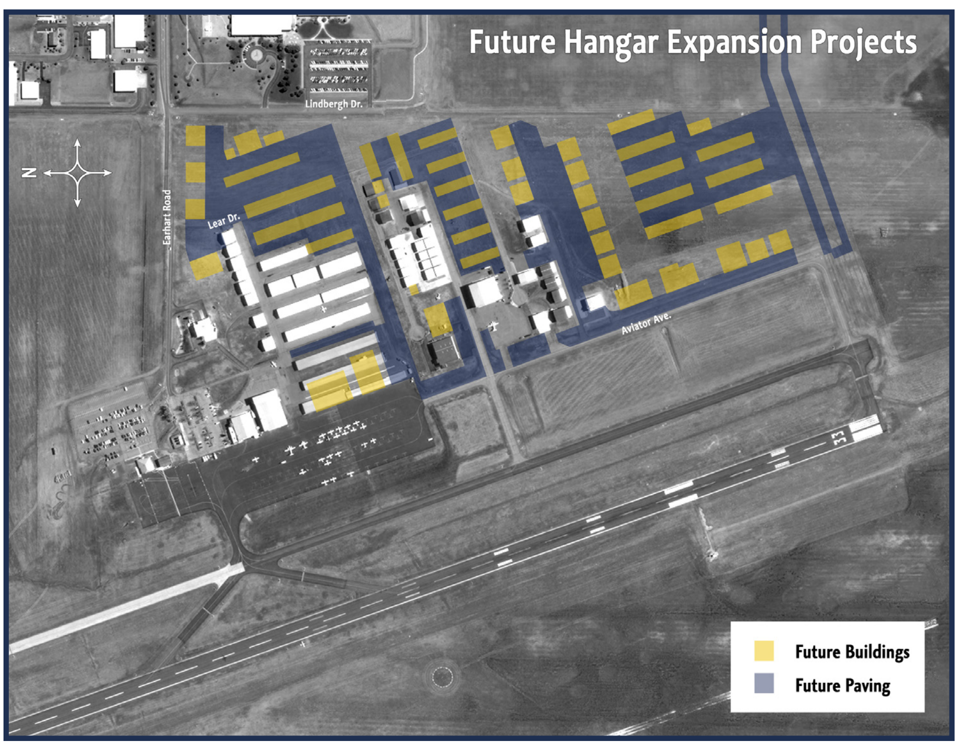
Fort Collins Coloradoan - Saturday, January 20, 2007

Historically, the cities have not marketed development opportunities in and around the airport. One of the key changes that FNL has to make to become financially self-sufficient is to improve its overall revenue through increased on-airport leases, TTF revenues, and maximizing other incomes streams like fuel sales and parking.

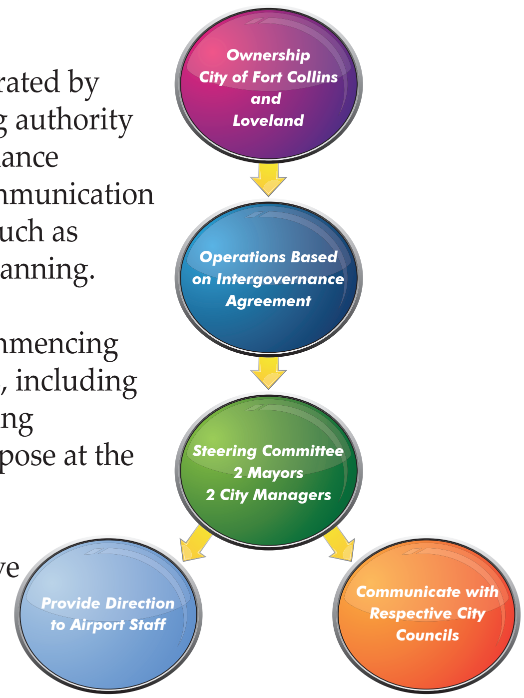
There are several significant strategies that need to be implemented to realize new potential revenue to FNL and to enhance aviation related businesses around the airport.

These strategies include:

1. Develop marketing materials for on-airport properties
2. Engage a commercial broker to market on-airport properties
3. Aggressively pursue additional on-airport hangars
4. Develop a marketing section on the FNL web site
5. Partner with off-airport developers to recruit aviation related businesses
6. Attend aviation related economic development trade shows to market FNL
7. Benchmark aviation related development trends with regional commercial airports
8. Encourage retention and expansion of existing businesses and new development



6 Governance



The Fort Collins – Loveland Municipal 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, an Airport Steering Committee 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.

Since beginning with the 1963 agreement to construct an airport and commencing operations in 1965, the airport has tried a range of governance structures, including an Airport Board, Ad Hoc Committee, Airport Authority and Joint Steering Committee. As one might expect, each governance model served its purpose at the time it was implemented.

Over time, changes in the growing cities and the airport facility itself have necessitated reassessments and updates to the governance structure. Refinements in the governance structure is ongoing. Several alternative structures were examined. However, both cities recognize the important asset of the airport and the opportunity for the airport to become an economic engine which will contribute to the vitality of the community.

Alternative structures that were examined and subsequently dismissed include:

Airport Authority: The Fort Collins-Loveland Airport was governed by an Airport Authority from 1983 – 1990, when it disbanded of its own volition. The Authority had a very serious and ultimately fatal flaw. It had the responsibility for operating the Airport but not the authority.

One City Assumes Full Operational, Management and Financial Responsibility: This governance structure would have one of the two Cities assuming full responsibility for the Airport. For this to happen, the Cities would need to agree upon which City is best suited to manage the Airport and one City Council would need to turn over the majority of decision-making responsibilities for the Airport to its peer City.

Privatization: In the United States, General Aviation airports the size of Fort Collins–Loveland are generally either owned by a municipality or County. Privatization of airports may preclude funding from the FAA and state.

Airport District: State legislation does not exist, thus the Airport District concept is not an option.

Governance Recommendations

Regardless as to which governance model is the best alternative, the current Joint Ownership/Steering Committee governance model will remain for the future and both cities desire to see the Fort Collins - Loveland Airport become a premier facility. Change is needed in order for the Airport to operate effectively into the future. The following are basic recommendations.

- It is essential that the Cities engage in a straightforward review of the mission and vision of the Airport. A serious discussion about the purpose of this facility today and the vision for its future use is needed. This will provide a foundation for subsequent business plans and guide how the Airport can continue to best serve the Fort Collins and Loveland communities and surrounding region.

- The Steering Committee has no voting authority; all decisions go to two sets of elected officials. Streamline the process by giving administrative and leasing authority to the Steering Committee.

- Continue to support the FNL Pilots Association, which includes representatives of the FBO, businesses, and pilots and continue to provide the opportunity for the FNL Pilots Association to report at each Steering Committee's meeting.

- Steering Committee and staff to continue to work pro-actively to mitigate redundancies in oversight such as attorney review, selection of a preferred staff, or alternating staff.

Ten Year Airport Finance Plan 7

The Fort Collins-Loveland Airport's (FNL) revenue picture did not change much over time until the airport secured commercial air services through Allegiant Air. This new commercial service boosted operating airport revenues and more importantly allowed the airport to access more Federal Aviation Administration Funding for capital improvement projects. FNL has a detailed capital improvement plan or Master Plan, but it does not have an accompanying longer-term operating financial plan.

Potential Revenue Sources:
- New Fixed Base Operator Lease
- Triad Through the Fence Agreement
- Rocky Mountain Through the Fence Agreement
- New Lease Revenue (South Hangars)

Part of the rationale for developing this business plan is the need to develop a longer-term financial plan that projects revenue and expenditures for operating, combined with the capital plan. This section of the business plan outlines this financial plan, paying most attention to the options for enhancing revenue for FNL. These include leasing more ground, implementing through the fence access fees, and increasing commercial service while providing the services, facilities, and investment climate that satisfies the expectations of all users and customers of the airport, while meeting the needs of the airport owners.

The financial plan outlines projected revenue and expenditures for the coming 10 year period. There are four specific revenue sources that were identified by staff and consultants that are addressed in the business plan. These projections were forecasted on the conservative side for planning purposes.

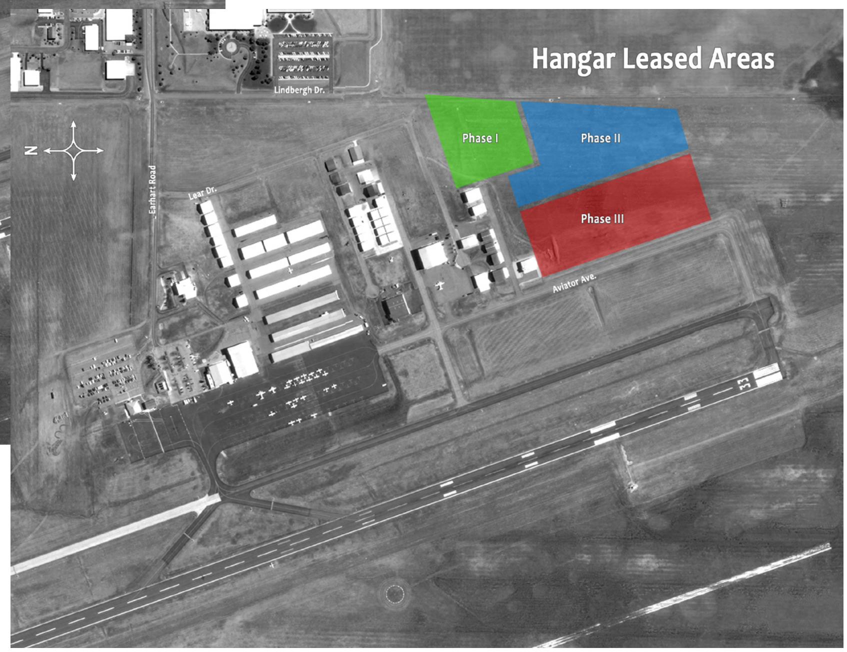
Commercial Services

Commercial service provides major financial benefits to the airport including airline landing fees, terminal use fees, passenger facility charges, automobile parking charges, and funding from the FAA Airport Improvement Program. In 2008, this equated to $1.3 million directly toward airport operations.

As we go forward the airport should continue efforts to support commercial service to assist in sustaining and developing revenue to support regional economic development. The long term benefit of commercial service is critical to the airports self sufficiency and funding capital improvements.

New Fixed Base Operator (FBO) Lease

Currently, the FBO lease produces $79,000 in revenue to the airport. The Airport anticipates negotiating a new lease with the existing FBO for the construction of improvements to the existing facilities. The final lease rates and terms should reflect the airports current and future business environment and the FBO's revenue potential from fuel sales and other revenue sources.



Triad Through the Fence Agreement

A Through the Fence Agreement has been in place for many years which covers the "Triad" area. Many of these developments are not airport related, and some of the lots have lost access to the taxiways due to the manner in which the properties developed. Current Triad owners with fuel farms pay fuel flowage royalties. In 2008, Triad owners paid $276,000 for cross-wind runway maintenance. Triad owners are not currently paying access fees. The Airport seeks to re-negotiate the Triad Agreement for a win-win relationship between Triad and the airport, and ensure parity for FAA grant compliance.

Rocky Mountain Airpark Through the Fence Agreement

In 2008, the Airport entered in an agreement with Water Valley for the development of the Airpark of the Rockies development. This Through the Fence Agreement outlined the access fee charges and expectations.

Per the agreement with WaterValley for airport access, the following revenue will be generated:

- 2011 – $50,000 (first year the project contributes revenue)
- 2020 – $400,000

New Lease Revenue – South Hangar Development

The Airport has had a steady backlog of demand for hangars that has gone unmet over time due to the significant cost of providing infrastructure to undeveloped areas of the Airport for new hangar development. New hangar development has to be a higher priority in the future – to facilitate the hangar development, infrastructure has to be provided by the Airport and it will have to be debt financed. Over time, the infrastructure investment will provide a return to the airport. A most likely scenario was development that outlines the costs to provide infrastructure to the south of the existing hangar development as well as the costs to provide that infrastructure.

The assumptions for this scenario are as follows:

- The gross for hangar development is 20 acres
- The leasable area is 15 Acres
- Begin leasing in 2014
- Assumption is 5 acres under lease at $.38/square foot = $83,000/annually
- Additional Leasing in 2017
- Assumption is 5 additional acres under lease at $.41/square foot = $89,000/annually
- Additional Leasing in 2020
- Assumption is 5 additional acres under lease at $.45/square foot = $98,000/annually
- Revenue assumed to begin in 2014
- 2014 – $83,000
- 2020 – $172,000
- Assumes debt issuance of $3.0 M in 2012 to 2013 for infrastructure development
- Debt service is $225,000/year
- 20 year issue at 5.25%

Note: Actual infrastructure investment and resulting revenues will depend on market conditions.

Summary

Through the implementation of the options to enhance revenues (leasing more ground, implementing through the fence access fees, and increasing commercial service), it is projected that over the ten year period from 2010 through 2020, the Airport will receive $3.0 million in new revenue (after debt service for the South Hangars has been accounted for, leasing more ground, implementing through the fence access fees, and increasing commercial service).

The Airport has options for enhancing revenue and becoming more self-sufficient – there are short and longer-term options that can be taken that will not only improve airport operations, but will also provide much needed funding for making improvements to the airport in general.

Airport Financial Forecasts 2010 - 2020

	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
OPERATING FUNDS											
Beginning Balance	202,270	246,350	63,510	205,920	92,770	311,700	453,250	643,800	663,280	1,048,090	967,930
REVENUES											
Operating Revenue	128,100	131,900	135,900	140,000	144,200	148,500	153,000	157,600	162,300	167,200	172,200
Gas, Oil Commissions	94,676	96,570	98,501	100,471	104,490	108,670	113,017	117,537	122,239	127,128	132,213
State Aircraft Fuel Tax	41,616	42,448	43,297	44,163	45,930	47,767	49,678	51,665	53,731	55,881	58,116
T-Hangar Rental	101,500	104,500	107,635	110,864	114,190	117,616	121,144	124,778	128,522	128,522	128,522
Land Lease	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Landing Fees	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Parking	180,000	220,000	225,000	240,000	248,000	256,000	263,000	271,000	279,000	279,000	279,000
Interest	18,430	7,390	1,910	6,180	2,780	9,350	13,600	19,310	19,900	31,440	29,040
New Revenue*	**50,000**	**107,421**	**146,860**	**186,320**	**225,800**	**371,302**	**421,879**	**550,425**	**620,993**	**662,606**	**704,242**
Transfer to Capital		**(300,000)**		**(300,000)**				**(300,000)**		**(500,000)**	**(500,000)**
TOTAL OPERATING REVENUE	**696,322**	**492,229**	**841,103**	**609,998**	**967,390**	**1,141,205**	**1,217,318**	**1,074,315**	**1,468,685**	**1,033,777**	**1,085,333**
TOTAL REVENUES AND SOURCES	**898,592**	**738,579**	**904,613**	**815,918**	**1,060,160**	**1,452,905**	**1,670,568**	**1,718,115**	**2,131,965**	**2,081,867**	**2,053,263**
OPERATING EXPENSES											
Airport Operating	652,241	675,070	698,697	723,152	748,462	774,658	801,771	829,833	858,877	888,938	920,051
New Debt Service (South Hangers)						**225,000**	**225,000**	**225,000**	**225,000**	**225,000**	**225,000**
TOTAL OPERATING EXPENSES	**652,241**	**675,070**	**698,697**	**723,152**	**748,462**	**999,658**	**1,026,771**	**1,054,833**	**1,083,877**	**1,113,938**	**1,145,051**
ENDING BALANCE OPERATING	**246,351**	**63,509**	**205,916**	**92,767**	**311,698**	**453,247**	**643,796**	**663,282**	**1,048,088**	**967,929**	**908,212**
CAPITAL FUNDS											
Beginning balance	371,580	370,130	366,320	367,040	253,810	146,040	42,850	(53,640)	(144,710)	(229,150)	(308,380)
Passenger Facility Charges	126,000	152,000	156,000	161,500	166,400	170,400	176,500	181,300	187,300	191,857	196,986
FAA Grants - Entitlement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
FAA Grants - Discresionary	4,000,000	-	3,000,000							3,000,000	
State Grants	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Cities Contribution	120,000	120,000	120,000								
Interest	17,170	17,690	18,220	18,770	19,330	19,910	20,510	21,130	21,760	22,410	23,080
Use of Operating Resources		**300,000**		**300,000**				**300,000**		**500,000**	**500,000**
TOTAL REVENUES AND SOURCES	**5,884,750**	**2,209,820**	**4,910,540**	**2,097,310**	**1,689,540**	**1,586,350**	**1,489,860**	**1,698,790**	**1,314,350**	**4,735,117**	**1,661,686**
Capital Funded by FAA and State Grants	5,250,000	1,250,000	4,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	4,250,000	1,250,000
Passenger Facility Charge Projects	144,616	173,500	173,500	173,500	173,500	173,500	173,500	173,500	173,500	173,500	173,500
Capital Projects from Airport funding	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Capital Projects funded by Private Contributions											
Use of Operating Resources		**300,000**		**300,000**		**-**		**300,000**		**500,000**	**500,000**
TOTAL CAPITAL	**5,514,616**	**1,843,500**	**4,543,500**	**1,843,500**	**1,543,500**	**1,543,500**	**1,543,500**	**1,843,500**	**1,543,500**	**5,043,500**	**2,043,500**
CAPITAL ENDING BALANCE	**370,134**	**366,320**	**367,040**	**253,810**	**146,040**	**42,850**	**(53,640)**	**(144,710)**	**(229,150)**	**(308,383)**	**(381,814)**
TOTAL FUNDS AVAILABLE	**616,485**	**429,829**	**572,956**	**346,577**	**457,738**	**496,097**	**590,156**	**518,572**	**818,938**	**659,546**	**526,398**

* New revenues include new land leases and through the fence fees

Assumptions: Operating reveneus increased 3% each year. Operating expenses inflate 3.5% per year. Interest is 3% of beginning balance in each year.

Note: Depreciation Expense is noted here in order to maintain a real operating cash balance

Resources Used in the Development of the Fort Collins-Loveland Airport Business Plan

1. Airport Master Plan Update Study
2. Airport Minimum Standards for Commercial Aeronautical Services
3. Capital Improvement Plan
4. Intergovernmental Agreement between the Cities of Fort Collins and Loveland

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