
Northern Colorado Regional Airport Commission Monthly Meeting



Airport Administrative Office Conference Room

4900 Earhart Road
Loveland, CO 80538

Thursday, December 17, 2015
4:00 PM

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CONSENT AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

CONSENT AGENDA

Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Commission acts upon it.

Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items.

Anyone making a comment during any portion of today's meeting should come forward state your name and address for the record before being recognized by the Chair. Please do not interrupt other speakers. Side conversations should be moved outside the meeting room. Please limit your comments to no more than three minutes.

- 1. MINUTES FROM THE NOVEMBER 19, 2015 NORTHERN COLORADO REGIONAL AIRPORT COMMISSION MEETING**
- 2. PLANNING CALENDAR**
- 3. ESTABLISHING RULES AND REGULATIONS INCLUDING EXECUTION OF AGREEMENTS**
- 4. AIRPORT DIRECTOR'S REPORT**
- 5. MONTHLY FINANCIALS**

END OF CONSENT AGENDA



NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

REGULAR AGENDA

Anyone who wishes to address the Commission on any item on this part of the agenda may do so when the Chair calls for public comment on each item.

6. 2016 MEETING SCHEDULE

This is a recommended motion to approve the proposed 2016 monthly meeting schedule for the Commission.

7. STRATEGIC PLAN PRIORITIES AND COST

The Airport's adopted Strategic Plan has four primary components that will require time, resources, and/or systems to achieve. In order to best utilize available resources to attain the strategic plan's goals, our priorities must be set to determine how we navigate each component. This item will overview estimates for each element and recommendations from staff on how best to accomplish them.

8. WATER VALLEY PROPOSAL

At the November airport commission meeting a development concept was presented by Mr. Martin Lind and Mr. Patrick McMeekin of the Water Valley Company. The direction given at the conclusion of the discussion was that the Airport Director will provide the Commission a report on how this proposal meets the goals for the Airport and how the Commission achieves the next steps.

9. BUSINESS FROM MEMBERS

ADJOURN



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ITEM NUMBER: 1
MEETING DATE: December 17, 2015
PREPARED BY: Jason Licon, Airport Director

TITLE

Minutes from the November 19, 2015 Northern Colorado Regional Airport Commission Meeting

RECOMMENDED AIRPORT COMMISSION ACTION

Approve as written

BUDGET IMPACT

- Positive
- Negative
- Neutral or Not Applicable

SUMMARY

The attached documents, prepared by Shawn Battmer, are a record of the November 19, 2015 meeting of the Northern Colorado Regional Airport Commission.

ATTACHMENTS

November 19, 2015 Minutes



Northern Colorado Regional Commission Minutes November 19, 2015

Call to Order: Commission Chair Cecil Gutierrez, called the meeting to order at 4:01 p.m.

Roll Call: Roll was called and the following responded: Gutierrez, Atteberry, Burgener, Fleming, McKean, and Stooksbury. Vice Chair Troxell arrived at 4:12 p.m. and left at 6:06 p.m. prior to adjournment.

Public Comments: None

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Item #3 was removed from the Consent Agenda due to documents not being prepared in time from the legal departments from both Cities. Chair Gutierrez asked if anyone would like to remove anything else from the Consent Agenda. No other items were removed. Commissioner Fleming made a motion to approve the Consent Agenda with the exception of item #3. The motion, seconded by Commissioner McKean, carried with all commissioners present voting in favor thereof.

Public Comments: None

Consent Agenda

1. Approval of Meeting Minutes

This is an administrative action to approve the October 15, 2015 Regular Meeting minutes.

2. Planning Calendar

A planning calendar has been developed to prepare Commission members for upcoming topics of discussion.

3. Establishing Rules and Regulations Including Execution of Agreements

~~As discussed at the previous Airport Commission meeting, the Intergovernmental Agreement between the Cities states that management authority over Airport operation and commercial, industrial or other operations and activities of any kind located on the Airport is vested in the~~



~~Northern Colorado Regional Airport Commission. This resolution will provide the necessary rules and regulations that will enable the Commission and their designee to execute agreements within certain parameters and amounts.~~

4. Airport Director's Report

This report prepared by the Airport Director, Jason Licon, are an overview of what occurred at the Airport during the month of October.

5. Monthly Financial Report

This report is an overview of all revenues and expenditures through October 30, 2015. The statement was developed to follow formatting shared with the Airport's annual audited financial statement. The information compares the year to date actual revenues and expenses with the year prior and the adopted year to date budget. A percentage of that year to date budget is also included for easy reference.

END OF CONSENT AGENDA

Public Comments: None

Regular Agenda

6. Airport Development Concept Proposal

This is an informational item. Mr. Martin Lind and Patrick McMeekin from The Water Valley Company presented a concept for development on the Airport for the Commission and City staff to consider.

Vice Chair Troxell arrived at 4:12 p.m.

Direction

Airport Director will provide the Commission a report on how this proposal meets the goals for the Airport and how the Commission achieves the next steps.

Public Comments:

Jim Sampson, Scion Aviation at 3693 E County Road 30, spoke about the Airport's current lack of higher corporate hangars and a better FBO and expressed his support for this proposal.

Bill Kennedy, stated three of the Stratop's goals align with this proposal and also expressed his support for the proposal and the need for an expedient decision.

7. Virtual Tower

This is an informational item. This was a briefing on the potential impacts the virtual tower may have during the installation and testing phase of the project. Mr. Bill Payne, CDOT Division of Aeronautics project manager, shared a proposed timeline for the project, and answered questions from the Commission pertaining to the short and longer term impacts that the project may have. This



project will be a test of a new concept and there will likely be concerns or issues that develop throughout the project timeline. This discussion will allow for the Airport Commission to be better prepared for any possible Airport impacts by gaining a thorough understanding of what is envisioned.

Vice Chair Troxell left at 6:06 p.m.

Public Comments: None

8. Business From Members

This is an opportunity for Commissioners to report on recent activities or introduce new business for discussion at this time or on a future Commission agenda.

Gutierrez: Current scheduling of Regular Commission meetings is too short to deal with business necessary for the Airport.

Direction

Staff will poll Commissioners for best days and times for a new Regular Commission meeting schedule that will allow for more than one hour.

Stooksbury: Fort Collins-Loveland Airport needs to have a presence at key events and funding for the events needs to be identified.

Adjournment: The meeting was adjourned at 6:19 p.m.

Respectfully Submitted,

Chair, Cecil A. Gutierrez

Vice Chair, Wade Troxell



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ITEM NUMBER: 2
MEETING DATE: December 17, 2015
PREPARED BY: Jason Licon, Airport Director

TITLE

Planning Calendar

RECOMMENDED AIRPORT COMMISSION ACTION

This is an informational item

BUDGET IMPACT

- Positive
- Negative
- Neutral or Not Applicable

SUMMARY

A planning calendar has been developed to prepare Commission members for upcoming topics of discussion.

ATTACHMENTS

December Planning Calendar



Planning Calendar

January 21, 2016 Regular Meeting

Regular Agenda

-  Strategic Planning Item: Protect against residential encroachment
-  Commercial Air Service

February 18, 2016 Regular Meeting

Regular Agenda

-  ~~Police Training Campus~~ (Removed due to project cancellation)
-  Strategic Planning Item: Rebrand the Airport and more productively engage the public

March 17, 2016 Regular Meeting

Regular Agenda

-  Virtual Tower Update



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ITEM NUMBER: 3
MEETING DATE: December 17, 2015
PREPARED BY: Jason Licon, Airport Director

TITLE

Establishing Rules and Regulations Including Execution of Agreements

RECOMMENDED AIRPORT COMMISSION ACTION

This is an action item to approve RESOLUTION # R-2-2015, approving the establishment of rules and regulations of the Northern Colorado Regional Airport Commission including rules and regulations regarding the execution of certain agreements, as developed by Legal Staff and amended to reflect direction given at the September 17, 2015 Airport Commission meeting.

BUDGET IMPACT

- Positive
- Negative
- Neutral or Not Applicable

SUMMARY

As discussed at the previous Airport Commission meeting, the Intergovernmental Agreement between the Cities states that management authority over Airport operation and commercial, industrial or other operations and activities of any kind located on the Airport is vested in the Northern Colorado Regional Airport Commission. This resolution will provide the necessary rules and regulations that will enable the Commission and their designee to execute agreements within certain parameters and amounts.

ATTACHMENT

Resolution # R-2-2015 approving the establishment of rules and regulations of the Northern Colorado Regional Airport Commission including rules and regulations regarding the execution of certain agreements

RESOLUTION # R-_____

A RESOLUTION APPROVING THE ESTABLISHMENT OF RULES AND REGULATIONS OF THE NORTHERN COLORADO REGIONAL AIRPORT COMMISSION INCLUDING RULES AND REGULATIONS REGARDING THE EXECUTION OF CERTAIN AGREEMENTS BY THE AIRPORT MANAGER

WHEREAS, the City of Fort Collins and the City of Loveland (jointly, the “Cities”) are parties to that certain Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins–Loveland Airport dated January 22, 2015 (“Formation Agreement”), which provides for the operation and maintenance of the Fort Collins-Loveland Municipal Airport ("Airport") as a joint venture, with full management and policy-making authority vested in equally in both Cities; and

WHEREAS, under the Formation Agreement, management authority over Airport operation and commercial, industrial or other operations and activities located on the Airport is vested in the Northern Colorado Regional Airport Commission (“Commission”), including the powers and authority set forth in Section 4 of the Formation Agreement, which authority is subject to the policy issues reserved to the Cities set forth in Section 1 and the limitations set forth in Section 4 of the Formation Agreement, and the Commission bylaws; and

WHEREAS, the Formation Agreement provides that, subject to the reservations of authority set forth therein, the Commission shall adopt, by resolution from time to time, one or more rules and regulations (the “Rules and Regulations”) to carry out its delegated authorities and power under the Formation Agreement, which rules and regulations shall be maintained by the Airport Manager; and

WHEREAS, the Commission seeks to develop and implement rules and regulations to set forth the Commission’s policies respecting the exercise of such powers and authority vested in it under the Formation Agreement; and

WHEREAS, as part of such rules and regulations and to the extent that approval of the Commission and execution by the Commission chairperson is authorized under the Formation Agreement, the Commission desires to authorize the Airport Manager to execute certain agreements on behalf of the Cities; and

WHEREAS, the Commission desires to delegate to the Airport Manager, the authority to enter into Airport agreements on behalf of the Cities to the extent permitted by Section 2.A of the Formation Agreement, provided that such agreements are in furtherance of and consistent with Airport budgets, plans or policies jointly adopted by the Cities, applicable federal and state law, the Cities’ charters, ordinances and regulations (as they exist or as amended), the terms and condition of Federal Aviation Administration (“FAA”) or any other grant agreement and/or assurances, and that are in furtherance of and consistent with a policy, work plan item, project or agreement that has been specifically approved by the Commission; and

WHEREAS, the Commission finds that adoption of rules and regulations will facilitate carrying out its responsibilities under the Formation Agreement.

NOW, THEREFORE, BE IT RESOLVED BY NORTHERN COLORADO REGIONAL AIRPORT COMMISSION, STATE OF COLORADO, AS FOLLOWS:

Section 1. That the Commission hereby adopts the following chapters of the Rules and Regulations, which shall read in full as follows:

**NORTHERN COLORADO REGIONAL AIRPORT COMMISSION
RULES AND REGULATIONS**

Chapter 1. Definitions

“Cities” shall mean the City of Fort Collins and City of Loveland, collectively.

“City Councils” shall mean the City Council of the City of Fort Collins and City of Loveland.

“Commission” shall mean the Northern Colorado Regional Airport Commission.

“Formation Agreement” shall mean the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins–Loveland Airport dated January 22, 2015, as amended.

Chapter 2. Execution of Agreements

A. The Airport Manager is hereby authorized to execute the following agreements on behalf of, and in the name of the Cities:

1. Leases of real property owned or leased in the name of the Cities and located at the Fort Collins-Loveland Airport, provided that each lease is:
 - a. in a form generally approved by the Cities;
 - b. for an aeronautical or general aviation use or a use that directly augments an aeronautical or general aviation use;
 - c. for a use permitted by any land use or zoning codes or regulations;
 - d. for a term of no more than ten years, excluding any rights of renewal, provided such leases may be terminated at the expiration of any term or renewal term.
 - e. provides for a rental amount which reasonably represents, as of the date of the lease, fair market rental value for the lease of the real property and is consistent with the rental rates approved by the Cities from year to year; and
 - f. is otherwise consistent with any Airport plans or policies jointly adopted by the City Councils (including Airport Minimum Standards and Airport Rules and Regulations), applicable federal and state law (including FAA regulations), the Cities’ charters, ordinances and regulations as they exist or as amended, and the terms and conditions of Federal Aviation Administration (FAA) or other grant agreements,

including any grant assurances set forth therein.

2. Agreements that:
 - a. involve no direct, monetary payment by the Cities;
 - b. in the judgment of the Airport Manager, after consultation with the City Attorney's Office designated to provide legal services under the Formation Agreement, do not entail any significant policy considerations; and
 - c. are in a form generally approved by the Cities.

3. Agreements that:
 - a. are in furtherance of a policy, work plan item, project, or agreement within the Commission's authority under the Formation Agreement;
 - b. have been specifically approved by the Commission;
 - c. are in a form generally approved by the Cities; and
 - d. any direct, monetary payment to be made by the Cities under the terms of the agreement does not exceed \$100,000.

B. Any agreement entered into by the Airport Manager for the purchase of any goods or services necessary and appropriate to the operation of the Airport shall be subject to the City of Loveland's procurement rules and regulations.

C. Notwithstanding anything in this Chapter 2 to the contrary, the Airport Manager shall not be authorized to execute any agreement when the proposed agreement requires approval by:

1. the Commission pursuant to any state law or the Formation Agreement; or
2. the Cities pursuant to any Charter provision, ordinance, or state law; or
3. the Cities pursuant to the Formation Agreement.

D. The Airport Manager shall:

1. notify the Commission at its next regularly scheduled meeting of the execution of each agreement under the authority granted in paragraph A above;
2. notify and provide copies of each agreement to the City Managers of each of the Cities within ten (10) days of execution of any such agreement; and
3. Provide an original of each agreement to the City of Loveland City Clerk's Office for the retention and record management of such agreements.

Section 2. That this Resolution shall go into effect as of the date and time of its adoption.

ADOPTED this _____ day of December, 2015.

Cecil A. Gutierrez, Chairperson

ATTEST:

Secretary

APPROVED AS TO FORM:



Assistant City Attorney

A RESOLUTION APPROVING THE ESTABLISHMENT OF RULES AND REGULATIONS OF THE NORTHERN COLORADO REGIONAL AIRPORT COMMISSION INCLUDING RULES AND REGULATIONS REGARDING THE EXECUTION OF CERTAIN AGREEMENTS BY THE AIRPORT MANAGER



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ITEM NUMBER: 4
MEETING DATE: December 17, 2015
PREPARED BY: Jason Licon, Airport Director

TITLE

Airport Director Monthly Report

RECOMMENDED AIRPORT COMMISSION ACTION

Informational only

BUDGET IMPACT

- Positive
- Negative
- Neutral or Not Applicable

SUMMARY

The attached documents, prepared by the Airport Director, Jason Licon, are an overview of what occurred at the Airport during the month of November.

ATTACHMENTS

Airport Director's Report November 2015



TO: Airport Commission; City Councils
FROM: Jason Licon, Airport Director
RE: Airport Report
DATE: 12/4/2015

Elite Airways

Staff received word this week that the scheduled flights to Chicago Rockford Airport may be suspended through the rest of winter effective January 4th. The decision to make the route seasonal is due to a variety of factors including lower post-holiday travel demand for this route coupled with an increased demand for their charter services. Elite expects that the service will restart operations sometime in late March or early April of next year.

Elite Airways are satisfied with the results of the Rockford route according to their President John Pearsall. The load factors have been favorable and many flights during the holidays have been sold out. However, Elite Airways built their primary business on providing charter services for NCAA basketball teams, and the first quarter of the year is the busiest and most profitable for them. A press release will be prepared to announce the suspended service once their decision is final.

On a related matter, staff has been working on a partnership between the Airline and Winter Park Resort in the efforts to continue our momentum with Rockford. The Winter Park Ski area is one of the closest ski resorts to our Airport, and is only an additional 20 miles from us than Denver International. Through negotiations, staff has convinced Winter Park to approve a partnership that will provide discounted lodging and ski lift tickets for Elite Airways customers at 30% off their regular rates. Staff has also initiated conversations with GreenRide on providing ground transportation for the Winer Park package concept to which they expressed a high interest. Positive feedback has been given from our Rockford counterparts on this concept as well; however, endorsement for the package is pending from Rockford's top management.

Winter Weather

On Wednesday, November 25th Elite Airways was forced to cancel a flight due to a number of factors including an issue with deicing equipment, freezing rain conditions, and crew time. The flight was rescheduled for the following morning and all passengers made it to their intended destination. On Thanksgiving Day, November 26th, Elite Airways was forced to reroute through Denver as JetCenter had depleted its available deicing supplies. According to JetCenter, the amount of deicing supplies they applied in those 24 hours, is what they normally use in an entire year due to the conditions from freezing rain. JetCenter provided ground transportation for passengers diverted to Denver via GreenRide at their own expense. They have also ordered four times more than their annual supply of deicing liquid to keep

on hand to prevent reoccurrence of this issue. Passengers that were affected were grateful to make the connection.

Airport staff were present from 6:00am - 6:30pm on Wednesday, November 25th, 4:45am – 3:00 pm on Thanksgiving Day the 26th, and 6:30am – 5:00pm on Friday the 27th. All runways and taxiways were cleared of snow and ice to accommodate all scheduled operations. The Airport’s runways, taxiways, and ramp are equivalent to approximately 28 single roadway miles and must be kept clear constantly throughout each snow event.

Centerra Warehouse Construction on 37th

A construction project immediately south of the Airport at the Centerra development has the potential of negatively impacting Airport operations. Airport staff became aware of the issue the first week of November driving past the project by chance. The project is the construction of a warehouse along 37th street which is located 3,300 feet from the end of the Airport’s primary runway and directly underneath the instrument approach.

The impact is not from the proposed structure itself but from the crane that will be needed to erect the structure, which is proposed to be between 160 and 190 feet in height. The FAA is conducting an analysis on how the crane will impact the Airport. It is anticipated that the crane will create a temporary limitation to the Instrument Landing System (ILS) which is the tool that allows aircraft to fly into the Airport in inclement weather. The Airport nor the FAA have jurisdictional authority to prohibit the cranes from operating. The crane will be used for construction beginning January 11 through February 5, 2016.

In order to preclude surprises arising from projects like these in the future, Airport staff met with the City of Loveland’s Development Services Department to create a mandatory developmental review area that will alert the Airport of proposals with the potential of impacting operations.

Capital Improvement Plan

The Airport has a capital improvement plan (CIP) that is designed to prioritize capital projects that are eligible for Federal and State grant funding for a five year period. This planning document has drastically changed due to the State of Colorado Aeronautics Division’s financial issues and further exacerbated from the Airport’s lack of 10,000 annual enplanements needed to qualify for a \$1 million funding guarantee from the FAA. The CIP has been updated to reflect the possibility that the Airport could reach the 10,000 enplanement number in 2016 which will qualify us for the \$1 million funding guarantee from the FAA in 2018. Projects that are eligible for funding through these grant programs include:

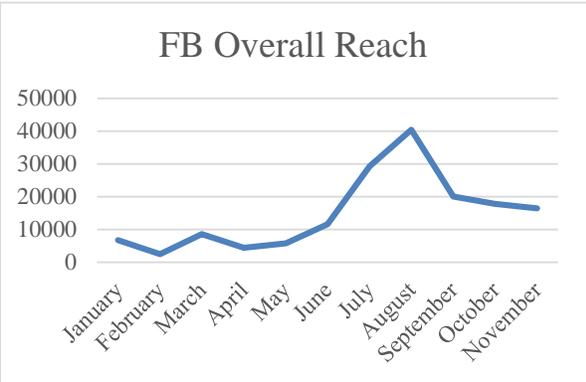
Year	Project	Federal	State	Local	TOTAL Estimated Cost
2016	Snow Removal Equipment Building	\$150,000	\$8,333	\$8,333	\$166,666
2017	Fog Seal Runway 15-33 & Taxiways A, A1-A5	\$150,000	\$8,333	\$8,333	\$166,666
2018	Master Plan Update (Federally mandated)	\$460,000	\$25,556	\$25,556	\$511,111
	Snow Removal Equipment Acquisition, Broom Truck	\$360,000	\$20,000	\$20,000	\$400,000

	Design of Taxiway F & Commercial Ramp extension	\$180,000	\$10,000	\$10,000	\$200,000
2019	Construct Taxiway F & Commercial Ramp extension	\$3,000,000	\$150,000	\$150,000	\$3,333,333
2020	Commercial Terminal Design & Phase 1 Construction	\$1,000,000	\$55,555	\$55,555	\$1,111,111

Communications and Public Outreach

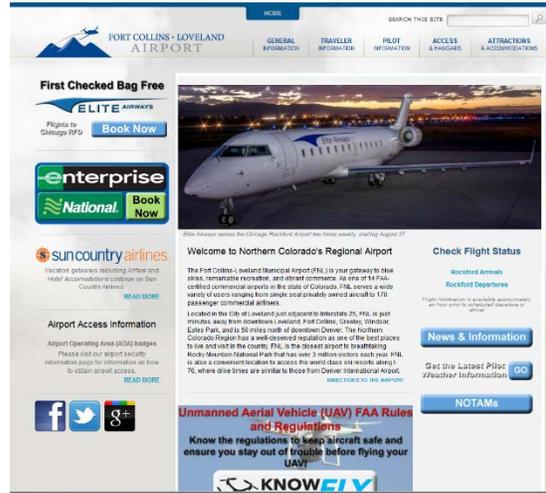
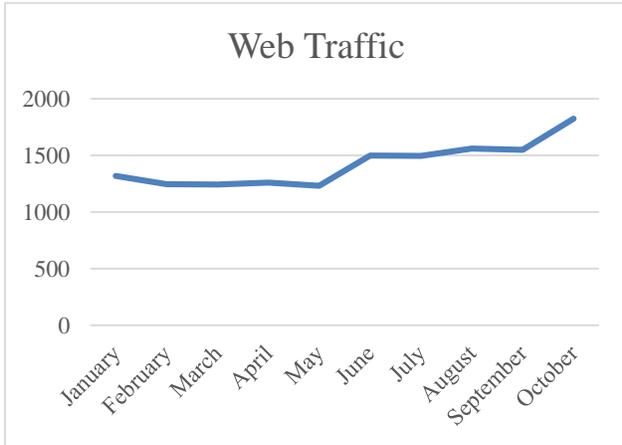
One of the Airport’s City Council approved strategic planning objectives was to build a stronger Airport public information program. One of the ways that this is being achieved is through electronic communications. These systems are low cost and effective tools that reach a wide audience.

Over Thanksgiving week the Airport’s Facebook page broke 500 likes. In the beginning of November, staff began a blog campaign on the Airport’s Facebook page and website with the goal to further educate the public. So far public response has been positive. Staff plans on covering topics frequently asked by the public, spanning topics such as noise, airspace control, our airport’s history, community benefits from having an airport, how airlines and/or flights are chosen, etc.... As would be expected the record high for audience members reached coincides with the start of Elite’s air service to Rockford, IL. Staff is updating information on a more consistent basis with the aim to engage our Facebook audience. When taking the Elite Airway spike into consideration, the Airport’s Facebook page has continually increased its reach throughout the year.



In an effort to improve and streamline communication to the public, staff has made some changes to our website. Images throughout the site have been cleaned up, by removing distracting backgrounds and making images and icons consistent in scale and style on all the pages. Forms have been updated to be fillable to allow users to send their information in electronically. This also helps ensure the forms are filled out clearly and consistently. The format for public meeting data has been reformatted into tables, to further help simplify and declutter the page. Full hangar rental information has been added to the page, which previously the details of was not listed. Staff updated the transportation page after receiving a few public comments about it being unclear. A link to Loveland’s open career opportunities has also been added as staff receives numerous inquiries about available employment at the Airport. Traffic on our site

has gradually increased since June; which is most likely due to recent news with air service and Virtual Tower.





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ITEM NUMBER: 5
MEETING DATE: December 17, 2015
PREPARED BY: Jason Licon, Airport Director

TITLE

Statement of Revenues and Expenses, November 2015

RECOMMENDED AIRPORT COMMISSION ACTION

Informational only

BUDGET IMPACT

- Positive
- Negative
- Neutral or Not Applicable

SUMMARY

The attached document is an overview of all revenues and expenditures through November 30, 2015. The highlights of this month's report reflect a significant decrease in fuel related revenues and a jump in capital expenditures.

The fuel revenues derive from percentage based fees assessed on aviation fuel. The lower price of aviation fuel has resulted in a 40% reduction in revenue or approximately \$120,000 less than what was received just one year ago. This can be found in the operational revenues within the Gas and Oil Commissions and the State Aircraft Fuel Tax line items.

The capital expenditures line item under non-operating revenues reflects a \$600,000 acquisition of a new fire truck. The Federal and State grants that will offset \$570,000 of this cost did not make it into the books until after month's end. All Federal and State funded projects require the Airport to pay for the expenses upfront and then apply for reimbursement. The reimbursements will be reflected in the December statement.

ATTACHMENTS

Statement of Revenues and Expenses, November 2015



NORTHERN COLORADO
REGIONAL AIRPORT COMMISSION

Airport Statement of Revenues and Expenses
From 01/01/2015 to 11/30/2015

	Y-T-D 2015 Actual	Y-T-D 2014 Actual	Y-T-D 2015 Budget	2015 Total Budget	% of Y-T-D 2015 Budget
<u>OPERATING REVENUES</u>					
Hangar Rental	94,961	88,890	82,500	90,000	115%
FBO Rent	62,968	49,056	52,430	57,180	120%
Gas and Oil Commissions	129,893	211,636	220,000	240,000	59%
State Aircraft Fuel Tax	49,841	69,967	91,630	100,000	54%
Land Lease	170,966	134,839	128,370	140,000	133%
Terminal Lease and Landing Fees	4,970	4,823	2,420	2,600	205%
Parking	8,435	80	440	500	1917%
Miscellaneous	19,063	8,834	15,110	15,700	126%
TOTAL OPERATING REVENUES	541,096	568,125	592,900	645,980	
<u>OPERATING EXPENSES</u>					
Personal Services	351,206	309,419	391,996	434,556	90%
Supplies	30,498	26,404	45,940	49,700	66%
Purchased Services	283,628	348,429	536,869	567,209	53%
TOTAL OPERATING EXPENSES	665,331	684,252	974,805	1,051,465	
OPERATING GAIN (LOSS)	(124,235)	(116,127)	(381,905)	(405,485)	
<u>NONOPERATING REVENUES (EXPENSES)</u>					
City Contributions	177,500	177,500	355,000	355,000	50%
Passenger Facility Charge	878	1,203	6,380	7,000	14%
Interest Income	13,409	13,038	9,790	10,710	137%
Capital Expenditures	(977,351)	(86,672)	(2,376,077)	(2,376,077)	41%
TOTAL NONOPERATING REVENUES (EXPENSES)	(785,564)	105,069	(2,004,907)	(2,003,367)	
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(909,799)	(11,058)	(2,386,812)	(2,408,852)	
Capital Contributions	19,501	779,154	550,000	550,000	4%
CHANGE IN NET POSITION	(890,298)	768,096	(1,836,812)	(1,858,852)	
NET POSITION, Beginning	23,324,611	24,431,611	0	0	
NET POSITION, Ending	22,434,313	25,199,706	(1,836,812)	(1,858,852)	
Investment in Capital Assets	21,341,480	22,784,639	0	0	
Net Position Available for use	1,092,832	2,415,067	(1,836,812)	(1,858,852)	



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ITEM NUMBER: 6
MEETING DATE: December 17, 2015
PREPARED BY: Jason Licon, Airport Director

TITLE

2016 Meeting Schedule

RECOMMENDED AIRPORT COMMISSION ACTION

This is an informational item.

BUDGET IMPACT

- Positive
- Negative
- Neutral or Not Applicable

SUMMARY

This is a recommended motion to approve the proposed 2016 monthly meeting schedule for the Commission.

ATTACHMENTS

Proposed 2016 Meeting Schedule

Northern Colorado Regional Airport Commission

Proposed Meeting Schedule 2016

- January 21st
- February 18th
- March 17th
- April 14th – Jason has a conference conflict on the 21st
- May 19th
- June 16th
- July 21st
- August 18th
- September 15th
- October 20th
- November 17th
- December 15th

Meetings are held in the Airport Administrative Offices located at 4900 Earhart Road in Loveland, Colorado. **The start time for all meetings will be 3:30pm.**



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ITEM NUMBER: 7
MEETING DATE: December 17, 2015
PREPARED BY: Jason Licon, Airport Director

TITLE

Strategic Plan Priorities and Cost

RECOMMENDED AIRPORT COMMISSION ACTION

This is an informational item. Staff has created recommended priorities and tactics to achieve the Strategic Plan goals for deliberation as directed by the Airport Commission.

BUDGET IMPACT

- Positive
- Negative
- Neutral or Not Applicable

SUMMARY

The Airport's adopted Strategic Plan has four primary components that will require time, resources, and/or systems to achieve. In order to best utilize available resources to attain the strategic plan's goals, our priorities must be set to determine how we navigate each component. This item will overview estimates for each element and recommendations from staff on how best to accomplish them.

ATTACHMENTS

Strategic Plan Prioritization and Costs

Strategic Plan Prioritization and Costs

The Airport's adopted Strategic Plan has four primary components that will require time and resources to achieve. In order to best utilize available resources to attain the strategic plan's goals, our priorities must be set to determine how we navigate each component. This document will overview estimates for each element and recommendations from staff on how best to accomplish them.

One of the original goals has been completed through the creation of the Northern Colorado Regional Airport Commission. This leaves four of the original goals for the Commission to consider. The items that remain are:

- Rebrand the Airport and more productively engage the public
- Protect against residential encroachment
- Create a sustainable business model with potential revenue streams and financing
- Encourage immediate private investment

Rebrand the Airport and more productively engage the public

This priority is not a revenue generator and will likely result in expenses. Rebranding the Airport was incorporated into the strategic plan primarily to ensure the Airport would be able to create a regional identity. The Airport is the only commercially certified airport in the region. Through airline service the Airport has a very wide range of customers in both Larimer and Weld Counties.

The goal of the Airport may not necessarily be a complete rebranding process but instead the ability to align its identity more appropriately as a regional transportation resource instead of a municipal airport. This could be achieved through renaming and a communications plan which is estimated to cost under \$25,000 to accommodate signage changes and other updates as needed. Rebranding is a much more costly endeavor and based on comparisons with other Airports and the City of Loveland's recent rebranding it may range from \$50,000-\$100,000 with professional assistance.

Staff has determined a complete rebranding effort may not be necessary; however, a communications overhaul could provide the benefit of a higher level of public awareness. This includes an updated electronic communications platform and possibly a more engaging public information program. Much of this could be achieved through staff time to create and maintain a variety of electronic communication outlets, which is inexpensive and effective.

Protect against residential encroachment

This priority is not a revenue generator and will likely result in expenses in the form of staff time. A white paper on this issue is currently in development illustrating the protections that currently exist within development plans and intergovernmental agreements surrounding the Airport involving the Cities and Larimer County. This is an enduring issue requiring continuous efforts through the development review processes managed by each of these surrounding entities.

The Airport Master Plan update is slated for an updated in 2018 and will have the ability to provide a very thorough analysis of the issue. This Master Plan update will utilize Federal and State funding and is required to be updated regularly as a condition of accepting Federal grants. This update will also include

a mandated graphical information system (GIS) component that will provide additional resources in the development of future protective measures. The estimate for this Master Plan update is approximately \$500,000, with the Airport's share being \$25,000.

The white paper will show the Airport is not facing any immediate threats to impact current operations. Once the white paper is complete staff intends to share the results with the Airport Commission at the January 21 meeting. This goal was rated as a high priority and most of the progress is complete.

Create a sustainable business model with potential revenue streams and financing

One of the primary lessons learned from Allegiant's abrupt discontinuance of service was that the Airport's operational and capital revenue sources relied too heavily on those services. In 2012 the Airport's operational and capital budgets were approximately \$2.5 million and the 2016 total budget is just under \$1.1 million. The 2016 budget has also been negatively impacted by the State of Colorado Department of Transportation Division of Aeronautics' funding issues, which has caused an additional average loss of \$250,000 in annual capital funding each year through 2019.

A ten year model has been developed and shared with the Airport Commission to be used as an evaluation tool for future actions. This tactic has been achieved and will continually be updated each year.

An additional tactic to assist in achieving this goal is to resolve the current through the fence operating agreement. This is part of a 1983 agreement between a developer and the Cities where access was granted to a private development with the expectation it would benefit the Airport by encouraging aviation activities. However, this has resulted in an unintended consequence. The development has a number of users that have based aircraft; however, these users are not compensating the Airport for the ability to utilize the facilities. Both City's legal departments have spent quite a bit of time struggling to find a solution for these problems without success. Future similar agreements will likely not be permitted by the FAA if these issues from our current TTF agreement are left unresolved. The resources needed to accomplish this task include direction from Councils on prioritizing the aim for a resolution or professional resources may be necessary including applicable staff time. The total cost is unknown and will likely not have a tremendous return based on the total number of airport users in the development.

Encourage Immediate Private Investment

This priority would likely have investment costs on the front end with long term revenue streams created as a result. As mentioned in the previous section (Create a sustainable business model with potential revenue streams and financing) there is a need for investment at the Airport that will in turn create a financially sustainable future. The Airport is currently reliant upon the support of the Cities to make up for what it cannot generate on its own for Airport operations. If commercial air service does not return to past levels, that reliance will likely be more substantial in order to support existing infrastructure.

1. Airline service is currently the key to gaining FAA revenue resources which historically has sustained the airport since the early 1990's. Market research dictates that the Northern Colorado region has an equivalent or slightly greater air service demand than that of the Colorado Springs area. Capitalizing on that demand requires time and energy. Airport staff have made it a high priority to market the Airport to potential air carriers; which Elite Airways

was a result of those efforts. In order to meet the higher level (\$1 million vs \$150K), the magic number is 10,000 enplanements, and FNL is on track to reach approximately 5,000 in 2015 through Elite flights (3,000) and air carrier charter operations (2,000). If an additional flight destination is added by Elite in 2016 that number will likely reach close to 10,000.

Air service is something that has not experienced much growth in the past ten years. In fact the peak of air travel domestically in the US was attained in 2007 and has struggled to reach that level since. Available seat miles (ASM) is how capacity is measured and in 2007 there were 744 million ASM domestically. The first time that the 700 million ASM threshold was breached since 2007 was last year with 705 million ASM's, and this year will likely be close to that mark again. Understanding this, the competition to gain air service is a very high. Airports compete for these services and when a new route is added, it results in another route being taken away somewhere else in the system. Due to this competition many airports incentivize air carriers or provide revenue guarantees that reduce or eliminate risk for air carriers interested in testing specific routes. Many airports our size engage in this type of activity which creates an unfair disadvantage for airports such as ours that do not have the financial backing to support these types of agreements. A revenue guarantee program would require support from a non-airport sources due to federal regulations attributed to the use of airport funds. Staff's suggestion is to explore this idea at a future airport commission meeting either in February or March if time allows.

2. Private investment from development is also something that can add to the operational revenue stream for the Airport. Airport operational revenues are primarily derived through fuel fees and land/hangar leasing. Additional aircraft based at the airport will result in more operational revenue from leasing and fuel fees. Much of this is market driven and is dependent upon favorable economic conditions. Historically the airport has been reliant upon private development to support hangar and infrastructure demand due to limited capital. A recommendation to encourage additional private development at the airport would be to develop a robust airport development plan that could encourage the marketing and development of specific areas of the Airport. Airport staff is currently working on a development proposal, which could serve as a partial framework for future development considerations.
3. The virtual tower may fit into this category as well as it has the ability to serve as a catalyst for potential future projects. The virtual tower will be the first of its kind and will have additional added capabilities over a conventional air traffic control tower. There are many ideas that are in the process of being explored by Airport Staff, CDOT, FAA, and the private sector. Because this subject is in its infancy and there are still many unknowns, it will require more time to fully understand the capabilities of the system that will be installed. The March Airport Commission meeting is on the rolling calendar to explore some of these opportunities and obtain an update on the progress made.



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ITEM NUMBER: 8
MEETING DATE: December 17, 2015
PREPARED BY: Jason Licon, Airport Director

TITLE

Water Valley Concept Review

RECOMMENDED AIRPORT COMMISSION ACTION

Provide direction to staff to continue lease term negotiations with Water Valley

BUDGET IMPACT

- Positive
- Negative
- Neutral or Not Applicable

SUMMARY

At the November airport commission meeting a development concept was presented by Mr. Martin Lind and Mr. Patrick McMeekin of the Water Valley Company. The direction given at the conclusion of the discussion was that the Airport Director will provide the Commission a report on how this proposal meets the goals for the Airport and how the Commission achieves the next steps.

ATTACHMENTS

Water Valley Concept Review



To: Northern Colorado Regional Airport Commission

From: Jason Licon, Airport Director

Date: December 15, 2015

RE: Water Valley Concept Review

Recommendation: Adopt a motion finding the Water Valley conceptual proposal is generally consistent with Airport policy documents and direct staff to continue negotiation with Water Valley on the proposal.

At the November airport commission meeting a development concept was presented by Mr. Martin Lind and Mr. Patrick McMeekin of the Water Valley Company. The direction given to staff at the conclusion of the discussion was the Airport Director will provide the Commission a report on how this proposal meets the goals for the Airport and how the Commission achieves the next steps. At this point staff has explored the proposal further with Water Valley Staff, and have engaged with staff appointed by each City Manager to review the components of the proposal. A meeting with the FAA has been arranged and due to scheduling may not occur until after December 17th.

The Airport has multiple policy documents and compliance requirements that need to be referenced when considering the proposal. This review provides a framework that can also be used in future development considerations. The documents and adoption dates are shown below and are also included in the informational binders that were given to Airport Commissioners at the August 2015 meeting.

- Airport Master Plan: 2007
- Airport Business Plan: 2009
- Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins – Loveland Municipal Airport: 2015
- Airport Strategic Plan: 2015
- Federal Aviation Administration Grant Assurances: 2015 (Adopted each time the Airport receives any Federal Grant)

The analysis below compares these policy documents to the Water Valley proposal. In general, the Water Valley proposal is consistent with the Airport's policy documents, with some minor differences which can be addressed through negotiation of the Water Valley proposal.

Airport Master Plan

The Airport Master Plan prescribes a short, medium, and long term development framework designed to meet future airport demands. The most recent Airport Master Plan was adopted in 2007 and puts forward recommendations for the safe, efficient, and economical development of the airport with the goal of meeting the needs of the region. The Master Plan was developed through a consensus building process that involved community leadership, stakeholders, corporate citizens, operators and associations, and members of the community.

A component of the Master Plan is the On-Airport Land Use Drawing which is an illustration showing recommendations about how the Airport can be developed most efficiently. The Water Valley development proposal includes spaces that were recommended to reserve for accommodation of future commercial air service demand. The reason for this reserve is due to the past investment of millions of dollars in the existing infrastructure including parking lots, aircraft apron, taxiway enhancements, and terminal facilities. If not enough space is set aside for future air service support, the costs to accommodate them in a more confined area could be far greater in the future.

The Master Plan On-Airport Land Use Drawing has been superimposed with the proposed development and is shown below. The area outlined in red is the area that was identified in the Master Plan as the reserved area for future airline support. The Airport may have to offset the developed reserve space with space along the entrance road for additional parking expansion. During initial discussions with Water Valley this seems as though it can be reasonably accommodated through changes to their conceptual design.



Airport Business Plan

The Airport Business Plan was developed in 2009 and adopted by both City Councils. The document has pertinent goals that can be applied to the current development proposal. This alignment can be found in two of the seven goals as referenced below:

- 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.

These goals are in parallel with the vision of the Strategic Plan (2015), and the Water Valley proposal helps to achieve them.

Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins – Loveland Municipal Airport (IGA)

This document outlines the authority and powers of the Northern Colorado Regional Airport Commission. After review of the language within the IGA there is one consideration that will require opinion from the Cities legal departments. The issue is whether or not the Airport Commission can approve the lease agreement that is being proposed as it is not in a form that is generally approved by the Cities. This may preclude an official decision by the Airport Commission on a non-standard lease agreement where the Commission will be limited to providing a recommendation to both City Councils for consideration. The following is the language in the IGA that can be found in section 4, A:

- Enter into Airport agreements, including Airport property leases and contracts for goods and services, provided that such agreements are in a form generally approved by the Cities

The Water Valley proposal will result in an agreement for consideration which will need to be considered through the appropriate avenue.

Airport Strategic Plan

The recently adopted strategic plan has multiple components that support development of the Airport. The plan includes a mission, vision, and five strategies. The Airport's vision statements that would support this development are:

- The Airport is the front door and first impression to visitors of Fort Collins, Loveland, And Larimer County, and will reflect the regional values and vision of the communities it serves.
- The Airport has excellent physical facilities and infrastructure, a high quality fuel service provider with hangar facilities and exceptional service

The goal within the adopted strategic plan that best aligns with the proposal is:

- Encourage private immediate private investment

The purpose of encouraging private investment at the Airport is because private investment capital is needed for future airport development as there is limited funding availability for the Airport to do so on its own. Many airports have the same fiscal constraints and are able to enter into agreements similarly with developers that enable them to recapture initial capital investments through an incentivized lease rate or profit sharing arrangement.

The second supporting action item is:

- Create a sustainable business model with potential revenue streams and financing for the airport.

The development of the Airport will generate revenue that is derived from land leases and fuel derived resources. The Airport is currently operating at a \$250,000 operating loss that is being offset through contributions from the Cities. The Airport also requires capital investment over time that equates to approximately \$750,000 annually. Historically the Airport has received grants from the FAA and CDOT to apply to these assets that continually depreciate and require replacement. Without adequate revenue streams the Airport will become more reliant upon funding from the Cities or will no longer be able to continue providing operations at the level that it currently does.

The Water Valley proposal may directly achieve these elements of the Strategic Plan.

Federal Aviation Administration Grant Assurances

The Airport is responsible for assuring that any lease or land use agreement is in compliance with applicable federal regulations and adheres to FAA guidance. Compliance considerations must be examined in the context of both the anticipated use of the land and in the structure of the lease. There are a total of 39 grant assurances of which four are of particular importance. Of course these assurances will need to be considered and help guide detail during the process of negotiation. The assurances that are important to note are the following:

- Grant Assurance 22: Economic Nondiscrimination, addresses the equitable treatment of airport tenants by the airport sponsor in assessing rates, charges, and lease terms.
 - The airport sponsor will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds, and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
 - Any commercial aeronautical business operating at airport must (1) furnish services on a reasonable basis to all airport users and (2) charge reasonable prices for each unit or service and be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
 - Each FBO at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other FBOs operating at the airport.
 - The airport sponsor will not prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling).

- Grant Assurance 23: Exclusive Rights, states that the airport sponsor cannot grant any single commercial enterprise exclusive rights to conduct aeronautical activities or be the sole provider of services to that airport. The prohibition on granting exclusive rights does not apply to services provided by the airport sponsor itself. The airport sponsor may elect to be the sole provider of services such as fueling or maintenance, but must do so with the airport sponsor's own employees and equipment (i.e., the services and management of the enterprise cannot be contracted out to a third-party provider).
- Grant Assurance 24: Fee and Rental Structure, simply states that the airport sponsor must set rates, charges, and leasehold rents that, to the extent possible, will ensure the financial self-sustainability of the airport. This grant assurance instructs the airport sponsor to "maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection." The assurance stipulates that federal funds cannot be included in the cost basis used to establish fees, rates, and charges to airport users.
- Grant Assurance 38: If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

Conclusion

In conclusion, the guiding documents that have been referenced do lend support to the Water Valley concept. There will need to be careful attention placed on the regulatory standards that the FAA requires in addition to planning considerations within the Airport Master Plan. Assuming that these issues can be addressed we can move forward with a more detailed and thorough negotiation process.