

CHAPTER 6.

AIRPORT INFLUENCE AREA MARKET ANALYSIS AND RECOMMENDATIONS STUDY SUMMARY

Introduction

As a component of this Master Plan, land use planning adjacent to the Airport was analyzed as part of the Airport Influence Area (AIA) Market Analysis and Recommendations Study (see full report in **Appendix B**) in order to protect the Northern Colorado Regional Airport (FNL or Airport) from future encroachment by non-compatible land uses. The purpose of the AIA Study is to establish guiding principles and criteria for compatible land use near the Airport and propose a strategic direction for future development in the AIA that maximizes potential for compliance with grant assurances and Federal Aviation Administration (FAA) guidance while best aligning community land use, infrastructure, and economic development goals. The AIA Framework is intended to provide guidance to the Cities of Loveland and Fort Collins and Larimer County in future zoning and planning decision making efforts and ensure compatible development on and around the Airport.

The FNL AIA consists of the land containing and immediately surrounding FNL where airport-related activities could result in adverse impacts to non-compatible land uses within area. The AIA boundary is determined by the existing and future extents of the existing and future flight tracks, Airport Critical Zones associated with Federal Aviation Regulation (FAR) Part 77 surfaces, and 65 Day-Night average Level (DNL) noise contour.

This AIA Framework will be used to inform the Cities of Loveland and Fort Collins when conducting future zoning and planning efforts by providing guidance relating to compatible development on and around FNL. The AIA Market Analysis Recommendations Study was completed before the COVID-19 pandemic of 2020.



6.1 Study Background

GG+A previously completed a target market analysis for the Airport in September 2017 to assess aviation and non-aviation market opportunities. The focus of the study was to examine steps the Airport could take to make more productive use of its land assets while also protecting for land use compatibility within the AIA. The AIA component prepared in association with this Master Plan was focused on further market analysis and the development of recommendations for the AIA framework.

GG+A completed interviews with more than 20 public and private stakeholders in the Fort-Collins-Loveland area to gather baseline data. Their research also involved:

- Review of area land use and economic studies.
- Creation of a land use inventory thanks to parcel information provided by the Larimer County Assessor.
- Identification of best practices of developing research, technology, and innovation districts and how their success relates to AIA proximity.
- Analysis of current demographic, labor force, employment, and other economic statistics.
- Evaluation of past and current real estate performance trends.
- Review of residential characteristics and the possibility for growth.
- Examination of the existing hotel inventory, trends.
- Development of a series of long-term (20 year) projections to quantify viable strategies for all land uses within the AIA.



6.2 Existing Land Use and Development

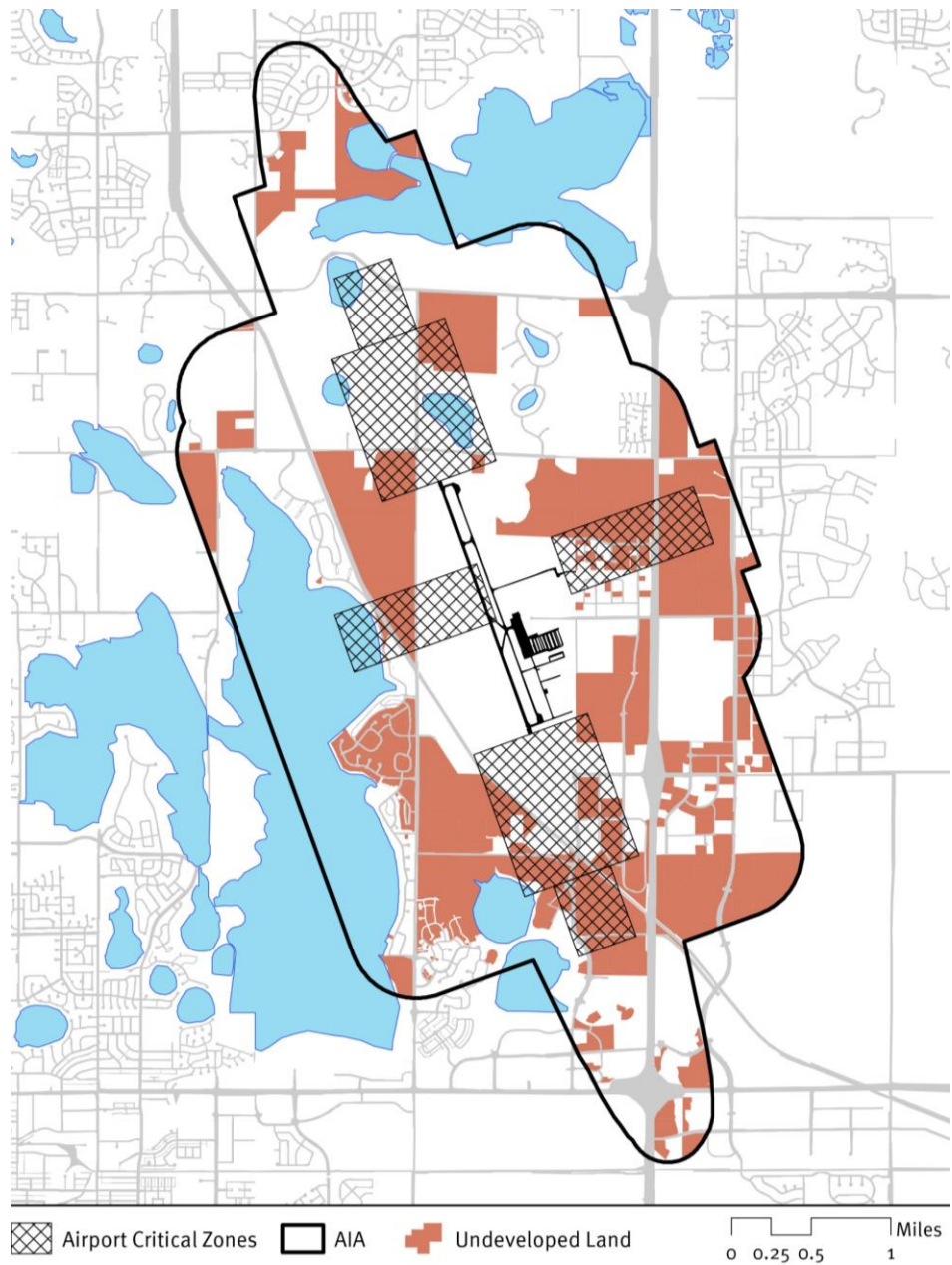
FNL's AIA covers an area of roughly 10,000 acres. With the Airport's footprint of only 1,060 acres, the Airport itself only makes up 11% of the total area in the AIA. The remaining 89% of the AIA consists of a mixture of land uses, including residential, industrial, commercial, public functions, natural areas, and agricultural.

Of the land contained in the AIA that lies beyond FNL's control through land ownership or easements, about 2,500 acres, or 27% of the AIA, is occupied by already developed land uses. Private properties in the AIA have seen a massive increase in the amount of total useable building space over the past few decades. Over 10,000,000 square feet, or roughly 230 acres, of new physical building space has been built since 1990, with much of the development occurring within the past 20 years. Specifically, there has been a dramatic rise in residential development with close to 2,100 new housing units, most of which are single-family dwellings.

Undeveloped land in the AIA, illustrated in **Figure 6-1**, remains as an abundant source of future economic viability. Approximately 2,900 acres of undeveloped land may be found outside of the Airport property in the AIA, and 2,300 of those acres are outside of Airport Critical Zones. In total 80% of the AIA's undeveloped land is located within the City of Loveland's Growth Management Area, thereby making this land extremely valuable for future development.



Figure 6-1: Off-Airport Undeveloped Land in the AIA



SOURCE: Gruen + Gruen Associates, 2019.



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Evaluating existing and planned residential development within the AIA is a crucial aspect of maintaining compatible land uses and protecting the airport from encroachment. GG+A's Key observations relative to the existing and active residential development within the AIA are summarized below:

- Proximity to the Airport is currently viewed as a 'neutral' factor for residential development within the AIA.
- Sales and leasing representatives of residential properties near the Airport stated that complaints concerning airport noise or nuisances from homeowners and tenants is "virtually non-existent," while other land uses within the AIA, such as the UCHealth helipad, are perceived to be more of a nuisance.
- There are no aviation easements, waivers, or noise-mitigation construction measures for the active single-family residential developments on the north side of Fossil Creek Reservoir; and buyers are generally unaware that these properties are located within the AIA.
- The Federally recognized threshold for significant aircraft noise exposure (the 65 DNL) is entirely within the Airport's property boundary and the existing residential development in the AIA is compatible with the current level of flight activity.

6.3 Real Estate Market Conditions

In addition to the existing types of developed land uses within the AIA, GG+A provided a comprehensive breakdown of development patterns and specific market findings related to office, industrial/flex, hotel, retail, and residential land uses to analyze existing and forecasted market needs.

Their findings indicated that near-term market demand for industrial and flex uses is much stronger than that of traditional private office uses within the AIA. The main determinant in this demand allocation is that areas north of the AIA are currently recognized as being more desirable locations for office space. GG+A found that typically the prevailing asking rents of existing industrial spaces within the Fort Collins-Loveland area are high enough to encourage new industrial development, and that the prevailing asking rents for existing space is an important distinction between office and industrial or flex uses in the market area.



Other types of real estate were also noted to be thriving. The study indicated that current market trends in the AIA for all types of housing, from single-family homes to multi-family developments, is and will continue to be strong for the foreseeable future. While there is currently less demand for commercial office space when compared to industrial and flex uses, it will remain a key component of land use within the AIA into the future. It is likely because of several desirability factors of the area, such as a centralized location in the region and immediate accessibility to I-25, that allows all types of uses to remain competitive in the AIA.

Hotel development in the AIA was observed to be quite strong. As much of the activity related to hotel activities is based upon travel, it remains unsurprising that the primary generators of the hotel demand in the AIA are related to business or interstate travel. Travelers of either category infiltrate the area almost entirely through FNL or I-25. The hospitality market is likely to grow in the coming years, and some developers are beginning construction on hotels ahead of the market.

It is anticipated that the total land requirement for future office, industrial/flex, hotel, and residential uses within the AIA is approximately 630 to 860 acres, representing approximately 22 to 30 percent of the inventory off-Airport undeveloped land located within the AIA.

6.4 AIA Future Land Use Demand and Planning Considerations

Following the field research, interviews, and analysis conducted by GG+A, projected types and mix of future land use demand within the AIA were identified and are summarized below in **Table 6-1**.

Table 6-1: AIA Projected Land Use 20-Year Demand

Land Use	20-Year Demand	Estimated Land Requirement
Single-Family Residential	2,000-2,800 units	331-464 acres
Industrial/Flex	2,254,000-3,006,000 (sq. ft.)	172-230 acres
Multi-Family Residential	1,400-1,800 units	58-73 acres
Office	869,000-1,216,000 (sq. ft.)	57-80 acres
Hotel	457 hotel rooms	9-11 acres

SOURCE: GG+A, *Airport Influence Area Market Analysis and Recommendations* (2019), p. 11.



As illustrated in **Table 6-1**, it is expected that the highest demand will be for single-family residential and industrial/flex uses within the AIA in the next 20 years. Given the importance of protecting the Airport from encroachment of incompatible land uses, such as residential and the Airport's strategic objective to encourage private and public investment in compatible land use development within the AIA and incentivize development strategies for targeted industries, it will be important to coordinate with the cities, the county, and the local communities to ensure that future development within the AIA remains compatible. Considerations relative to these land uses within the AIA are summarized in the following sections.

6.4.1 Residential Compatibility and Land Use

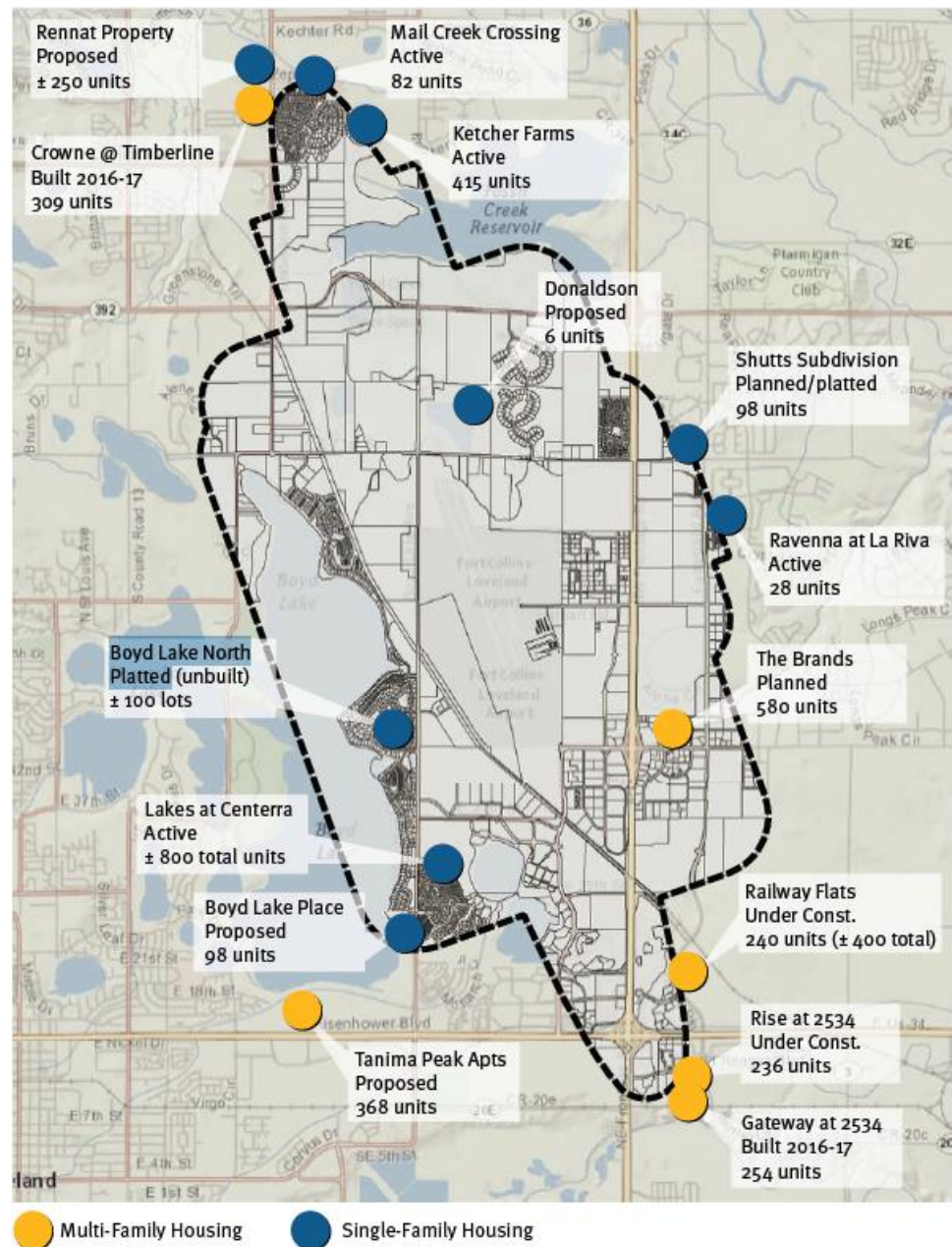
The current volume and type of aviation activity at FNL has not deterred residential development in any significant way in the AIA. Current residential trends inside the AIA report extremely high occupancy rates of 96-97% with no signs of stagnation or decline. Indeed, the current shortage of housing is likely to continue into the near future, thereby indicating a strong need for expansion of residential development.

Opposition to long-term commercial air service could arise if residential uses of any significant scale are developed closer to Airport Critical Zones and the 65 DNL. A degree of caution is therefore encouraged to better adapt to the changing conditions at the Airport and in the AIA. In **Figure 6-2**, GG+A identifies planned residential development in and near the AIA, while **Figure 6-3** illustrates the existing and planned Airport Critical Zones and flight tracks along with existing undeveloped land uses to show where future residential land uses within the AIA may be most compatible.

As shown in **Figure 6-3**, there are several small areas of undeveloped lots slated for future residential development that could conflict with Airport activity if developed. The Boyd Lake North Platted residential development has one lot located within the Runway 24 Critical Zone and several lots located under the existing Runway 15/33 flight tracks. Several residential lots associated with the proposed Boyd Lake Place development are directly under the existing Runway 15/33 flight tracks as well as the future parallel runway flight tracks.



Figure 6-2: Residential Development Activity in AIA Vicinity



SOURCE: Gruen + Gruen Associates, 2019.



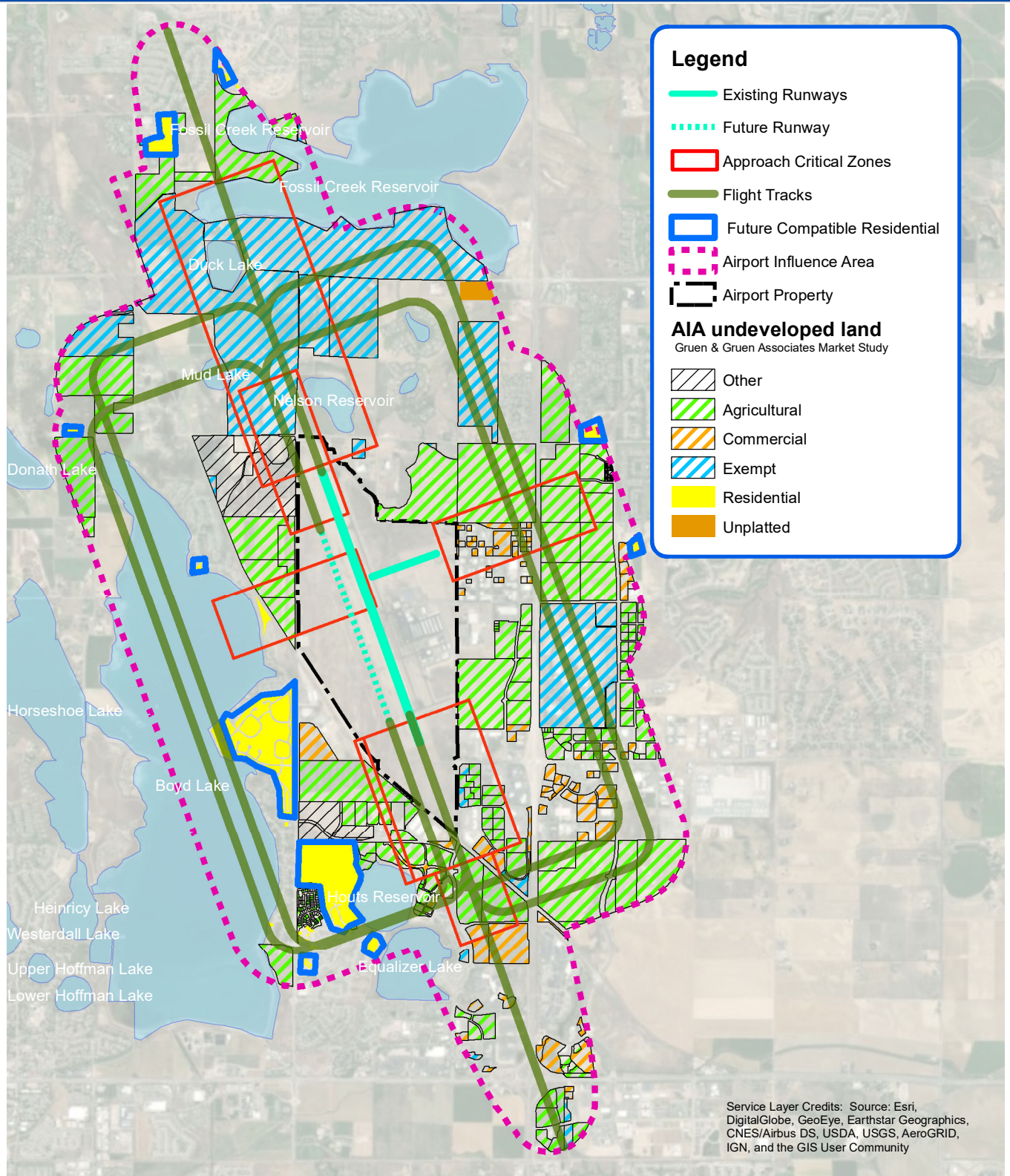


Figure 6-3
**Future AIA Residential
Compatibility**



6.4.2 Research and Technology

Given the highly successful nature of industry and flex-use space thus far in the AIA and the anticipated demand for this type of land use in the future, there is high potential for industrial growth through research and technology. The Airport Planning and Development Subcommittee (PDSC) has also identified Technology and Innovation as an important development focus area within the AIA. Excellent transportation links and technology infrastructure are entirely necessary for the success of research and technology parks.

The location of FNL provides a considerable opportunity for such development; however, an upgrade of broadband infrastructure may be required to support such development. With some improvements the excellent accessibility to transportation links, including the Airport itself and I-25, will help to attract this type of development. Another asset that would support this type of development is the higher than average labor pool percentage of skilled labor in hi-technology within Larimer County.

Successful research and technology parks, or “Innovation Districts”, typically have an anchor tenant, such as an academic institution, that can add value by the provision of that university or institution’s assets and resources. This anchor tenant ultimately helps to attract additional users. With the existing academic institutions in the area, as well as more that are anticipated to come, there may be an opportunity to develop commitments from such institutions. Once an anchor tenant can illustrate its success, other educational, government, institutional, and industrial anchor occupants will generally begin to follow.

6.5 AIA Recommendations

There were many conclusions based upon the findings of the market, economic, and land use conditions that will shape future development pressures and opportunities within the AIA. GG+A utilized these findings to develop a series of pointed recommendations related to off-Airport land use and economic development, as well as opportunities to help guide the decision-making processes of the cities of Fort Collins and Loveland or the other surrounding jurisdictions.

These recommendations are summarized as the following numbers one through 11 and are intended to provide direction on how undeveloped land may be best used within the AIA to meet future needs while remaining compatible with airport activity at FNL.



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1. *Develop an implementation plan and conduct further research, analysis, and outreach needed to lay the groundwork for a successful research and technology park or innovation district within the AIA.* This recommendation focuses on developing a framework and securing participation from anchor tenants and/or academic institutions. Effective communication between participants and stakeholders would remain a top priority, as would participation amongst each institution with clearly defined roles for all members involved. Such a plan would be developed cooperatively between FNL, the Cities of Fort Collins and Loveland, and Larimer County.
2. *Encourage a long-term competitive functioning land market in the AIA by allocating more land for office and industrial/flex uses than the 230 to 310 acres of demand forecast over the next 20 years.* It will be important to support a long-term competitive functioning land market in the AIA. This is in an effort to avoid land cost increases and insufficient development of building space that can sometimes result when there is a limited number of property owners controlling large portions of undeveloped land.
3. *Identify potential sites on which to encourage additional long term industrial/flex development that is (a) compatible with adjacent uses and (b) provides the most efficient access to public infrastructure.* Two large entitled Planned Unit Developments (PUDs) are recommended within the AIA and could include portions of Airport property appropriate for non-aeronautical development. The successful build-out of such PUDs will require coordination between the Airport, surrounding communities, and private property owners to identify these areas and provide a wide variety of industrial/flex space development opportunities.
4. *Engage the Fort Collins-Loveland Water District and Loveland Water and Power Department in assessing infrastructure needs and developing joint strategies to provide adequate public utility infrastructure for undeveloped portions of the AIA. Future transportation infrastructure and roadway capacities should also be evaluated to ensure positive development outcomes in the AIA.* Successful development within the AIA will require the presence and/or future build-out of utilities and transportation infrastructure to accommodate future development. Early planning and coordination with the surrounding public utility providers will be needed to support infrastructure build-out.



5. *Encourage a thriving mixed-use environment compatible with Airport operations and dual accessibility to aviation services and Interstate 25.*

Providing diverse uses and economic activities within the AIA that are compatible with Airport operations will be a key factor in the success of development within the AIA. Findings suggest that there is enough land within the AIA to support diverse land uses and economic activities over the next 20 years, but that the Airport and aviation activities are unlikely to be a primary catalyst for development within the AIA.

6. *Encourage additional residential development within the AIA at locations that will not conflict with Airport operations and commercial air service development (i.e., locations are sufficiently buffered from flight paths, the 55-60 DNL, and Airport Critical Zones).*

With the projected growth of the region, residential land uses are expected to be in high demand within the AIA. Rather than restricting residential land use within the AIA, it will be important to identify areas where future residential land uses will be most compatible with Airport operations to help to support a mixed-use environment.

7. *Position the AIA as a master planned, user-friendly environment with appropriate design and use standards.*

The user-friendly environment of the Airport should continue to be upheld through the use of appropriate design and use standards to promote the long-term success and economic development within the AIA.

8. *Be proactive in planning for long term expansion of the existing medical activity center focused around the UCHHealth Medical Center of the Rockies.*

The anticipated growth of the healthcare sector in the region and the land capacity to accommodate related development within the AIA are two potentially conflicting uses. To preserve this balance, effective communication with stakeholders will be important in ensuring that the development of future healthcare facilities does not conflict with the ability of the Airport to accommodate the forecasted growth of aviation activity. This is particularly important relative to the existing and future boundaries of the Airport Critical Zones to ensure land use compatibility and avoid impacts to noise sensitive uses within those boundaries.



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9. *Maintain all existing land use compatibility requirements (primarily in the City of Loveland's overlay zoning ordinance) and encourage Larimer County and the City of Fort Collins to establish the same requirements via overlay zoning or similar measure.* The area north of the Airport is largely undeveloped and expected to remain undeveloped because it is protected by a variety of land controls including public infrastructure requirements, natural areas and conservation easements, and the City of Loveland Airport Overlay zoning ordinance. It will be important to maintain vigilance in the protection of the Airport from encroachment by incompatible land uses. In accordance with the specific protection of Airport land, the governing bodies of Larimer County and City of Fort Collins should be encouraged to establish land use compatibility controls similar to those of the City of Loveland's Airport Overlay zoning to preserve compatible land use within this area.
10. *Adopt additional land use compatibility measures to avoid precluding commercial air service development in the future.* The governing bodies of Loveland, Fort Collins, and Larimer County should adopt further land use compatibility measures to avoid encroachment of non-compatible land uses that could restrict future commercial air service development. It is recommended that new or amended plats for properties wholly or partially within the AIA, should require the recordation of the AIA boundary, Airport Critical Zones, and existing noise contours. Similarly, for any major alterations to existing buildings, new developments, or changes in land use, it is recommended that an Aviation Activity Notice be publicly recorded to identify the location of a property within the AIA and the potential for operational activity related impacts.
11. *All jurisdictions possessing land use review and approval authority in the AIA should establish a uniform procedure for Airport staff and/or representatives to provide written review.* Uniform procedures across all local jurisdictions should be established to provide opportunities for the Airport Director or Commissioners to review development proposals, land use applications, and proposed zoning changes within the AIA.



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