



NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

4900 EARHART ROAD • LOVELAND, CO 80538

REGULAR MEETING AGENDA

THURSDAY, JULY 15, 2021

3:30PM – 5:00PM

CALL TO ORDER

ROLL CALL

CONSENT AGENDA

1. JUNE 17, 2021 MEETING MINUTES
2. JUNE FINANCIAL STATEMENT

PULLED CONSENT AGENDA ITEMS

APPROVAL OF CONSENT AGENDA

CONSENT AGENDA FOLLOWUP

AIRPORT DIRECTOR'S REPORT FOR JUNE

REGULAR AGENDA

3. JETCENTER PROPOSAL PDSC REPORT – 60 MIN (ACTION ITEM)
4. RECOGNITION OF SERVICE FOR COMMISSIONER DARIN ATTEBERRY – 10 MIN
5. TERMINAL FUNDING DISCUSSION WITH POSSIBLE EXECUTIVE SESSION – 30 MIN
6. VISION & MISSION STRATOP RECOMMENDATION – 5 MIN (ACTION ITEM)
7. COVID BUSINESS ASSISTANCE PROGRAM REVIEW – 10 MIN (ACTION ITEM)
8. BUSINESS FROM MEMBERS

ADJOURN

Meeting Planning Calendar		
August 19	September 16	October 21
<ul style="list-style-type: none">• Airshow Planning & Coordination• StratOp Quarterly Update• Intergovernmental Agreement Legal Update• Lease Assignment & Assumpt.	<ul style="list-style-type: none">• Terminal Philanthropic Funding Feasibility Report• Draft Budget & Rates and Fees Study Session• Terminal Project Design 100% Design Approval	<ul style="list-style-type: none">• Capital Plan Draft• 2022 Budget• 2022 Rates and Fees

Next Regularly Scheduled PDSC Meeting: July 28 @3:30. Agenda and materials available at www.flynoco.com/airport-commission/pdsc.



June 17, 2021 Meeting Minutes

Call to Order: Chair Overcash called the meeting to order at 3:31 pm

Roll Call: Chair Overcash, Vice-Chair Fleming, Commissioners Adams, Arndt, Atteberry, Burgener, and Stooksbury were present. This meeting was the first to return to in-person attendance.

Public Comments: None

Consent Agenda

Commissioner Stooksbury moved to approve the Consent Agenda items 1, 3, and 4. The motion, seconded by Commissioner Arndt passed unanimously.

Pulled Items
Consent Follow up

Commissioner Stooksbury pulled item 2, Airport Manager's Report. Commissioner Stooksbury stated there were no concerns with the Director's monthly report itself. However, he was concerned that the STARS unit installation was not considered a priority in the Remote Tower report especially in light of the air traffic controllers being stretched to their limits and not having all the tools they needed. He stated the Commission needed to send an official statement to the FAA to make this concern a priority.

Direction: Staff will bring the Commission's concern on the STARS unit to the attention of the FAA and project manager Bill Payne.

Commissioner Stooksbury moved to approve the item 2 as presented. The motion, seconded by Commissioner Adams passed unanimously.

Public Comments: None

Regular Agenda

5. 2020 Financial Audit Presentation

The City of Loveland's Finance Department contracted with external auditing firm Plante Moran in consultation with Airport Staff to complete an annual audit of the Airport's finances. These audits are required as part of being a public entity. City of Loveland Finance Department staff and a consultant from Plante Moran were available in person to present the 2020 consolidated audited financial statement to the Airport Commission and to answer questions.

3:56 p.m. Commissioner Adams exited the meeting



Vice-Chair Fleming moved to accept the audit as presented. The motion, seconded by Commissioner Atteberry carried with all the Commissioners present voting in favor thereof.

Public Comments: None

**6. Fort Collins-Loveland
jetCenter Development
Proposal**

This is an administrative item. Airport Commission approval is required for land lease agreements with terms longer than 10 years. The draft lease for consideration has an initial term of 25 years, with three 5-year options, which is standards for traditional hangar leases, and is being presented in accordance with all Federal Aviation Administration (FAA) and Airport plans and policies.

The Airport Commission directed staff in the form of the adopted Airport Master Plan, Strategic Plan, Design Standards, and through various discussions to strive to find the best way to utilize Airport property. The Airport has been planning for redevelopment of the oldest T-hangars since before the 2007 Airport Master Plan was adopted by the Cities. A T-hangar is called this due to the unique shape that each hangar has that allows it to house small aircraft and nest with one another maintaining a rectangular shape of a building.

The first three rows of T-hangars, which are owned by the Airport/Cities, were built between 1964 and 1977 and are nearing the end of their serviceable lifespans. A total of four buildings with 58 total hangar units are currently managed and maintained by Airport staff, 55 of which are leased to aircraft owners on a month-to-month basis. The remaining three units have been determined to be costlier to repair than lease due to significant structural issues. Ownership of the last 19 units in these buildings reverted to the Airport/Cities in April of 2020. All other T-hangars at the Airport are privately owned.

In March, the fixed base operator (FBO), Fort Collins-Loveland jetCenter (FCLJC) submitted an unsolicited proposal to Airport staff to lease and redevelop this area as an extension of their adjacent leasehold. The jetCenter company operates three FBOs in Colorado and has been FNL's FBO operator since 1994, providing most services to general and commercial aviation aircraft operating at the Airport. Since receiving this proposal from jetCenter, Airport staff has negotiated potential lease terms that include FCLJC leasing 175,752 square feet of airport property and replacing the old T-hangars with larger hangars in three phases. FCLJC have agreed to assume management and maintenance of the T-hangars as they are phased out, with the Airport retaining 80% of the rental



revenue generated by the units. FCLJC estimates their total investment in improvements for all three phases to be \$25-\$30 million in current value (actual costs will likely be higher due to inflation).

The phased approach will give the majority of the tenants of these hangars several years to find alternative hangar space. FCLJC has committed to providing at least six months of notice to all tenants prior to being displaced. There are currently two development projects, Homestead Hangars and Latched Kowell Hangars, that are anticipated to add 26 hangar units to the Airport that could support multiple aircraft for each unit that are displaced by the redevelopment of the T-hangars. It is also expected that this project will promote additional new hangar development.

The phased approach is in line with the recently approved Discovery Air lease agreement amendment. The Planning & Development Subcommittee (PDSC) reviewed the proposal and negotiated lease terms at their May 26th meeting and voted unanimously to recommend approval of the lease.

4:30 p.m. Commissioner Adams returned

Public Comments:

James Hays, FNL Pilot's Association President: We represent roughly 200 of the pilots here. Change is happening at the Airport with that said GA and private aviation generates a large portion of the activity here. The concern is that this results in a decrease of 20% in available hangars at FNL. If you look at the Front Range as a whole, hangar capacity is already low and we're cutting into that. At the end of this phase we're looking at 60 hangars that could potentially go away and in addition to that are 20 tie-downs. That's 80 spots that are no longer available. I encourage the Commission to look at this and what are some alternatives but what are some options we can present to the existing tenants they have a place to be so they have a place to go. The six months is great, the timeline, 9 years is great, we understand the Master Plan calls for this change eventually but what do we do with these 60 airplanes that don't have a home. **Jason Licon**: There are two developments underway that will bring in new hangars that are not equivalent in build. However, this could spur opportunity for building, depending on demand. **Ted Rogers**, T-hangar Tenant (Freedom Flying Club & Western Planes): I appreciate what you're doing, it's good progress but I'm concerned we're going to get left behind. Small guys you know? The reality is, if we have to build new with all the water concerns, we're not going to be here, we're going to get pushed out. How do we find a similar cost solution for renting space that keeps us here. I've ran the numbers and it looks like it will be roughly double, we're gone at double, you won't see us here. We'll get booted. **Steve McClintock**, T-hangar Tenant: I have been a tenant for 25 years here. I've been here through three Airport Managers, you're (Jason) the best. That said, Jason have I ever complained about having two inches of water every winter when it thaws and every summer when it rains? You don't hear me complain. I'm also one of the five founding members of the Pilot's Association that James runs right now. I started that back in 2004 so that



we could have discussions. We need more than fifteen minutes that's not good enough. Jason I want you to answer how many people are on your hangar waiting list. **Shawn Battmer**, Secretary: If you go through all three lists it's approximately 45. *clarification: Actually only 24 as there are duplicates across all three lists. **Steve McClintock**, (cont.): What I want you folks to grasp is you're tearing down hangars but you have 45 people who would love to have a hangar out there. I'm ok pumping water out of my hangar. Trust me to have a hangar, just like Ted said, if I was to try and buy a hangar or build one, I'm personally out of aviation. At that point I'm actually looking to move to a different City, I mean moving my residence to a different City. So this is a big project. I would love to see the tarmac expanded so there's more places to park out there. And I gotta re-emphasis what Ted said in a nutshell if this goes through all of us, general aviation pilots who enjoy this as a hobby, we're out, we're gone. So I'll take water in my hangar up to my knees all day long to stay in a hangar that I couldn't afford to build. And as far as the quality of the hangars I'm not concerned about that, I'm an engineer, these hangars still have life in them so don't cut the legs off of them yet, they still function. **Don Taranto**, land lessee (5212 Cessna Drive and 5280 Northrop Street): The rental rates that I'm hearing on the ones that I own. I got a \$0.30/sq ft that's going to \$0.35/sq ft next year and my other one is already at \$0.40 sq/ft and increasing by cpi every year. I had very little time to look at this thing because I didn't know it was coming. That's number one. Number two if I did know it was coming, in my day job it's a very competitive industry, and so I believe that front door would be incredibly competitive if there were some other people that knew that this opportunity was available and so I really think you should step back, look at the whole landscape. I've got nothing to say bad about the jetCenter, nothing to say bad about an unsolicited proposal but I think in this particular case the Airport could gain a lot by opening this up to a lot of other people to look at and come up with creative solutions that probably included a mandatory building of some the T-hangars that are being displaced not just a maybe. **Mike Fossey**, Civil Air Patrol: Our aircraft will be displaced by this project and the folks down in Denver what to know what's going to happen to our aircraft. We've done a lot of search and rescues in the last 35 years out here and Civil Air Patrol has been an integral part and we need to make some plans so if you would consider that in your discussions we would appreciate it. **Jesse Taylor**, T-hangar Tenant: I feel terrible that we are an aesthetic embarrassment to all the one percenters coming in and out with their jets. So keeping that in mind it took me two and half years to get into that hangar so to put me out with six months is going to leave me at least two years out. A plane that sit out on the ramp loses value so I consider that to be a taking and I consider that to be economic discussion. As I understand that's part of our mandate as per the FAA, so I feel this is an ill conceived plan at this current time. **Howard Abraham**, 5090 Grumman, (Fort-Love Hangar Association): In 2004 I attended the first meeting of the FNL Pilot's Association. I became associated with it right after that, shortly after that association was formed it became clear that the dissatisfaction with this Airport was with Airport Management; and I agree he's (Jason) the best we've had in a long long time and I hope for a long time into the future; that we had a problem at this Airport it was not managed properly, it was not provided the attention from the Cities that it needed, boy did we get that changed around, and shortly after we formed we decided to form a hangar association. We urge the formation of a hangar association, now we've had people come to you folks and say let's see the rules, let's see the ground lease, ok I want to build a hangar out here. Oh my God is it gonna cost me a lot of money, ok that's one response. The other response is, you get 30 or 40 passionate people, start with 10 and they bring four of their friends form an association of 40 people, share the cost of putting up a hangar, you guys have got yourself a hangar. And I'm going to ask a question, after I make one more



comment, if you had a little bit more regard for putting up just a hangar, a T-hangar, not a Taj Mahal with flowers, it's a T-hangar it houses airplanes. I would like to see a little more relationship between you guys and the people who might form an association to put money into a hangar. I like what's kinda going on here, you gotta get rid of old to make new, fine, some little hangars, some big hangars, fine, let's have the Airport advance, fine, but what are you willing to do to improve relationships with the City, namely, City Planners who want to have sprinklers on the ceilings and heat, now water is one issue I know is unresolved, there's work that was going on with not within 500 feet, you've got one tap, that's fine. I think that expense can be mitigated right, I think that there are other issues that can be mitigated and you will get someone to put some hangars there on the East side and heaven knows we need them. My question then is what are you as a Commission willing to do to get reasonable decisions made over and above a ground lease to get some hangars in here? And maybe we can get an association formed to go build them. And here's a positive comment, you got these people to show up long and far, they don't show up to any of our meetings, they don't show up to any meetings, but they showed up to this one, so listen to them. **David Vaughn**, The Business Aviation Group (representative for on-Airport Developers, Homestead Hangars and Discovery Air): My partner, Iver Retrum and I represent the large development to the South for Water Valley with Martin Lind or Discovery Air and I'm happy to say I don't think we've ever threatened anyone in this room with what we're doing down there, it's a very expensive, very, very, expensive proposition. We have no problem with jetCenter making an investment into the Airport, we think that's great all we want from the Cities is we want to see parity we'd like to see that they've been held to the same standard that we've been held to for our development. We've got to put in 1 parking spot for every square foot of hangar and office. We think that they should do the same thing. We're confused, really confused as to why this isn't addressed in their lease agreement or addressed as a SASO operation. So we've put together a six page report, hopefully it's been distributed to you folks through Jason for you to look at and look at the concerns that we bring. Again we have no problem with no competition, we thoroughly enjoy that, happy to that we're very soon to release announce who our FBO affiliate's gonna be which I think you'd be very proud of. Very very prominent name in the FBO chain that will be coming to the town further enhancing what we're doing at the South end of the Airport. So we just think that maybe you defer this until we have more discussion. But I just want to represent the Discovery Air folks. We're happy with competition we just want it to see it be equally challenged as we are. **Iver Retrum**, The Business Aviation Group (representative for on-Airport Developers, Homestead Hangars and Discovery Air): We have a lot of examples at the next opportunity, a lot of examples and practices you know on how you, you know, you know we're talking about a community hangar versus a corporate hangar, this as you pointed out in your Master Plan, and the accepted, I think it was option number two, you know road side versus air side access and best practices I tell you to look at your competitive airports that have adopted this as well too. This is really kind of a archaic way of you know throwing a hangar in the middle of a tarmac especially a corporate 28 foot door hangar you that is again not associated with the lease uh it's separate SASO lease that you guys are doing, so jetCenter you know 25 years from now you know uh those two leases are not necessarily connected to each other so really it, if that's what's gonna be, if you wanna go ahead with this hangar it really needs to be associated with in the right ways, which is really kind of lost on me why it's not. **Thad Lareau**, T-hangar Tenant: I appreciate the compassion and caring that the board has shown. You know we're low budget, we know that, but we have to look at ourselves in the mirror and say do we want the Airport to include everybody or just the people who are wealthy enough to build hangars, and is



that going to invite the younger people? I'm 53 and I'm one of the young guys here, right, it's hard to get young guys involved in aviation because things are so expensive. So which direction do we want to go as an Airport. I guarantee you if those hangars get torn down; it took me five years by the way, I was on a five year waiting list, I'll sell my airplane and that's it for me, I fly professionally for a living so I still get to fly but at the end of the day what do we want to do with this Airport, are we going to include everybody or just the wealthy?

Commissioner Atteberry moved to table the jetCenter proposal to allow for more feedback and discussion and to postpone items 7, 8, and 9 to the next meeting. The motion, seconded by Vice-Chair Fleming passed unanimously.

10. Terminal Funding
Discussion with Possible
Executive Session

The Airport Commission has provided staff with direction on finding solutions from multiple sectors in order to maximize the use of the Cares Act Funding that is proposed to be applied to the new terminal project. Airport staff with the help of a team from both Cities created and solicited a Request for Information from third parties that may be interested in participating in the terminal project. Since this was published staff began investigating the feasibility and legality to utilize CARES Act funding combined with a private sector partner. Initially the FAA did provide an answer of yes that it is feasible to accomplish, however staff and legal representatives needed to understand what was required in order to make this type of arrangement successful.

An aviation specialized attorney was hired by the Cities to assist with this investigation. Mr. Dan Reimer has been retained by the Cities and has extensive experience with aviation law and matters that pertain to public – private partnerships at airports and more specifically airport terminals. This item will include an executive session for the Airport Commission to discuss results of the submittals received and obtain legal advice pertaining to Terminal Funding agreement negotiation.

Vice-Chair Fleming moved that the Northern Colorado Regional Airport Commission recess into executive session for the purpose of discussing a legal opinion and matters subject to negotiation regarding potential terminal funding opportunities, including a public-private partnership, pursuant to Section 4(e) of the Northern Colorado Regional Airport Commission Bylaws,

- **To determine a position relative to issues subject to negotiation, to receive reports on negotiation progress and status, to develop negotiation strategy, and to instruct negotiators as authorized by Colorado Revised Statute § 24-6-402 (4)(e)(I) and any applicable provisions of the Loveland and Fort Collins City Charters.**
- **As needed, to discuss matters of attorney-client privilege and to receive legal advice from an attorney representing the City on specific legal questions, as authorized by**



**Colorado Revised Statute § 24-6-402 (4)(b) and any applicable provisions of the
Loveland and Fort Collins City Charters.**

The motion, seconded by Commissioner Adams, carried unanimously.

5:20 p.m. Exit Public Meeting

5:20 p.m. Enter Executive Session for Client Attorney privilege

5:48 p.m. Exit Executive Session

5:49 p.m. Re-enter Public Meeting and Adjourn

Adjournment: Meeting adjourned at 5:49 p.m.

Respectfully Submitted,

Vice-Chair, Tom Fleming

June 17, 2021 REGULAR MEETING SIGN IN SHEET

Please Print Your:

NAME	ORGANIZATION
Mick Krantz	Nutrien
Gen Mannon	City of Fort Collins
Deb Montgomery	FNL Jet Center
Tony Buckley	Jet Centers of Colorado
BRIAN LINCOLN	KDR, INC.
James Hays	FNL Pilots Assoc.
Diane J. Jell	FDSC
Jesse Taylor	
James S. Aden	Private Pilot
Madison Songgs	Townsquare Media
Joyce Robinson	City of Loveland
JEFF MILLER	COL
LISA MEACHAM	PLANTE MORAN
TIM MOREY	PRIVATE
Andrew Koprowski	NoCo Flying Club
JASON KOPP	BoA
Adam Woodward	ETAA
Stacy Caldwell	ARMS
PATRICK HUTTON	Trellco
Marty Brophy	Avgas / CPA
Ted Rogers	Freedom Flyers / Western Planes



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

ITEM NUMBER: 2

MEETING DATE: July 15, 2021

PREPARED BY: Jason Licon, Airport Director

TITLE

Monthly Financial Reports for June 2021

RECOMMENDED AIRPORT COMMISSION ACTION

Accept the preliminary financial reports as presented.

BUDGET IMPACT

Neutral

SUMMARY

The Airport's finances continue to remain positive and on track with expense and revenue budgets through the first half of the year. The figures continue to reflect reductions in revenues as a result of COVID19 impacted Airport Business Assistance Program lease deferrals. These deferrals are reflected in the operating revenues under hangar rental and land lease. Most of the participants in the Airport Business Assistance Program are working to repay their deferred rent, which will be reviewed during a following agenda item. Additional financial highlights for the month include:

- Aviation fuel prices continued upward in June from \$66 to \$72 per barrel.
- Wholesale fuel volumes were near amounts from June of last year. The FBO, jetCenter reported 84,107 gallons of fuel purchased for resale in June as compared to 87,009 in June of 2020.
- Fuel tax reimbursements from State of Colorado Sales Taxes are received after being processed through the State, which means there is at least a one-month lag in fuel tax reimbursement amounts.
- Aviation business lease deferrals totaled \$80,587.31 for the period April 2020 – June 2021 with two companies still using the program. These amounts date back to April of 2020 and are reflected within the Hangar Rental and Land Lease revenue line items. Additional details will be provided during the Business Assistance Program agenda item.

ATTACHMENT

Preliminary monthly financial statement for June 2021



NORTHERN COLORADO REGIONAL AIRPORT

Airport Statement of Revenues and Expenses

From 01/01/2021 to 6/30/2021

PRELIMINARY

	Y-T-D 2021 Actual	Y-T-D 2020 Actual	Y-T-D 2021 Budget	2021 Total Budget	% of Total Budget
<u>OPERATING REVENUES</u>					
Hangar Rental	123,661	105,979	107,502	215,000	58%
FBO Rent	45,627	44,168	48,144	96,287	47%
Gas and Oil Commissions	82,733	44,875	82,500	165,000	50%
Aviation Fuel Tax Reimbursement	56,036	70,988	51,750	103,500	54%
Land Lease	178,067	159,472	150,000	300,000	59%
Land Lease PD Training Ctr	182,514	180,751	185,268	370,538	49%
Terminal Lease and Landing Fees	766	923	4,500	9,000	9%
Parking	330	2,120	5,000	10,000	3%
Miscellaneous	7,507	6,094	9,748	19,500	38%
TOTAL OPERATING REVENUES	677,241	615,370	644,412	1,288,825	53%
<u>OPERATING EXPENSES</u>					
Personal Services	330,663	330,549	369,234	734,737	45%
Supplies	38,578	38,037	42,504	85,000	45%
Purchased Services	162,756	278,055	324,084	648,149	25%
TOTAL OPERATING EXPENSES	531,996	646,642	735,822	1,467,886	36%
OPERATING GAIN (LOSS)	145,245	(31,272)	(91,410)	(179,061)	
<u>NONOPERATING REVENUES (EXPENSES)</u>					
Passenger Facility Charge	0	0	0	0	
Interest Income	13,680	27,442	25,002	50,000	27%
Capital Expenditures	(338,200)	(54,629)	(2,782,998)	(5,566,000)	6%
TOTAL NONOPERATING REVENUES (EXPENSES)	(324,520)	(27,187)	(2,757,996)	(5,516,000)	
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(179,275)	(58,459)	(2,849,406)	(5,695,061)	
Capital Contributions	253,868	387,178	3,243,504	6,487,000	4%
CHANGE IN NET POSITION	74,593	328,719	394,098	791,939	
NET POSITION, Beginning	16,591,600	17,180,973			
NET POSITION, Ending	16,666,193	17,509,692			
Investment in Capital Assets	13,627,748	14,657,231			
Net Position Available for use	3,038,445	2,852,461			



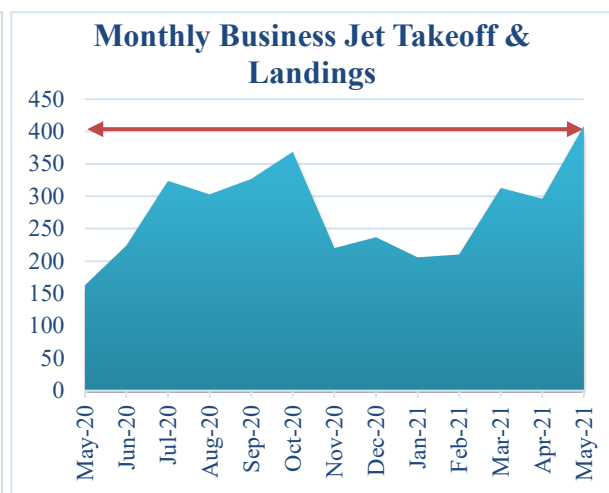
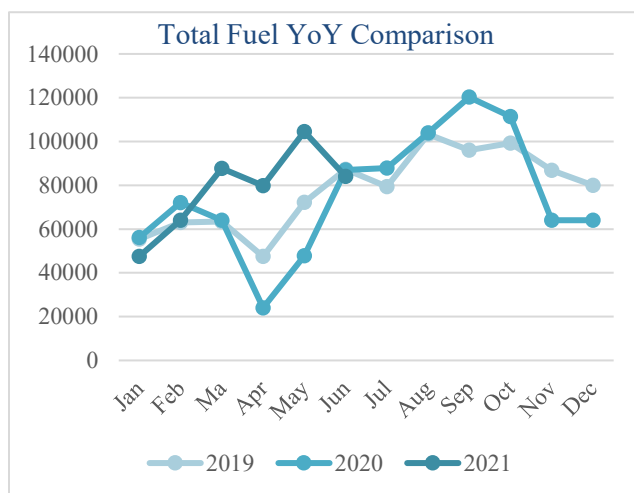
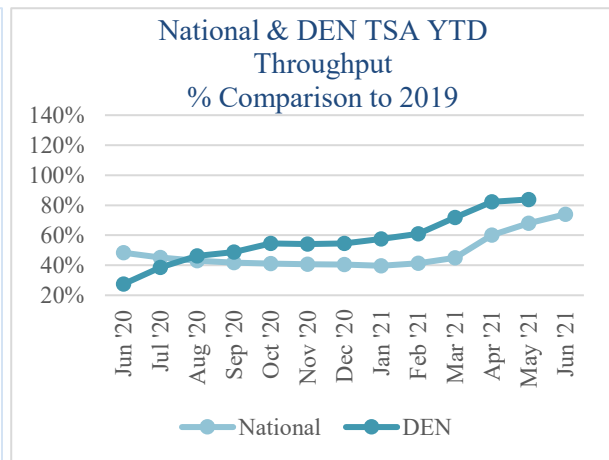
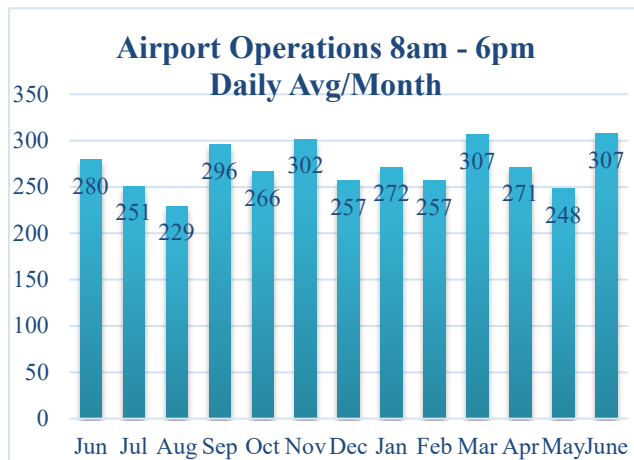
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(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

DATE: July 7, 2021
TO: Northern Colorado Regional Airport Commission
FROM: Jason R. Licon, Airport Director
RE: Airport Monthly Report

March Airport Activity Dashboard

The Air traffic control tower reported a daily average of 307 flight operations per day in June, which is above the average of 270 for the previous twelve months. National airline passenger throughput further increased, total numbers increased to 74% compared to June 2019. The percentage of airline travel is still mostly reflecting leisure travel activities, with business travel still depressed compared to pre-pandemic levels.



Experts expect business travel to recover quickly initially due to the vaccination levels of the public, but will not fully recover to pre-pandemic levels for a few years. Much of this is due to companies and employees embracing virtual meeting technology. Denver International is still

exceeding the national average, with passenger counts increasing by 84% when compared to 2019 levels for May. June wholesale fuel orders decreased by 3% compared to 2020's numbers; however 2020 summer fuel numbers were higher due to wildfire activity. Fuel sold by the FBO for June was 84,107 gallons. Business jet activity for the month of May (as this FAA data lags one month) compared to the same month last year increased by 46%.

StratOp Progress Report

The draft Mission and Vision statement was distributed to Airport Commissioners during the April and May Airport Commission Meeting. The Mission & Vision draft approval was pushed from the June Commission meeting due to timing to the July meeting. The draft Mission & Vision statements are included again as an attachment for your review.

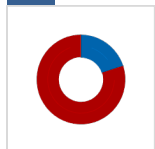
Progress is being made with the terminal funding item through the award of a contract with the company Philanthropic Specialists from Denver to conduct a funding feasibility study for seeking philanthropic funding resources. The company has come highly recommended by the City of Fort Collins City Gives director Nina Bodenhamer. The P3 investigation has also been furthered with investigating and understanding legal ramifications of combining CARES Act funding with private sector funding.

The Economic Development item is beginning to take shape to include a plan for on and adjacent airport property development. Options are being created for the Airport Commission and Cities to consider pertaining to what the Commission's goals to accomplish are in alignment with the StratOp discussion and how to effectively resource the project. A significant barrier on the financial front is the inability to use airport funding for economic development activities outside of airport boundaries as restricted by the Federal Aviation Administration's airport revenue use policy. Staff continued to search for possible solutions for this issue.

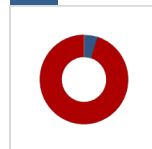
Staffing continues to make good progress. Building off of a staffing analysis that was conducted in 2019 and aligning the newly created StratOp action items, an updated short and long-term organizational chart and personnel job descriptions are being drafted and finalized with the assistance of Loveland Human Resources.

Regional engagement has not made much progress in the past month due to focus from Airport staff shifting to the jetCenter proposal, and the other high priority projects currently active. Staff have done a thorough investigation and recommendation of the top area organizations to begin the regional engagement efforts with, and have been able to connect with only one group so far, which is the Fort Collins Chamber of Commerce.

1. Terminal Funding
20% Complete



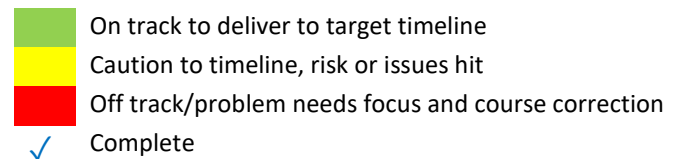
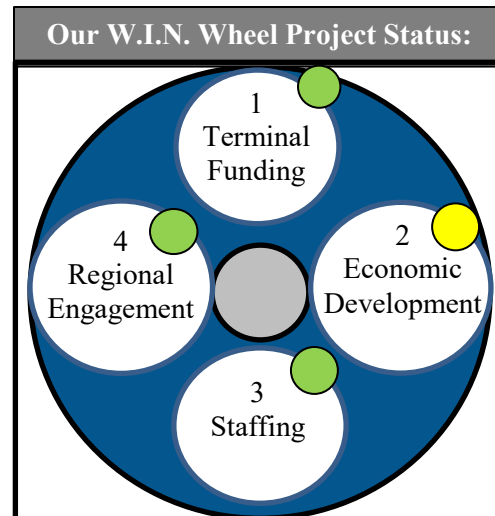
2. Economic Development
5% Complete



3. Staffing
40% Complete



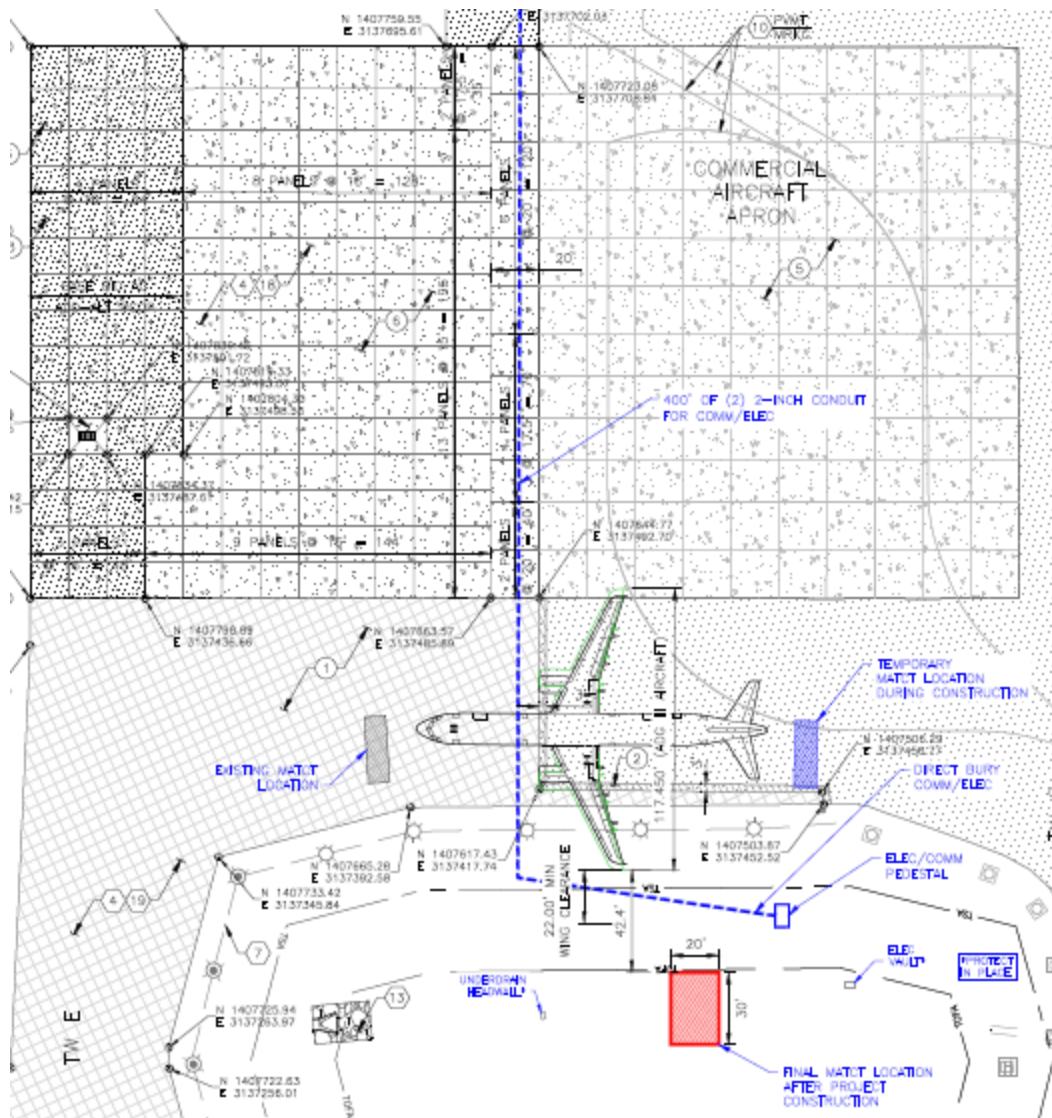
4. Regional Engagement
15% Complete



Remote Tower Project

Air traffic control services provider Serco is in the process of onboarding controllers due to two recent staff resignations. During the months of May and June, two of the four air traffic controllers have resigned to take other positions as FAA air traffic controllers (instead of contracted) or professional pilots. Serco has hired two controllers including a new manager, Les Habig who comes to us from Juneau, Alaska. A third controller is anticipated to be onboarded in mid-July to bring their compliment up to a total of five. The contractor, Serco is the company hired by the FAA to provide air traffic control services as part of the Remote Tower Project.

The commercial apron expansion project will require the displacement of the mobile air traffic control tower. The FAA and staff are working on the necessary safety coordination and planning to execute this change once the project begins. This effort has required quite a bit more work than anticipated, as the move will only be 180 feet from the current position. This change will require a full safety risk management panel discussion over two days in mid-July, just to gain the approval for the move. It will also require the installation of conduit underneath the future pavements to tie into the mobile tower all electrical and communication links.



Staff is working with the apron expansion contractor, construction management engineers, and FAA program team on getting the mobile tower moved prior to phase 1 testing. Originally a more complex plan was created that would have required the mobile tower to be moved twice due to the proximity of the construction project and equipment. Fortunately, the team was able to find a solution that would move the mobile tower just once. Each time the mobile tower is moved, the FAA requires a safety risk management process that takes weeks to complete. The project will not interfere with the remote tower phase 1 testing scheduled to begin August for 17. The new location for the temporary tower will provide better visibility of the runways and taxiways since it will be slightly closer to these areas. The temporary tower is scheduled to operate until phase 2 of the remote tower project begins.

Apron Expansion & Taxiway Project

A preconstruction meeting was held in June with the project team, including the contractor IHC Scott, Dibble Engineering, and Airport Staff. The meeting focused on how to manage the project including safety and security needs, planning for the remote tower components and testing

schedules, and create the construction schedule. The project is set to officially start on Monday July 19, and will extend for three months. The goal is to be substantially complete prior to the October 16 & 17 Airshow event. The new pavement surfaces will provide access for the future terminal and includes a new taxiway connection to allow for better functionality and redundancy for aircraft parking access.

Capital Improvement Projects

State aviation discretionary grants are funded through the CDOT Aeronautics Division through sales tax revenues on aviation fuel. These funds were impacted by the pandemic providing less for the State to distribute as part of this program. The Airport's adopted Capital Improvement Plan included the taxi lanes Beechcraft, Staggerwing, Northrop, and Stearman for repair/repaving work in 2021 & 2022 as part of two planned State grants. The grant application request for the projects were denied due to the lack of available funds.

Taxi lanes Northrop, Staggerwing, and Stearman have experienced multiple pavement failures which required emergency patching during the past year. The Airport's on-call engineering team from Dibble provided a rough estimate for design and construction at \$278,000 for the Stearman section and \$450,000 for the Northrop and Staggerwing section. The Airport requested \$550,000 from State resources for the two projects. Staff will continue to work with the State to see if there may be an opportunity to fund these in the future, however the possibility exists where the Airport will need to reconstruct these areas without assistance from other sources.

Staff will be working with the State and the FAA in the coming months to update the Airport's Capital Improvement plan, where this will be discussed with other concerns. The Capital plan also forecasted that the Airport would have a return of Commercial Air service that would unlock the \$1 million in federal FAA funding for 2022. Since the Airport did not reach 10,000 outbound passengers in 2020, the 2022 project will get pushed to 2023 or 2024 since the Airport will not qualify for this funding. As a reminder, once the Airport reaches the 10,000 enplanements, which is defined as a passenger flying from the Airport on an airline operated flight, FAA funding will be guaranteed from \$150,000 to \$1 million two years following the attainment.

Capital Improvement Projects 2021-2025	Total Escalated	FAA Entitlement	FAA Discretionary	CARES Act Funding	Total FAA/CARES	State Grants	Passenger Facility	Privately Funded	Local Share	Total Required
Capital Projects 2021										
1 Construct Commercial Apron Expansion & Taxiway E	\$2,700,000	\$1,529,714	\$900,286		\$2,430,000	\$135,000			\$135,000	\$2,700,000
2 Rehabilitate Stearman Taxiway (Design and Construct)	\$278,000				\$0	\$250,000			\$28,000	\$278,000
Totals for 2021	\$2,978,000	\$1,529,714	\$900,286		\$2,430,000	\$385,000			\$163,000	\$2,978,000
Capital Projects 2022										
3 Rehabilitate Northrop Taxiway (Design and Construct)	\$450,000					\$300,000			\$150,000	\$450,000
4 Construct New Terminal (Phase I)	\$12,000,000			\$12,000,000	\$12,000,000					\$12,000,000
5 Construct Landside and Roadway Improvements	\$2,000,000			\$1,665,798	\$1,665,798				\$334,202	\$2,000,000
6 Taxiway D Reconstruct and Strengthen Taxiway to 30K lbs	\$1,111,111	\$1,000,000			\$1,000,000	\$55,556			\$55,555	\$1,111,111
7 Construct New South GA Ramp (Discovery Air)	\$5,700,000							\$5,700,000		\$5,700,000
Totals for 2022	\$21,261,111	\$1,000,000		\$13,665,798	\$14,665,798	\$355,556		\$5,700,000	\$539,757	\$21,261,111

Airport Maintenance

Mowing operations have continued in earnest. The Airport mows approximately 750 acres of the airfield once annually as part of its' Wildlife Hazard Mitigation Plan, which is 90% complete. These areas are in addition to the acreage that is maintained throughout the year adjacent to runways, taxiways, and facilities. Continued rainfall in the month of June will require re-mowing at least half of the area a second time to prevent the vegetation becoming wildlife habitat and food.

Crack seal of airfield pavements was completed in June. Airport staff utilize the crack seal equipment owned by the CDOT Division of Aeronautics and shared between Colorado airports. Sealing the cracks against moisture is a key part of the maintenance strategy to preserve critical infrastructure installed with Federal and State grants.

The airline terminal building parking lot was patched and seal coated to allow continued functionality for the United Airlines bus service and for anticipated future needs. The parking lot remains in poor condition, as it was not originally constructed with any mitigation for the expansive soil issues. The repair for this lot is programmed for reconstruction in two years in the new terminal project, as it will be constructed on part of the parking lot pavement area.

Attachments

1. WEPA Remote Tower Project Manager Report for June
2. CO COVID Relief Bills Airport Funding Summary
3. 6-23-21 PDSC Draft Minutes



June 30, 2021

From: William E. Payne, P.E.
To: Colorado Division of Aeronautics

Section A – Remote Air Traffic Control Contract Progress Report #59

Re: Period: June 1 through June 30, 2021

Colorado Remote Tower Project Activity Status			
Activity	Status/Start Date (Projected)	Finish Date (Projected)	Remarks
Remote Tower Implementation			
Relocate Mobile Tower	7/20/2021	7/21/2021	Relocation depends on FNL construction Schedule
Controller SME Remote Tower Training	2/5/2021	9/1/2021	Awaiting additional Serco Controllers
Remote Tower STARS Display	8/15/2021	9/15/2021	Delayed due to long lead time items
Remote Tower System			
System Upgrade - Tech Refresh	In-Progress	TBD	Continuing
System Site Adaptation	In-Progress	Ongoing	Minor adaptation changes post Alt. Phase1 testing
Remote Tower Testing			
Alternative Phase 1 - Passive Testing			
Increment 1 - Remote/Virtual Testing	3/8/2021	Complete	12 sessions completed
Increment 3 Phase 1 inperson testing	8/17/2021	9/16/2021	Dependent on FAA SME ability to travel
Safety Risk Manage Panel	TBD	TBD	FAA Forecast Schedule 1 week duration
Safety Risk Management Document Signed	TBD	TBD	FAA Forecast Schedule 6- 12 months
Phase 2 - Active Testing			
Safety Risk Manage Panel	TBD	TBD	Subject to FAA Phase 1 SRMD Signatures
Safety Risk Management Document Signed	TBD	TBD	
Phase 3 - Validation & Verification			
Safety Risk Manage Panel	TBD	TBD	Subject to FAA Phase 2 SRMD Signatures
Safety Risk Management Document Signed	TBD	TBD	
Operational Viability Decision (OVD)			
Safety Risk Manage Panel	TBD	TBD	Subject to FAA Phase 3 SRMD Signatures
Safety Risk Management Document Signed	TBD	TBD	
Certification/Commissioning			
Safety Risk Manage Panel	TBD	TBD	
Safety Risk Management Document Signed	TBD	TBD	

Note: All dates reflect latest FAA proposed schedule and are subject to change based on FAA SME's ability to travel to FNL

Remote Tower Project Narrative:

As the Covid 19 pandemic finally subsides and Larimer County remains solidly in the yellow risk category as measured by the Harvard Global Health Institute, the FAA has committed to begin Phase 1 in-person passive testing of the Colorado Remote Tower System. The subject matter experts (SME) from various FAA lines of business (AJT, AJV and AJI) that are an import component of the testing have committed to support Phase 1.

Phase 1 testing will be accomplished in two two-week sessions with one week in between. The first session will begin on August 17, 2021 and conclude on August 27, 2021. The second two sessions will begin on September 8, 2021 and end on September 16, 2021. After completion of Phase 1 testing a Safety Risk Management Panel (SRMP) will be convened to develop the Safety Risk Management Document (SRMD) required to be fully executed by FAA management before moving into the crucial Phase 2 active testing phase during which the remote tower will be providing active air traffic services and the mobile ATCT will fill the safety mitigation role. In the past the FAA has indicated that it will take up to 5 months to complete this SMS process. It is hoped that the SRMD process can be shortened to allow the Colorado Remote Tower Project to move forward and make up for the time lost to date.

With the FAA committing to the above schedule the airport will attempt to move the mobile ATCT to its final site (see attached drawing) shown in red. Timing of the relocation of the mobile ATCT is critical as it could affect Phase 1 testing. If the relocation of the mobile ATCT to its final location can be done before Phase 1 testing is scheduled to start, it will greatly simplify the Phase 1 testing by not appreciably being affected by the construction of the apron/taxiway project. There are three key activities that will need to be accomplished before the mobile ATCT can be relocated to its final position. A new 7460-1 must be submitted, the siting study will be revised, and the Safety Risk Management Panel (SRMP) documents will be updated reflecting the final mobile ATCT location. None of these should pose an undue risk. The SRMP is scheduled for July 7th and 8th.

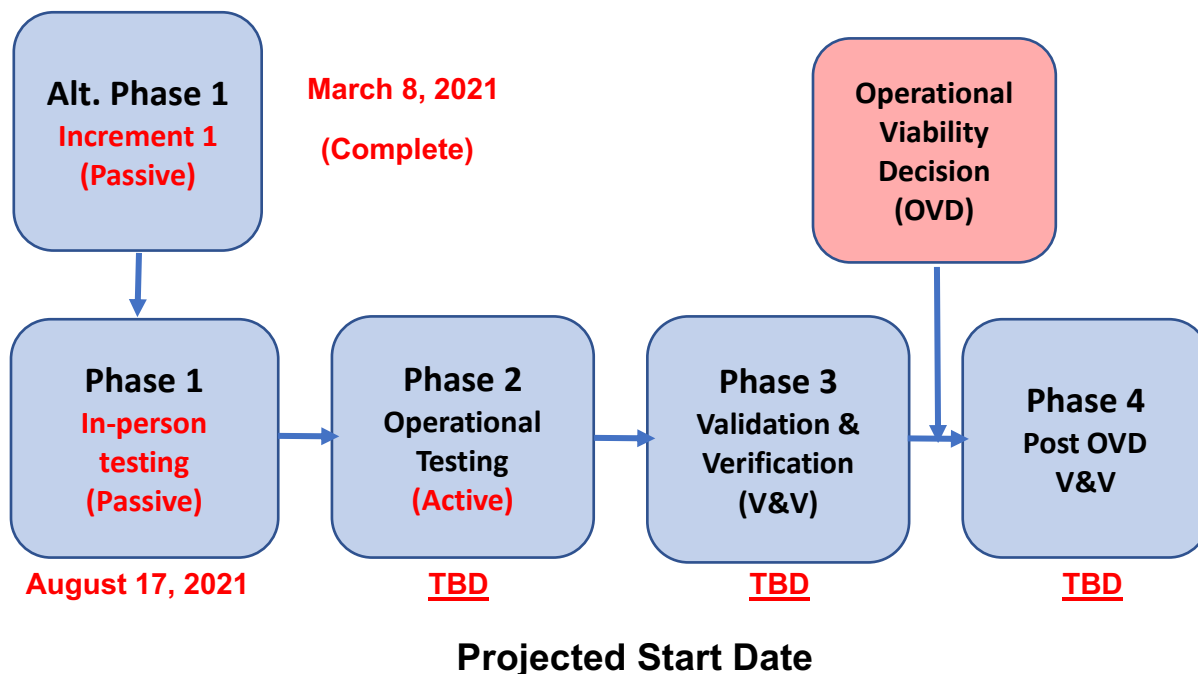
Staffing levels in the mobile ATCT have been a challenge with controllers moving to other facilities and in one case taking a flying job. The staffing level becomes a critical issue when Phase 1 testing starts as the controllers will be required to staff the mobile ATCT and participate in the tests of the remote tower system. For Phase 1 testing to proceed smoothly, a complement of six to seven controllers will be required including the Air Traffic Manager (ATM). Serco is diligently working to get resumes to the Program Office for approval. Besides looking for permanent controllers Serco is also exploring controllers from other facilities on a TDY basis to support Phase 1 testing.

The limited visibility of the local airspace (4 nm radius around the airport) from the mobile ATCT creates a problem a problem for the controllers to visually acquire aircraft. The major reason for this visibility deficiency is the cab eye height of a controller in the mobile ATCT (9.75' +/-). During periods of increased activity when the mobile ATCT is working under combined positions, a single air traffic controller is performing the function of both local and ground. Under this condition, the mobile ATCT limits the number of aircraft in the local traffic pattern. To improve situational awareness for controllers in the mobile ATCT the NextGen Program Office was pursuing installation of a Standard Terminal Automation Replacement System (STARS) radar display and keyboard in the mobile ATCT. There is no doubt that a radar display would greatly improve situational awareness of the local airspace and could improve the operational level/throughput at the airport. However, because the controllers are not radar certified, they can only provide visual separation and are not allowed to use the display to provide radar separation.

After extensive consideration it has been decided not to procure a STARS display for the mobile ATCT for the following reasons:

1. The STARS Program Office could not commit that a STARS display in the mobile ATCT would work or be acceptable, due to the distance from the automation rack in the remote tower equipment room to the mobile ATCT, and that a portion of fiber optic cable would lie on the surface.
2. As the mobile ATCT is temporary and will be deactivated post Phase 2 Active testing, installing a STARS display in the mobile ATCT does not support a positive business case.
3. While a STARS display would increase situational awareness in the local airspace, it could not be used by the Serco controllers to provide separation serves as they are not radar certified.
4. The STARS installation in the remote tower and the mobile ATCT would not occur until mid to late August which will be in the middle of Phase 1 in-person testing, adding an additional level of complication during this critical period.
5. The airport apron construction schedule and the FAA's commitment to begin Phase 1 in-person testing on August 17th makes installation of the STARS in the Mobile ATCT problematic.

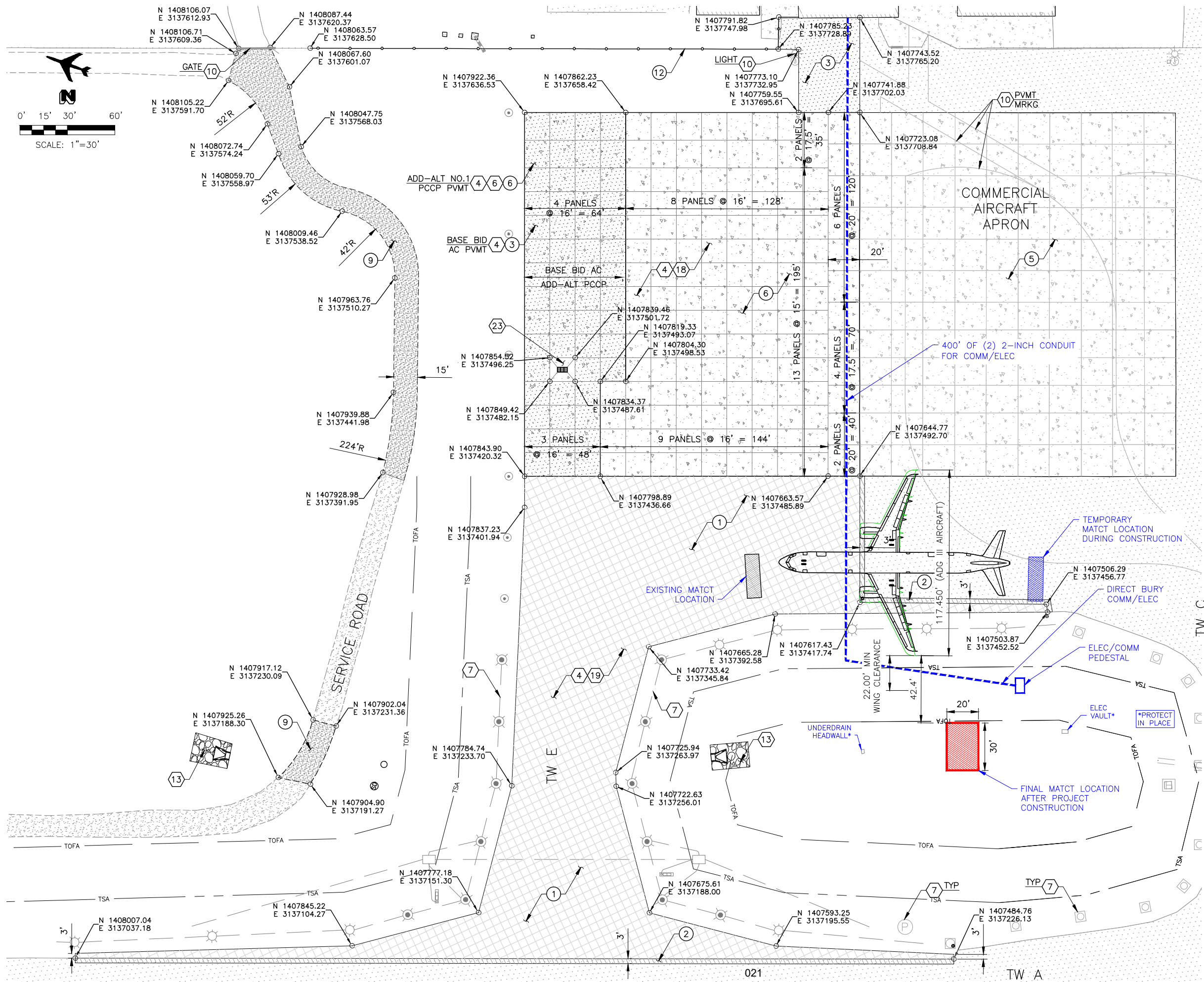
Proposed Remote Tower Testing Phases:



*Dependent on local resources' ability to travel to FNL

Schedule Note: This status is based on the latest proposed schedule and is dependent upon availability of FAA resources to staff the remote tower and support the Phase 1 SRMP.

K:\2019\1019180.04 FNL APRON EXPANSION AND TW E CAD EXHIBIT.MATCT RELOCATION.FNL MATCT LOC.DWG Jun. 10, 2021 3:26 PM



BASE BID CONSTRUCTION NOTES		
3	AC GSE PAVEMENT DET 10, SHT G3.1	1,787 SY
5	PCCP PANEL SPALL REPAIR DET 19, SHT G3.2	632 LF
6	PCCP APRON DET 9, SHT G3.1	3,888 SY
9	RESTORE EXST SERVICE ROADWAY SURFACE W/STOCKPILED MILLINGS MATCH EXST THICKNESS (NPI)	654 SY
12	INSTALL SALVAGED CHAIN-LINK FENCE FABRIC W/NEW POSTS & FOOTINGS (F-162) DET 21, SHT G3.3	330 LF

ADD-ALT NO.1 CONSTRUCTION NOTES		
6	PCCP APRON DET 9, SHT G3.1	1,501 SY

ADD-ALT NO.2 CONSTRUCTION NOTES		
1	AC TAXIWAY PAVEMENT DET 8, SHT G3.1	4,752 SY
2	AC TAXIWAY PAVEMENT (3" KEY-IN) DET 7, SHT G3.1	260 SY

REFERENCE NOTES		
4	SEE SHEETS C3.1-C3.3 FOR PAVEMENT ELEVATION PLANS	
6	ASPHALT PAVEMENT TO BE REPLACED WITH PCCP IF ADD-ALT NO.1 IS AWARDED	
7	SEE SHEETS E3.1-E3.2 FOR ELECTRICAL PLANS	
10	PROTECT IN PLACE	
13	SEE SHEETS C2.1-C2.2 FOR GRADING AND DRAINAGE PLANS	
18	SEE SHEET D1.1 FOR DEMOLITION	
19	SEE SHEET C1.2 FOR TAXIWAY E PLAN & PROFILE	
23	CATCH BASIN & CONCRETE APRON SEE SHEET C2.1	

PAVING LEGEND	
	PCCP APRON DET 9, SHT G3.1
	AC TAXIWAY PAVEMENT DET 8, SHT G3.1
	AC GSE PAVEMENT DET 10, SHT G3.1
	AC TAXIWAY PAVEMENT (3" KEY-IN) DET 7, SHT G3.1
	RESTORE EXST SERVICE ROADWAY SURFACE W/STOCKPILED MILLINGS MATCH EXST THICKNESS (NPI)

DESCRIPTION	
REV	DATE

DIBBLE

NOT FOR CONSTRUCTION

06.10.21
DESIGNED BY: TOW MBS
DRAWN BY: TOW MBS
REVIEWED BY: MJB
FILE NAME: FNL MATCT LOC

NORTHERN COLORADO
REGIONAL AIRPORT

FNL COMMERCIAL APRON EXPANSION & NEW TAXIWAY E	
PAVING & HORIZONTAL CONTROL PLAN	
C1.1	
EXHIBIT	



COLORADO
Department of Transportation
 Division of Aeronautics

COVID Relief Bills- Colorado Airport Funding

Source: FAA data accessed June 30, 2021 (www.faa.gov)

		DEN	Commercial Service Airports	GA Airports		Total
CARES	\$	269,073,999	\$ 95,825,442	\$ 2,082,102	\$	366,981,543
49 Airports		73.3%	26.1%	0.6%		
CRRSAA	\$	55,787,050	\$ 17,950,228	\$ 623,162	\$	74,360,440
47 Airports*		75.0%	24.1%	0.8%		
ARPA	\$	233,037,814	\$ 28,822,439	\$ 1,478,000	\$	263,338,253
47 Airports*		88.5%	10.9%	0.6%		
Total	\$	557,898,863	\$ 142,598,109	\$ 4,183,264	\$	704,680,236
		79.2%	20.2%	0.6%		

		Effective Date
CARES	Coronavirus Aid, Relief and Economic Security Act	March 27, 2020
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act	December 27, 2020
ARPA	American Rescue Plan Act	March 11, 2021

*Airport sponsors that received more than four years of operating expenses under CARES were not eligible for CRRSAA or ARPA funding. This included the Northern Colorado Regional and Gunnison-Crested Butte Regional airports.



COLORADO
Department of Transportation
 Division of Aeronautics

Colorado Airports COVID Relief Funding

Source: FAA data accessed June 30, 2021 (www.faa.gov)

City	Airport	Arpt ID	CARES	CRRSAA	ARPA	TOTAL
Akron	Colorado Plains Regional	AKO	\$ 20,000	\$ 9,000	\$ 22,000	\$51,000
Alamosa	San Luis Valley Regional/Bergman Field	ALS	\$ 30,000	\$ 1,005,564	\$ 1,058,109	\$2,093,673
Aspen	Aspen-Pitkin County/Sardy Field	ASE	\$ 3,438,823	\$ 2,553,020	\$ 4,165,063	\$10,156,906
Boulder	Boulder Municipal	BDU	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Broomfield	Rocky Mountain Metropolitan	BJC	\$ 157,000	\$ 57,000	\$ 148,000	\$362,000
Buena Vista	Central Colorado Regional	AEJ	\$ 20,000	\$ 13,000	\$ 32,000	\$65,000
Burlington	Kit Carson County	ITR	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Canon City	Fremont County	1V6	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Colorado Springs	Meadow Lake	FLY	\$ 69,000	\$ 23,000	\$ 59,000	\$151,000
Colorado Springs	City of Colorado Springs Municipal	COS	\$ 24,340,290	\$ 4,301,663	\$ 8,732,701	\$37,374,654
Cortez	Cortez Municipal	CEZ	\$ 633,102	\$ 13,000	\$ 32,000	\$678,102
Craig	Craig-Moffat	CAG	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Delta	Blake Field	AJZ	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Denver	Denver International	DEN	\$ 269,073,999	\$ 55,787,050	\$ 233,037,814	\$557,898,863
Durango	Durango-La Plata County	DRO	\$ 2,542,548	\$ 1,903,274	\$ 2,924,562	\$7,370,384
Eagle	Eagle County Regional	EGE	\$ 3,309,462	\$ 1,881,162	\$ 2,882,345	\$8,072,969
Englewood	Centennial	APA	\$ 157,000	\$ 57,000	\$ 148,000	\$362,000
Erie	Erie Municipal	EIK	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Fort Morgan	Fort Morgan Municipal	FMM	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Granby	Granby-Grand County	GNB	\$ 30,000	\$ 9,000	\$ 22,000	\$61,000
Grand Junction	Grand Junction Regional	GJT	\$ 5,679,740	\$ 2,218,564	\$ 3,526,516	\$11,424,820
Greeley	Greeley-Weld County	GXY	\$ 69,000	\$ 23,000	\$ 59,000	\$151,000
Gunnison	Gunnison-Crested Butte Regional	GUC	\$ 18,010,756	\$ -	\$ -	\$18,010,756
Hayden	Yampa Valley	HDN	\$ 18,567,547	\$ 1,389,953	\$ 1,944,525	\$21,902,025
Holyoke	Holyoke	HEQ	\$ 20,000	\$ 9,000	\$ 22,000	\$51,000
Kremmling	Mc Elroy Airfield	20V	\$ 30,000	\$ 9,000	\$ 22,000	\$61,000
La Junta	La Junta Municipal	LHX	\$ 20,000	\$ 13,000	\$ 32,000	\$65,000
Lamar	Lamar Municipal	LAA	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Leadville	Lake County	LXV	\$ 20,000	\$ 9,000	\$ 22,000	\$51,000
Limon	Limon Municipal	LIC	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Longmont	Vance Brand	LMO	\$ 69,000	\$ 23,000	\$ 59,000	\$151,000
Loveland	Northern Colorado Regional	FNL	\$ 16,865,798	\$ -	\$ -	\$16,865,798
Meeker	Meeker Coulter Field	EEO	\$ 20,000	\$ 9,000	\$ 22,000	\$51,000
Monte Vista	Monte Vista Municipal	MVI	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Montrose	Montrose Regional	MTJ	\$ 2,027,443	\$ 1,690,254	\$ 2,517,863	\$6,235,560
Nucla	Hopkins Field	AIB	\$ 20,000	\$ 9,000	\$ 22,000	\$51,000
Pagosa Springs	Stevens Field	PSO	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Pueblo	Pueblo Memorial	PUB	\$ 1,043,034	\$ 1,006,774	\$ 1,070,755	\$3,120,563
Rangely	Rangely	4V0	\$ 20,000	\$ 9,000	\$ 22,000	\$51,000
Rifle	Rifle Garfield County	RIL	\$ 69,000	\$ 23,000	\$ 59,000	\$151,000
Salida	Salida Airport Harriett Alexander Field	ANK	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Steamboat Springs	Steamboat Springs/Bob Adams Field	SBS	\$ 30,000	\$ 23,000	\$ 59,000	\$112,000
Sterling	Sterling Municipal	STK	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Telluride	Telluride Regional	TEX	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Trinidad	Perry Stokes	TAD	\$ 20,000	\$ 9,000	\$ 22,000	\$51,000
Walsenburg	Spanish Peaks Airfield	4V1	\$ 20,000	\$ 13,000	\$ 32,000	\$65,000
Watkins	Colorado Air and Space Port	CFO	\$ 69,000	\$ 57,162	\$ 59,000	\$185,162
Wray	Wray Municipal	2V5	\$ 30,000	\$ 13,000	\$ 32,000	\$75,000
Yuma	Yuma Municipal	2V6	\$ 20,000	\$ 9,000	\$ 22,000	\$51,000
TOTALS			\$ 366,981,543	\$ 74,360,440	\$ 263,338,253	\$704,680,236

Effective Date

CARES	Coronavirus Aid, Relief and Economic Security Act	March 27, 2020
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act	December 27, 2020
ARPA	American Rescue Plan Act	March 11, 2021

MEETING RECORD

Page 1

DATE: 6/23/2021

TIME: 3:30-5:25 PM

RE: Planning and Development Subcommittee Meeting (PDSC)

ATTENDEES: Staff/PDSC - Tom Fleming, Diane Jones, Troy Bliss, Jason Licon, Aaron Ehle, Josh Birks, James Hays, Scott Schorling, Laurie Stirman, Shawn Battmer
Public – Kurt Hinkle, Garrett Scallon, Danny Freeland, Alex Nuckols, Kelly Freeland, Kelly Rizley, Howard Abraham, Benjamin Garey, Colton Lind, Matt Hernandez, Kelly Steinway, Buster Downey, Steve McClintock, Madison Scruggs, Todd Buckley, Ted Rogers, Will Mace, Martin Lind, Andrea Samson, Deb Montgomery, Nick Stevens, Paul Steinway, Walter Dorlac, Sue Wolber, Jerry Stooksbury, Scott Cravens, Don Taranto, Jon Steinway, Tyler Vaughn, Iver Retrum, Kyle Cate, David Vaughan

Begin Meeting Record 6/23/2021

Agenda Item #1: Meeting Minutes Review, May 26th

- **Tom moved to approve the minutes. The motion, seconded by James, passed unanimously.**

Agenda Item #2: Fort Collins-Loveland jetCenter (FCLJC) Development Proposal

- Summary
 - Fort-Collins-Loveland jetCenter submitted an unsolicited proposal to Airport Staff in March.
 - The proposal involved redeveloping the first three rows of T-hangars, which are owned by the Cities, and replacing them with larger hangars as an extension of their adjacent facility.
 - Redevelopment of the first three rows of T-Hangars has been planned since 2006 and is included in the last two Master Plan updates.
 - The Airport has kept up with maintenance related to safety and functionality, but has forgone other improvements due to redevelopment plans. Investment in the appearance of the buildings has not been a priority for several decades.
 - Between March and May, Airport staff worked with FCLJC on details of the proposal and negotiated draft lease terms.
 - Phased rent that escalates over time is similar to the amended Discovery Air lease. Rent per square foot is roughly double what Discovery Air's rent is.
 - Under the agreement, FCLJC would manage and maintain the remaining T-hangars, with the Airport retaining 80% of the rental revenue.
 - Airport staff evaluated the proposal and determined it to be in alignment with the Cities' strategic goals for the Airport and that it satisfied all policies and regulations.
 - The FCLJC development proposal was discussed at the May 26th PDSC meeting.
 - The PDSC voted unanimously to recommend approval of the lease to the Airport Commission.
 - The item was considered at the June 17th Airport Commission meeting
 - Many Airport stakeholders expressed concern with the proposal, resulting in the item being tabled until the next regularly scheduled meeting scheduled on July 15.

MEETING RECORD

Page 2

- The Airport Commission has directed the PDSC to provide more opportunity for feedback and to examine potential solutions.
- The first three rows of T-hangars, which are owned by the Airport/Cities, were built between 1960s and 1970s and are nearing the end of their serviceable lifespans.
- 55 of the 58 units are leased to aircraft owners on a month-to-month basis.
- FCLJC estimates the total investment in improvements to be \$25-\$30 million.
- Phased development would give tenants at least 6 months of notice prior to displacement, with the majority not being displaced until phases 2 and 3.
- Discussion
 - Goals for this meeting
 - Obtain any additional public comment
 - Focus on solutions
 - Separate T-hangar displacement from parity related feedback
 - Provide options to consider
 - Common themes from comments that have been received (comments are included in the meeting packet)
 - Cities or developer should be held responsible for offsetting t-hangars
 - Demand is high for these types of hangars regionally with no availability
 - Higher rates will drive out some current tenants from aircraft ownership
 - Hangar tenants are taxpayers and are entitled to hangars
 - Outdoor aircraft storage is not a viable option due to Colorado weather
 - Proposed hangar orientations will eliminate aircraft tie downs
 - Common suggestions
 - Seek out investors to build new t-hangars in another location
 - Cities should invest in infrastructure to support t-hangars
 - The airport needs more hangars, not less
 - Public Comment (comments are summarized/paraphrased)
 - We're looking at 60 hangars that could go away, and in addition to that are 20 tie-downs.
 - Most tenants private believe they are being mistreated based on short notice of potential lease termination and lack of readily available replacements.
 - Many hangars are used by flying clubs or pilots involved in fractional ownership, with several pilots per plane, so this impacts a lot of pilots, perhaps 150-200 pilots in total.
 - If this has been planned since 2006, why were none of the tenants notified when they signed a lease?
 - A 6-month notice is inadequate, and leaves airplane owners with no reasonable options to relocate.
 - Hangar space is extremely scarce. Wait lists are years long. Why can't we build both general Aviation and business jet hangars?
 - How many people are on your hangar waiting list?
 - There are a total of 24 individuals on the waiting lists, but some of them are on multiple lists.

MEETING RECORD

Page 3

- Hangers are old but they are structurally sound and serviceable and with minimal maintenance they are quite adequate for the current use.
- I would like to believe that "Highest and Best Use" refers to more than just profit.
- How do we find a similar cost solution for renting space that keeps us here? It looks like costs will roughly double, we're gone at double. We'll get booted.
- As far as the quality of the hangars, I'm not concerned about that. I'm an engineer, these hangars still have life in them.
- I pay \$0.30/sq. ft. that's going to \$0.35/sq. ft. next year and my other hangar is already at \$0.40 sq. ft. and increasing by consumer price index (CPI) every year. (This comment refers hangars will not be impacted by this proposal)
- It's a very competitive industry, and I believe that front door would be incredibly competitive if there were some other people that knew that this opportunity was available. I really think you should step back and look at the whole landscape.
- Civil Air Patrol aircraft will be displaced by this project and the folks down in Denver want to know what's going to happen to our aircraft. We've done a lot of search and rescues in the region over several decades.
- A plane that sits out on the ramp loses value, so I consider that to be a taking and I consider that to be economic discussion. As I understand it, that's part of our mandate as per the FAA.
- What are you willing to do to improve relationships with the City, namely planners who want to have sprinklers on the ceilings and heat. Now water is an issue because new hangars are required to have restrooms. Water taps are around \$60,000.
- Business Aviation Group: We have no problem with jetCenter making an investment into the Airport, we think that's great. All we want from the Cities is parity. We'd like to see that they're held to the same standard we've been held to for our development. This is really kind of an archaic way of throwing a hangar in the middle of a tarmac, especially a corporate 28-foot door hangar that is not associated with the lease, but is a separate SASO lease.
- What do we want to do with this Airport? Are we going to include everybody or just the wealthy?
- Our frustration and disappointment is not with Jason, the Airport Director. It's with the governing body.
- Unfortunately, there was far too little time for meaningful public comment or discussion.
- The only options projected to be available at FNL in the near future are large, rectangular, executive hangars costing \$300K - \$500K or more. This is far out of reach for most private pilots, and is not a real alternative. Basic T-hangars need to be part of the plan.
- I would like to believe that "highest and best use" refers to more than just profit. Certainly, balance sheets are important for any organization, but I believe the airport also has an obligation to serve the citizens and taxpayers who support it.
- This has been on the books for quite some time, but I think it's always been assumed there would be reasonable and affordable replacement hangars built.
- I recently lost my rented hangar due to its sale and in my search for another affordable hangar I have discovered a real shortage of hangar space at a reasonable rate.

MEETING RECORD

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- The focus appears to be on large corporate type hangars vs hangars for individuals like me who use the airport for our small privately owned airplanes.
- If this has been planned since 2006, why were none of the tenants notified when they signed a lease? Why haven't replacement T-hangars not been built to transition the tenants into?
- Hangar space is extremely scarce. Wait lists are years long. Did you think everyone would just slide right into a nice new hangar somewhere with no problem? Most will have no place to go and be forced to sell. Most will lose money on the sale. It sounds like the makings of a nice class-action lawsuit.
- We have been trying since fall of 2019 to negotiate a new lease with the Airport, and to see what's being offered to the JetCenter, it seems we're being discriminated against. (This comment refers hangars will not be impacted by this proposal)

○ Key Questions

- What is the role of the Airport?
 - Provide aeronautical facilities (runways & access to them) that will allow for aeronautical services to be created and made available to the public
 - Operate the airport as self-sustaining as possible
 - Plan for safe & efficient development that is aligned with Airport Master Plan
 - Encourage private investment in compliance with regulations
- What are the high-level impacts of the proposal?
 - Will provide an enhancement and private investment into the airport
 - Displaces current hangar tenants
 - Competition with other development/ parity concerns
 - rates, level of investment, public benefit

○ Considerations

- Current T-hangar tenants have enjoyed low costs due to the age, condition, and amenities that the current hangars support
- New hangars would come with a new cost; likely be considerably higher for costs associated with new buildings that are comparable
- Orientation of the buildings can be discussed with JetCenter to address issues with apron tie downs and taxiway width requirements
- JetCenter currently leases the adjacent area through 2045

○ Parity Concerns

MEETING RECORD

Page 5

- Public comments cited parity concerns with other leases on the Airport in accordance with FAA regulatory criteria
 - Rates are in line with published rates adopted by city councils
 - Current rates and fees study concludes that FNL rates are similar to what other airports are charging
 - Rates will vary depending on the size of the development area, if the property is improved or unimproved, and level of investment, which is not considered discriminatory
 - The FAA has reviewed and approved the draft lease agreement
- Code requirements
 - Lease agreement does not identify requirements for building or fire code. Lessee would need to work with Loveland Development Services to meet code requirements.
- Financial Impacts
 - Hangars currently generate \$185,000 in revenue annually
 - Expenses are estimated at approximately 10% of revenue
 - Fuel sales amounts that would be in excess of current levels
 - Current T-Hangar tenants purchase approximately 10,500 gallons per year
 - jetCenter estimates 120,000 gallons per year for each phase I & II
- Options
 - Issue RFP to build T-hangars in another location
 - Cities have relied upon private sector to meet aviation demand on the airport historically
 - Cities have invested in horizontal infrastructure to support aviation demands in the form of roads, taxilanes, and utilities
 - Seek investors or collaboration with existing tenants for new hangars as suggested in public comments
 - Master plan identifies an area that can offset majority of displaced tenants east of existing hangars
 - Requires removing Lear Drive and extending Cessna Drive to Lindbergh
 - Identify other locations that may work for the jetCenter proposal
 - JetCenter wants their facilities to be in close proximity to each other
 - There is no infrastructure in place to support these facilities elsewhere on the Airport
 - If this lease is not approved, the Cities will still likely need to remove hangars in the near future for redevelopment
 - Timing for razing hangars never be popular with tenants- regardless of when
 - Request jetCenter amend the proposal
- Due to time constraints, the meeting was adjourned. Staff will work with PDSC members to schedule another session prior to the July Airport Commission meeting to allow for more discussion.

End Meeting Record



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

ITEM NUMBER: 3

MEETING DATE: July 15, 2021

PREPARED BY: Jason Licon, Airport Director

Aaron Ehle, Airport Planning & Development Specialist

TITLE

Fort Collins-Loveland jetCenter Development Proposal

RECOMMENDED AIRPORT COMMISSION ACTION

Make a motion to recommend approval of Resolution R-09-2021 recommending to the City Councils adoption of the lease the lease agreement jetCenter

BUDGET IMPACT

There are a number of variables that can only be estimated, such as the remaining life of the t-hangar buildings, the exact phasing of the redevelopment, and the increase in fuel sales related to the development. Airport staff projects the short-term revenue impact to be negative, but the mid to long-term revenue impact to be positive.

SUMMARY

This item was considered at the June 17th Airport Commission meeting and many Airport stakeholders expressed concern with the proposal, resulting in the item being tabled until the July 15th Airport Commission meeting. At the June 17th meeting, the Airport Commission directed Airport staff and the Planning & Development Subcommittee (PDSC) to provide more opportunity for feedback and to examine potential options and solutions.

Airport Commission approval is required for land lease agreements with terms longer than 10 years. The draft lease for consideration has an initial term of 25 years, with three 5-year options, which is standard for traditional hangar leases, and is being presented in accordance with all Federal Aviation Administration (FAA) and Airport plans and policies.

The Airport Commission has provided direction to staff in the form of the adopted Airport Master Plan, Strategic Plan, and through various discussions to strive to find the best way to utilize Airport property. The Airport has been planning for redevelopment of the

oldest T-hangars since before the 2007 Airport Master Plan was adopted by the Cities. While the Airport has kept up with maintenance related to safety and functionality on the T-hangars, it has forgone other improvements due to redevelopment plans. Investment in the appearance of the buildings has not been a priority for several decades.

The first three rows of T-hangars, which are owned by the Airport/Cities, were built between 1964 and 1977 and are nearing the end of their serviceable lifespans. A total of four buildings with 58 total hangar units are currently managed and maintained by Airport staff, 55 of which are leased to aircraft owners on a month-to-month basis. The remaining three units have been determined to be costlier to repair than lease due to significant structural issues. Ownership of the last 19 units in these buildings reverted to the Airport/Cities in April of 2020. All other T-hangars at the Airport are privately owned.

In March, the fixed base operator (FBO), Fort Collins-Loveland jetCenter (FCLJC) submitted an unsolicited proposal to Airport staff to lease and redevelop this area as an extension of their adjacent leasehold. The jetCenter company operates three FBOs in Colorado and has been FNL's FBO operator since 1994, providing most services to general and commercial aviation aircraft operating at the Airport. Since receiving this proposal from jetCenter, Airport staff has negotiated potential lease terms that include FCLJC leasing 175,752 square feet of airport property and replacing the old T-hangars with larger hangars in three phases. FCLJC have agreed to assume management and maintenance of the T-hangars as they are phased out, with the Airport retaining 80% of the rental revenue generated by the units. FCLJC estimates their total investment in improvements for all three phases to be \$30 million in current value (actual costs will likely be higher due to inflation).

The phased development will give the majority of the tenants of these hangars years to find alternative hangar space. FCLJC has committed to providing at least six months of notice to all tenants prior to being displaced. There are currently two development projects, Homestead Hangars and Latched Kowell Hangars, that are anticipated to add 26 hangar units to the Airport that could support multiple aircraft for each unit that are displaced by the redevelopment of the T-hangars. It is also expected that this project will promote additional new hangar development.

The phased approach is in line with the recently approved Discovery Air lease agreement amendment. The Planning & Development Subcommittee (PDSC) reviewed the proposal and negotiated lease terms at their May 26th meeting and voted unanimously to recommend approval of the lease.

At the July 17th Airport Commission meeting, many t-hangar tenants and other Airport stakeholders were in attendance and a number of concerns were shared during public comment. Following the meeting, staff solicited additional feedback by email and the entirety of the June 23rd PDSC meeting was devoted to this topic. A memorandum containing the feedback that has been received is included in this packet. Staff is requesting for the Airport Commission to provide direction on next steps related to this proposal.

Proposed Rent Structure

25-year lease with three 5-year extensions		
Phase I	Square Feet	53,366
	Rent Rate	\$0.30 adjusted annually for CPI
Phase II	Square Feet	70,708
	Preliminary Rent Rate	\$0.05 adjusted annually for CPI
		80% of 4930 T-hangers rental revenue
	Rent Rate beginning year 5 or start of Phase II Construction	Same as adjustd Phase I rate
Phase III	Square Feet	51,678
	Preliminary Rent Rate	\$0.05 adjusted annually for CPI
		80% of 4960 T-hangers rental revenue
	Rent Rate beginning year 9 or start of Phase III Construction	Same as adjustd Phase I rate

Site Overview



ATTACHMENTS

Fort Collins-Loveland jetCenter Development Proposal
 FCLJC Proposal Letter
 FCLJC Feedback Summary Memo
 Fort Collins-Loveland jetCenter Lease Agreement
 Resolution R-9-2021

JetCenter Development Proposal Review

Northern Colorado Regional Airport Commission

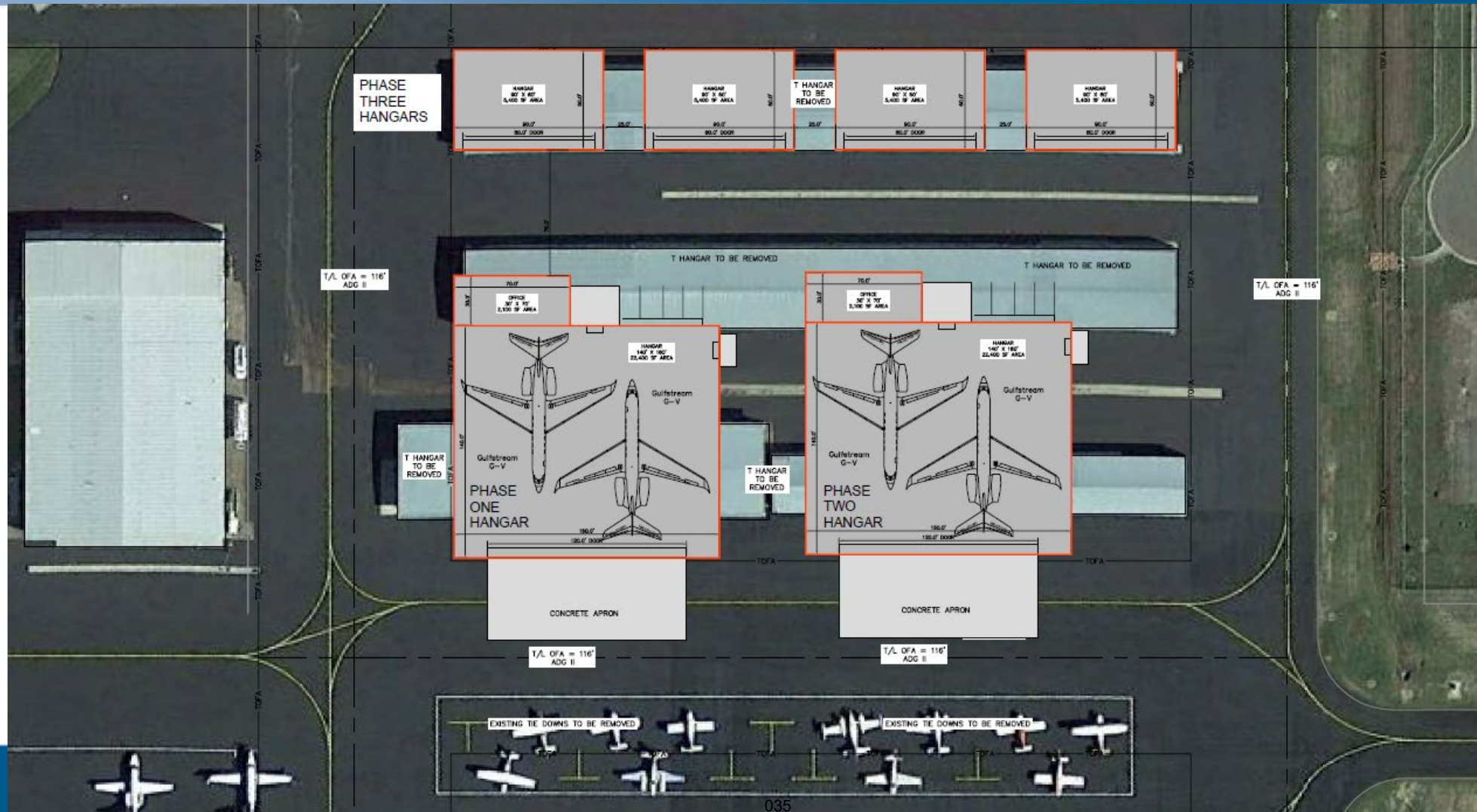
July 15, 2021

- On June 17, the Airport Commission considered a proposal from Fort Collins-Loveland jetCenter. The item was tabled in order to allow staff and the PDSC to collect additional feedback from the public and provide additional information back to the Commission
- Objectives
 - Review of the proposal
 - Summary of public comments received
 - Commission meeting June 17 & emailed comments received
 - PDSC meeting held on June 23
 - Discuss feedback with a focus on considerations and options/solutions
 - Obtain direction from the Airport Commission on next steps

- Fort Collins-Loveland jetCenter submitted an unsolicited proposal to the Airport in March
 - Requesting to lease 175,752 square feet of Airport property
 - Construct six new hangars in three phases
 - Redevelopment of an area currently occupied by Airport owned T-hangars, in alignment with the Airport Master Plan
- Staff worked to find solutions to their needs and negotiate terms consistent with regulatory requirements and airport policies
- Since last meeting a considerable amount of public feedback has been received by email, and the June Airport Commission & PDSC meetings

Proposed Site Plan

NORTHERN COLORADO
REGIONAL AIRPORT



Proposed Hangars

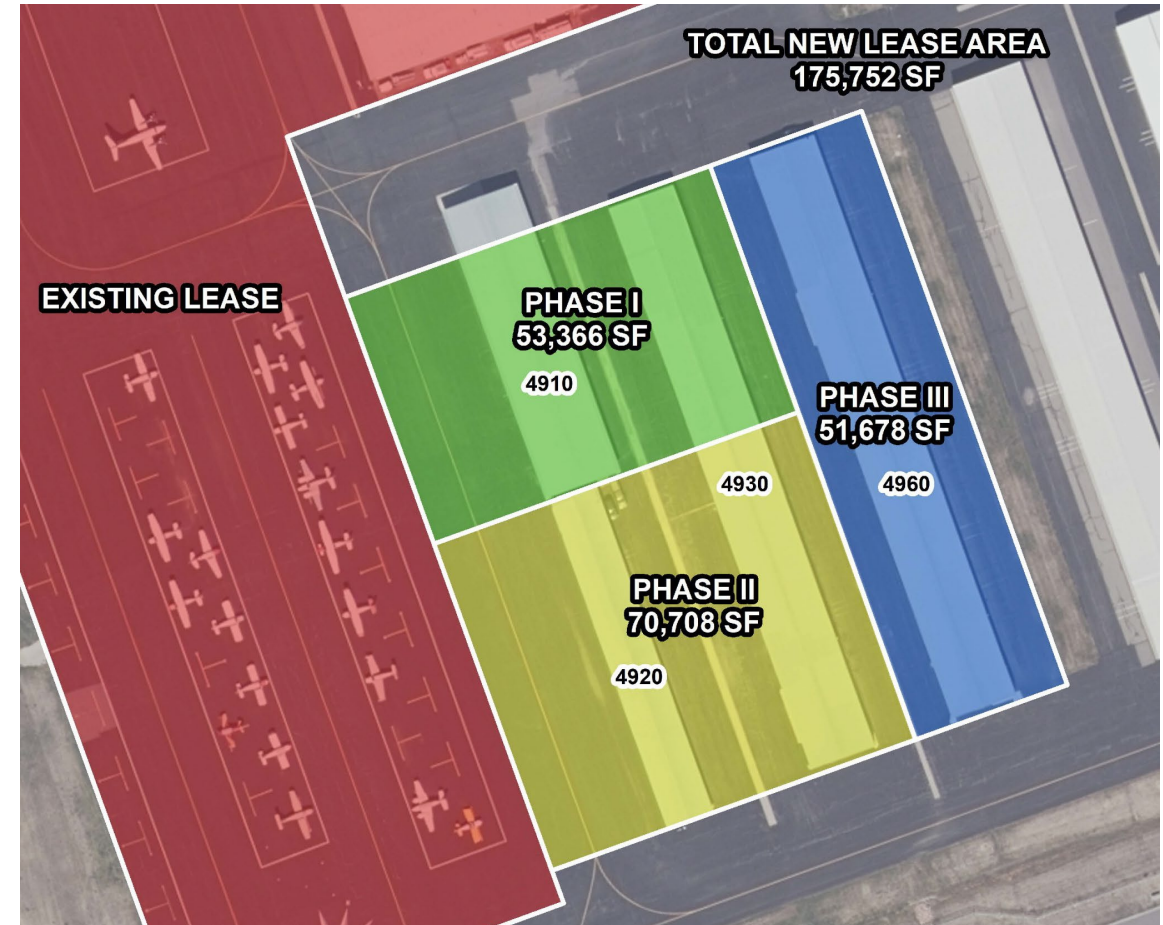
NORTHERN COLORADO
REGIONAL AIRPORT

Phase I and II Hangars



Proposed Phasing

- No less than 6 months of notice prior to displacement
- ~1/3 of tenants would be displaced in first proposed phase (18/55)
- ~1/3 of tenants displaced within five years (17/55)
- Remaining 1/3 displaced within nine years (20/55)



Existing Hangars

NORTHERN COLORADO
REGIONAL AIRPORT



Existing Hangars

- A- Building – 4920 Grumman Street
 - 56 years old
 - Has been relocated and shortened
 - Sliding door
 - 8 units with 5 units usable due to ground heaving & door issues
- B- Building – 4910 Grumman Street
 - 51 years old
 - Sliding steel door
 - 10 units all usable, but requires cabling roof so wind does not blow the doors off and some have frequent flooding issues
- C- Buildings 4930 & 4960 Grumman Street
 - 44 years old
 - Electric bifold doors
 - 40 units all usable, structures are noticeably bent due to soil heaving, frequent flooding issues

Development Process



Proposal received

Regulatory & Airport Policy Review

Negotiation to align with guiding documents and policy

Create a draft lease agreement

Review by PDSC

Obtain PDSC recommendation to Airport Commission

Airport Commission Review

Recommendation by the Airport Commission to the City Councils for Approval

Lease agreement approved by City Council

Obtain approvals from the City of Loveland's Development Services Department

- Creation & submission of a site development plan
 - City review to include architecture, design, layouts, infrastructure, utilities, etc.
- Building permit application
- Site development plan approval (for multiple buildings only)
- Site work permit issuance
 - Begin site preparation
- Building permit approval

Pre-construction security and safety planning with Airport Staff

Begin Construction

Financial Impacts

- Hangars currently generate \$185,000 in revenue annually
 - Rates for improved lease revenues cannot be compared to unimproved land leases
- Expenses are estimated at approximately 10% of revenue
 - Lease management administration, move in/out services, maintenance costs
- Fuel sales & future assumptions
 - Approximately 10,500 gallons per year currently purchased by T-hangar Tenants (on airport)
 - jetCenter estimates 120,000 gallons per year for each phase
 - Fuel revenues fluctuate based on cost - average is \$0.24/gal

Proposal Financial Impact

- Proposal will generate less direct revenue than what is currently generated
 - Converting building lease back into a land lease
 - **(\$22,000)** less annually in first 9 years, then **(\$59,000)** annually (not adjusted for inflation)
- Current hangar scenario
 - Current income from T-Hangars \$185,000
 - Costs to manage, insure, & maintain **(\$18,500)**
 - Fuel flowage estimate 10,500 gallons \$2,500
 - Total direct annual revenue = \$169,000
- Proposal from jetCenter
 - 40-year lease on 175,000 square feet for \$0.30/SF adjusted to CPI per phase
 - jetCenter would manage remaining T-hangars and pay 80% of the current revenues back to the Airport until redeveloped
 - Land lease value starts at \$22,000 year 1 and increases to \$53,000 year 9
 - T-Hangar revenues start at \$90,000 year 1 and decreases to \$0 year 9

Rates & Fees

- Regulations require Airports to be as financially self sustaining as possible
- Rates and Fee Study
 - Conducted May 2021
- Compared similar airports
 - Result is that FNL rates and fees are in line with other comparable airports
- Current adopted FNL Rates:
 - Unimproved: \$0.31/ SF
 - Improved: \$0.439/ SF

Airports	General Fees	
	Unimproved Land Lease	Improved Land Lease
Boulder, CO	\$ 0.15	\$ 0.40
Centennial, CO	\$ 0.36	
Cheyenne, CO	-	\$ 0.36
Durango, CO	\$ 0.24	No Standard
Eagle Co. Airport, CO	\$ 0.30	
NoCO	\$ 0.31	\$ 0.44
Grand Junction Regional, CO	\$ 0.20	Fair Market Value
Greeley, CO	\$ 0.30	
Laramie, WY	\$ 0.28	\$ 0.28
Longmont, CO	\$ 0.35	\$ 0.35
Rocky Mountain Metro, CO		\$ 0.41
St. George Airport, UT	\$ 0.18	\$ 0.30

Public Comment Themes

- Lack of availability of similar facilities at this airport and the surrounding area
- Cost to replace is not feasible for many
- Timing is too fast to reasonably find an alternative location
- The opportunity was not known by others that may be interested in redeveloping the area
- Parity with other leases is a concern

Public Comment Examples

- Demand is high for these types of hangars regionally with no availability
- Higher lease rates on newer hangars will drive out some current tenants from aircraft ownership
- Hangar tenants are taxpayers and are entitled to hangars
- There has been no notice to the tenants that these hangars would be removed in the future.
- There are 55 hangars that are being impacted, but many more individual pilots that may share aircraft stored in these hangars
- A six-month notice is not adequate
- This area was not known to be available for redevelopment, and had there been awareness, others would have provided proposals
- Hangar tenants are taxpayers and are entitled to hangars that are of a fair and reasonable rate

Public Comment Examples

- Outdoor aircraft storage is not a viable option due to Colorado weather that will devalue the aircraft
- Proposed hangar orientations (by jetCenter) will eliminate not only the hangars, but also many aircraft tie downs
- If approved, will cater only to the corporate jets (1%) and not the “little guys”
- JetCenter has not invested in the Airport and is only doing so because of competition
- Proposal does not include any public improvements as required by other developers
- There is adequate space on the airport for these types of hangars in other locations
- Current hangars are structurally adequate, and should be maintained to allow for the continuation of current uses

Public Comment Suggestions

- Seek out investors to build new t-hangars in another location
- Cities or developer should be responsible for offsetting T-hangars
- Cities should invest in infrastructure to support new t-hangar development
- Allow investors to bid on the area, as it was not known to be available
- T-hangar tenants should self-organize to create an association to construct new hangar building(s)
- The Cities need to work with the Water District to adjust the cost prohibitive water tap fees. Hangars do not have the same amount of water usage as a single-family household and shouldn't be charged that same rate
- The Airport Commission should require the City of Loveland Building Department to roll back their building code requirements. These are just hangars and they shouldn't have to meet design standards or be required to have running water for bathrooms

Parity Concerns

- Public comments cited parity concerns with other leases on the Airport in accordance with FAA regulatory criteria
 - Rates are in line with published rates adopted by city councils
 - Current rates and fees study concludes that FNL rates are similar to what other airports are charging
 - Rates vary depending on the size of the development area and if the property is improved or unimproved, and level of investment, which is not considered discriminatory
 - Location inside the fence for these hangars is common at other larger airports
 - The FAA has reviewed and approved the draft lease agreement
- Code requirements
 - Lease agreement does not identify requirements for building or fire codes

- What is the role of the Airport?
 - Provide aeronautical facilities (runways & access to them) that will allow for aeronautical services to be made available to the public
 - Operate the airport as self-sustaining as possible
 - Plan for safe & efficient development that is aligned with Airport Master Plan
 - Encourage private investment in compliance with regulations
- What are the high level impacts of the proposal?
 - Will provide an enhancement and private investment into the Airport
 - Displaces current hangar tenants
 - Master plan identifies area that can offset majority of displaced tenants east of existing hangars
 - Requires removing Lear Drive and extending Cessna Drive to Lindbergh
 - Competition with other development/parity concerns
 - rates, level of investment, public benefit

Considerations

- Current T-hangar tenants have enjoyed low costs due to the age, condition, and amenities that the current hangars support
 - New hangars would come with a new cost; likely be considerably higher for costs associated with new buildings that are comparable
 - Example: 20 unit T-hangar at \$150/SF = \$3 million @ 4% for 20 years = \$908 per month per unit before taxes (then just utilities etc. for remaining 50% of term)
- Total jetCenter investment is estimated at \$30 million for all phases
 - Not adjusted for inflation
- Orientation of the buildings can be discussed with jetCenter to address issues with apron tie downs and taxilane width requirements
 - jetCenter currently leases the adjacent area through 2045

Considerations: Highest and Best Use

- Definition: Legally permissible, physically possible, financially feasible, and generates the highest return
- Based on perspective
- Cities are going to see highest and best use from a socio-economic & sustainability standpoint
 - Legally the area must be used for aeronautical purposes
 - Efficient airport design aligns with larger hangars facing the apron
 - Investment in aging hangars used for storing private aircraft has proven to not be a high priority
 - The Commission and Cities have expressed their desire during the Master Planning process for higher quality development replace the existing structures
 - Private investment in the airport to accommodate demand for hangars has been the precedent
- Tenants' perspective is that the current use of the space is greater than the proposed use
 - 55 aircraft vs. a handful of jets
 - General aviation supports the local based businesses and the airport as a whole
 - Proposed use is not guaranteed to support projected financial model from jetCenter due to fuel flowage assumptions

- Recommend lease for approval by City Councils
 - This was previously recommended by the PDSC
- Deny lease request
 - Cities will likely need to create a redevelopment plan and remove hangars in the future (timing for razing inexpensive hangars will never be popular with tenants)
- Refer back to staff with direction to work with jetCenter to amend proposal
 - Investigate options to allow jetCenter to construct a specific phase or phases, and/or require that jetCenter provide some level of public improvement as part of their development
- Recommend that the site be advertised for bid
 - Commission provides staff with direction on what needs to be included in the RFP

Jet Center Hangar Project Narrative

Fort Collins – Loveland jetCenter (“FCLJC”) has been a dedicated service provider and stakeholder at the FNL airport for 26 years. As you know, FCLJC is also part of the jetCenters of Colorado FBO network. Our network is comprised of three full service Fixed Based Operators (“FBOs”) along Colorado’s Front Range, including Colorado jetCenter at Colorado Springs Municipal Airport and Denver jetCenter at Centennial Airport. Our three locations collectively employ over 100 people, operating on 225 acres of airport real estate and selling more than 21 million gallons of aviation fuel annually. Our corporate office is headquartered in Greenwood Village, Colorado. Please visit our website www.jetcentersofcolorado.com for more network information.

As our network continually monitors the expanding aviation potential along the front range, we actively look for opportunities to invest, grow and enhance our operations. The rate of statewide development and favorable industry conditions have now combined to enable significant investment in FCLJC and the airport.

Our current FBO terminal hangar is too small to accommodate large Gulfstream and Global Express aircraft. Which is one of the most rapidly growing segments of today's business jet fleet. We must meet the growing demand for overnight hangar space for these aircraft. We believe many of these large jet operators are currently using neighboring airports while conducting business in the Loveland, Fort Collins, and Windsor areas. Many would prefer to use FNL if they could obtain an overnight hangar.

Therefore, we are proposing to construct Gulfstream and Global Express size hangars in a phased approach on the 175,752 SF land parcel adjacent to our FBO terminal and hangar complex (the “Adjacent Site”), where some of the airport T-hangars are currently located (see Exhibit A). We envision phase one (see Exhibit B) to include a 22,000 to 24,000 SF hangar with a door height of 28 feet and an option for future office space. Our preliminary cost estimate for phase one is \$6M to \$7M. Phase one construction will require the removal of approximately half of the two westernmost rows of T-hangars. FCLJC will assume all costs and meet all code requirements associated with this project, including site prep, T-hangar removal, utility hook-ups, building and ramp construction, etc.

Phase two, located just south of the phase one hangar, would include demolition of the remaining T-hangars to construct a similar hangar as phase one. Phase three will consist of constructing a smaller 5,400 SF hangars for mid-size aircraft. Please reference Exhibit B for an aerial view of the aircraft that will occupy the two larger hangars. The construction timetable for the second and third hangars will be market-driven.

We have provided an architectural rendering of the phase one hangar concept in Exhibit C.

Additionally, upon execution of the proposed leased space, FCLJC would manage these T-hangars for the airport for a 20% management fee to handle the accounting, leasing, insurance, and maintenance.

It is our understating that there is substantial demand for T-hangars and/or shelters at FNL. Our plan provides adequate time for the airport or a third party to build as many T-hangars or shelters elsewhere as needed to replace the T-hangars that will be removed during our phased development.

This project will benefit the airport in terms of increased business and revenue generation while converting an under-utilized parcel of airport property to serve its highest and best use into the foreseeable future. Given the magnitude of our proposed investment, we are seeking a 40-year lease term, comprised of an initial 25 years, plus three (3) Five (5) year options.

We look forward to meeting with you at your earliest convenience to discuss this proposal in greater detail, answer any questions you may have and work toward refining the proposal into a mutually agreeable plan.

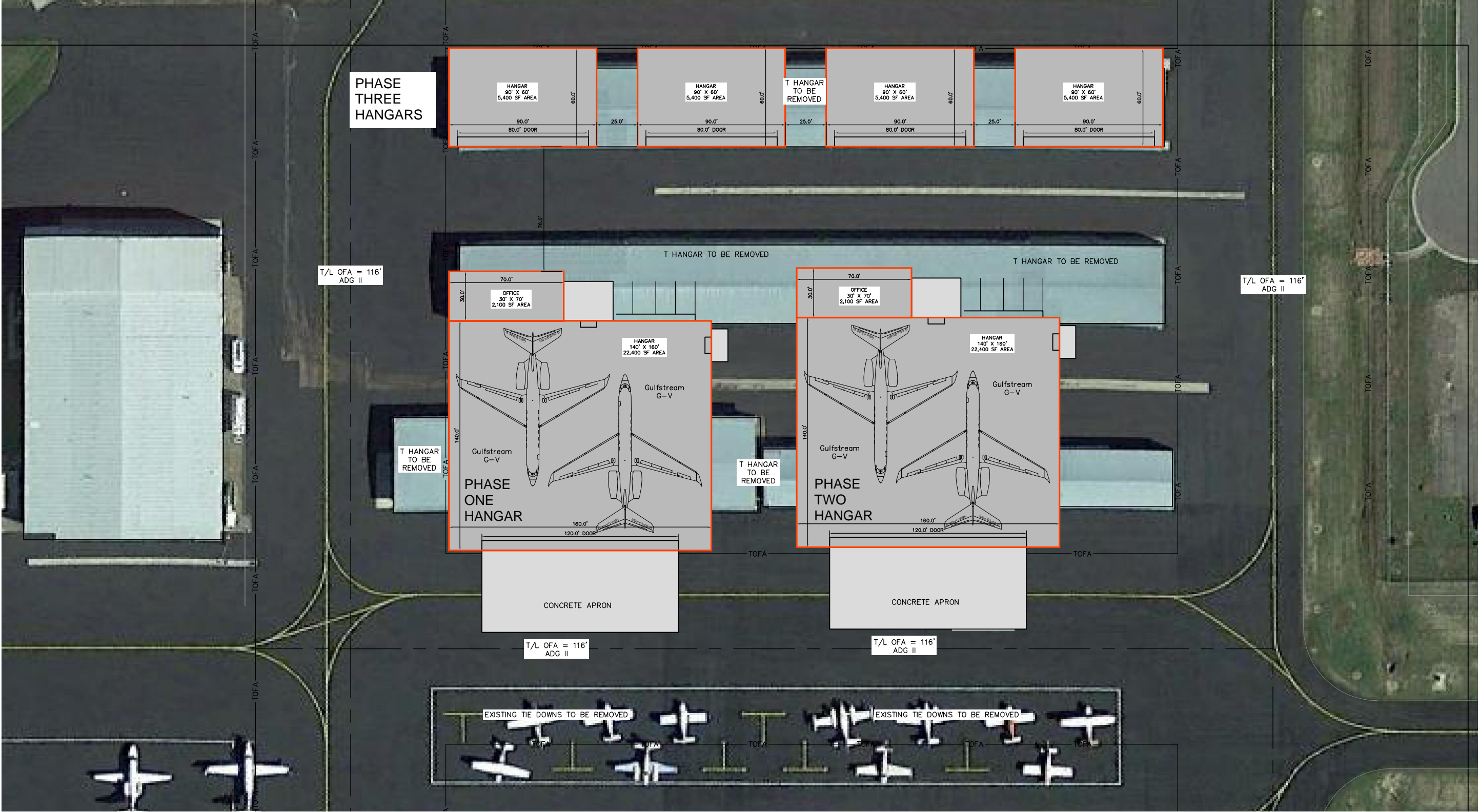
Respectfully yours,

The Jet Center administration and design team



EXHIBIT A

FORT COLLINS-LOVELAND JETCENTER
PROPOSED HANGAR LAYOUT
NORTHERN COLORADO REGIONAL AIRPORT (FNL)
LOVELAND, COLORADO

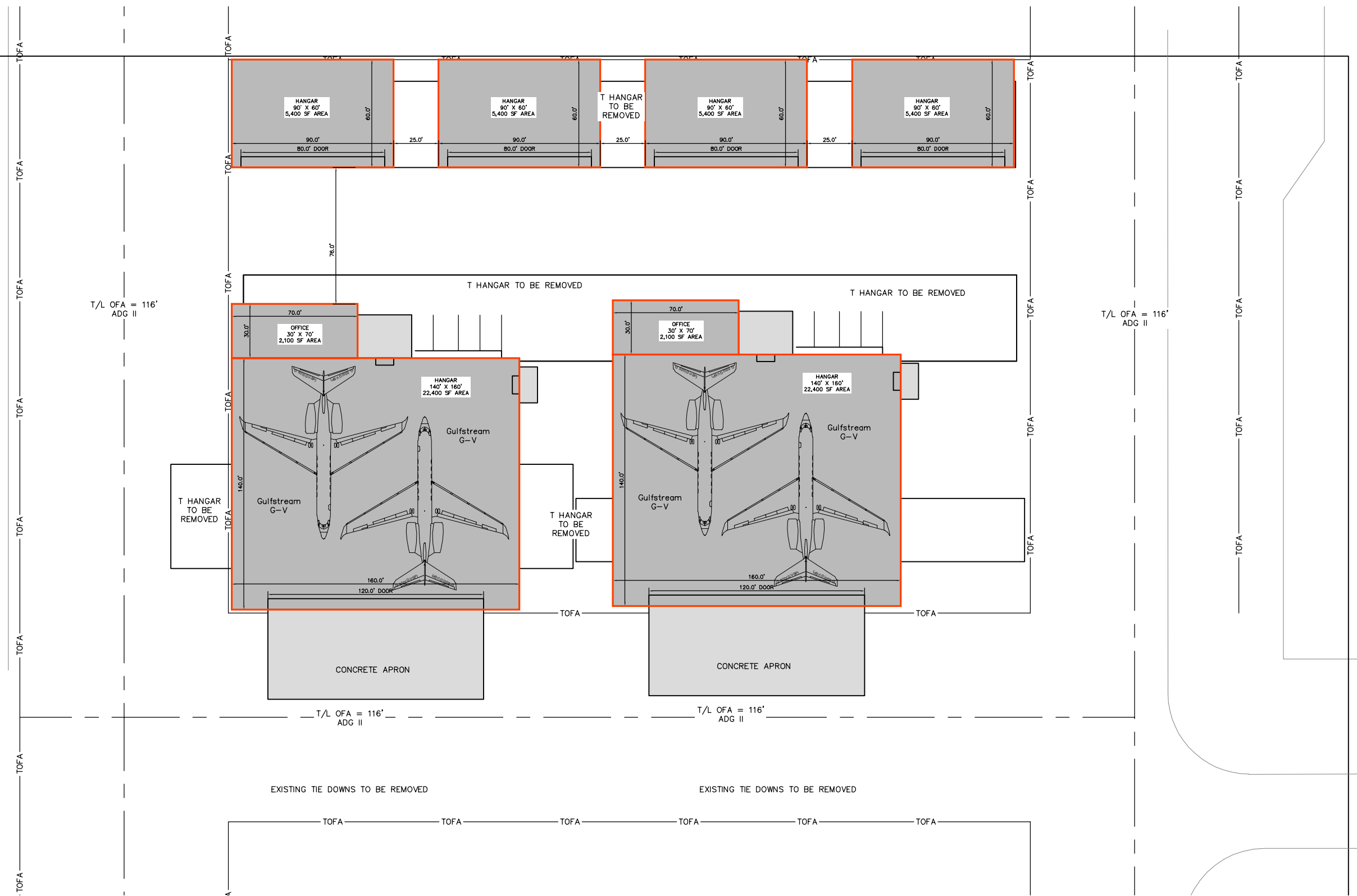


ULTIMATE PROPOSED HANGAR SITE
EXHIBIT B

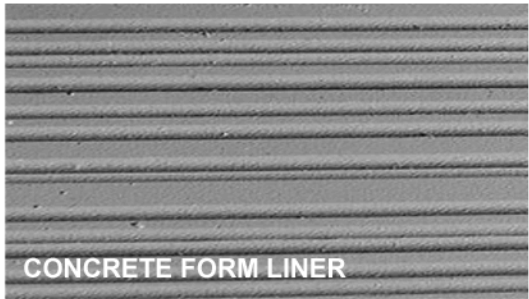


FORT COLLINS-LOVELAND JETCENTER
PROPOSED HANGAR LAYOUT
NORTHERN COLORADO REGIONAL AIRPORT (FNL)
LOVELAND, COLORADO

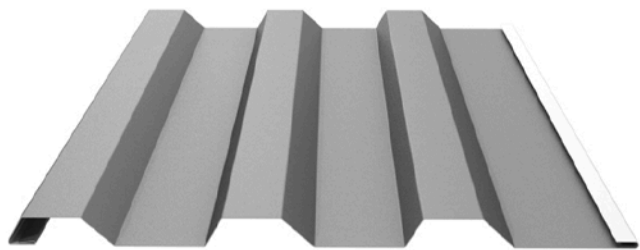
K:\DEN_Aviation\Airport Data and Marketing\FNL Ft. Collins-Loveland, CO\2021-03 FNL JetCenter Hangars\CADD\2021-04-26 Ultimate Proposed Hangar Site No Aerial.dwg



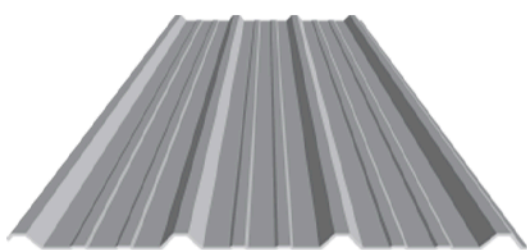
ULTIMATE PROPOSED HANGAR SITE



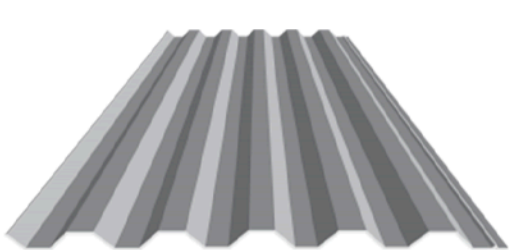
CONCRETE FORM LINER



METAL PANEL 'A'



METAL PANEL 'B'



METAL PANEL 'C'



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

DATE: July 15, 2021

TO: Northern Colorado Regional Airport Commission

FROM: Aaron Ehle, Airport Planning & Development Specialist

RE: Fort Collins-Loveland jetCenter T-Hangar Redevelopment Proposal Comments

The following public comments were presented June 17th Airport Commission meeting:

James Hays, FNL Pilot's Association President: We represent roughly 200 of the pilots here. Change is happening at the Airport with that said, GA and private aviation generates a large portion of the activity here. The concern is that this results in a decrease of 20% in available hangars at FNL. If you look at the Front Range as a whole, hangar capacity is already low and we're cutting into that. At the end of this phase we're looking at 60 hangars that could potentially go away and in addition to that are 20 tie-downs. That's 80 spots that are no longer available. I encourage the Commission to look at this and what are some alternatives, but what are some options we can present to the existing tenants so they have a place to be, so they have a place to go. The six months is great, the timeline, 9 years is great, we understand the Master Plan calls for this change eventually, but what do we do with these 60 airplanes that don't have a home?

Jason Licon: There are two developments underway that will bring in new hangars that are not equivalent in build. However, this could spur opportunity for building, depending on demand.

Ted Rogers, T-hangar Tenant (Freedom Flying Club & Western Planes): I appreciate what you're doing, it's good progress, but I'm concerned we're going to get left behind. Small guys you know? The reality is, if we have to build new with all the water concerns, we're not going to be here. We're going to get pushed out. How do we find a similar cost solution for renting space that keeps us here? I've ran the numbers and it looks like it will be roughly double, we're gone at double, you won't see us here. We'll get booted.

Steve McClintock, T-hangar Tenant: I have been a tenant for 25 years here. I've been here through three Airport Managers, you're (Jason) the best. That said, Jason have I ever complained about having two inches of water every winter when it thaws and every summer when it rains? You don't hear me complain. I'm also one of the five founding members of the Pilot's Association that James runs right now. I started that back in 2004 so that we could have discussions. We need more than fifteen minutes. That's not good enough. Jason, I want you to answer how many people are on your hangar waiting list.

Shawn Battmer, Secretary: If you go through all three lists it's approximately 45.

Clarification: There are a total of 24 individuals on the waiting lists, but some of them are on multiple lists.

Steve McClintock, (cont.): What I want you folks to grasp is you're tearing down hangars, but you have 45 people who would love to have a hangar out there. I'm ok pumping water out of my hangar. Trust me to have a hangar, just like Ted said. If I was to try and buy a hangar or build one, I'm personally out of aviation. At that point I'm actually looking to move to a different City, I mean moving my residence to a different City. So, this is a big project. I would love to see the tarmac expanded so there's more places to park out there. And I've got to re-emphasize what Ted said in a nutshell if this goes through all of us, general aviation pilots who enjoy this as a hobby, we're out, we're gone. So, I'll take water in my hangar up to my knees all day long to stay in a hangar that I couldn't afford to build. And as far as the quality of the hangars, I'm not concerned about that, I'm an engineer, these hangars still have life in them, so don't cut the legs off of them yet. They still function.

Don Taranto, land lessee (5212 Cessna Drive and 5280 Northrop Street): The rental rates that I'm hearing on the ones that I own. I got a \$0.30/sq. ft. that's going to \$0.35/sq. ft. next year and my other one is already at \$0.40 sq. ft. and increasing by CPI every year. I had very little time to look at this thing because I didn't know it was coming. That's number one. Number two, if I did know it was coming, in my day job it's a very competitive industry, and so I believe that front door would be incredibly competitive if there were some other people that knew that this opportunity was available and so I really think you should step back, look at the whole landscape. I've got nothing to say bad about the jetCenter, nothing to say bad about an unsolicited proposal, but I think in this particular case the Airport could gain a lot by opening this up to a lot of other people to look at and come up with creative solutions that probably included a mandatory building of some the T-hangars that are being displaced, not just a maybe.

Mike Fossey, Civil Air Patrol: Our aircraft will be displaced by this project and the folks down in Denver want to know what's going to happen to our aircraft. We've done a lot of search and rescues in the last 35 years out here and Civil Air Patrol has been an integral part and we need to make some plans, so if you would consider that in your discussions we would appreciate it.

Jesse Taylor, T-hangar Tenant: I feel terrible that we are an aesthetic embarrassment to all the one-percenters coming in and out with their jets. So, keeping that in mind it took me two and half years to get into that hangar so to put me out with six months is going to leave me at least two years out. A plane that sits out on the ramp loses value so I consider that to be a taking and I consider that to be economic discussion. As I understand that's part of our mandate as per the FAA, so I feel this is an ill-conceived plan at this current time.

Howard Abraham, 5090 Grumman, (Fort-Love Hangar Association): In 2004, I attended the first meeting of the FNL Pilot's Association. I became associated with it right after that. Shortly after that association was formed, it became clear that the dissatisfaction with this Airport was with Airport Management; and I agree he's (Jason) the best we've had in a long long time, and I hope for a long time into the future; that we had a problem at this Airport it was not managed properly, it was not provided the attention from the Cities that it needed. Boy, did we get that changed around, and shortly after we formed we decided to form a hangar association. We urge the formation of a hangar association. Now we've had people come to you folks and say let's see the rules, let's see the ground lease, ok I want to build a hangar out here. Oh my God, is it gonna cost me a lot of money, ok that's one response. The other response is, you get 30 or 40 passionate people, start with 10 and they bring four of their friends form an association of 40 people, share the cost of putting up a hangar, you guys have got yourself a hangar. And I'm going to ask a question, after I make one more comment. If you had a little bit more regard for putting up just a hangar, a T-hangar, not a Taj Mahal with flowers, it's a T-hangar it houses airplanes. I would like to see a little more relationship between you guys and the people who might form an association to put money into a hangar. I like what's kinda going on here, you got to get rid of old to make new. Fine, some little hangars, some big hangars. Fine, let's have the Airport advance. Fine, but what are you willing to do to improve relationships with the City, namely, City planners who want to have sprinklers on the ceilings and heat, now water is one issue I know is unresolved, there's work that was going on with not within 500 feet, you've got one tap, that's fine. I think that expense can be mitigated right, I think that there are other issues that can be mitigated and you will get someone to put some hangars there on the east side and heaven knows we need them. My question then is what are you as a Commission willing to do to get reasonable decisions made over and above a ground lease to get some hangars in here? And maybe we can get an association formed to go build them. And here's a positive comment, you've got these people to show up from long and far. They don't show up to any of our meetings, They don't show up to any meetings, but they showed up to this one, so listen to them.

David Vaughn, The Business Aviation Group (representative for on-Airport Developers, Homestead Hangars and Discovery Air): My partner, Iver Retrum and I represent the large development to the South for Water Valley with Martin Lind and Discovery Air and I'm happy to say I don't think we've ever threatened anyone in this room with what we're doing down there. It's a very expensive, very, very, expensive proposition. We have no problem with jetCenter making an investment into the Airport, we think that's great all we want from the Cities is we want to see parity we'd like to see that they've been held to the same standard that we've been held to for our development. We've got to put in 1 parking spot for every square foot of hangar and office. We think that they should do the same thing. We're confused, really confused as to why this isn't addressed in their lease agreement or addressed as a SASO operation. So, we've put together a six-page report, hopefully it's been distributed to you folks through Jason for you to look at and look at the concerns that we bring. Again, we have no problem with no competition, we thoroughly enjoy that, happy to that we're very soon to release announce who our FBO affiliate's going to be which I think you'd be very proud of.

A very, very prominent name in the FBO chain that will be coming to the town further enhancing what we're doing at the South end of the Airport. So, we just think that maybe you defer this until we have more discussion. But I just want to represent the Discovery Air folks. We're happy with competition we just want it to see it be equally challenged as we are.

Iver Retrum, The Business Aviation Group (representative for on-Airport Developers, Homestead Hangars and Discovery Air): We have a lot of examples at the next opportunity, a lot of examples and practices you know on how we're talking about a community hangar versus a corporate hangar. This as you pointed out in your Master Plan, and the accepted, I think it was option number two, you know road side versus air side access and best practices. I tell you to look at your competitive airports that have adopted this as well too. This is really kind of an archaic way of you know throwing a hangar in the middle of a tarmac, especially a corporate 28 foot door hangar you that is again not associated with the lease is a separate SASO lease that you guys are doing, so jetCenter you know 25 years from now, you know those two leases are not necessarily connected to each other so really it, if that's what's going to be, if you want to go ahead with this hangar, it really needs to be associated with it in the right ways, which is really kind of lost on me why it's not.

Thad Lareau, T-hangar Tenant: I appreciate the compassion and caring that the board has shown. You know we're low budget. We know that, but we have to look at ourselves in the mirror and say do we want the Airport to include everybody or just the people who are wealthy enough to build hangars, and is that going to invite the younger people? I'm 53 and I'm one of the young guys here, right, it's hard to get young guys involved in aviation because things are so expensive. So which direction do we want to go as an Airport. I guarantee you if those hangars get torn down; it took me five years by the way, I was on a five year waiting list, I'll sell my airplane and that's it for me, I fly professionally for a living so I still get to fly but at the end of the day what do we want to do with this Airport, are we going to include everybody or just the wealthy?

The following comments have been received by email since the T-hangar redevelopment proposal was presented at the June 17th Airport Commission meeting:

Thank you Shawn -

Got the message. Unfortunately, I reached out to 6 people and at least 4 did not get this message. And it looks like those who did only got it today. Yikes!

For a plan to displace 55 GA pilots plus everyone else on the wait list, that's really flying under the radar.

I may be lucky enough to be in the 3rd row, but pilots just like me are in phases 1 and 2. This is a HUGE deal for all of us. I hope the message has now gone to everyone impacted. The airport administration is making it really clear that they couldn't care less about all of us. I'm sure that makes your job tough as the first point of contact between us and them.

Please know we appreciate all you do. Our frustration and disappointment is not with you it's with the governing body.

Hope you are doing well.

- Brad Conrad

Jason Licon, Don Overcash & Commission Members, C/O Shawn;

Thank you for the opportunity to attend the Commission meeting Thursday, 6/17/21. As a Pilot, citizen, taxpayer and loyal T-hangar Tennant, it was interesting and informative. Unfortunately there was far too little time for meaningful public comment or discussion. Therefore, I am offering my comments, constructive suggestions and a real world perspective on "Highest and Best Use". **Since I was not allowed to speak, I ask that each Commission member read this letter. Please.**

The Jet Center's proposal is not, in of itself, a bad proposal, but it is highly unbalanced and disregards the needs and interests of other airport users. The 55 T-hangar tenants deserve reasonable consideration in addition to the business users.

I am "only" a private pilot, but I have been flying since 1983, and flight has been the central theme of my entire adult life. I spent 10 years building my second airplane, with my own two hands. I've received an award from the original designer of the plane. After a 40 year career in Engineering, I am retiring in 2 weeks. I have been looking forward to enjoying the fruits of my labor to a greater degree, and expanding my flying.

KFNL is my third airport. I moved from Oregon in 1998 after my home airport was gentrified with Biz-jets and commercial interests. I bought a hangar at Fort Collins Downtown, (K3V5), only to have the airport close a few years later. I sold my hangar for scrap value, at a substantial loss. I have been a reliable tenant at KFNL since then. I fly my own plane, and also rent from the Flying School. This is my third airport, through no fault of my own.

Forcing tenants out, with 6 months notice, may be legal, but a thoughtful evaluation reveals that no serious consideration has been given to the T-hangar tenants, and the real world situation.

Availability: Tenants cannot simply go and rent, or even buy another hangar. As you know, there are no T-hangars available at KFNL. I have also contacted 8 other airports along the front range, and even in Wyoming. I have found no T-hangar vacancies. Most waiting lists are estimated between 1 and 3 years, with no guarantee. In the current market, a 6 month notice is inadequate, and leaves airplane owners with no reasonable options to relocate. Outdoor tie-downs are not a solution in Colorado weather and would quickly degrade these airplanes and their owner's investments.

Affordability: The only options projected to be available at KFNL, in the near future are large rectangular, executive hangars. Asking prices start around \$300K - \$500K, and go up from there. This is far out of reach for most Private Pilots, and is not a real alternative. Basic T-hangars need to be part of the plan.

Willingness to Invest: Unlike some of the commenters at Thursday's meeting, some of us are willing to invest, but only if options are available which are appropriate for a single, private aircraft, (T-hangars). I would prefer to rent, but I would buy a T-hangar today, if it were any available at a fair market price.

Balanced Proposal: The Jet Center's proposal should be balanced with a commercial, city, or private proposal to construct basic modern T-hangars to be available in the same timeframe as the proposed demolitions. With a regional market this tight, there must be developers willing to invest. The Airport should scope out the parameters for development of a comparable number of basic, modern T-hangars in a Request For Proposal. It is likely that commercial developers or pilot's associations will respond, but they need guidelines and reasonable confidence that their investments will be worthwhile.

"Highest and Best Use": This meeting was the first that I had heard of the airport's guiding principle. Perhaps I am naive, but I would like to believe that "Highest and Best Use" refers to more than just profit. Certainly balance sheets are important for any organization. I understand that. I believe the airport also has an obligation to serve the citizens and taxpayers who support it, however.

The young man from the Jet Center commented that "Aviation Runs on Money". Certainly there is some truth in that, but I was deeply insulted by this arrogant oversimplification. Many of the people in that conference room have built their dreams and lives around aviation. **Flight runs on passion.** Perhaps that young man has forgotten this, or hasn't learned it yet.

Sincerely,
James Aden

P.S. I would like the opportunity to participate and comment in future meetings.

Dear Commissioners,

I was unable to attend the recent meeting concerning the hanger proposal for the existing city hangars. As a partner in a group that has occupied a hanger in this area since 1974 I obviously have an interest in the future of these hangars. Progress is inevitable but it does not have to cause the disruption that will be brought about by this proposal. Why can't new T-hangars be built to move the displaced aircraft into in conjunction with this proposal? There is a waiting list for hangars and a number of aircraft parked on the ramp. Together with the displaced aircraft there is

obviously demand for this. I encourage the commission to seek out investors to build new T-hangers and provide lease terms that would make this a beneficial development for all.

Regards,
David (Scott) Flugum

I am a tenant of the T hangers. Yes, the hangers are old but they are structurally sound and serviceable and with minimal maintenance they are quite adequate for the current use. Instead of tearing down the existing hangers, Is there another area that could be used for the large jet hangers that are anticipated to be built?

I hate to see the cities sacrifice support for smaller general aviation aircraft. Is the funding actually going to be available for the redevelopment? The old downtown airport was closed for a proposed redevelopment project that has never come to fruition.

Thank you for your consideration.
Richard Brewster

May we suggest you build new hangers to the east since you have a current 5 year waiting list before tearing down any hangers so you don't displace any of the current aircraft or business currently at the airport.

Kyle Carter

Dear Sirs,

I'd like to add my dismay with the planned destruction of the city hangars of which I lease two.

Yes this has been on the books for quite sometime but I think it's always been assumed discussed, or whatever term applies, there would be reasonable and affordable replacements. I don't see anything like that on the horizon that is a tangible, working, fiscally prudent and affordable plan.

General aviation is an important piece of the aviation economic engine for the local community and Northern Colorado. Just as this project is. I implore all of you to take this into account for those being displaced in the near future.

Respectfully,
Joe Vacca

Dear Sirs:

I have based my airplane at FNL for 20 years now. I have leased a hangar all of these years because of the poor agreements encountered when I considered building or buying a hangar.

I recently lost my rented hangar due to its sale, and in my search for another affordable hangar I have discovered a real shortage of hangar space at a reasonable rate.

It seems that the focus appears to be on large corporate type hangars vs hangars for individuals like me who use the airport for our small privately owned airplanes. I am a professional pilot who enjoys flying my small airplane but cannot afford the same expenses as a corporate flight department.

Having basic simple T hangars available at a reason cost is vital to the sucess of our airport. We support the maintenance facilities, buy fuel, and support the airport.

Aircraft owners like us have no other nearby options to base our airplanes at. Please do not destroy affordable hangars in an effort to cater to those who have unlimited budgets. Keep the airport friendly to the users like us

Thank you
Chris Murphy

Dear FNL committee,

Before moving forward with the JetCenter proposal, it is critical that a reasonable alternative be identified and secured before displacing the pilots and planes that use the current T hangars. The need for more, not less, small airplane hangar space is evident by the long wait list for the small hangars- which in my case took years of waiting.

Many hangers are used by flying clubs which have 5 or more pilots per plane, so this impacts a lot of pilots, perhaps 150-200 pilots in total.

This proposal will push many small planes and pilots out of the airport unless an alternative hangar solution is secured. To be clear, any alternative that dramatically increases the cost by more that 50% over current rates is not a solution that will work for the pilots that fly these small planes. I think the small planes and pilots contribute a lot to the community and give a lot of kids their first airplane rides. Do we really want to further reduce the available space for small planes when that is clearly the greatest need we have right now?

My ask is simple and reasonable- delay the current proposal until a reasonable solution for the existing small airplanes hangars is identified and secured.

Thanks,
Ted Rogers - Freedom Flying Club & Western Planes Club

I'd like to provide some feedback for the potential hangar changes that have reportedly been proposed.

It truly surprises me that there is really any consideration of reducing the Number of GA hangars at the airport since there is currently no ability to even get on a waitlist for hangars. There is an abundance of available airport property and hangars are not something that should be removed when there is such a high demand that I cannot even be put on a waitlist for a hangar and any new hangars that are being built are absurdly expensive. I think the airport can work to build further profit centers in corporate aviation while also supporting what is clearly a very high demand for GA space that is not being accommodated by the Fort Collins/Loveland.

Please do not remove any hangars without having in place more space for GA aircraft elsewhere.

Sincerely,
Tyler Vaughn

Sirs

I am beyond disappointed in the way this Jet Center development has been handled.

If this has been planned since 2006, why were none of the tenants notified when they signed a lease? I would not have signed. I had other hangar options at the time. A friend just signed his lease last month and knew nothing till I shared the bad news.

Why, if it's been planned for so long, have replacement T-hangars not been built to transition the tenants? Swing space T-hangars could have been built many times over in the interim. Tenets could have been migrated as they were finished, freeing up the buildings scheduled for the demolition to go forward on schedule with far less frustration.

I am stuck between a rock and a hard place. I am ready for final assembly of my Vans RV7A. However, I cannot assemble it knowing we can be evicted at any time. If I assemble and she hasn't had the FAA inspection before the eviction, she will have to be disassembled to ship to a new hangar. Then she will have to be stored till a new hangar is found. Wait lists are years long. I have to wait or find new space but either way, I'm stuck for at least a year. Gee thanks. Hangar space is extremely scarce. Wait lists are years long. Did you think everyone would just slide right into a nice new hangar somewhere with no problem? Most will have no place to go and be

forced to sell. Most will lose money on the sale. It sounds like the makings of a nice class-action lawsuit.

Clearly, Northern Colorado is more interested in big business than General Aviation. What happens when all those evicted tenants tell all their friends to avoid NorCo?

Disappointed
Larry Larson

Thanks for the timely heads up. I guess the light GA folks are at the mercy of the Jet crowd.

Walter Dorlac

Good afternoon,

We are writing to express our lack of support for the repurposing of the first three rows of t-hangars at the Northern Colorado Regional Airport. As the fourth row, we feel the revision to executive hangars will directly impact us, both in terms of our investment as time progresses and also in the disruption to our tenants, as well as all aviation operators east of the hangars in question.

Besides obvious safety concerns on the ground, which we're sure you're aware of, isn't there a better use of the land surrounding the airport for these executive hangars that wouldn't be disruptive to the general aviation at FNL? A more efficient use of land would be giving the business/executive jets a space that allows them timely access to their planes without the worry of interference of general aviation traffic.

Moreover, our most burning issue is more personal. We have been trying since fall of 2019 to negotiate a new lease with the airport, and to see what's being offered to the Jet Center it seems we're being discriminated against. We've attached additional details to highlight this issue. Deals like this are detrimental to general aviation as the airport is only a vital part of the community if the people are treated fairly. What we see is an inherent bias against the little guy.

We have multiple concerns, as noted in the document attached, we would like to see addressed at the meeting and with the airport commission, should we have the opportunity.

Thank you for your time and consideration.
Jon, Paul & Kelly Steinway
RetroFit Builders | MPS Properties

I am a current tenant of a hangar on the front row. I, like most, waited a considerable amount of time to get a hangar. It is my comment and recommendation that the new leasee be required to offer hangars for rent to existing renters before the general public. last I heard the waitlist for hangars were 3-5 years long.

Thank you,
James Kelley

Hello,

I would like to provide my thoughts on the proposal by Jet Center to build a new facility where the first three rows of City owned T hangars are at. A little about myself. My great grand parents on both sides of my family go back to the 1870's in the Loveland/Fort Collins area. I run a family business in Loveland that is celebrating 58 years of serving our community supporting the building industry. I have over 30 years of history at our airport including building and currently owning a commercial hangar on thru the fence property which is under a long term lease with a multi billion dollar a year national corporation that does R&D and aircraft modifications in the civilian and military markets. I have for (probably over)20 years leased one of the front row hangars for my personal single engine aircraft. While I may have a bigger dog in this situation then some and I totally understand the airports right to demolish these 58 T hangars I have a real ethical issue with this being considered. There quite frankly is no place to house these aircraft and even if a developer came to the plate and offered to build a large group of T hangars I don't see this getting thru all of the planning/permitting and construction in less then 2-3 years.

I find this very troubling to say the least that the options of building to the north of the new terminal building is not being discussed. I would also like to add that Jet Center had been called out to improve their facility for over 15 years by the developer whom is building the new FBO on the south of the field. He told them that if they didn't, he would. So now it feels as if this is their knee jerk reaction to this. Also, why would rebuilding in they're current location not be an option.

I understood Master plans but they are guidelines, they are something that can be modified.

I can go on and on but I will stop for now but would love to be able to discuss in person or on the phone with anyone willing!

Regards,
Jim McCreery

The following public comments were presented at the June 23rd Airport Commission meeting:

- **Airport Staff Responses in Red**

Availability

- We're looking at 60 hangars that could go away, and in addition to that are 20 tie-downs.
 - **The area consists of 56 occupied hangars and 17 tie downs that may be impacted by the proposal- jetCenter may be able to keep all or some of the tie downs as the hangars would be owned and operated by the jetcenter with the adjacent ramp space for at least the next 24 years.**
- Many hangars are used by flying clubs or pilots involved in fractional ownership, with several pilots per plane, so this impacts a lot of pilots, perhaps 150-200 pilots in total.
 - **There are a number of aviation businesses and jointly owned aircraft. Estimates are difficult to determine as one aircraft could be theoretically used by 50 or more people if owned or leased back to a flight school. This applies to a small percentage of the units.**
- I recently lost my rented hangar due to its sale and in my search for another affordable hangar I have discovered a real shortage of hangar space at a reasonable rate.
- Hangar space is extremely scarce. Wait lists are years long. Why can't we build both general Aviation and business jet hangars?
 - **The Airport has always relied upon the private sector to construct hangars for aircraft storage. These hangars were supported past their 40-year lease term by the airport for as long as they were structurally able to be supported or if a redevelopment opportunity was identified.**
- How many people are on your hangar waiting list?
 - **There are a total of 24 unique individuals on the waiting lists, but some of them are on multiple lists. The Airport owned hangars are very popular since they are the smallest, oldest, and therefore least expensive hangars on the airport.**
- Civil Air Patrol aircraft will be displaced by this project and the folks down in Denver want to know what's going to happen to our aircraft. We've done a lot of search and rescues in the region over several decades.
 - **Civil Air Patrol has been provided a free hangar at the Airport, which would be displaced by this project in the jetCenter proposed phase 2 within 3-5 years.**
- The only options projected to be available at FNL in the near future are large, rectangular, executive hangars costing \$300K - \$500K or more. This is far out of reach for most private pilots, and is not a real alternative. Basic T-hangars need to be part of the plan.
 - **The Cities have relied upon the private sector to construct hangars for aircraft storage.**
- Hangar space is extremely scarce. Wait lists are years long. Did you think everyone would just slide right into a nice new hangar somewhere with no problem? Most will have no place to go and be forced to sell. Most will lose money on the sale. It sounds like the makings of a nice class-action lawsuit.
 - **Hangars come up for sale frequently on the Airport. The Airport has never constructed hangars on the airfield, and relies upon the private sector for supporting hangar demand. Losing money on the sale of an aircraft has nothing to do with hangar availability.**

Notification & timing of development

- If this has been planned since 2006, why were none of the tenants notified when they signed a lease?
 - All airport tenants and stakeholders were invited multiple times to public meetings and workshops to provide input on the Airport Master Plans to include the 2007 and 2020 versions that included this as a redevelopment area. These meetings were also provided to local aviation organizations and adopted by the Airport Commission and City Councils.
- Most tenants privately believe they are being mistreated based on short notice of potential lease termination and lack of readily available replacements.
 - Hangar leases are month to month. The proposal includes not less than 6-months notice, with most having a number of years to find an alternative location.
- A 6-month notice is inadequate, and leaves airplane owners with no reasonable options to relocate.
 - 18 of 56 hangars will be impacted by the 6 months notice, with the majority being able to enjoy their hangar for a number of years potentially.
- Unfortunately, there was far too little time for meaningful public comment or discussion.
 - The Commission tabled the item to allow for additional public comment
- This has been on the books for quite some time, but I think it's always been assumed there would be reasonable and affordable replacement hangars built.
 - The Cities have relied upon the market to drive these decisions by investors. If there was a market for affordable replacement hangars, this could be a catalyst for them.
- If this has been planned since 2006, why were none of the tenants notified when they signed a lease? Why haven't replacement T-hangars not been built to transition the tenants into?
 - Tenants were notified. The terms for the leases are month to month. Additionally, the Airport Master Plan process for the past 15 years reflects this as a redevelopment area.

Cost Concerns

- I would like to believe that "highest and best use" refers to more than just profit. Certainly, balance sheets are important for any organization, but I believe the airport also has an obligation to serve the citizens and taxpayers who support it.
 - The Cities are subsidizing these hangars currently
- Hangars are old but they are structurally sound and serviceable and with minimal maintenance they are quite adequate for the current use.
 - This is an opinion and some of the issues with the hangars are liability concerns for the Airport.

- The focus appears to be on large corporate type hangars vs hangars for individuals like me who use the airport for our small privately-owned airplanes.
 - The cities have an obligation to the whole to provide for the best interests of the people that the Airport serves
- I would like to believe that "Highest and Best Use" refers to more than just profit.
 - The definition is: Legally permissible, physically possible, financially feasible, and generates the highest return
- What do we want to do with this Airport? Are we going to include everybody or just the wealthy?
 - Redevelopment of old hangars is not specifically targeting wealth classes
- How do we find a similar cost solution for renting space that keeps us here? It looks like costs will roughly double, we're gone at double. We'll get booted.
 - Public comment suggestion was to organize with others to construct a facility that is similar to these units with a new long-term lease with the Airport.
- What are you willing to do to improve relationships with the City, namely planners who want to have sprinklers on the ceilings and heat. Now water is an issue because new hangars are required to have restrooms. Water taps are around \$60,000.
 - Airport and City staff have had this conversation with the Water District staff without success.
- A plane that sits out on the ramp loses value, so I consider that to be a taking and I consider that to be economic discussion. As I understand it, that's part of our mandate as per the FAA.
 - Providing hangar space is not a requirement by the FAA, providing available land to a private party at a reasonable rate to be used for aeronautical purposes at a federally funded airport is a requirement.
- As far as the quality of the hangars, I'm not concerned about that. I'm an engineer, these hangars still have life in them.
 - The lifecycle for a common t-hangar is approximately 50 years. Some of these units have surpassed this timespan, and soils have created issues with the floors, flooding issues, and structural integrity.

Parity (with other leases) & lack of knowing the opportunity existed

- I pay \$0.30/sq. ft. that's going to \$0.35/sq. ft. next year and my other hangar is already at \$0.40 sq. ft. and increasing by consumer price index (CPI) every year. (This comment refers hangars that will not be impacted by this proposal)
 - This was for a lease extension on an improved lot. This comment does not compare to the proposal being considered.
- It's a very competitive industry, and I believe that front door would be incredibly competitive if there were some other people that knew that this opportunity was available. I really think you should step back and look at the whole landscape.
 - An option that the Cities can consider is to put the area for redevelopment out for bid for aeronautical use

- We have been trying since fall of 2019 to negotiate a new lease with the Airport, and to see what's being offered to the jetCenter, it seems we're being discriminated against. (This comment refers hangars will not be impacted by this proposal)
 - This lease extension request was addressed by the Airport Commission in February of 2020 and direction was given to Airport staff. Staff reached out by email following the Commission meeting, but no response from the lessee was received.
 - Business Aviation Group: We have no problem with jetCenter making an investment into the Airport, we think that's great. All we want from the Cities is parity. We'd like to see that they're held to the same standard we've been held to for our development. This is really kind of an archaic way of throwing a hangar in the middle of a tarmac, especially a corporate 28-foot door hangar that is not associated with the lease, but is a separate SASO lease.
 - The current proposal satisfies all standards, policies, and regulatory requirements.
-

Loveland City Councilor – Andrea Sampson Ward 2: Were the stakeholders who helped to create the Master Plan included in bringing this proposition forward? Is jetCenter paying enough to help for the needed new hangars?

Director Licon's email response to Councilor Samson:

Good afternoon Councilor Samson,

Thank you for your comments and questions during the Airport Planning and Development Subcommittee meeting yesterday. What is being considered is a private sector proposal that was brought forward by the Fort Collins - Loveland jetCenter, who are one of many stakeholders engaged with the Master Plan development process. The Fort Collins-Loveland jetCenter's proposal is for the expansion of their existing business. This particular proposal in its current form does not include a plan or funding that would provide for the displaced hangar units.

Here is a brief synopsis of the Airport Master Plan process for reference:

The Airport Master Plan is the development guide for the Airport, which at a high level includes a recommended airfield layout, aviation demand forecasting, and a financial plan. This planning project was conducted over a period of over two years between April 2018 to November of 2020, and was funded through grants with the Federal Aviation Administration and the Colorado Department of Transportation Division of Aeronautics. Both City Councils that jointly own and operate the Airport from Loveland and Fort Collins unanimously approved the Airport's Master Plan on November 3, 2020 and November 17, 2020 respectively. This approval was given after considerable outreach and public comment solicitations and three public workshop events resulting in over 30 public meetings. These meetings were open to the public and advertised well beyond the federal requirements as well as those of both Cities'. They were conducted in a highly transparent fashion where feedback was

requested from all public stakeholders, including both Councils, Larimer County Commissioners, airport users, area residents, and nearby businesses and landowners.

And here is a brief on the process that we are currently engaged in regarding this proposal:

The consideration by the Airport Commission for proposals that meet the policies and regulations of the Airport is the initial step for obtaining a lease agreement approval. Obviously, this proposal has generated a substantial amount of public comment, which the Airport Commission has requested staff and their Planning & Development Subcommittee to review prior to further consideration. The Northern Colorado Regional Airport (NCRA) Commission sets airport policy and will review this particular development proposal prior to recommending its adoption by the City Councils. The Airport is one of the most heavily regulated entities in the County, and being a jointly owned and operated entity the Airport reviews proposals by utilizing policies approved by both City Councils and the NCRA Commission which includes the 2020 Airport Master Plan, 2020 Updated Airport Strategic Plan, 2020 Airport Development Design Standards, 2020 Airport Development Guide, and all associated Federal, State, and local rules and regulations. You can find these are also all available on our website: <https://www.flynoco.com/airport-development> and <https://www.flynoco.com/airport-commission/guiding-documents> . If this agreement moves forward and is approved by both cities, the development process would then engage the City of Loveland's Development Services department to satisfy any and all requirements pertaining to building and fire code. In short, this is the beginning of many steps that have to be completed for proposals that are more complex, meaning not as simple as building a standard hangar on vacant available land.

I hope that this information is helpful to you and please feel free to reach out if you have any further questions on this important matter proposal or any other Airport matters.

Best Regards,
Jason Licon
Airport Director

**HANGAR GROUND LEASE AGREEMENT
4910, 4920, 4930, & 4960 GRUMMAN ST**

**CITIES OF LOVELAND AND FORT COLLINS,
COLORADO,
AND
FORT COLLINS-LOVELAND JETCENTER, INC**

**DATED
JUNE 17, 2021**

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EXHIBIT A, Description of Leased Premises

EXHIBIT B, Rental Payment Exhibit

LEASE AGREEMENT-

THIS HANGAR GROUND LEASE AGREEMENT, made and entered into this 17th day of June, 2021, is by and between the Cities of Fort Collins and Loveland, Colorado (the “**Cities**”) and Fort Collins-Loveland jetCenter, Inc., hereinafter called “**Lessee**.”

WITNESSETH:

WHEREAS, the Cities own and operate an airport known as the Northern Colorado Regional Airport located in Larimer County, Colorado, including the real property upon which the same is located, (hereinafter, the “**Airport**”); and

WHEREAS, the Cities and Lessee are mutually desirous of entering into this Lease Agreement (“**Agreement**”) for the use and occupancy of certain areas at the Airport; and

WHEREAS, the Cities desire to accommodate, promote and enhance general aviation at the Airport and Lessee desires to be assured of the Airport's continued availability as a base for aircraft; and

WHEREAS, the Cities and Lessee have reached an understanding in principle, which envisions Lessee's construction of a hangar building or buildings, without cost to the Cities.

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and conditions herein contained, the Cities do hereby lease to Lessee the area(s) of the Airport described in Article 2 hereof (the “**Leased Premises**”) on the terms and conditions hereinafter set forth.

ARTICLE 1: TERM; OPTIONS; RIGHT OF FIRST REFUSAL

1.1 The initial term of this Agreement shall commence at 12:01 a.m. on July 1, 2021, and expire at 11:59 p.m. on June, 31, 2046, a duration of twenty-five (25) years, hereinafter the “**Initial Term**,” unless sooner terminated in accordance with the provisions hereof.

1.2 Subject to the conditions set forth herein, Lessee shall have the option to extend the term of this Agreement for three (3) additional periods of five (5) years each, hereinafter the “**Extended Term(s)**,” provided Lessee is not in default in the payment of any rent or in default in any other provisions of this Agreement at the time of its exercise of any such option. Lessee may exercise each option by giving written notice to the Cities not more than eighteen (18) months, nor less than six (6) months prior to the expiration of the Initial Term or the then-current Extended Term, of Lessee’s intent to exercise its option to extend. With the exception of rentals due, as set forth in Section 4.1, the terms and conditions applicable during the Initial Term of this Agreement shall remain applicable during any Extended Term. The rent escalation shall continue throughout the Initial Term and any Extended Term as provided in Article 4.

1.3 The Cities desire to offer Lessee an opportunity to enter into a new lease for the Leased Premises on the terms set forth in this Section 1.3 upon the expiration of the last of the three (3) Extended Terms described in Section 1.2 above, should they be exercised by Lessee. If Lessee desires to continue occupying the Leased Premises after the expiration of all three (3) Extended Terms, Lessee may request that the Cities grant a new lease agreement. Such a request shall be made by Lessee in writing and delivered to the Cities not later than one hundred twenty (120) days prior to the expiration of the last Extended Term. If: (i) if Lessee is not then in default under any provision of this Agreement; and (ii) the Cities in their discretion wish to offer to lease the Leased Premises to hangar tenants or an association of hangar tenants; and (iii) such a new lease would be consistent with the Airport’s master plan then in effect and any and all federal rules, regulations, directives, guidelines or other obligations with respect to Airport, including but not limited to the “grant assurances” to the FAA ; then the Cities may, in their sole discretion, offer Lessee

a new lease of the Leased Premises, under such terms and conditions, including rental rates and duration of the lease term and on the then-current lease form being offered by the Cities.

ARTICLE 2: LEASED PREMISES

2.1 The Leased Premises consist of the parcel of land described in **Exhibit "A"**. Without limiting the foregoing, the Cities acknowledges that the Hangars (as defined below) to be constructed upon the leased premises shall, during the term of this Agreement, be and remain the property of Lessee or any successor in interest.

ARTICLE 3: USE OF LEASED PREMISES

3.1 Lessee shall use and occupy the Leased Premises for the following purposes and for no other purpose whatsoever unless approved in writing by Cities:

3.1.1 For the construction, installation, maintenance and operation of a hangar building or buildings (the "Hangars") to be used for the parking, storage, servicing, repair, maintenance, modification, and construction of aircraft owned or operated by Lessee. Lessee's construction, installation, maintenance and operation of the Hangars shall comply with and be subject to the requirements of the Airport Minimum Standards, including the Airport Land Use and Design Standards incorporated therein. Lessee's use of the Leased Premises, including use for storage of aircraft owned by Unaffiliated Entities, shall be of a non-commercial nature, unless a commercial use is approved by the Cities by a separate written License. The foregoing shall not preclude the subleasing of space within individual Hangar buildings to Unaffiliated Entities, so long as a License is obtained if required by the Airport's Minimum Standards then in effect. Any such License shall require compliance with Minimum Standards for the Provision of Commercial Aeronautical Activities at the Airport (the "Minimum Standards"), as they then exist or are thereafter adopted or amended by the Cities. Any such commercial use must also be consistent with the City of Loveland, Colorado, building, use and zoning regulations and requirements applicable to the Leased Premises. Lessee warrants that all aircraft based at the Leased Premises shall comply with noise standards established under Part 36 of Title 14 of the Code of Federal Regulations, ("FAR 36") as amended from time to time. The Leased Premises shall not be used for residential purposes.

3.1.2 The Cities make no representations, guarantees, or warranties that the Leased Premises may be lawfully used for the purposes set forth in this Section 3.1. Lessee shall have the sole responsibility of obtaining all applicable permits or other governmental approvals necessary to construct and use the Leased Premises as intended herein. This Agreement is expressly conditioned upon Lessee obtaining all such permits and approvals within the following time frames: within eighteen (18) months of the commencement date set forth in Section 1.1 herein for Phase I, within five (5) years of the commencement date set forth in Section 1.1 herein for Phase II, and within nine (9) years of the commencement date set forth in Section 1.1 herein for Phase III. The failure of Lessee to obtain any such permits or approvals within the foregoing time frames, or the failure of Lessee to maintain any such permits or approvals during the term of this Agreement shall result in termination of this Agreement pursuant to Article 18, generally, and to Section 18.9 specifically as to any phases for which such permits and approvals have not been obtained.

3.1.3 During the term of this Agreement, Lessee must regularly house at least one airworthy aircraft or at least one aircraft that periodically may be in active stages of assembly or reassembly in each Hangar, use each Hangar for the primary purpose of aircraft storage, and each Hangar shall be used for Aeronautical Activities only, unless the prior written permission of the Cities is first obtained. The term "Aeronautical Activities shall mean any activity or service that involves, makes possible, facilitates, is related to, assists in, or is required for the operation of aircraft, or which contributes to or is required for the safety of aircraft operations.

ARTICLE 4: RENT

4.1 Lessee shall pay rent as set forth on Exhibit B attached hereto and incorporated herein.

4.2 Commencing on May 1st next occurring after the date of this Agreement, and on May 1st in each year thereafter during the remainder of the Initial Term, the annual rent shall be adjusted by multiplying the annual rent payable in the next preceding year by a fraction, the numerator of which shall be the C.P.I., as hereinafter defined, published for the previous month of December and the denominator of which shall be the C.P.I. published for the month of December which preceded the month used as the numerator. In no event shall the annual rent be reduced from that payable in a previous year. If this Agreement is executed after January 1st, such C.P.I. increase for the calendar year in which this Agreement is executed shall be prorated. If Lessee elects to exercise its option for any Extended Term, and accordingly, the rental for the first year of such Extended Term has been set on the basis of current market rates, then rental for any subsequent year of such Extended Term shall be adjusted in accordance with the C.P.I formula set forth in this section above.

4.2.1 The term "C.P.I." as used herein shall mean the Consumer Price Index for all Urban Consumers (CPI_U), All Items, for Denver-Boulder-Greeley, CO as published by the Bureau of Labor Statistics of the United States Department of Labor, 1982-84 base = 100. In the event the base year is changed, the C.P.I. shall be converted to the equivalent of the base year 1982-84 = 100. In the event the Bureau of Labor Statistics ceases to publish the C.P.I., or this index, an equivalent or comparable economic index will be used.

4.3 The annual rent payable hereunder may be paid in advance in annual installments, or shall be paid in equal monthly installments on the first day of each month in advance at the office of the Airport Manager or at such other office as may be directed in writing by the Cities. Payments due to the Cities under this Agreement shall be paid without offset. In addition to any other remedies provided in this Agreement, in the event that any rental, fee or charge set forth in this Agreement is not paid to the Cities within ten days of the date due, Lessee agrees to pay a late charge of \$50.00 for each such late payment, and default interest shall accrue on such payment from the date the payment was due, at a rate of twelve percent (12%) per annum. If any action is brought to collect any amounts due under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney fees and costs incurred.

4.4 Lessee, as additional rent, shall complete construction of Hangars and related Improvements on the Leased Premises, in accordance with plans and specifications approved by the Cities. The Hangars shall, collectively, be at least a total of 66,400 square feet in size and shall have a concrete or asphalt floor, with each Hangar to have at least one aircraft access door sized to accommodate an average private aircraft. Lessee shall use commercially reasonable and diligent efforts to complete construction of the Hangars and other such Improvements within the following time frames: (i) for Phase I as described in Exhibit B-1 attached hereto and incorporated herein, the earlier of eighteen (18) months of the Cities' approval thereof or within two years from the date of this Agreement; (ii) for Phase II, five (5) years from the date of this Agreement; and (iii) for Phase III, nine (9) years from the date of this Agreement.

4.4.1 Cities Right to Terminate. If Lessee fails to construct the Hangars and other such Improvements in accordance with the provisions of this section, the Cities may, in their sole discretion, terminate this Agreement with respect to the Phase for which Lessee failed to complete construction within the required time frame.

4.4.2 Lessee's Right to Terminate. If Lessee fails to construct the Hangars and other such Improvements in accordance with the provisions of this section, and such failure to construct is caused by force majeure or improper action of the Cities, then this Agreement may be cancelled

by Lessee upon thirty (30) days' notice to the Cities, in which event and as of the date of such cancellation, Lessee shall be released from any further obligations under this Agreement.

4.5 Lessee, as additional rent, shall construct and maintain a paved aircraft ramp area on the Leased Premises (the "Ramp."). The Ramp must be designed and built to specifications, and for a minimum weight bearing capacity, established by the Cities, built to the full width of the Leased Premises, and to connect with adjacent taxiway, ramp and/or auto parking areas, in order that a continuous and safe pavement section results. If access to the Leased Premises is not available on existing taxiways and/or roadways, then Lessee may also be required to construct the same pursuant to Section 7.1.1. It is the responsibility of Lessee to maintain the entire Ramp area, and all other pavement areas on the Leased Premises, in a manner, which is safe and clean of debris so as not to cause danger or unsafe conditions for taxiing aircraft and Airport users. Notwithstanding the foregoing, the Cities shall be responsible for snow removal on the aircraft Ramp area excluding any parking and side lots and excluding any area within three feet (3') of any Hangar; provided, however, that priority of snow removal shall be in accordance with the Cities' Snow Removal Plan as it now exists or as it may be amended in the Cities' sole discretion. Lessee grants to users of the Airport the right to use aircraft Ramp areas on the Leased Premises from time to time for passage of aircraft on and near the adjacent taxiway. The construction time and default provisions of subsection 4.4 shall be applicable to the Ramp described in this subsection.

4.6 Subject to the provisions of Article 10, Lessee shall keep the Leased Premises, and the Hangar, Ramp and any and all structures constructed by Lessee on the Leased Premises (collectively, the "Improvements" hereinafter), free and clear of any liens and encumbrances, except as contemplated by Article 10, or unless expressly approved in writing by the Cities, and shall indemnify, hold harmless and defend the Cities from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Lessee. In the event any lien is filed, Lessee shall do all acts necessary to discharge any lien within ten (10) days of filing, or if Lessee desires to contest any lien, then Lessee shall deposit with the Cities such security as the Cities shall reasonably demand to insure the payment of the lien claim. In the event Lessee fails to pay any lien claim when due or fails to deposit the security with the Cities, then the Cities shall have the right to expend all sums necessary to discharge the lien claim, and Lessee shall pay the Cities, as additional rental when the next rental payment is due, all sums expended by the Cities in discharging any lien, including reasonable attorneys' fees and costs, and interest at twelve percent (12%) on the sums expended by the Cities from the date of expenditure to the date of payment by Lessee.

4.7 Lessee agrees to comply with Minimum Standards adopted by the Cities for the Airport, as they now exist or as they may hereafter be adopted or amended. Fees due under such Minimum Standards or pursuant to any License issued for commercial activities conducted in whole or part on the Leased Premises, may be collected by the Cities as additional rent under this Agreement, in addition to any other remedies available to the Cities.

ARTICLE 5: ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

5.1 Lessee acknowledges that it has inspected the Leased Premises, conducted such studies and tests thereof (including environmental tests) as it deems necessary, and accepts possession of the Leased Premises "as is" in its present condition, and, subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration, the rules and regulations of the Airport, and by ordinances of the Cities, admits its suitability and sufficiency for the uses permitted hereunder. The Cities represent to Lessee that, to their knowledge, the Leased Premises are free of any adverse environmental conditions and no part of the Leased Premises lies in a flood hazard area or constitutes a fresh water wetland, nor is any part of the Leased Premises within one hundred feet (100') feet of a fresh water wetland. Except as may otherwise be provided for herein, the Cities shall not be required to maintain nor to make any improvements, repairs or restoration upon or to the Leased Premises or to any of the improvements presently located thereon or placed thereon by Lessee.

5.2 Except as provided in Section 4.5, Lessee shall, throughout the term of this Agreement, assume the entire responsibility, cost and expense, for all repair and maintenance whatsoever on the Leased Premises and all Improvements thereon in a good workmanlike manner, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, Lessee, without limiting the generality hereof, shall:

5.2.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all Improvements thereon and all of Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises. Lessee shall not park or leave, or allow to be parked, aircraft on the taxiways, ramps or pavement adjacent to any Hangar in a manner which unduly interferes with or obstructs access to other hangars or movement on adjacent taxiways.

5.2.2 Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by law.

5.2.3 Take measures to prevent erosion, including but not limited to, the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon, if any, and in particular shall plant, maintain and replant any landscaped areas.

5.2.4 Be responsible for the maintenance and repair of all utility services lines placed on the Leased Premises and used by Lessee exclusively, including, but not limited to, water lines, gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers.

5.2.5 In the event Lessee discovers any hazardous material on the Leased Premises, it will promptly notify the Cities in writing.

5.2.6 If extraordinary repairs or maintenance to the Improvements are required during the last five years of the Initial Term or any Extended Term of this Agreement, Lessee may elect not to repair and/or maintain the Improvements, by giving the Cities written notice of its election. In such case, Cities shall have the option of requiring Lessee to either (a) clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; or (b) transfer title to the Improvements to the Cities, as is. Upon Lessee's election and compliance with this section, the Cities shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

5.3 Plans and specifications for each of the Improvements and all repairs (other than emergency repairs), construction, alterations, modifications, additions or replacements to the Improvements, including those made to any paving upon the Leased Premises, excluding non-structural repairs, construction, alterations, modifications, additions or replacements costing less than ten thousand dollars (\$10,000.00) shall be submitted to the Cities for approval, which approval shall not be unreasonably denied, providing the plans and specifications comply with the provisions of this Agreement, the Airport Land Use and Design Standards, as well as all applicable building, use and zoning regulations. Submittal of the above described Plans and Specifications shall also include a site plan, drainage plan, and building plan for the initial project development. The site plan shall show the location of all Improvements on the Leased Premises, including the Hangars, pavements, utilities and location of the Hangars on the site. The drainage plan must show how drainage will be handled and be approved by the Airport Manager prior to a building permit being issued by the City of Loveland. Lessee shall reimburse the Cities for all costs incurred for providing a legal survey and legal description of the Leased Premises and for a proportional share of any costs to bring road access and utilities to the Leased Premises, should the Cities agree to do so. Prior to the commencement of any construction of the Improvements Lessee shall have the Leased Premises staked by a certified surveying company to ensure all Improvements are placed accurately on the Leased Premises. Within ninety (90) days of the certificate of occupancy being received, Lessee shall submit to

the Airport Manager a full set of as-built record drawings of the Improvements, which among other things, depicts exact locations of all Improvements, including utilities, made on and/or off of the Leased Premises.

ARTICLE 6: ADDITIONAL OBLIGATIONS OF LESSEE

6.1 Lessee shall conduct its operations hereunder in an orderly and proper manner, considering the nature of such operations, so as not to unreasonably annoy, disturb, endanger or be offensive to others.

6.2 Further, Lessee shall take all reasonable measures:

6.2.1 To reduce to a practicable minimum vibrations tending to damage any equipment, structure, buildings or portions of buildings.

6.2.2 Not to produce or allow to be produced on the Airport through the operation of machinery or equipment any electrical, electronic or other disturbances that interfere with the operation by the Cities or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications.

6.3 Lessee shall comply with all federal, state and municipal laws, ordinances, rules, regulations and requirements, the Airport's Minimum Standards, Airport security rules and regulations, and other Airport rules and regulations, as they now exist or may hereafter be amended or promulgated, and the terms of this Agreement, applicable to the Leased Premises and the Improvements thereon and its operations and activities at the Airport hereunder.

6.4 Lessee shall commit no nuisance, waste or injury on the Leased Premises, and shall not do, or permit to be done, anything that may result in the creation, commission or maintenance of such nuisance, waste or injury on the Leased Premises.

6.5 Lessee shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.

6.6 Lessee shall take measures to insure security in compliance with Federal Aviation Administration Regulations and the Airport Security Plan, as they now exist or may hereafter be amended or promulgated.

6.7 Lessee shall not do, nor permit to be done, any act or thing which will invalidate or conflict with any fire insurance policies or regulations applicable to the Leased Premises or any part thereof; or other contiguous premises at the Airport.

6.8 Lessee shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food or of any vending machines or device designed to dispense or sell merchandise or services of any kind to the general public, unless all required development approvals and permits for that activity are first obtained from the Cities.

6.9 Except for uses permitted under Article 3 to be performed by Lessee, Lessee shall not provide or allow to be provided aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises, for commercial purposes, without all required development approvals, and a License from the Cities if and as required by the Airport's Minimum Standards then in effect.

6.10 Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof, and any other noise, to a minimum, by such methods as are practicable, considering the extent and type of the operations of Lessee and the limitations of federal law. In addition, Lessee will employ the maximum amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of their operations, but in no event less than those devices required by federal, state or local law. In its use of the Leased Premises, Lessee shall take all possible care, exercise caution and use commercially reasonable efforts to minimize prop or jet blast interference and prevent jet blast damage to aircraft operating on taxiways and to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Leased Premises. In the event the Cities determine that Lessee has not curbed the prop or jet blast interference and/or damage, Lessee hereby covenants and agrees to erect and maintain at its own expense such structure or structures as may be necessary to prevent prop or jet blast interference, subject, however, to the prior written approval of the Cities as to type, manner and method of construction.

6.11 Following the completion of construction of the Hangars, Lessee shall not store nor permit the storage of disabled aircraft or any equipment or materials outside of the Hangars constructed on the Leased Premises, without the written approval of the Cities.

6.12 On forms and at the frequency prescribed by the Airport Manager, and with respect to each aircraft stored on the Leased Premises, Lessee shall provide the Cities with the (a) make and model (b) N-number and (3) identity and address of the registered owner. This requirement shall apply to aircraft whether owned by Lessee or another party, and regardless of whether its storage is subject to the Minimum Standards.

ARTICLE 7: INGRESS AND EGRESS

7.1 Lessee shall have the right of ingress and egress between the Leased Premises and the public landing areas at the Airport by means of connecting taxiways; and between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. Lessee shall have the right to use the public runways and public aviation aids at all times during which they are open to the public. Such rights of ingress, egress and use shall be in common with others having rights of use and passage thereon.

7.1.1 If, at the time of entering into this Agreement, access to the Leased Premises is not available on existing taxiways and/or roadways, then such taxiways and/or roadways necessary for Lessee's use and occupancy shall be constructed at the sole expense of Lessee, in accordance with construction specifications and design criteria approved by the Cities for the uses contemplated by Lessee. The Cities shall have no obligation whatsoever for the cost of these improvements. Upon completion of construction, Lessee shall certify that the taxiways and/or roadways so constructed have been built to such specifications and criteria, and those portions of any such taxiways and/or roads located off the Leased Premises shall be conveyed and dedicated to the Cities, which shall accept them for maintenance. Upon such conveyance and dedication, Lessee shall warrant that the same shall be free of defects in materials and workmanship for a period of not less than two (2) years after the date of such conveyance and dedication. Such warranty shall be backed by a warranty bond or another form of security instrument, satisfactory to the Cities in their sole discretion, in the amount of not less than fifteen-percent (15%) of the construction cost of the improvements warranted.

7.2 The use of any such roadways or taxiways shall be subject to the Rules and Regulations of the Airport, which are now in effect or which may hereafter be promulgated, and subject to temporary closure, provided, however, that any closure shall be only for reasonably necessary or unique circumstances, and provided that fourteen (14) days prior written notice will be given to Lessee relevant to any closure, unless such closure is necessary due to emergency. Lessee, for itself and its authorized

subtenants, hereby releases and discharges the Cities, the Commission, their officers, employees and agents, and all their respective successors and assigns, of and from any and all claims, demands, or causes of action which Lessee or its authorized subtenants may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, provided that other reasonable means of access to the Leased Premises remain available to Lessee without cost to Lessee, unless otherwise mandated by emergency safety considerations or lawful exercise of the police power. Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Leased Premises or in any streets or roadways on the Airport.

ARTICLE 8: INSURANCE, DAMAGE OR DESTRUCTION

8.1 Lessee, at its sole cost and expense, shall procure and maintain throughout the term of this Agreement insurance protection for all risk coverage on the Improvements which are part of the Leased Premises, to the extent of one hundred percent (100%) of the actual replacement cost thereof. Such insurance shall be written by insurers acceptable to Cities. The insurance shall provide for ten (10) days' notice of cancellation or material change, by certified mail, return receipt requested, to the Cities, Attention: Airport Manager.

8.1.1 The above stated property insurance shall be for the benefit and to safeguard the interests of the Cities and Lessee.

8.1.2 Lessee shall settle all losses with the insurance carrier. Lessee shall consult with the Cities and use its best efforts to obtain a settlement that covers the cost of repairing or rebuilding the Improvements.

8.1.3 Lessee shall provide certificates of insurance, in a form acceptable to the Cities and marked "premium paid" evidencing existence of all insurance required to be maintained prior to occupancy of the Improvements. Upon the failure of Lessee to maintain such insurance as above provided, the Cities, at their option, may take out such insurance and charge the cost thereof to Lessee, which shall be payable on demand, or may give notice of default pursuant to Article 18.

8.2 In the event the Improvements and any subsequent improvements, insurable or uninsurable, on the Leased Premises are damaged or destroyed to the extent that they are unusable by Lessee for the purposes for which they were used prior to such damage, or same are destroyed, Lessee shall promptly repair and reconstruct the Improvements substantially as they were immediately prior to such casualty or in a new or modified design, subject to the provisions of Article 5 hereof and applicable building codes and the Airport Land Use and Design Standards, existing at the time of repairing or rebuilding. If the aforesaid damage or destruction occurs in the last five years of the Initial term or any option term of this Agreement, Lessee may elect not to repair and reconstruct the Improvements, subject to the following terms and conditions:

8.2.1 Lessee shall give the Cities written notice of its election not to repair and reconstruct the Improvements within ninety (90) days of the date upon which the Improvements were damaged or destroyed. In such case, and Cities shall have the option of either:

8.2.1.1 Requiring Lessee to clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; in which case Lessee shall retain all insurance proceeds above those necessary to fund such site restoration; or

8.2.1.2 Taking title to the damaged Improvements, as is, in which case Lessee shall assign to and the Cities shall retain all insurance coverage and proceeds.

8.2.3 Upon Lessee's notice under Section 8.2.1 hereof and Lessee's compliance with the provisions of Sections 8.2.1.1 or 8.2.1.2 hereof, the Cities shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

8.3 All policies of insurance required herein shall name the Cities as additional insureds.

8.4 Whenever in this Agreement, provision is made for the carrying of any insurance, it shall be deemed that such provision is complied with if such insurance otherwise complying with such provision is carried under a blanket policy or policies covering the Leased Premises as well as other properties.

8.5 Lessee shall not violate, nor permit to be violated, any of the conditions of any of the said policies; and shall perform and satisfy, or cause to be satisfied, the requirements of the companies writing such policies.

ARTICLE 9: LIABILITIES AND INDEMNITIES

9.1 The Cities and the Commission shall not in any way be liable for any cost, liability, damage or injury including cost of suit and expenses of legal services, claimed or recovered by any person whomsoever, or occurring on the Leased Premises, or the Airport, or as a result of any operations, works, acts or omissions performed on the Leased Premises, or the Airport, by Lessee, its agents, servants, employees or authorized tenants, or their guests or invitees. Lessee, and each of its Unit Owners, shall not in any way be liable for any cost, liability, damage or injury including cost of suit and expenses of legal services, claimed or recovered by any person whomsoever, or occurring on the Lease Premises, or the Airport, or as a result of any operations, works, acts, or commission performed on the Lease Premises, or the Airport, solely by the Cities and the Commission, their agents, servants, employees or authorized tenants, or their guests or invitees.

9.2 Lessee and its Unit Owners agree to indemnify, save and hold harmless, the Cities and the Commission, their officers, agents, servants and employees, of and from any and all costs, liability, damage and expense, including costs of suit and reasonable expenses of legal services, claimed or recovered, justly or unjustly, falsely, fraudulently or frivolously, by any person, firm or corporation by reason of injury to, or death of, any person or persons, including Cities' personnel, and damage to, destruction or loss of use of any property, including Cities' property, directly or indirectly arising from, or resulting from, any operations, works, acts or omissions of Lessee, its agents, servants, employees, contractors, or authorized tenants. Upon the filing with the Cities by anyone of a claim for damages arising out of incidents for which Lessee herein agrees to indemnify and hold the Cities harmless, the Cities shall notify Lessee of such claim and in the event that Lessee does not settle or compromise such claim, then Lessee shall undertake the legal defense of such claim on behalf of Lessee and the Cities. It is specifically agreed, however, that the Cities at their own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against the Cities for any cause for which Lessee is liable shall be conclusive against Lessee as to liability and amount upon the expiration of the time for appeal.

9.3 Lessee shall procure and keep in force during the term of the Lease policies of Comprehensive General Liability insurance insuring Lessee and the Cities against any liability for personal injury, bodily injury, death, or property damage arising out of the subject of this Agreement with a combined single limit of at least one million dollars or with a limit of not less than the maximum amount that may be recovered against the Cities under the Colorado Governmental Immunity Act, whichever is greater. No such policies shall be cancelable or subject to reduction in coverage limits or other modification except after ten (10) days prior written notice to the Cities. The policies shall be for the mutual and joint benefit and protection of Lessee and the Cities and such policies shall contain a provision that the Cities, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents, citizens, and employees by reason of negligence of Lessee. Lessee shall provide

certificates of insurance, in a form acceptable to the Cities and marked "premium paid" evidencing existence of all insurance required to be maintained prior to the commencement of the Agreement.

9.4 Lessee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any way connected with this Agreement. Lessee agrees to save and hold the Cities, their officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of Lessee under or in any way connected with this Agreement.

ARTICLE 10: LEASEHOLD MORTGAGES

10.1 If Lessee shall execute a Leasehold Mortgage of its leasehold estate to an entity which is not directly or indirectly owned or controlled by, or is not under common ownership or control with Lessee (collectively, an "Unaffiliated Entity" hereafter), and if the holder of such Leasehold Mortgage shall provide the Cities through the Commission or Airport Manager with notice in the manner described in Article 23 with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee, then following receipt of such notice by the Cities, the provisions of this Article 10 shall apply in respect to such Leasehold Mortgage.

10.2 The term "Leasehold Mortgage" as used in this Agreement shall include, but not be limited to, a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee's leasehold estate is mortgaged, conveyed, assigned, or otherwise transferred, to secure a debt or other obligation, in connection with the construction contemplated by Sections 4.4 through 4.5, above.

10.3 The Cities, upon providing Lessee any notice of default under this Agreement or termination of this Agreement, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address specified in the notice given pursuant to Section 10.1, above. Such Leasehold Mortgagee shall have the additional periods of time specified in Sections 10.4 hereof to remedy, commence remedying, or cause to be remedied the default or acts or omissions which are specified in any such notice. The Cities shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee.

10.4 Anything contained in this Agreement to the contrary notwithstanding, if any default shall occur which entitles the Cities to terminate this Agreement, the Cities shall have no right to terminate this Agreement unless, following the expiration of the period of time given Lessee to cure such default or the act or omission which gave rise to such default, the Leasehold Mortgagee is given an additional period of thirty (30) days to:

10.4.1 Notify the Cities of such Leasehold Mortgagee's desire to defeat such Termination Notice; and

10.4.2 Pay or cause to be paid all rent, additional rent, and other payments then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and which may become due during such thirty (30) day period; and

10.4.3 Comply with due diligence and continuity, or in good faith commence to and with diligence continue to pursue compliance with all non-monetary requirements of this Agreement then in default.

10.5 The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Agreement or of the leasehold estate hereby created, nor shall the Leasehold Mortgagee, as

such, be deemed to be an assignee or transferee of this Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions of this Agreement. Any Leasehold Mortgagee who takes an instrument of assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the leasehold estate. If the Leasehold Mortgagee or its designee shall become holder of the leasehold estate and if the Hangar and Improvements on the Leased Premises shall have been or become materially damaged on, before or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace or reconstruct the building or other improvements.

ARTICLE 11: RULES AND REGULATIONS

Lessee acknowledges that the Cities have proposed or adopted rules and regulations with respect to the occupancy and use of the Airport, and such rules and regulations may be amended, supplemented or re-enacted from time to time by the Cities provided that such rules and regulations apply generally to all similar occupants and users on the Airport. Lessee agrees to observe and obey any and all such rules and regulations and all other federal, state and municipal rules, regulations and laws and to require its officers, agents, employees, subtenants, contractors, and suppliers, to observe and obey the same. In the event of a conflict between the provisions of Airport Rules and Regulations and this Agreement, the more stringent provisions shall control. This provision will include compliance with the Airport's Noise Abatement Plan as it now exists and as it may hereafter be amended or supplemented. The Cities reserve the right to deny access to the Airport and its facilities to any person, firm or corporation that fails or refuses to obey and comply with such rules, regulations or laws. Nothing in this Article 11 shall be construed to limit the rights of Lessee to file any action challenging the lawfulness of any such amendment, supplement or reenactment of any such rule or regulations, or to challenge the application of the same to Lessee.

ARTICLE 12: SIGNS

Lessee shall have the right to install and maintain one or more signs on the Leased Premises identifying it and its operations, provided, however, the subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to and in accordance with the City of Loveland Sign Code, and the Airport Land Use and Design Standards. No sign will be allowed that may be confusing to aircraft pilots or automobile drivers or other traffic.

ARTICLE 13: ASSIGNMENT AND SUBLEASE

The prior written consent of the Cities shall be required for any sale, transfer, assignment or sublease of this Agreement and of the leasehold estate hereby created. Consent may be withheld by the Cities in the event (a) Lessee is in default of any of the terms or conditions of this Agreement, (b) the transferee or assignee does not deliver to the Cities its written agreement to be bound by all of the provisions of this Agreement in a form satisfactory to the Cities, or (c) the transferee or assignee does not submit proof of insurance as required at Sections 8 and 9, herein. Consent shall not otherwise be unreasonably withheld. Upon the granting of written consent by the Cities and actual transfer or assignment, Lessee shall be released by the Cities from its obligations under this Agreement. Other than in the manner set forth in Article 31 below, Lessee shall not subdivide or fractionalize either its ownership of the Improvements or leasehold interest in the Leased Premises.

ARTICLE 14: CONDEMNATION

14.1 In the event that all or any portion of the Leased Premises is taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of appropriation, condemnation

or eminent domain (or pursuant to a sale to such power or authority under the threat of condemnation or eminent domain), all rents payable with respect to that portion of the Leased Premises taken shall no longer be payable, and the proceeds, if any, from such taking or sale shall be allocated between the Cities and Lessee in accordance with the applicable condemnation law, with Lessee being entitled to compensation for the fair market value of the leasehold interest, Improvements and personal property taken. If a portion of the Leased Premises is so taken or sold, and as a result thereof, the remaining part cannot reasonably be used to continue the authorized uses set forth in Article 3, then this Agreement shall terminate at Lessee's election, and Lessee's obligation to pay rent and perform the other conditions of the lease shall be deemed to have ceased as of the date of such taking or sale.

14.2 The Cities expressly reserve the right to grant or take easements on rights-of-way across the Leased Premises if it is determined to be in the best interest of the Cities to do so. If the Cities grant or take an easement or right-of-way across any of the Leased Premises, Lessee shall be entitled only to compensation for damages to all Improvements owned by Lessee destroyed or physically damaged thereby, but not to damages for loss of use of the Leased Premises itself. Damages to improvements shall be determined by the reduction in fair market value of the Improvements caused by said damage or cost of repair, whichever is less.

14.3 Lessee understands and agrees that the Cities have the right to take all or any portion of the Leased Premises, and any additions, alterations or improvements thereon, should the Cities, in their sole discretion, determine that said portion of the Leased Premises, and improvements thereon, are required for other Airport purposes, without initiating condemnation proceedings. If such action is taken, the Cities shall substitute comparable areas within the Airport, or any additions or extensions thereof, brought to the same level of improvement as the area taken. The Cities shall bear all expenses of bringing the substituted area to the same level of improvement to the area taken, and of moving Lessee's improvements, equipment, furniture and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture or fixtures cannot be relocated, the Cities shall replace, at their own expense, such non-relocatable improvements and other property with comparable property in the substituted area, and the Cities shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, any mortgagee, or any other third party whomsoever. It is the specific intent of this subparagraph that Lessee would be placed, to the extent possible, in the same position it would have been, had the Cities not substituted new premises for the Leased Premises; provided however, that the Cities shall not be obligated to reimburse Lessee for lost revenues or other costs due to such substitution. In the event that such substitution of area is demanded by the Cities, Lessee shall have the right and option to terminate this Agreement, prior to the Cities commencing the substitution, upon thirty (30) days prior written notice to Cities, in which event the Cities shall pay Lessee the fair market value of all Improvements constructed on the Leased Premises pursuant to approval of the Cities. Nothing in this subparagraph shall be construed to limit the Cities' rights to condemn Lessee's leasehold rights and interests in the Leased Premises pursuant to state law.

ARTICLE 15: NON-DISCRIMINATION

15.1 Lessee, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises, for a purpose for which a United States government program or activity is extended, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

15.2 Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

15.2.1 No person on the grounds of race, color, disability or national origin shall be excluded from participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;

15.2.2 That in the construction of any Improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

15.2.3 That Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

15.3 In this connection, the Cities reserve the right to take whatever action they might be entitled by law to take in order to enforce this provision following the sixty (60) days prior written notice to Lessee of any alleged violation. This provision is to be considered as a covenant on the part of Lessee, a breach of which, continuing after notice by the Cities to cease and desist and after a determination that a violation exists made in accordance with the procedures and appeals provided by law, will constitute a material breach of this Agreement and will entitle the Cities, at their option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce.

15.4 Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility at the Leased Premises providing service to the public and shall include a provision granting the Cities a right to take such action as the United States may direct to enforce such covenant.

15.5 To the extent legally required and applicable, Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, disability or sex, be excluded from participation in any employment activities covered in 14 CFR Part 152 Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered sub organizations provide assurances to Lessee that they similarly will undertake affirmative action program and that they will require assurances from their sub organizations, to the extent required by 14 CFR Part 152, Subpart E, to the same effect.

ARTICLE 16: GOVERNMENTAL REQUIREMENTS

16.1 Lessee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over Lessee's operations at the Leased Premises which may be necessary for Lessee's operations on the Airport.

16.2 Lessee shall pay all taxes, license, certification, permits and examination fees and excise taxes which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder or on the gross receipts or gross income to Lessee there from, and shall make all applications, reports and returns required in connection therewith.

16.3 Lessee shall pay all water, sewer, utility and other applicable use taxes and fees, arising from its occupancy and use of the Leased Premises and/or the Improvements.

ARTICLE 17: RIGHTS OF ENTRY RESERVED

17.1 The Cities, by their officers, employees, agents, representatives and contractors, shall have the right at all reasonable times to enter upon the Leased Premises and enter the Improvements for any and all purposes not inconsistent with this Agreement, including, without limitation, inspection and environmental testing, provided such action by the Cities, their officers, employees, agents, representatives and contractors does not unreasonably interfere with Lessee's use, occupancy or security requirements of the Leased Premises. Except when necessary for reasons of public safety or law enforcement, or for the protection of property, as determined by Cities, Cities shall provide seventy-two (72) hours written notice of its intent to inspect.

17.2 Without limiting the generality of the foregoing, the Cities, by their officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at their own cost and expense, whether for their own benefit, or for the benefit of others than Lessee at the Airport, to maintain existing and future Airport mechanical, electrical and other utility systems and to enter upon the easements in the Leased Premises to make such repairs, replacements or alterations thereto, as may, in the opinion of the Cities, be deemed necessary or advisable, and from time to time to construct or install over, in or under existing easements within the Leased Premises such systems or parts thereof and in connection with such maintenance use the Leased Premises existing easements for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction, the Cities shall not install a utility under or through any building on the Leased Premises or unreasonably interfere with the actual use and occupancy of the Leased Premises by Lessee, all such utilities to be placed within existing easements, except as provided in Article 14. It is specifically understood and agreed that the reservation of the aforesaid right by the Cities shall not impose or be construed to impose upon the Cities any obligation to repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services only to the Leased Premises; provided, however, that if they repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services to others, the Cities will restore the Leased Premises to their preexisting condition in a timely manner. Lessee will provide for the installation, maintenance and repair, at its own expense, of all service lines of utilities providing services only to the Leased Premises. Cities will repair, replace and maintain all other utility lines, at Cities' expense.

17.3 In the event that any personal property of Lessee shall obstruct the access of the Cities, their officers, employees, agents or contractors, or the utility company furnishing utility service over, along and across the existing easements to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system pursuant to Section 17.2, Lessee shall move such property, as directed by the Cities or said utility company, upon reasonable notice by the Cities, in order that access may be had to the system or part thereof for inspection, maintenance or repair. If Lessee shall fail to so move such property after direction from the Cities or said utility company to do so, the Cities or the utility company may move it, and Lessee hereby waives any claim against the Cities for damages as a result there from, except for claims for damages arising from the Cities' negligence.

ARTICLE 18: TERMINATION

18.1 In the event of a default on the part of Lessee in the payment of rents, the Cities shall give written notice to Lessee and each holder of a Leasehold Mortgage, if any, of which it has been give notice under Section 10.1, of such default, and demand the cancellation of this Agreement, or the correction thereof. If, within sixty (60) days after the date the Cities give such notice, Lessee has not corrected said default and paid the delinquent amount in full, then subject to Article 10, above the Cities may, by written notice to Lessee and holder of a Leasehold Mortgage, terminate this Agreement.

18.2 Subject to the provisions of Section 18.1 above, this Agreement, together with all rights and privileges granted in and to the Leased Premises, shall terminate at the option of the Cities with prompt

written notice to Lessee and holder of a Leasehold Mortgage upon the happening of any one or more of the following events:

18.2.1 The filing by Lessee of a voluntary petition in bankruptcy, or any assignment for benefit of creditors of all or any part of Lessee's assets; or

18.2.2 Any institution of proceedings in bankruptcy against Lessee; provided, however, that Lessee may defeat such termination if the petition is dismissed within one hundred twenty (120) days after the institution thereof; or

18.2.3 The filing of a petition requesting a court to take jurisdiction of Lessee or its assets under the provision of any Federal reorganization act which, if it is an involuntary petition is not dismissed within one hundred twenty (120) days after its being filed; or

18.2.4 The filing of a request for the appointment of a receiver or trustee of all, or substantially all, of Lessee's assets by a court of competent jurisdiction, which if the request is not made by Lessee is not rejected within one hundred twenty (120) days after being made, or the request for the appointment of a receiver or trustee of all, or substantially all, of Lessee's assets by a voluntary agreement with Lessee's creditors.

18.3 Upon the default by Lessee in the performance of any covenant or condition required to be performed by Lessee other than the payment of rent, and the failure of Lessee, and each holder of a Leasehold Mortgage to remedy such default for a period of sixty (60) days after mailing by the Cities of written notice to remedy the same, unless more extensive notice is otherwise provided for in this Agreement, the Cities may, by written notice of cancellation to Lessee, and each such holder of a Leasehold Mortgage, terminate this Agreement and all rights and privileges granted hereby in and to the Leased Premises.

18.4 Upon the default by Lessee, and the giving of notice of the default and cancellation by the Cities as provided for elsewhere herein, the notice of cancellation shall become final.

18.5 Subject to the provisions of Section 18.1, upon the cancellation or termination of this Agreement for any reason, all rights of Lessee, authorized tenants and any other person in possession shall terminate, including all rights or alleged rights of creditors, trustees, assigns, and all others similarly so situated as to the Leased Premises. Except as may be expressly provided to the contrary elsewhere herein, upon said cancellation or termination of this Agreement for any reason, the Leased Premises and all Improvements located thereon, except for Lessee's equipment, fixtures and other personal property which may be removed from said Leased Premises without damage thereto as provided elsewhere herein, shall be and become the property of the Cities, free and clear of all encumbrances and all claims of Lessee, its subtenants, creditors, trustees, assigns and all others, and the Cities shall have immediate right of possession of the Leased Premises and such Improvements.

18.6 Failure by the Cities or Lessee to take any authorized action upon default by Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by Lessee shall not be construed to be, nor act as, a waiver of said default nor of any subsequent default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by Lessee. Acceptance of rentals by the Cities from Lessee, or performance by the Cities under the terms hereof, for any period or periods after a default by Lessee of any of the terms, covenants and conditions herein required to be performed, kept and observed by Lessee shall not be deemed a waiver or estoppel of any right on the part of the Cities to cancel this Agreement for any subsequent failure by Lessee to so perform, keep or observe any of said terms, covenants or conditions.

18.7 This Lease will terminate at the option of Lessee:

18.7.1 Upon the permanent closure of the Airport, the term "permanent closure" to mean for the purposes of this Agreement, the closure of the airport for ninety (90) or more consecutive days;

18.7.2 The loss of the ability of Lessee due to no significant fault of Lessee to fly in or out of the Airport for reasons other than inclement weather, casualty or disaster, for a period of ninety (90) consecutive days; and

18.7.3 The default by Cities in the performance of any covenant or condition required to be performed by the Cities, and the failure of the Cities to remedy such default for a period of sixty (60) days after receipt from Lessee of written notice to remedy the same, or default in the timely payment of any money due Lessee and failure to cure such default within sixty (60) days after notice to the Cities. Notice of exercise of the option to terminate by Lessee shall be given in the manner specified in Article 23 (Notices). In the event of Termination pursuant to this subsection 18.7.3, Lessee shall be entitled to compensation from the Cities for the fair market value of the Improvements.

18.8 If Lessee ceases to conduct its authorized Aeronautical Activities on the Leased Premises for a period of twelve (12) consecutive months, the Cities may terminate this Agreement by written notice to Lessee given at any time while such cessation continues, unless Lessee resumes such activities within sixty (60) days following receipt of written notice from the Cities of such intent to terminate this Agreement.

18.9 If Lessee fails to obtain any required permit or other governmental approval for the use of the Leased Premises pursuant to Section 3.1, within eighteen (18) months of the commencement date set forth in Section 1.1, or if Lessee fails to maintain any such permits or approvals during the term of this Agreement, this Agreement shall terminate, unless cured by Lessee within sixty (60) days following receipt of written notice from the Cities specifying the nature of such failure. Upon termination of this Agreement pursuant to this Section 18.9, and upon vacating the Leased Premises, Lessee shall not be required to pay additional rents, but no refund shall be due to Lessee of payments made by Lessee pursuant to this Agreement.

18.10 Upon termination of this Agreement prior to the expiration of the Initial Term or the Extended Term, if any, the Cities may, but are not required to, relet the Leased Premises, or any part thereof, for the whole or any part of the remainder of such Initial Term or Extended Term, or for a longer period of time. Subject to Section 21.3, any rents received by the Cities as a result of such reletting shall remain the property of the Cities and shall not be credited to or otherwise become the property of Lessee.

ARTICLE 19: SURRENDER AND RIGHT OF RE-ENTRY

19.1 Subject to Section 8.2 above, upon the expiration, cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to the Cities in the condition required by Article 29 below. Upon such expiration, cancellation or termination, the Cities may re-enter and repossess the Leased Premises together with all Improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at the Cities' election.

19.2 In the event that Lessee remains in possession of the Leased Premises after the expiration, cancellation or termination of this Lease without written agreement with respect thereto, then Lessee shall be deemed to be occupying the Leased Premises as a tenant at-will, subject to all of the conditions, provisions and obligations of this Lease, but without any rights to extend the term of this Lease. The Cities' acceptance of rent from Lessee in such event shall not alter the status of Lessee as a tenant at will whose occupancy of the Leased Premises may be terminated by Cities at any time upon ten (10) days prior written notice.

ARTICLE 20: SERVICES TO LESSEE

20.1 The Cities covenant and agree that during the term of this Agreement, and subject to Airport priorities then in effect, they will use reasonable efforts to (a) operate the Airport as such for the use and benefit of the public; provided, however, that the Cities may prohibit or limit any given type, kind or class of aeronautical use of the Airport if such action is necessary for the safe and/or efficient operation of the Airport or necessary to serve the civil aviation needs of the public, (b) maintain the runways and taxiways in good repair, including the removal of snow, and (c) keep in good repair hard-surfaced public roads for access to the Leased Premises and remove snow there from.

20.1.1 Said obligations of the Cities relevant to the maintenance of public roads and taxiways shall extend to the point where in such roads, streets and taxiways reach the property line of the Leased Premises, or the Ramp area constructed by Lessee under Section 4.5.

20.1.2 Said obligations of the Cities relevant to the snow removal from public roads and taxiways shall extend to the point where in such roads, streets and taxiways reach the property line of the Leased Premises, and shall additionally include the Ramp area constructed by Lessee under Section 4.5 subject to the snow removal limitations set forth under Section 4.5.

20.2 Except in cases of emergency, in which case no notice shall be required, Cities will endeavor to give not less than fourteen (14) days' prior written notice to Lessee of any anticipated temporary Airport closure, for maintenance, expansion or otherwise. Notwithstanding the above, the Cities shall not be deemed to be in breach of any provision of this Article 20 in the event of a permanent closure of the Airport. Provided, however, that if such permanent closure is in connection with the construction of a new airport by the Cities, Lessee shall have the option to enter into a substitute hangar ground lease agreement with the Cities, for the use of a portion of such new airport not smaller than the Leased Premises, under financial terms which are no less favorable than those set forth herein.

ARTICLE 21: SURVIVAL OF THE OBLIGATIONS OF LESSEE

21.1 In the event that the Agreement shall have been terminated due to default by Lessee in accordance with notice of termination as provided in Article 18, all of the obligations of Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Cities to the same extent, at the same time or times, and in the same manner as if no termination, re-entry, regaining or resumption of possession had taken place. The Cities may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term of this Agreement.

21.2 The amount of damages for the period of time subsequent to termination (or re-entry, regaining or resumption of possession) on account of Lessee's rental obligations shall be the sum of the following:

21.2.1 The amount of the total of all installments of rents, less the installments thereof payable prior to the effective date of termination; and

21.2.2 An amount equal to all expenses incurred by the Cities and not reimbursed in connection with regaining possession, restoring the Leased Premises required by Article 19, above, acquiring a new lease for the Leased Premises, legal expenses (including, but not limited to, attorneys' fees) and putting the Leased Premises in order.

21.3 There shall be credited to the account of Lessee against its survived obligations hereunder, the amount actually received from any lessee, licensee, permittee, or other occupier in connection with the use of the said Leased Premises or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement, and the market value of the occupancy of such portion of the Leased Premises as the Cities may themselves during such period actually use and occupy. No such use and occupancy shall be, or be construed to be, an acceptance of a surrender of the Leased Premises, nor shall such use and occupancy constitute a waiver of any rights of the Cities. The Cities will use their best efforts to minimize damages to Lessee under this Article.

21.4 The provisions of this Article 21 shall not be applicable to termination of this Agreement pursuant to Section 3.1.2 or Section 4.4, or if expressly provided to the contrary elsewhere in this Agreement.

ARTICLE 22: USE SUBSEQUENT TO CANCELLATION OR TERMINATION

The Cities shall, upon termination or cancellation, or upon re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Leased Premises, including changes which alter its character and the suitability thereof for the purposes of Lessee under this Agreement, without affecting, altering or diminishing the obligations of Lessee hereunder, provided that any structural changes shall not be at Lessee's expense.

ARTICLE 23: NOTICES

23.1 Any notice, consent, approval or other communication given by either party to the other relating to this Agreement shall be in writing, and shall be delivered in person, sent by U.S. mail postage prepaid, sent by reputable overnight courier, or sent by electronic means (with evidence of such transmission received) to such other party at the respective addresses set forth below (or at such other address as may be designated from time to time by written notice given in the manner provided herein). Such notice shall, if hand delivered or personally served, be effective immediately upon receipt. If sent by US mail postage prepaid, such notice shall be deemed given on the third business day following deposit in the United States mail, postage prepaid and properly addressed; if delivered by overnight courier, notice shall be deemed effective on the first business day following deposit with such courier; and if delivered by electronic means, notice shall be deemed effective when received.

23.2 The notice addresses of the parties are as follows:

To the Cities:

Northern Colorado Regional Airport Commission
Attn: Airport Manager
4900 Earhart Drive
Loveland, CO 80538
Facsimile: (970) 962-2855
Email address: airport@cityofloveland.org

With a copy to:

Loveland City Attorney's Office
500 E. Third Street
Loveland, CO 80537

and

To Lessee:

jetCenters, Inc.
Attn: Tony Buckley
7800 East Dorado Place
Greenwood Village, CO 80111
Email Address: tbuckley@jetcenters.net

ARTICLE 24: INVALID PROVISIONS

The invalidity of any provisions, articles, paragraphs, portions or clauses of this Agreement shall have no effect upon the validity of any other part or portion hereof, so long as the remainder shall constitute an enforceable agreement. Furthermore, in lieu of such invalid provisions, articles, paragraphs, portions or clauses, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such invalid provision as may be possible and be legal, valid and enforceable.

ARTICLE 25: MISCELLANEOUS PROVISIONS

25.1 Remedies to be Non-exclusive. All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to the Cities, or Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy provided that the Cities' remedies in the event of default shall not exceed those set forth in this Agreement.

25.2 Non-liability of Individuals. No director, officer, agent or employee of the Cities shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same. Except to the extent expressly provided for herein, no manager, member, agent or employee of Lessee or of any Unit Owner shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same.

25.3 Estoppel Certificate. At the request of Lessee in connection with an assignment of its interest in this Agreement, the Cities shall execute and deliver a written statement identifying them as the Lessors under this Agreement and certifying:

25.3.1 The documents that then comprise this Agreement,

25.3.2 That this Agreement is in full force and effect,

25.3.3 The then current annual amount of rent and the date through which it has been paid,

25.3.4 The expiration date of this Agreement,

25.3.5 That no amounts are then owed by Lessee to the Cities (or, if amounts are owed, specifying the same)

25.3.6 To the knowledge of the Cities, there are not defaults by Lessee under this Agreement or any facts which but for the passage of time, the giving of notice or both would constitute such a default, and

25.3.7 Remaining rights to renew the term of this lease to the extent not theretofore exercised.

The party acquiring Lessee's interest in the Agreement shall be entitled to rely conclusively upon such written statement.

25.4 Recording of Lease. This Agreement shall be recorded by the Cities, and the costs of such recordation, and any closing costs associated with this Agreement, its execution and recordation, shall be billed to and paid by Lessee as additional rent.

25.5 General Provisions.

25.5.1 This Agreement shall construed in accordance with the State of Colorado and venue shall be in Larimer County, Colorado.

25.5.2 This Agreement is made for the sole and exclusive benefit of the Cities and Lessee, their successors and assigns, and is not made for the benefit of any third party.

25.5.3 In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

25.5.4 All covenants, stipulations and agreements in this Agreement shall extend to and bind each party hereto, its legal representatives, successors and assigns.

25.5.5 The titles of the several articles of this Agreement are inserted herein for convenience only, and are not intended and shall not be construed to affect in any manner the terms and provisions hereof, or the interpretation or construction thereof.

25.5.6 Nothing herein contained shall create, or be construed to create, a partnership, joint venture, agency or any other relationship between the Cities and Lessee, other than that of landlord and tenant. The Cities and Lessee each expressly disclaim the existence of any such other relationship between them.

25.5.7 Cities have and may allow certain portions of the Airport to be used by others tenants at any time and Lessee shall not interfere in any manner with said other tenants or with the facilities granted to such tenants. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended, and the Cities reserved the right to grant to others the privilege and right of conducting any one or all of the activities specified herein, or any other activities of an aeronautical nature.

25.5.8 In the event any action or proceeding is brought to recover payments due under this Agreement or take possession of the Leased Premises and/or the improvements thereon, or to enforce compliance with this Agreement for failure to observe any of its covenants, the prevailing party shall be awarded reasonable attorneys' fees and costs as set by the court.

25.5.9 The time within which either party hereto shall be required to perform any act under this Agreement, other than the payment of money, shall be extended by a period equal to the number of days during which performance of such act is delayed unavoidably by strikes, lockouts, acts of God, governmental restrictions, failure or inability to secure materials or labor by reason of or similar regulation or order of any governmental or regulatory body, war, enemy action, acts of terrorism, civil disturbance, fire, unavoidable casualties, or any similar occurrence.

25.6 Availability of Government Facilities. In the event the existence, maintenance or operation of air navigation aids or other facilities supplied or operated by the United States or the State of Colorado at or in conjunction with the Airport are discontinued, the Cities shall have no obligation to furnish such facilities.

25.5.10 The Cities designate the Commission and the Airport Manager as its representatives who shall make, within the scope of their authority, all necessary and proper decisions with reference to the Lease.

ARTICLE 26: SUBORDINATION CLAUSES

26.1 This Agreement is subject and subordinate to the following:

26.1.1 The Cities reserve the right to develop and improve the Airport as they see fit, regardless of the desires or view of Lessee, and without interference or hindrance by or on behalf of Lessee, provided Lessee is not deprived of the use or access to the Leased Premises or any of Lessee's rights under this Agreement and unless said activities by the Cities shall result in the loss of convenient access to the Leased Premises by motor vehicles and/or aircraft owned or operated by Lessee or Lessee's assigns, subtenants, renters, agents, employees or invitees.

26.1.2 The Cities reserve the right to take any action they consider necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure on the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

26.1.3 This Agreement is and shall be subordinate to the provision of existing and future agreements between the Cities and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of federal funds for the benefit of the Airport.

26.1.4 During the time of war or national emergency, the Cities shall have the right to lease all or any part of the landing area or of the airport to the United States for military use, and if any such lease is executed, the provisions of this Agreement insofar as they may be inconsistent with the provisions of such lease to the government, shall be suspended, but such suspension shall not extend the term of this Agreement. Abatement of rentals shall be reasonably determined by the Cities and Lessee in proportion to the degree of interference with Lessee's use of the Leased Premises.

26.1.5 Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Agreement shall grant to Lessee any rights whatsoever in the airspace above the Leased Premises other than those reasonably necessary to Lessee's enjoyment of the Leased Premises and Cities' Airport facilities and which are consistent with Federal Aviation Administration rules, regulations and orders currently or subsequently effective. Further, Lessee's rights in airspace above the Leased Premises and the Airport and the Airport facilities shall be not less than the rights therein by other users of the Airport and Airport facilities.

ARTICLE 27: QUIET ENJOYMENT

Cities hereby covenant and warrant that they are the owners of the Leased Premises and that Lessee upon payment of rentals herein provided for and performance of provisions on its part to be performed shall and may peacefully possess and enjoy the Leased Premises during the term hereof and any extensions hereof without any interruption or disturbance.

ARTICLE 28: ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties hereto and may be changed, modified, discharged or extended by written instrument duly executed by the Cities and Lessee. The parties agree that no representations or warranties shall be binding upon the Cities or Lessee unless expressed in writing.

ARTICLE 29: TITLE TO IMPROVEMENTS UPON TERMINATION

29.1 Upon the expiration, cancellation or termination of this Agreement, Lessee may elect to remove the Improvements and all additions and appurtenances thereto at its own expense in accordance with the following:

(a) Lessee may elect to remove the Improvements upon expiration of the Initial Term or any Extended Term by giving the Cities written notice of Lessee's election not less than sixty (60) days prior to the expiration of the Initial Term or Extended Term (the "Notice Deadline"). If Lessee gives such written notice of its election on or before the Notice Deadline, Lessee shall complete removal of the Improvements and all additions and appurtenances as required by this Article 29 on or before the expiration of the Initial Term or any Extended Term. Failure of Lessee to give such written notice of its election on or before the Notice Deadline shall be deemed to be an election, by Lessee, to surrender ownership of the Improvements and all additions and appurtenances thereto to the Cities in accordance with Section 29.2 below.

(b) Lessee may elect to remove the Improvements upon cancellation or termination of this Agreement by giving the Cities written notice of its election within thirty (30) days after such cancellation or termination. Provided Lessee is not in default in the payment of rental or other financial obligations due hereunder and has given written notice of its election within such thirty (30) day period, Lessee shall have a reasonable time, not to exceed sixty (60) days after notice of such election is given to the Cities, in which to complete removal of Improvements and restoration as required by this Article 29. During any occupancy by Lessee after cancellation or termination of this Agreement for the time period prior to completion of removal of Improvements and restoration, Lessee shall be deemed to be holding over under the terms and conditions of Section 19.2 above and shall pay to the Cities rent at the then-current lease rate for such period. If Lessee (i) fails to give such written notice of its election within the thirty (30) day period set forth in this subsection (b); or (ii) is ineligible to make such election because Lessee is in default in the payment of rental or other financial obligations due hereunder, Lessee shall be deemed to have made an election to surrender ownership of the Improvements and all additions and appurtenances thereto to the Cities in accordance with Section 29.2.

(c) Removal of Improvements and all additions and appurtenances thereto and restoration as required under this Article 29 shall include Lessee's completion of all work necessary to leave the Leased Premises in a clean, orderly, and as close to original condition as possible as approved by the Cities, and shall include as a minimum:

(i) removal of all Improvements and above ground structures and above ground foundations, including utilities and utility connections, which shall be capped or otherwise left in a safe condition; and

(ii) modification of the surface so that it is free of any holes or obstructions that would prevent normal aircraft taxi operations and graded as necessary to ensure proper drainage.

29.2 In the event that Lessee fails to give written notice to the Cities of its election to remove Improvements within the time periods and as otherwise provided in Section 29.1 above, then Cities and Lessee agree that in consideration of Lessee's use of the Airport for construction and operation of the Improvements, the Improvements and all additions and appurtenances thereto shall become the property of

and title shall automatically vest in the Cities upon expiration, cancellation or termination of this Agreement, without payment of additional consideration by the City, and free and clear of all liens and encumbrances. Lessee agrees to execute all documents and take such reasonable actions, if any, as may be necessary to confirm the transfer of title to the Improvements to the Cities.

Lessee's obligations under this Article 29 shall survive any expiration, cancellation, or termination of this Agreement

ARTICLE 30: RIGHT OF FIRST REFUSAL

If at any time Lessee desires to sell, assign, or otherwise transfer its interest under this Agreement, including the Improvements existing on the Leased Premises, to an Unaffiliated Entity as defined in Section 10.1, above, and has obtained a bona fide offer for such sale, Lessee must first offer to sell, assign, or otherwise transfer such interest to the Cities, at the price and on the same terms as such bona fide offer, and the Cities shall have the right to purchase Lessee's interest under such terms. Such offer must be in writing and state the name of the proposed transferee and all of the terms and conditions of the proposed transfer. The Cities shall have the right for a period of sixty (60) after receipt of the offer from Lessee to elect to purchase Lessee's interest (such sixty (60) day period referred to as the "Election Period"). If the Cities do not desire to purchase Lessee's interest, Lessee may then sell, assign, or otherwise transfer its interest in this Agreement to the person making the said offer, at the price and terms set forth in the offer, subject to the requirements of Article 13. If Lessee fails to close such sale within sixty (60) days after the expiration of the Election Period, any proposed sale, assignment or other transfer thereafter shall again be subject to this Article. This right of the Cities shall be continuing and shall survive any sale, assignment or other transfer of Lessee's interest under this Agreement. The intent of this Article is to require all of Lessee's interests in this Agreement be sold, assigned or otherwise transferred intact, without fractionalization.

ARTICLE 31: REQUIREMENTS FOR CONDOMINIUMIZATION

This Agreement does not authorize Lessee to create either a common interest community or hangar condominiums on the Leased Premises. If Lessee desires to create a common interest community or hangar condominiums on the Leased Premises, a written amendment to this Agreement shall be required, containing such additional terms as the Cities may reasonably require, including but not necessarily limited to terms necessary for compliance with the Colorado state law.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

CITY OF FORT COLLINS, COLORADO

By: _____
Darin Atteberry, City Manager

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Senior City Attorney

CITY OF LOVELAND, COLORADO

By: _____
Stephen C. Adams, City Manager

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Assistant City Attorney

LESSEE:

FORT COLLINS-LOVELAND JETCENTER, INC.

By: _____
Tony Buckley, President & CEO

Date: _____

EXHIBIT B
Rental Payment Exhibit

(a) **Phase I Rent.** Commencing on July 1, 2021 (the “**Phase I Rent Commencement Date**”), Lessee agrees to pay to the Cities for the first (1st) year following the Phase I Rent Commencement Date an annual rent of \$0.30 per square foot for the Phase I Rental Area, for a total of \$16,009.80 per year, subject to adjustment pursuant to Section 4.2. “**Phase I Rental Area**” as used herein shall mean the area comprising a portion but not all of the Leased Premises generally depicted and identified on **Exhibit “B-1”** which is attached hereto and by this reference made a part hereof; the parties hereto have agreed that the Phase I Rental Area contains 53,366 square feet. The Phase I Rental Area includes paved areas which Lessee shall construct to comply with the Minimum Standards.

The parties acknowledge and agree that Lessee intends to develop and construct the remaining Leased Premises in phases comprising currently undetermined portions of the Leased Premises at times reasonably determined by Lessee.

(b) **Phase II Rent.** Commencing on July 1, 2021 (the “**Phase II Rent Commencement Date**”), Lessee agrees to pay to the Cities for the first (1st) year following the Phase I Rent Commencement Date an annual rent of \$0.05 per square foot for the Phase II Rental Area, for a total of \$3,535.40 per year, subject to adjustment pursuant to Section 4.2 plus 80% of the rental revenue generated by the existing aircraft hangars located at 4930 Grumman St, which are to be managed by the Lessee as part of this lease agreement as described in Section (e) below. Commencing on the earlier of (i) the date that the first certificate of occupancy (or its equivalent) is issued for any of the Improvements located within the Phase II Rental Area (as hereinafter defined) and (ii) the 5th anniversary of the Phase II Rent Commencement Date (the “**Phase II Rent Escalation Date**”), Lessee shall pay to the Cities an annual rent equal to the current Phase I rent per square foot multiplied by the Phase II Rental Area, subject to adjustment pursuant to Section 4.2. “**Phase II Rental Area**” as used herein shall mean the area comprising a portion but not all of the Leased Premises generally depicted and identified on **Exhibit “B-1”** which is attached hereto and by this reference made a part hereof; the parties hereto have agreed that the Phase II Rental Area contains 70,708 square feet. The Phase II Rental Area includes paved areas which Lessee shall construct to comply with the Minimum Standards.

(c) **Phase III Rent.** Commencing on July 1, 2021 (the “**Phase III Rent Commencement Date**”), Lessee agrees to pay to the Cities for the first (1st) year following the Phase I Rent Commencement Date an annual rent of \$0.05 per square foot for the Phase III Rental Area, for a total of \$2,583.90 per year, subject to adjustment pursuant to Section 4.2 plus 80% of the rental revenue generated by the existing aircraft hangars located at 4960 Grumman St, which are to be managed by the Lessee as part of this lease agreement as described in Section (e) below. Commencing on the earlier of (i) the date that the first certificate of occupancy (or its equivalent) is issued for any of the Improvements located within the Phase III Rental Area (as hereinafter defined) and (ii) the 9th anniversary of the Phase III Rent Commencement Date (the “**Phase III Rent Escalation Date**”), Lessee shall pay to the Cities an annual rent equal to the current Phase I rent per square foot multiplied by the Phase III Rental Area, subject to adjustment pursuant to Section 4.2. “**Phase III Rental Area**” as used herein shall mean the area comprising a portion but not all of the Leased Premises generally depicted and identified on **Exhibit “B-1”** which is attached hereto and by this reference made a part hereof; the parties hereto have agreed that the Phase III Rental Area contains 51,678 square feet. The Phase III Rental Area includes paved areas which Lessee shall construct to comply with the Minimum Standards.

(d) **Rent Escalation.** The escalation of Rent described herein above is generally described in **Exhibit “B-2”** attached hereto, such Exhibit is for demonstration purposes and is not intended to control

the CPI increases, or Rent Commencement Date or Rent Escalation Date for any Phase (as defined for each Phase above), such Dates to be established as set forth herein above.

(e) **Initial Rent Waiver.** Notwithstanding the foregoing, and in recognition of the fact that it may take Lessee a period of time to construct the Hangars described in Paragraph 4.4, Lessee's rent payment for the first three months of the first year of this Agreement and excluding any Extended Term shall be waived. If Lessee exercises any option to extend the term of this Agreement under Section 1.2, annual rent per square foot for the first year of such Extended Term shall be the greater of (a) the rent determined under Section 4.2, as if the Initial Term had continued throughout such Extended Term, or (b) the then current market rates for hangar ground leases at comparable airports in the Front Range area, which shall be deemed to include the Denver Metro Area north through Cheyenne. Cities and Lessee agree to use their best efforts to agree on then current market rates, and execute a Lease Extension Agreement, within ninety (90) days after Lessee's written notice of election is received by the Cities.

(f) **Rental Management.** The Cities shall assign the existing hangar leases to Lessee and Lessee shall be responsible for all obligations associated with the hangars on the Premises, including but not limited to collecting rent, and maintaining, repairing and insuring the hangars. If this Agreement is terminated for any reason, Lessee agrees to immediately assign any and all leases in place at the time of termination to the Cities. Lessee agrees to maintain the current lease rates for all of the existing leases, adjusting only for CPI as described in Section 4.2. Lessee agrees that it shall provide no less than six months advance written notice to tenants in hangars in each phased Rental Area prior to termination of their hangar leases. In addition, Lessee shall be responsible for any and all demolition costs associated with development during all phases.

RESOLUTION R-9-2021

A RESOLUTION RECOMMENDING APPROVAL BY THE CITY COUNCILS OF LOVELAND AND FORT COLLINS OF A HANGAR GROUND LEASE AGREEMENT WITH FORT COLLINS-LOVELAND JETCENTER

WHEREAS, the Cities of Fort Collins and Loveland (the “Cities”) jointly own and operate the Northern Colorado Regional Airport (the “Airport”), located within the city limits of Loveland; and

WHEREAS, the Airport currently owns 58 T-hangars on the Airport property (the “T-hangars”), 19 of which recently reverted to the ownership of the Airport following the expiration of certain long-term ground leases. The T-hangars date back to the 1960’s and 1970’s and are reaching the end of their serviceable lifespans; and

WHEREAS, the Airport was recently approached by Fort Collins-Loveland jetCenter (“jetCenter”), the Airport’s fixed-base operator, with a proposal to redevelop the area of land on which the T-hangars are located; and

WHEREAS, jetCenter and staff have agreed to a long-term lease (the “Lease”) of 175,752 square feet of Airport property adjacent to jetCenter’s current leased premises. The Lease has a standard term of 25 years plus three optional five-year renewal terms and requires rental payments commensurate with the Airport’s adopted land lease rates. The Lease further provides for jetCenter to redevelop the existing T-hangars with larger hangars in three phases over a period of 9 years. The proposed Lease is attached hereto as “Exhibit A” and incorporated herein; and

WHEREAS, given the age and condition of the T-hangars, the cost of maintaining them, and the proposed investment into redeveloping this area with new hangars, Airport staff believe that the proposed Lease is in the best interests of the Airport, and recommend approval by the Commission; and

WHEREAS, the Planning and Development Subcommittee (the “PDSC”) of the Northern Colorado Regional Airport Commission (the “Commission”) reviewed the proposed lease terms at its May 26, 2021 meeting and voted unanimously to recommend approval of a long-term lease to jetCenter; and

WHEREAS, the Commission has reviewed this matter and desires to approve the Lease and recommend final approval of the Lease by the City Councils of Fort Collins and Loveland as being in the best interests of the Airport and the Cities.

NOW, THEREFORE, BE IT RESOLVED BY THE NORTHERN COLORADO REGIONAL AIRPORT COMMISSION THAT:

1. That the Commission recommends that the City Councils of Loveland and Fort Collins approve the Lease, attached hereto as “Exhibit A” and incorporated herein.

2. That the Airport Director, in consultation with legal counsel for the Commission, may modify the Lease in form or substance as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the Airport and the Cities.

3. That this Resolution will be effective as of the date of adoption.

ADOPTED this ____ day of June, 2021.

By: _____
Don Overcash, Chair

ATTEST:

Secretary

APPROVED AS TO FORM:



Assistant City Attorney



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

ITEM NUMBER: 4

MEETING DATE: July 15, 2021

PREPARED BY: Jason Licon, Airport Director

TITLE

Recognition of Service for Commissioner Darin Atteberry

RECOMMENDED AIRPORT COMMISSION ACTION

Approve resolution R-10-2021 to recognize Darin Atteberry's service to the Airport

BUDGET IMPACT

Neutral

SUMMARY

The purpose of this item is to recognize Darin Atteberry and the service and support he has given to the Airport during his appointment on the Northern Colorado Regional Airport Commission and to previous Airport Committees.

ATTACHMENT

Resolution R-10-2021

RESOLUTION R-10-2021
RECOGNITION OF SERVICE OF COMMISSIONER DARIN ATTEBERRY

WHEREAS, as City Manager of Fort Collins, Darin Atteberry, has served for the past six years as Commissioner and is an active advocate for the Northern Colorado Regional Airport (the "Airport"); and

WHEREAS, Commissioner Atteberry's involvement has been instrumental in improving the Airport, including the creation of the Commission itself, the development of a Strategic Plans and Airport Master Plan, with a vision for the future of the Airport, and has been the longest serving member of the Airport's governing body; and

WHEREAS, Commissioner Atteberry's commitment to public service has been exhibited through his service to the City of Fort Collins, and the Northern Colorado Regional Airport Commission; and

WHEREAS, Commissioner Atteberry's presence, support, and contributions to the development of the Airport's vision and continued growth will continue on with the vision and trajectory that he has helped create.

NOW, THEREFORE, BE IT RESOLVED BY THE NORTHERN COLORADO REGIONAL AIRPORT COMMISSION THAT:

1. Commissioner Darin Atteberry be recognized and commended for his many years of service to the Northern Colorado Regional Airport Commission; and
2. The Airport Director is authorized and directed to provide Commissioner Darin Atteberry with a suitable token of appreciation commemorating his services to the Northern Colorado Regional Airport Commission.

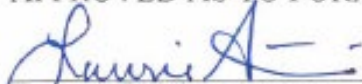
ADOPTED this ____ day of July, 2021.

ATTEST:

By: _____
Don Overcash, Chair

Secretary

APPROVED AS TO FORM:



Assistant City Attorney



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

ITEM NUMBER: 5

MEETING DATE: July 15, 2021

PREPARED BY: Jason Licon, Airport Director
Laurie Stirman, Airport Legal Counsel
Dan Reimer, Airport Legal Consultant

TITLE

Terminal Funding Discussion with Possible Executive Session

RECOMMENDED AIRPORT COMMISSION ACTION

Provide staff with direction on

BUDGET IMPACT

Not Available

SUMMARY

The Airport Commission has provided staff with direction on finding solutions to maximize the use of the federal funding to be applied to the new terminal project. This is a continuation of the public-private partnership (P3) investigation that was partially discussed during the June Airport Commission Meeting, as time would not allow for the entire item to be heard and considered.

Staff from the Cities and the Airport created and solicited a broad Request for Information (RFI) from third parties that may be interested in participating in the terminal project. Since this was published staff began investigating the feasibility and legality to utilize CARES Act funding combined with a private sector partner. The FAA did provide an affirmation that it is feasible to accomplish, and the Commission directed staff to investigate requirements to make this type of arrangement successful.

An aviation specialized attorney and P3 expert was hired by the Cities to assist with this investigation. Mr. Dan Reimer has been retained by the Cities and has extensive experience with aviation law and matters that pertain to public – private partnerships at airports and more specifically airport terminals. Mr. Reimer will provide information on how a successful P3 arrangement would need to be organized from this point, and discuss project funding and delivery recommendations including some examples.

Last month the Terminal design team conducted the fourth and final design charrette with the Airport Commission and PDSC. During the meeting the project team shared cost estimate results for the 15% design in addition to less costly building and site alternatives to consider. The Commission directed staff and the project team to continue with the original design, and to incorporate some of the practical value engineering items into the 30% design end product. This direction provides more clarity on the financial gap that exists which is approximately \$7.4 million. The following is an overview of the costs compared to available resources:

Costs

Commercial Apron Expansion 2021	\$3,011,046
Building Design & Construction	<u>\$23,738,881</u>
Total	\$26,749,927

Resources

Total Federal Funding	\$19,325,419
State Infrastructure Bank Loan	\$5,000,000
Other Financial Resources	<u>\$2,424,508</u>
Total	\$26,749,927

The \$7.4 million is what the Airport needs a solution for, which can be accomplished through a variety of ways:

- Value engineering ~\$400,000 savings from estimate leaving \$7 million remaining
- State Infrastructure Bank Loan up to \$5 million (currently being applied for)
- City provided capital contributions
- Future federal and state infrastructure funding (above what is needed to maintain current assets)
- Philanthropic resources (feasibility study underway)

The project assumes private sector opportunities to include the current design work and future construction of the new terminal. There will also be the ability for a P3 for the buildout of the concession spaces for both the airside and landside food and beverage areas. The site will also have the ability to support other private businesses including airlines, rental car agencies, ground support companies, and aviation service providers.

This item will include a possible executive session for the Airport Commission to discuss RFI submittals and obtain legal advice pertaining to the terminal funding negotiation(s).

ATTACHMENT

Terminal Funding Presentation

New Terminal Project Delivery

P3 and Other Options

Presentation to the Northern Colorado Regional Airport Commission

July 15, 2021

Funding Options

- CARES Act Grant = \$16.9M
- Funding shortfall = \$7.4M (based on 15% concept design pricing)
- Additional Funding Sources
 1. Private developer/operator
 2. State Infrastructure Bank
 3. Airport Improvement Program
 4. New legislation
 - Bipartisan Infrastructure Framework
 - TIFIA For Airports
 5. Debt
 6. Sponsorships and donations
 7. Airline

- CARES Act requires compliance with federal rules for capital projects
 - Davis-Bacon prevailing wages
 - Disadvantaged Business Enterprise
 - Buy American
- Standard FAA requirements will apply
 - Amendment to Airport Layout Plan
 - Environmental review under NEPA
 - Determination under Section 163 of the FAA Reauthorization Act of 2018
 - AIP Grant Assurances will *not* apply to project, but generally apply to Cities and Airport

- Design, Build, Finance, Operate and Maintain
 - Or Design, Build, Finance
- Multiple approaches, depending on desired deal structure and available revenues
 - Financing and funding by developer
 - Progress or availability payments from Cities
 - Lease or concession payments from developer
 - Revenue share
- CARES Act grant could be used for progress payments, availability payment and/or management fees

- Variables
 - Timing of new air service
 - Growth in enplanements over time
 - Predicted parking and concession revenue
 - Lifecycle costs (operate, maintain, refurbish)
 - Anticipated rate-setting methodology
 - Desired Cost-Per-Enplaning-Passenger (CPE)
- Cities might benefit from financial consultant to help develop deal structure and provide advice during negotiations with developer
- Same advisor can help with risk assessment and mitigation

- Full Process

1. Request for Information - Complete
 2. Retain advisors
 3. Value-For-Money Assessment
 4. Request for Qualifications – To shortlist qualified firms
 5. Request for Proposal – Among shortlisted firms
 6. Contract Negotiation – May use a pre-development agreement
 7. Approvals – Owner and developer
 8. Project Implementation
 - Design and Construction
 - Operation and Maintenance
- Cities reserve ability to stop at any stage prior to closing

Timing and Schedule

- Rough estimate – 12-18 months to close
- Schedule drivers
 - Cities need time to prepare procurement documents
 - Prospective bidders need time to assemble team and prepare proposal
 - Cities need time to assess bids and negotiate contract
- Options to shorten schedule (to perhaps 9-12 months)
 - Eliminate VFM and/or RFQ
 - Include contract in RFP (and limit exceptions)
 - Eliminate pre-development agreement



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

ITEM NUMBER: 6

MEETING DATE: July 15, 2021

PREPARED BY: Jason Licon, Airport Director

TITLE

Vision & Mission StratOp Recommendation

RECOMMENDED AIRPORT COMMISSION ACTION

Discuss and select the desired Vision & Mission Statements as a result of work done from the StratOp meeting.

BUDGET IMPACT

None

SUMMARY

This item is seeking the approval of the drafted Vision & Mission statements as created by Chair Overcash, PDSC member Diane Jones, and Stacy Person from Spinnaker Strategies.

ATTACHMENT

StratOp Vision & Mission Recommendations

Vision and Mission Statements

At the next meeting, we are seeking your input and approval on the included options in this powerpoint.

Perspective from Don and Diane is provided on slide 4 – thank you Diane and Don for drafting this work for us to finalize together!

MISSION: Why we exist? What do we do? Who do we serve? (Why and How)

- a) Serving the region, we are a catalyst for innovation in all modes of transportation, a driving force for innovation in business and training, and a global gateway to all travelers.
- b) We are a “smart” regional airport. We are a catalyst for innovative business development, research, training and education. We are a global gateway to a magnificent Colorado!
- c) Accelerating innovation and leading edge transportation through collaboration, continuous improvement, and top notch expertise.

VISION: To what do we aspire? What does it look like when we get there...the future? (What)

Tag Line: Partnering Today to Improve Tomorrow

a) Northern Colorado Regional Airport...sparking innovative transportation and leading edge economic development, training, research and education throughout the region.

b) Northern Colorado Regional Airport...accelerating innovation and research in leading edge transportation solutions and services and driving fresh economic opportunities in aviation, aerospace and business technologies.

Our thinking was based on comments from the StratOps session and our subsequent conversations. We tried to sort and identify some words and phrases that seemed to be prevalent. Here are the themes and concepts we considered:

There are two major components: innovative transportation and driving force for regional economic development

- Mobility/transportation (of all types) hub
- Airport going vertical
- Safe, reliable transportation solutions
- See the airport as: an accelerant; catalyst; a driver
- Airport is MUCH MORE than a fixed-wing facility
- Smart evolutionary growth of aviation
- Premier area and center for employment, transportation and economic development
- Technological research and development
- Partnerships: action will be with and through partners
- The airport provides _____ for/with _____ to _____.
- Safe and operationally excellent
- The airport is a catalyst to “do life” — work, recreate, innovate
- It will promote better everyday living
- Entrepreneurial, collaborative, connected, beacon of innovation
- Sense of place
- How to craft statements that convey a picture and/or story about what we aspire to



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ITEM NUMBER: 7

MEETING DATE: July 15, 2021

PREPARED BY: Jason Licon, Airport Director

TITLE

COVID Business Assistance Program Review

RECOMMENDED AIRPORT COMMISSION ACTION

Make a motion to allow the COVID Business Assistance Program be closed to new applicants, continue the ability for current program participants to utilize the program for new debt through September 30, 2021, and that all lease deferrals to be repaid within three years.

BUDGET IMPACT

Potentially negative due to risks of default

SUMMARY

This is an Airport Commission approved program designed to provide relief to Airport businesses due to the financial impacts of the COVID-19 Pandemic. A total of two companies are utilizing the program to defer lease payments. The lease deferral balance through the end of May 2021 was \$77,439.95. FAA guidance requires that upon the end of the 2020 calendar year, airports begin charging interest to balances using the published Federal treasury note interest rate. The monthly published rate for December 31, 2020 was 0.137%.

Airport staff is recommending that this program be closed to new applicants and to continue working with those that have deferred leases for repayment at a future date. Airport staff has reached out to businesses in the program in an effort to begin developing reasonable rent payback schedules, and both have identified that they will be repaying the rent deferrals in full for not longer than 36 months. During this time interest rates will be assessed as published and in accordance with regulations.

ATTACHMENT

None