

DATE: 7/28/2021

TIME: 3:30-5:25 PM

RE: Planning and Development Subcommittee Meeting (PDSC)

ATTENDEES: Tom Fleming, Diane Jones, Troy Bliss, Jason Licon, Aaron Ehle, James Hays, Jackie Marsh, Deb Montgomery

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Agenda Item #1: Meeting Minutes Review, June 23rd

- Diane asked for clarification on the following statement: “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.”
 - Due to long standing redevelopment plans for the first three rows of T-hangars, they have been kept in safe, working order, but strategic decisions have been made to invest available funding into improving other facilities that are likely to exist further into the future. Because of this, significant investment would be required to improve the appearance and extend the lifespans of the buildings.
- **Tom moved to approve the minutes pending the clarification requested by Diane. The motion, seconded by Diane, passed unanimously.**

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

- Our normal process for evaluating and approving development proposals isn’t sufficient for more complex proposals that have impacts on other stakeholders. We may need to amend the process for these types of proposals.
 - The Airport has a standard lease agreement that can be used for many developments, but more complex proposals may require tailored lease agreements and City Council approval.
- Following the direction given at the last Airport Commission meeting, staff is developing a draft request for proposals (RFP) for redevelopment of the Airport-owned T-hangars and the development of new T-hangars in the area east of Lear Drive.
 - Questions related to the RFP
 - What is the purpose of the RFP and what are the desired outcomes?
 - Highest and best use of Airport property in alignment with the Master Plan.
 - Highest and best use can mean different things to different people.
 - Definition: Legally permissible, physically possible, financially feasible, and maximally productive
 - Accommodate all users to the greatest extent possible
 - Encourage private investment in the Airport
 - Why does the Master Plan call for the Airport-owned T-hangars to be replaced with large Corporate hangars?

- Business jet activity at FNL has increased more than at other Front Range airports. Piston aircraft activity, except for the relocation of the Aims Community College flight training program, has remained relatively stable.
- The main apron can accommodate large aircraft. Getting these aircraft to the main apron/taxiways/runway from other sites would require extensive infrastructure improvements e.g., wider and thicker taxiways. It is easier and less expensive to extend the infrastructure needed for smaller planes.
- The Master Plan isn't binding. It's a guide. The PDSC and Airport Commission should use all available and relevant information when making decisions.
- Why wasn't there a plan in place to provide hangar space for the displaced T-hangar tenants?
 - The Airport has always relied on the private sector to respond to the demand for hangars. Without a commitment to demolish and replace the T-hangars, there hasn't been enough demand for the private sector to justify building new ones.
 - With current construction costs, new T-hangars units will likely be at least three times more expensive than the current rent rates (less than \$300 per month). It's clear that there is a strong demand for inexpensive hangars, but unknown what the demand is for much more expensive hangars.
 - Alternatives to T-hangars such as hail/UV shelters should be explored.
 - In the early 1980's the Cities issued bonds to build the horizontal infrastructure that is just now getting built out. Federal, State, and City funding is not likely to be available in the near future for these types of infrastructure project, which increases our reliance on the private sector.
- The area north of runway 6/24 would be a suitable place for T-hangars, but there is limited infrastructure in place.
 - The Master plan shows large hangars closest to the runway and taxiways and smaller hangars to the east.
 - Rockwell Dr is currently being extended to serve private development north of the Airport.
- With limited funding, the Airport should focus on providing public-use roads and taxilanes to encourage development. If more funding becomes available, it may be possible to provide utility infrastructure.
 - Land lease rates for specific areas/lots are generally tied to the amount of existing infrastructure that is available.
 - We may want to conduct a study to better understand what infrastructure is needed and what the associated costs are to develop Airport property according to the Master Plan
- The Airport has no obligation to build, own, or rent T-hangars.

- The lease rates for the first three rows were for \$0.01 per square foot per year when they were built. The Cities tried to encourage investment in the Airport by offering inexpensive lease rates.
- The ability for the Airport to generate revenue from hangars after the reversion clause (40 years in most cases) is important to help maintain infrastructure and keep the Airport self-sustaining.
- Today we are in a different situation where we have a shortage of shovel ready land and lots of operations and maintenance needs.
- FNL's lease/rent rates are aligned with other airports in the area. The FAA regulates this to maintain a system of airports around the country.
 - Owners of private hangars on leased land can charge whatever rates they want to.
 - The Airport is able to rent the hangars at a low rate because they are fully depreciated assets.
 - Rent rates for the Airport-owned T-hangars would be much higher if put out for bid.
- The building/fire code requirements and water tap costs continue to be a barrier to development.
 - Staff should continue to explore code flexibility options with the City of Loveland
 - Public restrooms need to be strategically located in new development areas.
 - Who should pay for this?
 - Fort Collins – Loveland Water District recently adopted a tiered rate structure for residential customers, but not for commercial customers yet.
- RFP details
 - should be fairly broad in scope to allow for different ideas and development scenarios that can benefit the Airport/Cities and users.
 - Proposals need to be in alignment with the Master Plan.
 - We can't dictate what rental rates are charged for private development. It's likely that many of the existing T-hangar tenants will be dissatisfied with being displaced even if they have the option of renting a more expensive hangar on a different site.
 - RFP should include specifics for minimum square footage of hangars space, door sizes, taxiway widths, etc.
 - We still want provide a sufficient number of tie-downs. If a large number are going to be removed, we might need to offset them somewhere else.
 - The RFP sites may be able to accommodate multiple proposals. We need to provide options for multiple developers to partner or coordinate with each other.
 - Prospective developers should have to demonstrate qualifications and financial capability.
 - Developers need to have "skin in the game" to drive development and limit risk to the Airport.
- Staff will create a draft RFP and share it with the PDSC prior to the next meeting.

End Meeting Record