

The Erie Municipal Airport

A Brief History

Projects to Date

Programs Developed

Revenue Sources

Airport Expenses

Enterprise Fund

VAM Contract



The Erie Municipal Airport

A Brief History

- **1977-1978** - The Tri County Airport, was constructed as a privately developed and operated airport with an Airpark Community (Erie Airpark).
 - even though privately owned, Tri-County Airport was open to the public
- **1980 - 1989** - asphalt taxiways and runway in disrepair
 - FAA Designates Tri-County Airport as a reliever airport for Stapleton
 - what is a reliever airport?



The Erie Municipal Airport

A Brief History

- **1990 - 1991** – Reliever designation allows private airport owners receive FAA grant to rehabilitate the north/south runway
 - airport developers funded required matching \$200,000.00 for FAA grant which combined with several other economic challenges forced the airport into bankruptcy
- **1994** - The Town of Erie purchases the Tri-County Airport for \$1,000,000
 - FAA provides discretionary grant to offset part of the bankruptcy lien – FAA \$700,000/Airport \$300,000
 - \$300,000 paid back 100% by airport operation income
- **1994 - 2000** - Airport managed by Crosswind Aviation



The Erie Municipal Airport

A Brief History

- **2000** - Town of Erie hires consulting group to review Airport operations
 - consulting group recommends hiring a Town staff Airport Manager to devote more time and resources to acquiring additional grant money from the FAA
 - Town of Erie takes over management of the Airport
- **2000 - 2010** - Town has two different staff airport managers
 - Town of Erie has public works manage the Airport
 - Unanticipated difficulties and expenses result from Town management
 - Airport deficit prevents airport from receiving grants



The Erie Municipal Airport

A Brief History

- **2009** - Airport hires Boyd Group to review Airport management
 - Boyd Group Report makes several recommendations, including exploring Private Airport Management
- **2010** – Town of Erie issues RFP for Airport Management and Development



The Erie Municipal Airport

A Brief History

- **2000-2010** – less than half of total billable revenue was being billed and collected.
- **2010** – Airport Enterprise Fund negative **\$40,000**
- **2011** - Vector Air Management (VAM) awarded the Airport management and development contract.
- **2011 – present** – VAM contributions to Airport Enterprise Fund has maintained a positive balance making it possible to obtain FAA and State grants regularly
- **2022** - Airport Enterprise Fund Balance - **\$177,000**



The Erie Municipal Airport Projects to Date

- **FAA and CDOT Division of Aeronautics grant funded Capitol Improvement Projects:**
 - Construction of North Apron rehabilitation project
 - Removal of underground fuel tanks and construction and installation of new above ground fuel system. Two new 12,000 gallon fuel tanks with all new dispensing equipment and fuel terminal
 - Construction of new connector taxiway A4
 - Replacement and construction of new wind sock and segmented circle markings



The Erie Municipal Airport Projects to Date

- **FAA and CDOT Division of Aeronautics grant funded Capitol Improvement Projects: (con't)**
 - State of Colorado grant funded equipment acquisition - new snow removal and mowing equipment
 - Installation of all new LED taxiway lighting system
 - Primary runway realignment and re-striping project
 - Construction of a two bay Snow Removal and Equipment building (SRE building)
 - Total FAA Grants 2011-2020 **\$1,697,989**
 - Total CDOT Grants 2011-2020 **\$1,986,000**



The Erie Municipal Airport Projects to Date

- **Airport Master Plan**
 - Coordinate with Airport Consulting Firm, Airport Development Group and FAA to develop the current Erie Airport Master Plan



The Erie Municipal Airport Programs Developed

- **Police/Fire and Rescue Training**
 - Program aimed at educating local Law Enforcement, Fire and Rescue how to best respond to aviation incidents and accidents.
 - How to operate safely on the airport environment as well familiarization with aircraft systems, fuel types, electrical hazards, aircraft construction
 - Over 200 first responders have participated
- **Additional Programs Developed –**
 - Developed Storm Water Management Plan as required by the State of Colorado
 - Developed and implemented a Community Relations program.



The Erie Municipal Airport Revenue Sources

The Erie Municipal Airport has Four Sources of Revenue

- Through the Fence Fees
- Land Leases
- Tie-Down Fees
- Fuel Sales

Presentation figures are historical blended numbers



The Erie Municipal Airport Revenue Sources

Through the Fence Fees

- allow access to airport property from off airport
- collected once a year at the beginning of the year
- residential fees are \$600.00 per year
- commercial fees are \$.25/square foot with a minimum of \$600.00
- 2022 - collected \$69,000.00 in fees



The Erie Municipal Airport Revenue Sources

Through the Fence Fees (con't)

- regulated through Town of Erie Municipal Code, Chapter 7 – Erie Municipal Airport – 2-7-1
- Ordinance specifies that if off-airport properties “use” the access, the fee must be paid
- Properties that have access but do not use it, are not required to pay the fee
- Approximately 55 properties have improved/unimproved access to Airport Property
- Per Town Ordinance 28 of the 55 residential airpark properties that have access are currently required to pay the TTF fees
- Last TTF/land lease/tie-down rate study done prior to 2011
- New unofficial rate study being conducted by Business Aviation Group



The Erie Municipal Airport Revenue Sources

Land Leases

- charged to owners of private hangars located on airport property
- land lease fees are \$50.00 per month and are collected at the beginning of the month
- land lease fees collected amount to \$15,000.00 in 2021



The Erie Municipal Airport Revenue Sources

Tie-Down Fees

- tie-down fees are charged to owners of aircraft who tie their aircraft down on the Airport ramp
- tie-downs can be either permanent or transient aircraft
- tie-down fees are \$50.00 per month and are collected at the beginning of the month for permanent tie-downs
- transient aircraft are charge \$5.00 per night
- 2021 – collected \$7,000.00 in tie-down fees

Relationship Between Through the Fence Fees, Land Leases and Tie-Down fees

- Since the airport receives FAA Grant money, they require Through the Fence Fees, Land Leases and Tie-Down fees be equitable to each other
- one fee cannot be changed without changing the other fees



The Erie Municipal Airport Revenue Sources

Fuel Sales 2021

- Airport sells 100LL fuel and Jet A fuel
- 2021 – collected \$325,100.00 in gross fuel sales to customers
- Cost to purchase Fuel – \$276,400.00
- Fuel Flow Fees- \$4,570.00
- Net Fuel Sales Revenue - \$44,130.00



The Erie Municipal Airport Revenue Sources

Total Revenue (round numbers)

- TTF Fees: - \$69,000.00 (2022)
- Land leases -\$15,000.00
- Tie Down Fees -\$7,000.00
- Net Fuel Sales Revenue - \$49,000.00 (2021 includes fuel flow fees)

Total Revenue (round number): \$140,000



The Erie Municipal Airport Expenses

Fuel System

- Terminal maintenance contract \$2,500.00
- Filters, spill kits and other supplies \$2,500.00

Insurance

- General liability insurance \$15,600.00
- Tankguard insurance \$2,200.00
- Pollution liability insurance \$2,000.00

Automated Weather Observation System (AWOS) \$6,300.00

Segmented Circle and Windssocks \$1,100.00

Building Repairs and Maintenance

- Roof, water damage, plumbing, mowing, irrigation, security, septic system \$8,900.00

Equipment Maintenance-Mowing/Snow Plowing

- Fuel, Equipment repairs, replacement parts \$5,400.00

Runway, Taxiway and Ramp Maintenance \$8,400.00

Utilities

- Electric FBO/SRE/Runway/Taxiway/Fuel system/
Segmented Circle/Water \$22,000.00



The Erie Municipal Airport Expenses

Fees and Taxes

- Aviation fuel taxes - \$4,200.00
- Stormwater/ FCC permits - \$450.00
- Fuel flow fees - \$4,570.00 (paid to Airport Enterprise Fund)
- Trash & Recycle— \$5,255.00
- Wildlife mitigation fees - \$300.00
- Accounting fees/credit card fees - \$4,000.00
- VAM Contract yearly contribution to Airport Enterprise Fund - \$40,000.00



The Erie Municipal Airport Revenue/Expense Summary

Total Airport Revenue

\$140,000.00

Total Airport Expenses

\$135,675.00

Net Income

\$4,325.00



The Erie Municipal Airport Enterprise Fund

Airport Enterprise Fund:

- Yearly VAM Contract Contributions to Airport Enterprise Fund - **\$40,000.00**
- Total VAM Contributions to Airport Enterprise Fund since 2011 – over **\$400,000.00** (excluding fuel flow fees)
- Funds from Airport Enterprise Fund are almost exclusively used for matching FAA and State of Colorado Aviation Grants



The Erie Municipal Airport VAM Contract



The Erie Municipal Airport VAM Contract

Current Arrangement

- Not just a Tenant
- VAM pays to Manage Airport
- Utilizes FBO/Maintenance personnel to manage and maintain airport
- Majority of repairs/maintenance/mowing/plowing/fuel system maintenance/gate maintenance conducted by VAM staff vs paying outside vendors saving thousands.

Example: Last gate repair \$43 VAM Cost. Gate repair company: Min. \$500 plus parts. One day vs 3 weeks

Example: Snow storm plowing cost VAM average per snow storm \$500 Outside vendor \$3500+ and not on call and several days to complete.



The Erie Municipal Airport VAM Contract

Current Arrangement (cont'd)

- No Airport Manager Salary
- Minimal Administration Salary
- Fuel Sales as revenue for Airport Operations-not typical
- All Fees Collected /All Expenses paid for by VAM
- \$40,000 per year contributed to Airport Fund
- Positive Airport Fund Balance since 2011
- 24/7 on call Airport Manager (accidents, incidents, plow, security issues, noise complaints, airfield repairs)
- Erie Municipal Airport - \$35.93 million in Total Business Revenue economic impact



The Erie Municipal Airport VAM Contract

Typical Arrangement

Airport Fund responsible for:

- 3-5 Employees \$300-\$400,000 per year

 - Airport Manager, Admin, Mow/Plow, Airfield/Runway Maintenance

- Under Town/VAM contract the fuel revenue helps fund Airport Operations – This is not a typical arrangement – most airports the FBO keeps the fuel revenue in exchange for the services it provides to fuel and airport customers. Municipality/Airport receives fuel flow fees.

Under a more traditional arrangement:

- \$100,000/year in revenue (TTF/Land Lease Fees/Fuel Flow)

- \$135,000/year in expenses

- \$250,000+/year for staffing expenses

- Potential **\$285,000**/year Airport Fund deficit and as a result no funds to match FAA or State of CO grants



Med Evac



AIR FAIR



Pilots N Paws



Young Eagles



Angel Flight

