



July 15, 2021 Meeting Minutes

- Call to Order:** Chair Overcash called the meeting to order at 3:32 pm
- Roll Call:** Chair Overcash, Vice-Chair Fleming, Commissioners Adams, Atteberry, and Stooksbury were present. Commissioners Arndt and Burgener were absent.
- Public Comments:** None

3:38 p.m. Commission Burgener arrived and entered the meeting.

Commission Stooksbury moved to switch the order of items 3 and 4 and switch the order for items 7 and 8. The motion, seconded by Commissioner Adams carried with all the Commissioners present voting in favor thereof.

Consent Agenda

Vice-Chair Fleming moved to approve the Consent Agenda. The motion, seconded by Commissioner Adams passed carried with all the Commissioners present voting in favor thereof.

- Pulled Items** None
- Consent Follow up** Director Licon announced Commissioner Curt Burgener's reinstatement as the City of Loveland's representative on the Airport Commission for an additional four years.

Public Comments: None

Regular Agenda

- 3. Recognition of Service for Commissioner Darin Atteberry** 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.

Public Comments: None

- 4. Fort Collins-Loveland jetCenter Development Proposal** This item was considered at the June 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, resulting in the item being tabled. 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. 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 received was included in this meeting's packet. Staff requested for the Airport Commission provide direction on next steps related to this proposal.

Most of the variables can only be estimated, such as t-hangar buildings' remaining life, exact phasing of the redevelopment, and the increase in fuel sales related to the development. Short-term revenue impacts are projected to be negative, but mid to long-term revenue impacts are projected to be positive.

The Airport Commission directed staff in the form of their approval and adoption of the 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.

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.

Vice-Chair Fleming moved to have the proposed redevelopment area published as an RFP and to have a parallel T-hangar replacement planned at the same time. The motion, seconded by Commissioner Atteberry was withdrawn after further discussion and did not pass.

Public Comments: None was allowed as over four pages of comments were accepted into the records for the past month on this topic.

Commissioner Adams moved to direct staff to work with the two Cities to develop an RFP type proposal to bring back to the Commission that would address how things can be done using just the property and its development, how the property can be used, and also hangars, how those would be done and then a separate proposal on how just the hangars would just be addressed. Three different options there and any other ideas they have. The motion, seconded by Vice-Chair Fleming carried with all the Commissioners present voting in favor thereof.

5:32 p.m. Chair Overcash exited the meeting and Vice-Chair Fleming assumed duties as Chair for the remainder of the meeting.

5. Terminal Funding Discussion with Possible Executive Session

The Airport Commission 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	\$23,738,881
Total	\$26,749,927

Resources

Total Federal Funding	\$19,325,419
State Infrastructure Bank Loan	\$5,000,000
Other Financial Resources	\$2,424,508
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
- 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.



Direction: Staff was directed to continue work with the Cities on finding solutions on terminal funding gaps and possibly seeking a financial advisor to further investigate the “cost of money” as these alternatives for funding area pursued for future phases of the terminal. Staff was also directed to continue focus on air service development and other alternatives available, such as lobbying for FNL’s eligibility in the bipartisan transportation infrastructure bill.

Adjournment: Meeting adjourned at 6:09 p.m.

Items 6, 7, and 8: Meeting went over the scheduled end and these items were not addressed.

Respectfully Submitted,



Vice-Chair, Tom Fleming