



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Road • Loveland, Colorado 80538
(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

DATE: April 15, 2020
TO: Northern Colorado Regional Airport Commission
FROM: Jason R. Licon, Airport Director
RE: CARES Act Funding

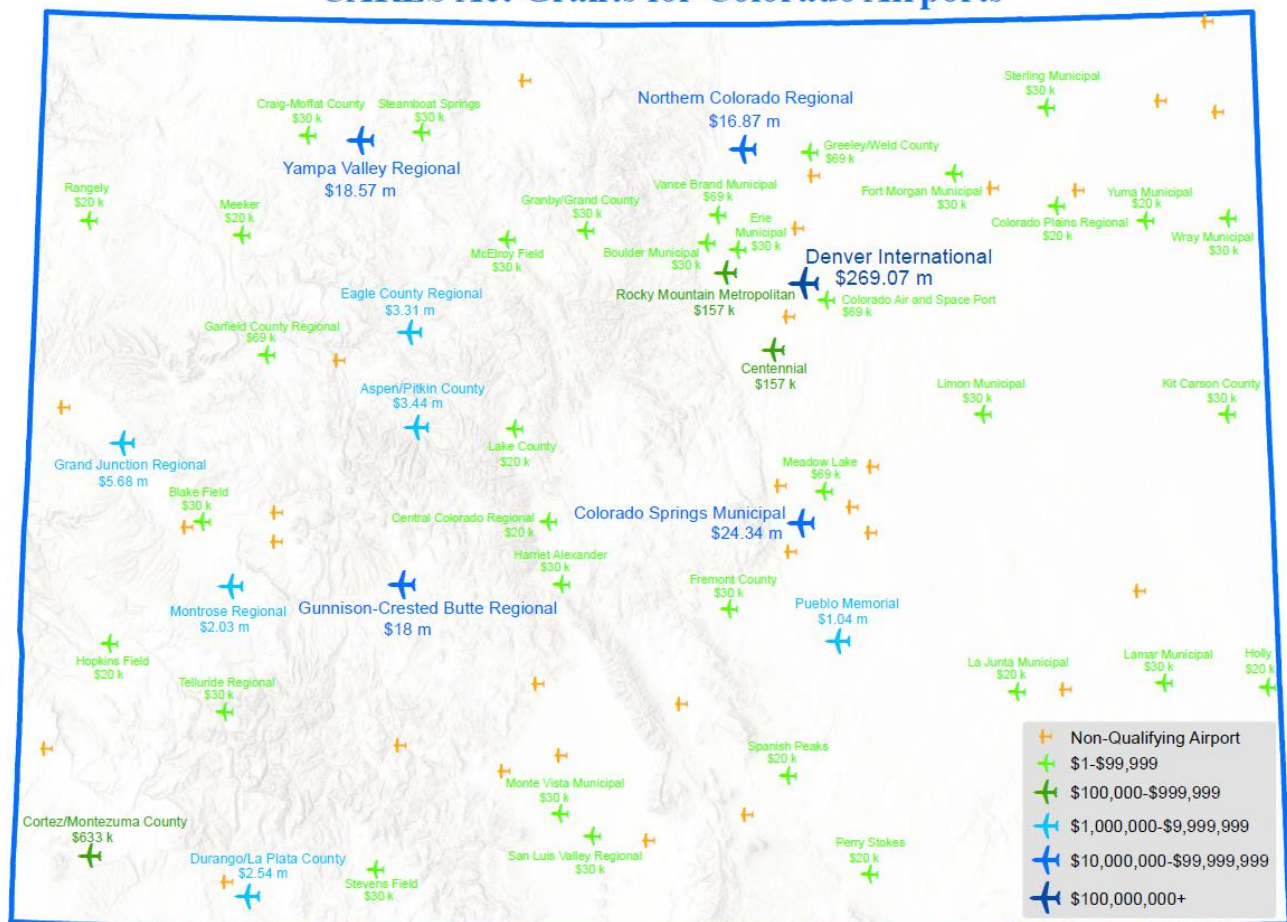
Coronavirus Aid, Relief, and Economic Security Act (CARES Act - House Bill 748) Public Law 116-136

Airport Grants

Summary

On April 14 the FAA released information on how \$10 billion in funding is to be distributed to all public airports in the United States and its territories. Within the Act, a formula was outlined as to how the FAA was to distribute the appropriated funding package with the majority going to commercial service airports. The announcement included \$16.9 million for the Northern Colorado Regional Airport. Below is a map of all of the funding allocations for Colorado airports:

CARES Act Grants for Colorado Airports





Background

The Coronavirus Aid, Relief, and Economic Security Act was signed into Law on March 27, 2020. Within the \$2 trillion legislation it provided nearly \$10 billion to eligible U.S. airports to prevent, prepare for, and respond to coronavirus impacts, including support for continuing airport operations. The entirety of this funding is derived from the US Government's General Fund, and not the Airport & Airway Trust Fund, where aviation fees and taxes are collected and used to fund all aviation needs. These funds are available to: Keep airports in reliable, safe operation to serve the aviation industry, the traveling public, and support the economy, keep airport and aviation workers employed, and to keep airport credit ratings stable. You can find an excerpt of the bill specific to Airports as an appendix to this report.

The funding distribution for the \$10 billion as stated in the CARES Act is broken down into four groups as follows:

1. Provides for an increase in the Federal Share of FAA grants from 90% to 100% for FY 2020 AIP and FY 2020 Supplemental Discretionary grants- at least \$500 million
 - a. Our Airport will receive **\$30,000** in additional federal funding to offset the local grant match requirements for the current \$300,000 Commercial Apron design.
2. Providing aid to Commercial Service Airports at least \$7.4 billion
 - a. 50% of this funding was based on each airport's percentage of enplanements (this is one outbound passenger traveling on a commercial aircraft) for all commercial service airport enplanements during calendar year 2018, of which our Airport had 2,538 which equates to an estimated **\$200,000**.
 - b. 25% of this funding was based on each airport's percentage of debt service for the combined debt service for all commercial service airports for the fiscal year 2018, of which our airport had none.
 - c. 25% of this funding was based on each airport's fiscal year 2018 ratio of unrestricted reserves to its respective debt service, of which the airport had \$2.4 million. This ratio is where our Airport received the majority of the funding as the Act not only provided for airports that had credit rewarded commercial service airports that highly fiscally responsible which equates to an estimated **\$16.7 million**.
3. Providing aid to Primary Commercial Airports of up to \$2 billion.
 - a. Allocated to airports with 8,000 or more passengers in 2018, of which this did not apply to our Airport.
4. Provide at least \$100 million to general aviation airports.
 - a. This is only applicable to airports classified as general aviation in 2018, of which ours was classified as Commercial Service.

The FAA classifies Airports based on the role that they serve in the national aviation transportation system. The classification is defined by type of activity that the airport supports including commercial service, cargo, reliever, and general aviation airports. An infographic can be seen below on FAA airport classifications and highlighted in green is where our Airport's classification has historically since 2012:



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Airport Classifications		Hub Type: Percentage of Annual Passenger Boardings	Common Name
Commercial Service: Publicly owned airports that have at least 2,500 passenger boardings each calendar year and receive scheduled passenger service §47102(7)	Primary: Have more than 10,000 passenger boardings each year §47102(16)	Large: 1% or more	Large Hub
		Medium: At least 0.25%, but less than 1%	Medium Hub
		Small: At least 0.05%, but less than 0.25%	Small Hub
		Nonhub: More than 10,000, but less than 0.05%	Nonhub Primary
	Nonprimary	Nonhub: At least 2,500 and no more than 10,000	Nonprimary Commercial Service
Nonprimary (Except Commercial Service)		Not Applicable	Reliever §(47102(23)) General Aviation (47102(8))

The vast majority of \$10 billion in funding is being applied to airports classified as commercial service, with only \$100 million of that dedicated to general aviation airports. This illustrates the criticality of Airport Administration maintaining the Airport's commercial service support activities that have included both scheduled and unscheduled airline charter flights over the past eight years.

During this time staff have been proactive to ensure that the FAA properly tracks and manages the figures that keep the Airport at this level. In 2019 staff found a reporting error in the FAA's 2018 preliminary figures associated with the number of passengers flying on air carrier aircraft from the Airport. This discrepancy was addressed by obtaining all of the flight data and passenger counts that staff closely track and provide it to the FAA through a correction request. The result was that the FAA granted the request, and the final figures provided the necessary increased number of passengers that qualified the Airport for an additional \$850,000 in FAA funding in 2020. Without this action being taken last year the Airport would have received \$69,000 vs. the \$16.9 million today.

Assessment

The Airport Commission will need to decide on how to best utilize this funding to cover costs and funding impacts associated with the COVID-19 pandemic in addition to how to best use the remainder to support both current and future Airport needs. A copy of the Airport's approved Capital Improvement Plan is attached for reference.

The process to apply for this funding is relatively simple- and the funding is expected to be available as quickly as the next two weeks. Provisions that the Airport will need to follow is that the money is used strictly for an Airport purpose in accordance with the FAA's Policy and Procedures concerning the use of



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airport revenue, however will be less restrictive than traditional FAA grants. Additional requirements will need to be met for funds that are not used to cover operational and maintenance costs associated with pandemic impact for airport development projects such as safety and security, prevailing wage (Davis-Bacon Act), Buy American, National Environmental Policy Act, and other requirements pertaining to Federal grant and CARES Act conditions. These conditions are in line with accounting for expenditures and supporting documentation similar to the level of detail for traditional FAA grants, record retention, and audit provisions.

Recommendation

Since this item was not placed on the agenda, it is suggested that the Airport Commission bring this up under Agenda Item 8, Business from Members to provide staff with direction on how to prioritize the funding allocations. It may also be suggested that the Commission's Planning and Development Subcommittee be included in this direction and provide a recommendation to the Airport Commission at the next meeting for consideration.

Attachments

- CARES Act Excerpt for Airports Title XII
- CARES Act Grants Colorado Map
- 2018 Enplanement Count Information & Discrepancy Correspondence from Staff
- Capital Improvement Plan for 2020-2029

EXCERPT FROM CARES ACT TITLE XII

GRANTS-IN-AID FOR AIRPORTS

For an additional amount for “Grants-In-Aid for Airports”, \$10,000,000,000, to prevent, prepare for, and respond to coronavirus, to remain available until expended: *Provided*, That amounts made available under this heading in this Act shall be derived from the general fund of the Treasury: *Provided further*, That funds provided under this heading in this Act shall only be available to sponsors of airports defined in section 47102 of title 49, United States Code: *Provided further*, That funds provided under this heading in this Act shall not otherwise be subject to the requirements of chapter 471 of such title: *Provided further*, That notwithstanding the previous proviso, section 47112(b) of such title shall apply to funds provided for any contract awarded (after the date of enactment) for airport development and funded under this heading: *Provided further*, That funds provided under this heading in this Act may not be used for any purpose not directly related to the airport: *Provided further*, That of the amounts appropriated under this heading in this Act—

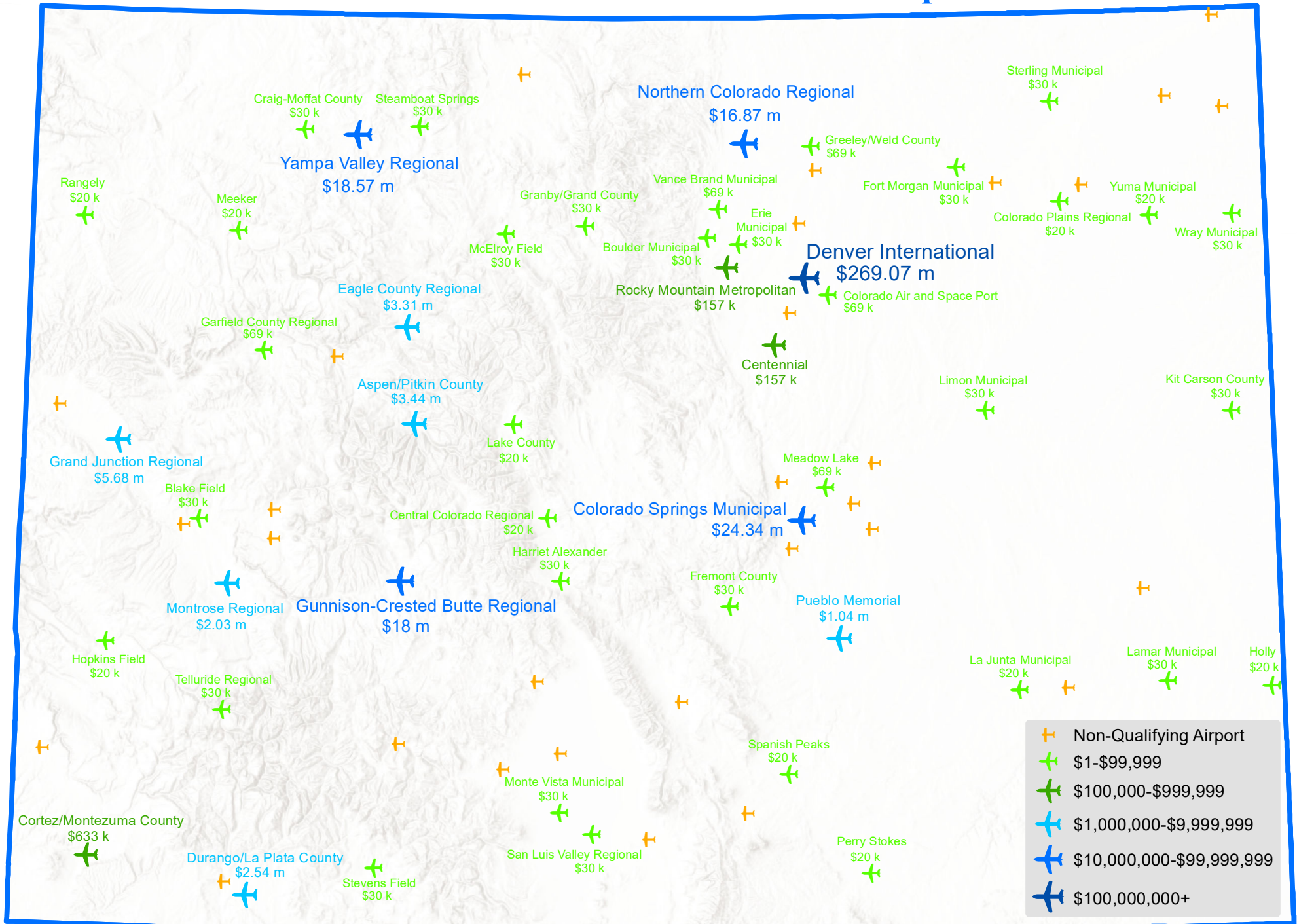
(1) Not less than \$500,000,000 shall be available to pay a Federal share of 100 percent of the costs for which a grant is made under [Public Law 116–94](#): *Provided*, That any remaining funds after the apportionment under this paragraph (1) shall be distributed as described in paragraph (2) under this heading in this Act;

(2) Not less than \$7,400,000,000 shall be available for any purpose for which airport revenues may lawfully be used: *Provided*, That 50 percent of such funds shall be allocated among all commercial service airports based on each sponsor’s calendar year 2018 enplanements as a percentage of total 2018 enplanements for all commercial service airports: *Provided further*, That the remaining 50 percent of such funds shall be allocated among all commercial service airports based on an equal combination of each sponsor’s fiscal year 2018 debt service as a percentage of the combined debt service for all commercial service airports and each sponsor’s ratio of unrestricted reserves to their respective debt service: *Provided further*, That the Federal share payable of the costs for which a grant is made under this paragraph shall be 100 percent:

(3) Up to \$2,000,000,000 shall be available for any purpose for which airport revenues may lawfully be used, and: (A) be apportioned as set forth in section 47114(c)(1)(C)(i), 47114(c)(1)(C)(ii), or 47114(c)(1)(H) of title 49, United States Code; (B) not be subject to the reduced apportionments of [49 U.S.C. 47114\(f\)](#); and (C) have no maximum apportionment limit, notwithstanding 47114(c)(1)(C)(iii) of title 49, United States Code: *Provided*, That any remaining funds after the apportionment under this paragraph (3) shall be distributed as described in paragraph (2) under this heading in this Act: *Provided further*, That the Federal share payable of the costs for which a grant is made under this paragraph shall be 100 percent; and

(4) Not less than \$100,000,000 shall be for general aviation airports for any purpose for which airport revenues may lawfully be used, and, which the Secretary shall apportion directly to each eligible airport, as defined in section 47102(8) of title 49, United States Code, based on the categories published in the most current National Plan of Integrated Airport Systems, reflecting the percentage of the aggregate published eligible development costs for each such category, and then dividing the allocated funds evenly among the eligible airports in each category, rounding up to the nearest thousand dollars: *Provided*, That the Federal share payable of the costs for which a grant is made under this paragraph shall be 100 percent:

CARES Act Grants for Colorado Airports





U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Airport Planning and Programming

800 Independence Ave., SW
Washington, DC 20591

Mr. Jason Licon
Northern Colorado Regional
4900 Earhart Road
Loveland, CO 80538

Preliminary Calendar Year 2018 Enplanement Data to Determine Fiscal Year 2020 AIP Funding

Enclosed is a preliminary report listing the total revenue enplanements at your airport for calendar year 2018 as reported by each air carrier (large certificated, commuter, and foreign) and each nonscheduled/on demand operator.

The data will be used to determine the amount of Airport Improvement Program (AIP) passenger entitlement funds apportioned to eligible primary airports. The apportionment of entitlement funds for fiscal year 2020 will be announced after October 1, 2019 and will be based on final calendar year 2018 enplanement data.

The enclosed information is preliminary and is being distributed for your review. No response is required unless a major discrepancy is identified between the revenue passenger enplanement data submitted by the air carrier to the U.S. Department of Transportation (USDOT) as shown on the enclosed report and your enplanement data. Please note that the enclosed numbers do not include non-revenue passengers.

If a major discrepancy (e.g., a missing carrier or a carrier with a 10% or greater difference in revenue passengers) is identified, please provide, in writing, the *name of the carrier* with the discrepancy and their monthly revenue enplanements by August 20, 2019 to:

Mr. Luis Loarte
Federal Aviation Administration
Office of Airport Planning & Programming, APP-400
800 Independence Avenue, SW
Washington, DC 20591
E-Mail: Luis.Loarte@faa.gov;
Telephone number: (202) 267-9622

Reported discrepancies will be coordinated with USDOT and verified with the air carrier. All discrepancies will be resolved and appropriate adjustments made by October 1, 2019. To assist in this effort, please review the enclosed information and promptly notify Mr. Loarte of any major discrepancies. If you are unable to reach Mr. Loarte, you may also contact Ms. Sharon Glasgow at Sharon.Glasgow@faa.gov, if necessary.

Thank you for your cooperation in this process.

Enclosure

SOURCE: CY 2018 FAA

ENPLANEMENTS BY INDIVIDUAL CARRIERS FOR CALENDAR YEAR 2018

Northern Colorado Regional (FNL)

DEN

Jason Licon 4900 Earhart Road, Loveland, CO 80538

FNL

SCHEDULE TYPE	----- ENPLANEMENTS -----		
CARRIER NAME (CARRIER CODE)	SCHEDULED	NONSCHEDULED	TOTAL
ATCO - Nonscheduled/On-Demand Air Carriers, filing FAA Form 1800-31.			
Aero Jet Services LLC (J7EA)	0	7	7
Netjets Aviation, Inc. (DXTA)	0	328	328
Priester Aviation LLC (PRIA)	0	8	8
Sunset Aviation Llc (7SSA)	0	8	8
ATCO Total:	0	351	351
CAC - Commuters or Small Certificated Air Carriers, filing T-100.			
CFM INC D/B/A CONTOUR AIRLINES (LF#)	0	26	26
CAC Total:	0	26	26
CRAC - Large Certificated Air Carriers, filing T-100.			
Southwest Airlines Co (WN)	0	172	172
Sun Country Airlines (SY)	0	1,904	1,904
CRAC Total:	0	2,076	2,076
Site Total:	0	2,453	2,453



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August 26, 2019

Mr. Luis Loarte
Federal Aviation Administration
Office of Airport Planning & Programming, APP-400
800 Independence Avenue, SW
Washington, DC 20591

RE: Preliminary Calendar Year 2018 Enplanement Data to Determine Fiscal Year 2020 AIP
Funding

Dear Mr. Loarte,

In accordance with the letter received last month on our preliminary 2018 enplanement data we have discovered a discrepancy in excess of 10% of missing enplanement data from 2018. Elite Airways did not report their enplanements that occurred at our airport in 2018 for the following months:

2018	Elite Airways
January	32
February	
March	36
April	31
May	31
June	17
July	17
August	42
September	34
October	30
November	30
December	

Thank you for your consideration in correcting this discrepancy, and please let us know if any further information is needed to rectify this issue.

Thank you,

Jason R. Licon
Airport Director

SOURCE: CY 2018 FAA

ENPLANEMENTS BY INDIVIDUAL CARRIERS FOR CALENDAR YEAR 2018

Northern Colorado Regional (FNL)

DEN

Jason Licon 4900 Earhart Road, Loveland, CO 80538

FNL

SCHEDULE TYPE	----- ENPLANEMENTS -----		
CARRIER NAME (CARRIER CODE)	SCHEDULED	NONSCHEDULED	TOTAL
ATCO - Nonscheduled/On-Demand Air Carriers, filing FAA Form 1800-31.			
Aero Jet Services LLC (J7EA)	0	7	7
Netjets Aviation, Inc. (DXTA)	0	328	328
Priester Aviation LLC (PRIA)	0	8	8
Sunset Aviation Llc (7SSA)	0	8	8
ATCO Total:	0	351	351
CAC - Commuters or Small Certificated Air Carriers, filing T-100.			
CFM INC D/B/A CONTOUR AIRLINES (LF#)	0	26	26
CAC Total:	0	26	26
CRAC - Large Certificated Air Carriers, filing T-100.			
Southwest Airlines Co (WN)	0	172	172
Sun Country Airlines (SY)	0	1,904	1,904
CRAC Total:	0	2,076	2,076
Site Total:	0	2,453	2,453



U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Airport Planning and Programming

800 Independence Ave., SW
Washington, DC 20591

Mr. Jason Licon
Northern Colorado Regional
4900 Earhart Road
Loveland, CO 80538

FINAL CALENDAR YEAR 2018 ENPLANEMENT DATA

Enclosed is the final report listing the air carriers serving your airport and their total revenue passenger enplanements during calendar year 2018. This data will be used to determine fiscal year 2020 Airport Improvement Program passenger apportionments.

A preliminary report was mailed to you in July. Discrepancies reported to the FAA were resolved and appropriate revisions were incorporated, resulting in the enplanement numbers shown on the enclosed report. This report is provided for your information only. No response is required.

Thank you for your participation in this process.

Enclosure

SOURCE: CY 2018 FAA

ENPLANEMENTS BY INDIVIDUAL CARRIERS FOR CALENDAR YEAR 2018

Northern Colorado Regional (FNL)

DEN

Jason Licon 4900 Earhart Road, Loveland, CO 80538

FNL

SCHEDULE TYPE	-----	ENPLANEMENTS	-----
CARRIER NAME (CARRIER CODE)	SCHEDULED	NONSCHEDULED	TOTAL
ATCO - Nonscheduled/On-Demand Air Carriers, filing FAA Form 1800-31.			
Aero Jet Services LLC (J7EA)	0	7	7
Netjets Aviation, Inc. (DXTA)	0	113	113
Priester Aviation LLC (PRIA)	0	8	8
Sunset Aviation Llc (7SSA)	0	8	8
ATCO Total:	0	136	136
CAC - Commuters or Small Certificated Air Carriers, filing T-100.			
CFM INC D/B/A CONTOUR AIRLINES (LF#)	0	26	26
CAC Total:	0	26	26
CRAC - Large Certificated Air Carriers, filing T-100.			
ELITE AIRWAYS LLC (2HQ)	300	0	300
Southwest Airlines Co (WN)	0	172	172
Sun Country Airlines (SY)	0	1,904	1,904
CRAC Total:	300	2,076	2,376
Site Total:	300	2,238	2,538

Capital Improvement Plan (CIP) Worksheet

Airport Name	Northern Colorado Regional Airport	Airport Identifier	FNL
Airport Manager	Jason Licon	CIP Update	3/2/2020
Airport Sponsor	Cities of Fort Collins & Loveland		
Address	4900 Earhart Rd., Loveland, Colorado 80538		
Phone	USA		
	+1 (970) 962-2850		

Project	FAA Discretionary	FAA State	FAA Entitlements	Colorado Discretionary	Local	Passenger Facility Charge	Total Funding	Project Cost Estimate
2020								
Maintenance Vehicle Rreplacement State funding removed.	\$0.00	\$0.00	\$0.00		\$3,872.00	\$0.00	\$3,872.00	\$38,271.00
Commercial Apron Expansion & TWY E Design			\$270,000.00	\$15,000.00	\$15,000.00		\$300,000.00	\$300,000.00
Total 2020	\$0.00	\$0.00	\$270,000.00	\$15,000.00	\$18,872.00	\$0.00	\$303,872.00	\$338,271.00
2021								
Remote Tower Permanent Facility \$500,000 funded out the Remote Tower Cost Center. Idea is to incorporate the facility into the new terminal building as a component, reducing costs through greater efficiencies	\$0.00	\$0.00	\$0.00		\$125,000.00		\$125,000.00	\$625,000.00
Runway & Taxiway Pavement Maintenance (Stearman TWY)	\$0.00	\$0.00	\$0.00	\$250,000.00	\$27,778.00	\$0.00	\$277,778.00	\$216,049.00
Carryover \$1M ENT to 2022	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Commercial Apron Expansion and TWY E Construction	\$850,000.00		\$1,580,000.00	\$135,000.00	\$135,000.00		\$2,700,000.00	\$2,700,000.00
Total 2021	\$850,000.00	\$0.00	\$1,580,000.00	\$385,000.00	\$287,778.00	\$0.00	\$3,102,778.00	\$3,541,049.00
2022								
Northrop TXLN Design and Construct				\$300,000.00	\$150,000.00		\$450,000.00	\$450,000.00
TWY D Rehab & Realignment (Design and Construct)			\$1,000,000.00	\$56,000.00	\$56,000.00		\$1,112,000.00	\$1,112,000.00
Seal Coat Gen Aviation Hangar & Ramp Areas		\$0.00	\$0.00		\$450,000.00	\$0.00	\$450,000.00	\$400,000.00
Total 2022		\$0.00	\$1,000,000.00	\$356,000.00	\$656,000.00	\$0.00	\$2,012,000.00	\$1,962,000.00
2023								
New Terminal Design (Design Phase 1)		\$0.00		\$250,000.00	\$250,000.00	\$0.00	\$500,000.00	\$500,000.00
Broom Truck SRE Replacement	\$360,000.00	\$0.00	\$0.00	\$20,000.00	\$20,000.00		\$400,000.00	\$400,000.00

Runway 15-33 Widening & TWY A Rehab, Lighting, Signage (Design)		\$0.00	\$1,000,000.00	\$56,000.00	\$56,000.00	\$0.00	\$1,112,000.00	\$1,112,000.00
Rehabilitate Hangar and Ramp Areas (Seal Coat) (Design and Construct)	\$405,000.00	\$0.00	\$0.00	\$22,500.00	\$22,500.00	\$0.00	\$450,000.00	\$450,000.00
Total 2023	\$765,000.00	\$0.00	\$1,000,000.00	\$348,500.00	\$348,500.00	\$0.00	\$2,462,000.00	\$2,462,000.00

2024

Runway 15-33 Widening & TWY A Rehab, Lighting, Signage (Construction)	\$10,700,000.00	\$0.00	\$1,000,000.00	\$250,000.00	\$1,050,000.00	\$0.00	\$13,000,000.00	\$13,000,000.00
New Terminal Design				\$250,000.00	\$450,000.00		\$700,000.00	\$700,000.00
Total 2024	\$10,700,000.00	\$0.00	\$1,000,000.00	\$500,000.00	\$1,500,000.00	\$0.00	\$13,700,000.00	\$13,700,000.00

2025

Fuel Farm Relocation (Design,Environment, and Construct)	\$0.00	\$0.00	\$500,000.00	\$55,556.00	\$555,556.00	\$555,556.00
Carryover to 2026					\$0.00	
Total 2025	\$0.00	\$0.00	\$500,000.00	\$55,556.00	\$555,556.00	\$555,556.00

2026

New Terminal Construction	\$5,000,000.00	\$0.00	\$3,000,000.00	\$250,000.00	\$3,750,000.00	\$12,000,000.00	\$12,000,000.00
Use 25, 26 & 27 ENT							
Landside Improvements (Design and Construction)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00
Remote Tower Permanent Facility				\$500,000.00	\$125,000.00	\$625,000.00	\$625,000.00
Total 2026	\$5,000,000.00	\$0.00	\$3,000,000.00	\$750,000.00	\$5,875,000.00	\$14,625,000.00	\$14,625,000.00

2027

SRE Equipment Replacement	\$0.00	\$0.00	\$27,778.00	\$0.00	\$27,778.00	\$555,556.00
KM Removed \$500K ENT and \$27,777						
Repay ENT borrowed in 2026					\$0.00	
Total 2027	\$0.00	\$0.00	\$27,778.00	\$0.00	\$27,778.00	\$555,556.00

2028

SRE Equipment Replacement	\$0.00	\$0.00	\$0.00	\$0.00	\$21,604.00	\$0.00	\$21,604.00	\$216,048.00
Total 2028	\$0.00	\$0.00	\$0.00	\$0.00	\$21,604.00	\$0.00	\$21,604.00	\$216,048.00

2029

No Projects Scheduled

2030								
GA Ramp Expansion North Side			\$0.00				\$0.00	\$2,000,000.00
Land Acquisition Phase 1			\$0.00				\$0.00	\$4,000,000.00
Land Acquisition Phase 2			\$0.00				\$0.00	\$5,500,000.00
Total 2030			\$0.00				\$0.00	\$11,500,000.00
Long Term								
Extend Runway 15-33 (2027-2031)	\$3,600,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400,000.00	\$4,000,000.00	\$4,000,000.00
Rehab 15-33 (2027-2031)	\$5,400,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600,000.00	\$6,000,000.00	\$6,000,000.00
Total Long Term	\$9,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00	\$10,000,000.00	\$10,000,000.00