

PDSC MEETING AGENDA

DATE: 3/23/2022
TIME: 3:30-5:00 PM
RE: Planning and Development Subcommittee

PDSC Objectives:

- Support the development and implementation of an updated Strategic Plan and the 2020 Airport Master Plan Update
- Provide ongoing support and input on specific plans and proposals for the development of Airport
- Provide input on other business development efforts as appropriate.

PDSC Agenda Items:

- 1) **Meeting Minutes – February 23rd (5 minutes)**
- 2) **MPS Hangars New Lease Agreement (30 minutes)**
- 3) **Airport Action Plan for 2022 (50 minutes)**
- 4) **Open Discussion (5 minutes)**

Unresolved Topics:

- US Customs
- Fort Collins – Loveland Water District Water Line Extension
- West Airport Area Planning
- Terminal Funding
- Airport Staffing

Join Zoom Meeting

<https://us06web.zoom.us/j/97011482750?pwd=V1pVVHdrMXZibzlyZ3RFanpRK2NIZz09>

Meeting ID: 970 1148 2750

Passcode: 465261

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MEETING RECORD

Page 1

DATE: 2/23/2022
TIME: 3:32-5:08 PM
RE: Planning and Development Subcommittee Meeting (PDSC)
ATTENDEES: Tom Fleming, Jason Licon, Aaron Ehle, Josh Birks, Scott Schorling, Diane Jones, Troy Bliss

Begin Meeting Record 2/23/2022

Agenda Item #1: Meeting Minutes – January 26, 2022

- Tom noted that we need to track action items and unresolved topics from previous meetings and include them on agendas for future meetings.
 - Development plan for the west side of the Airport.
 - Fort Collins-Loveland Water District water line easement and benefits for the Airport
 - Customs facility
- **Diane moved to approve the minutes. The motion, seconded by Troy, passed unanimously.**

Agenda Item #2: 2022 Strategic Work Plan

- The Airport Commission has decided to postpone the half-day StratOp session until later in the year, with a focus on 2023.
- The Planning and Development Subcommittee (PDSC) has been tasked with creating a realistic strategic work plan for the remainder of 2022 to present to the Commission at the April 21st meeting.
 - We need to make sure we have the resources to achieve what is contained in the plan.
 - We need to identify how the PDSC, Airport Commission, Airport staff, City staff, etc. will be involved in implementing the plan.
 - The plan should focus on the most important issues/projects facing the Airport right now and include objectives, action steps, responsibilities, and success metrics.
 - The remote tower is a high-importance item, but the testing and certification process is dependent on the FAA, with the Airport playing a supporting role.
 - Terminal design and funding is a top priority.
 - City of Loveland Development Review Team is experiencing staffing challenges and longer than normal review times. Close coordination on submittals for the terminal will be important.
 - Communicating important deadlines/milestones will help the Development Review Team know what to expect and how plan accordingly.
 - Supply chain disruptions will complicate the procurement of materials for the project.
 - The current estimated funding gap for the full buildout including road and parking lot infrastructure is around \$7 million
 - A philanthropy feasibility study is currently being conducted.
 - The Bipartisan Infrastructure Bill will provide some funding, but exact amount is unknown.
 - We are in the queue for a loan from the State Infrastructure Bank if needed.

- Alternates for the road and parking lot infrastructure have been identified to allow for flexibility and phased buildout if full funding is not available.
- Supporting and growing commercial air service is an important focus.
 - Airport staff is working with local tourism entities and Avelo to market Northern Colorado as destination to people who live in the Los Angeles and Las Vegas areas.
 - Advertising on/in busses and bus stops may be an opportunity.
- A staffing plan that considers day-to-day workloads, but also accounts for the amount of time and effort that will be necessary to achieve identified goals is critical.
 - The Airport is working with City of Loveland HR and a consultant to create an updated plan that will address current and future staffing needs.
- The potential redevelopment of the old T-hangars and the construction of new hangars are important items that we are currently working on and will require significant attention in 2022.
- A plan to replace the existing fuel farm with a more modern facility that can accommodate two FBOs should be included in the plan
- A development plan for the west side of the Airport has been discussed recently and could be included in the plan.
- A marketing and communications plan will be necessary to achieve many of the identified goals.
- Jason, Tom, and Diane will work to refine what we have already created and present a draft to the PDSC at the March meeting.

Agenda Item #3: ARPA Funding Project: Technology and Transportation Innovation Campus

- The State of Colorado is working to distribute approximately \$1.5 billion of funding that has not already been allocated from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan (ARPA)
 - Governor Polis has identified 4 priority areas to apply the funding to:
 - Affordable Housing
 - Behavioral & mental health
 - Workforce development
 - Economic recovery
 - Funding would be distributed via a grant process after approval by the State Legislature
 - Larimer County has been working with staff from Cities, school districts, and the Airport to identify brick and mortar projects that the funding could be applied to.
 - A technology and transportation innovation campus has been identified as one of these potential projects.
 - Aviation and aerospace are closely tied to workforce development and economic recovery, making the Airport an ideal location for the campus.
 - We have proposed a \$39 million ask for this funding.
 - \$10 million to be applied to the terminal project
 - \$29 million new facility that would create aviation training programs with participation from the school districts and Aims Community College
 - The concept would be to create certification programs in airframe, engine, avionics, and remote air traffic control

- Governor Polis will be touring Larimer County in March and the Airport may be included on the tour to highlight this potential project.
- We should take a big-tent approach and explore cooperation with other entities such as Colorado State University and Front Range Community College.
- There may be an opportunity to partner local school districts, colleges, and universities on high-tech training facilities that would be too costly for individual entities to take on themselves.
- The secondary education technology/vocational programs that the school districts already have and are working to create could feed into this post-secondary program.
- As we learn more, we can put together a team to pursue this initiative.

End Meeting Record

DRAFT



NORTHERN COLORADO REGIONAL AIRPORT

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ITEM NUMBER: 2

MEETING DATE: March 23, 2022

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

MPS Hangars New Lease Agreement

RECOMMENDED PDSC ACTION

Evaluate new lease agreement and recommend approval to the Airport Commission.

SUMMARY

MPS Properties, LLC owns 20 T-hangars located east of the Airport-owned T-hangars. In August of 2019, the owners of MPS Properties met with Airport staff and expressed the desire for a long-term lease extension in order to form a condominium association and sell individual units. Airport staff negotiated with MPS Properties for several months, but an agreement could not be reached. MPS reached back out to Airport staff in August of 2021 to restart negotiations. After six months of communication and numerous offers and counter-offers, the two sides were able to reach an agreement on a new lease.

Existing lease details:

- Typical 25-year lease with three 5-year extensions
- Initial term commenced in August of 1993. Final extension expires in September of 2033.
- Like many of the older leases, the leasehold area only covers the footprint of the building, 22,986 square feet.
- Lease was assumed by MPS in 2014
- The current rent rate for the lease is \$0.19 per square foot annually, which amounts to \$4,319 of Airport revenue per year. This is less than half of the current rent rate of \$0.448 for comparable new leases.
- CPI escalation every 5 years
- The lease has generated approximately \$92,680 (\$3,310 per year) in revenue for the Airport since 1993.

New lease details:

- 20-year lease with two 5-year extensions
- Initial term to commence May 2022. Final extension to expire in April of 2052.
- Expanded leasehold area of 58,112 square feet encompasses all exclusive-use pavement
- Beginning rent rate of \$4,319 for year 1. Rent increases by \$2,400 through 2033. This will bring lease rates in line with newly executed leases. The new lease will generate approximately \$158,388 more than the existing lease would between now and the end of 2033.
- CPI escalation every year
- The lease will generate approximately \$763,170 in 2022 dollars (\$25,439 per year) in revenue for the Airport over the 30-year term.

If recommended by the PDSC and approved by the Airport Commission, this new lease agreement will set a precedent for extending other leases that are nearing expiration. Although the Airport could let the current lease expire in 2033, assume ownership of the hangars, and rent them out at market rate, there are several benefits to granting the new lease agreement.

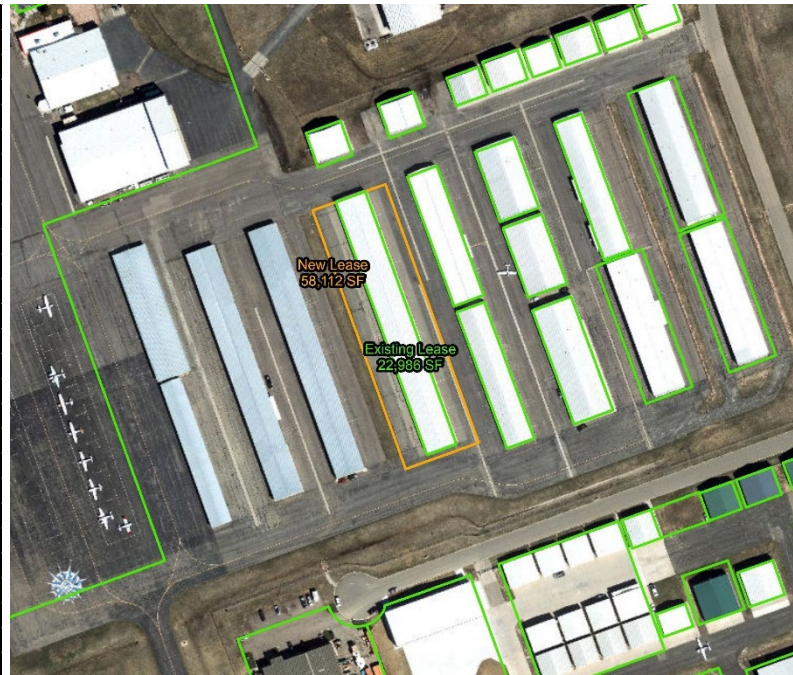
- The leasehold footprint will increase by 2.5 times. This will lead to the tenant assuming the responsibility for pavement maintenance for the area that is used exclusively by the planes that are housed in the hangars. This is a grant resource that is no longer provided to airports through traditional grant funding sources.
- The rent escalation will bring rent rates in line with newly executed leases.
- By being able to sell the individual hangar units and sell them with a 30-year term, it is likely that the new owners of the hangars will invest in improvements.
- The building is structurally sound and will be able to be utilized into the term for this purpose.
- The master plan identifies the current use as the continued use for at least the next 20 years.

Rent Summary:

Lease Area Map:

Year	Existing Lease Rent		Proposed New Lease Rent	
2022	\$ 4,320		\$ 4,319	*
2023	\$ 4,320	*	\$ 6,719	*
2024	\$ 4,320		\$ 9,119	*
2025	\$ 4,320		\$ 11,519	*
2026	\$ 4,320		\$ 13,919	*
2027	\$ 4,320		\$ 16,319	*
2028	\$ 4,320	*	\$ 18,719	*
2029	\$ 4,320		\$ 21,119	*
2030	\$ 4,320		\$ 23,519	*
2031	\$ 4,320		\$ 25,919	*
2032	\$ 4,320		\$ 28,319	*
2033	\$ 4,320	*	\$ 30,719	*
2034			\$ 30,719	*
2035			\$ 30,719	*
2036			\$ 30,719	*
2037			\$ 30,719	*
2038			\$ 30,719	*
2039			\$ 30,719	*
2040			\$ 30,719	*
2041			\$ 30,719	*
2042			\$ 30,719	*
2043			\$ 30,719	*
2044			\$ 30,719	*
2045			\$ 30,719	*
2046			\$ 30,719	*
2047			\$ 30,719	*
2048			\$ 30,719	*
2049			\$ 30,719	*
2050			\$ 30,719	*
2051			\$ 30,719	*
Total Rent	\$ 51,840		\$ 763,170	
* = CPI Escalation				

2022-2033 Rent Escalates by \$2,400 per year



ATTACHMENT

None



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ITEM NUMBER: 3

MEETING DATE: March 23, 2022

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

Airport Action Plan for 2022

RECOMMENDED PDSC ACTION

Make a motion to recommend approval of the final draft to the Airport Commission

SUMMARY

The Airport Commission has decided to postpone rescheduling the facilitated StratOp session until later in the year, with a focus on 2023. The Planning and Development Subcommittee (PDSC) has been tasked with creating a strategic work plan for the remainder of 2022 to present to the Commission at the next regularly scheduled meeting. The plan should focus on the most important issues facing the Airport right now.

The attached draft Airport Action Plan was created by members of the PDSC in late 2021 and has been refined since that time by PDSC members. It incorporates information from previous draft documents and discussions at meetings. This is the final opportunity for the PDSC to provide feedback and refine the plan before a final draft is prepared for the Airport Commission. One key focus for this meeting is to identify the projects that are the highest priority that we want to accomplish in 2022, and identify those that we want to begin building financial resources to support in the 2023 airport budget.

ATTACHMENT

Draft Airport Action Plan for 2022

Airport Action Plan for 2022

Overview

Overarching Factors to consider – “What’s important now?”

1. The overriding objective is to make the Airport more relevant to the Northern Colorado community - financially and as a valued resource.
2. The planning approach for 2022, or any given year, should focus on specific actions that span multiple focus areas and their constituent objectives. These are actions of limited scope and duration that can reasonably be accomplished this year and are central to a variety of follow-on actions in support of the broader objectives and focus areas.
3. The return of “impactful” commercial air service is a key to this goal; however, the cities and the Commission have little direct impact on its certification and retention - other than through influencing key public officials at federal, state and local levels.
What is “impactful” is a carrier(s) that serves one or more major markets with a frequency of at least four times weekly, and allows local travel to most destinations (as does DIA). Those same major markets are targets for attracting out-of-state visitors to NoCo.
4. A potential education and training center focused on innovation and aviation may be another key asset that both serves a useful purpose in NoCo and also attracts local visitors to the airport.
5. A final overarching factor to consider is the realization of making the Airport an actual “multi-modal” transportation hub. Proximity to the interstate highway system and a rail line is insufficient if not capitalized upon.

PRIORITY OBJECTIVES

1. **Objective: Enhance and increase airport staffing. (FOCUS AREA: ORGANIZATIONAL EXCELLENCE)**

Specific Action Step(s):

- a) Complete a robust staffing plan (full-time; part-time; contractual) and obtain local political support for it. Identify the resources this takes to accomplish the best-case scenario.
- b) Provide staff training opportunities – ensure each employee has at least one training/educational opportunity to enhance and grow their skills.

Why did this make the list: The Airport staff is the absolute key to everything we hope to accomplish. Only they have the expertise, relationships and focus to accomplish our goals and action items. Right now, they are absolutely “maxed out.” Not only recruitment of additional staff, but also retention of current staff must be considered. With a new terminal facility on the horizon, a long-term plan is also necessary.

Steps to Success

- Update the staffing plan that was created in 2019
 - Include short and long term needs and a framework and timeline to achieve each
 - Adopt plan and associated financial and space needs by the Cities
 - Obtain formal approval and commitment to support

2. Objective: Complete planning and design of the new terminal building. (FOCUS AREA: MULTI-MODAL TRANSIT AND TERMINAL)

Specific Action Step(s):

- a) Pursue an array of resources for terminal funding gaps such as: federal and state grants; “other” non-governmental grants; philanthropic sources; crowd funding; and if necessary, funding from the airport owners, the cities of Loveland and Fort Collins.
- b) Continue to monitor and manage the timeline and resources for construction and completion in 2024.

Why did this make the list: The federal funding for this project (~\$17 million) has a firm timeline attached. Deadlines must be met and funding lined up to complete the project. Additionally, the project’s current cost estimates exceed the available funds - a gap that must be spanned to complete the project.

Steps to Success

- Find funding solutions and alternatives for the terminal project to fund the desired option identified in the four design charrettes
- Continue investigation of potential funding sources to include philanthropic feasibility, and other state and federal grants
- Solicit financial support from the Cities for funding the gap, preventing the airport from having to incur debt

3. Objective (added since last StratOp): Complete planning relevant to the hangar proposal submitted by Jet Center, which led to the ongoing request for proposals (RFP). ((FOCUS AREA: CAPITAL PROJECTS (NON-TERMINAL RELATED))

Specific Action Step(s):

a) Resolve the options currently under consideration relevant to adding hangars and replacing older T-hangars on the Airport.

Why did this make the list: This is an ongoing process which has garnered significant attention from multiple airport stakeholders and cannot reasonably be ignored or deferred. Additionally it is evident that an updated policies and procedures for future hangar development at the airport is needed.

Steps to Success

- Assist in finding resolution to the hangar redevelopment proposals
- Investigate ways that the Airport can support future aviation development and increase the supply of shovel ready property (adjacent to utilities, roads, taxiways, etc).
- Develop a policy and procedure for addressing solicited and unsolicited proposals for refurbishing and/or developing new hangars.

4. Objective: Enhance political support for the remote tower project. (FOCUS AREA: MULTI-MODAL TRANSIT AND TERMINAL)

Specific Action Step(s):

- a) Develop a briefing (“pitch”) aimed at and tailored for local, state, and federal officials demonstrating the potential impact of this project on the Airport, regional economic development and on the national air traffic control network (in terms of both safety and cost savings).
- b) Continue to work with Colorado Department of Aeronautics, FAA, Searidge, and the Colorado Congressional delegation to keep moving the testing and certification process forward toward completion.

Why did this make the list: The remote tower is indispensable to the return of commercial air service, and as a new and unproven technology, it lacks the institutional support needed to assure its implementation. There are no other “champions” of this project besides the airport; thus, it is incumbent upon us to educate those with the authority and influence to bring this to fruition.

Steps to Success

- Showcase the remote tower to elected officials and educate them on the importance of the system
- Continue to advocate with the FAA and CDOT for the eventual certification of the system
- Ensure that air traffic control services are maintained and expanded to enhance airport operational safety

5. Objective: Develop local support for an education and training center/facility focused on Innovation, Technology, and Aviation (FOCUS AREA: PRIVATE AND PUBLIC ECONOMIC DEVELOPMENT)

Specific Action Step(s):

- a) Continue to foster relationships with local education and training institutions and technical industries.
- b) Develop a briefing (“pitch”) describing the vision and opportunities inherent on airport property and the adjacent Airport Influence Area.
- c) A joint training and/or educational program are established with local partners.
- d) An infrastructure plan is completed that once implemented would support the development of on-airport sites for business and commercial development.

Why did this make the list: This appears to be an unmet need that is now being recognized by key local institutions, and the time is limited in which to assist this effort and “stake our claim” to hosting it. Additionally, such a project would assist in meeting the broader needs of the community at a lower cost and more central location than elsewhere.

Steps to Success

- Identify opportunities for technology training and pathway programs for aviation and other highly technical training needs
- Seek partnerships to create a facility to support these needs in the short term
 - Identify a suitable location and define infrastructure needs to support such a facility
 - Attempt to utilize the Remote Air Traffic Control Tower as leverage to include in a new facility and to serve as a training lab for future controllers

SECONDARY OBJECTIVES

6. Objective: Enhance commercial air service. (FOCUS AREA: MULTI-MODAL TRANSIT AND TERMINAL)

Specific Action Step(s):

- a) Continue to build community awareness of current opportunities for air travel centered on NCRA (Avelo service to LA and LV and Wingless Flight service to DIA);
- b) Continue to explore potential service and destinations by both current and other carriers.

Why did this make the list: As noted above, it is central to long-term sustainability and growth of the Airport.

Why it is a secondary priority: First, enhancing advertising of existing opportunities is worthwhile, but the providers should take the lead, with support by the owner Cities’ Economic Development and Communication staff. This should minimize the impact on airport staff and the Commission.

Secondly, past experience has shown that airlines wish to keep their plans close to the vest, and no one is better qualified to do this than the airport director. He should continue to focus on this and advise the Commission when assistance is needed.

Steps to Success

- Obtaining an air service development consultant to assist with recruiting efforts
- Attend at least one event to market the airport and Northern Colorado to air carriers.
- Create an external entity that supports air service and provides a fund to help market air service and to provide risk abatement in airline startups.
- Create an incentive and marketing policy for the airport to help attract new routes, frequencies, and carriers.

7. **Objective:** Establish the airport as a true Multi-modal transportation hub, including exploration of Union Pacific Railroad opportunities. (FOCUS AREA: MULTI-MODAL TRANSIT AND TERMINAL)

Specific Action Step(s):

- a) Establish formal links to current efforts to establish light rail service along the front range and I-25 corridor in order to support this effort and obtain a “seat at the table.”
- b) Develop Phase I of a Multi-modal transportation/transit plan for the airport (preliminary research component)

Why did this make the list: Light rail service to and between the airport and Denver may increase the attractiveness of NCRA as point of entry and exit from the broader transportation system. If it is actually established, the Airport should be an integral element or risk being bypassed entirely. Further, we must begin to make progress toward crafting a multi-modal transportation/transit plan to support the growth and development the airport and the surrounding region is experiencing. It will only get more intense and we need to be ahead of the curve.

Why it is a secondary priority: Establishing relationships with our owner cities’ transportation planning efforts as well as with other regional agencies such as the North Front Range Metropolitan Planning Organization (MPO) are an important first step; it is essential that our transportation planning integrate with the systems that are part of the larger regional transportation system. Gathering preliminary research that is specific to the airport and how it fits into the regional transportation system is where to begin.

Steps to Success

- Identify how a rail connection could be most effectively brought into the airport terminal area
- Engage in the Front Range Passenger Rail group to advocate for inclusion of FNL

8. Objective: Complete the 2022 scheduled capital improvement projects. (FOCUS AREA: CAPITAL PROJECTS (NON-TERMINAL RELATED))

Specific Action Step(s):

a) Complete the designated and scheduled 2022 capital improvement projects:

- Projects that are 2020 Master Plan/FAA related
- Projects that are non-FAA related (airport infrastructure and business development related on the airport)

Why did this make the list: Capital projects are ongoing and key to the operation and development of airport facilities. Capital projects are an integral part of the airport's budget and require a significant amount of staff time and expertise to ensure completion.

Why this is a secondary priority: It is a regular and ongoing component of airport management, and it is important to note since the capital planning has been a high priority to keep current with the significantly higher frequency of changes being made to the federal and state airport funding.

Steps to Success

- Formulate an updated CIP to include new infrastructure funding resources
- Prepare a CIP for other infrastructure needs (like roads, sewer, water, stormwater, broadband) that support future airport development and are not typically eligible for FAA resources.

9. Objective: Develop sub-area land plans and procedures for on-airport development. (FOCUS AREA: PUBLIC AND PRIVATE DEVELOPMENT)

Specific Action Steps:

a) Develop a relocation plan for the Fuel Farm

b) Develop a sub-area plan for the west side of the airport

c) Develop policies and procedures for responding to and managing development requests on airport property.

Why did this make the list: the airport is "growing up." The interest in development activity is increasing along with the pressures to build and develop around the airport. Without a clear concept of what we want, where we want specific types of development, and guidelines for how to assess and evaluate proposals, the airport is at the mercy of external forces. The Commission and staff need to be in a proactive position.

Why is it a secondary priority: To date, adequate resources have yet to be assigned to address this objective and action items. It's time to identify resources and get started addressing this objective.

Steps to Success

- Identify resources and conduct a location and cost estimation for a new fuel facility
- Strengthen development review process and present the final process for adoption by the Airport Commission.
- Create a budget for initiating a sub-area plan for the west side of the airport to include:
 - Completion of a development plan
 - Define non-aeronautical use areas
 - Define usage criteria for highest and best use
 - Conduct a lease study to determine rates
 - Create lot lines, roadways, and easements

DRAFT