



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

