



# NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

4900 EARHART ROAD • LOVELAND, CO 80538

## MEETING AGENDA THURSDAY JUNE 16, 2022 3:30PM – 5:30PM

### CALL TO ORDER

### ROLL CALL

### PUBLIC COMMENT

### CONSENT AGENDA

1. APRIL 21, 2022 & MAY 19, 2022 MEETING MINUTES
2. MAY FINANCIAL STATEMENTS
3. AIRPORT DIRECTOR'S REPORT

### APPROVAL OF CONSENT AGENDA

### AIRPORT DIRECTOR'S REPORT COMMENTS (deferred due to lack of time)

### REGULAR AGENDA

4. 2021 AUDIT PRESENTATION – ACTION ITEM (10 MIN)
5. STAFFING ANALYSIS PRESENTATION – ACTION ITEM (40 MIN)
6. GENERAL AVIATION HANGAR DEVELOPMENT AREA RECOMMENDATION – ACTION ITEM (20 MIN)
7. US CUSTOMS PROPOSAL FROM DISCOVERY AIR – ACTION ITEM (20 MIN)
8. BUSINESS ASSISTANCE PROGRAM REPORT – ACTION ITEM (15 MIN)
9. BUSINESS FROM MEMBERS

### PULLED CONSENT AGENDA ITEMS

### ADJOURN

## Meeting Planning Calendar

#### July 21

- Terminal Design Update: Financial & Design Options
- 2023 Budget Planning
- Hangar RFP Update

#### August 18

- Legal: Commission Roles and Responsibilities Training
- Strategic Action Plan Update
- 2023 Budget Review

#### September 15

- 2023 Budget Adoption
- Terminal Funding
- Capital Improvement Plan Draft

Next Regularly Scheduled Planning & Development Subcommittee Meeting: June 22 @3:30.

Agenda and materials available at [www.flynoco.com/airport-commission/pdsc](http://www.flynoco.com/airport-commission/pdsc).



## April 21, 2022 Expanded Meeting Minutes

**Call to Order:** Chair Overcash called the meeting to order at 3:30

**Roll Call:** Chair Overcash, Vice-Chair Fleming, Commissioners Adams, Burgener, and DiMartino were present. Commission Arndt and Stooksbury were absent.

**Public Comments: Buster Downey, Lear Earhart Association:** Submitted a proposal for the Hangar Redevelopment RFP. Stated significant effort and money has been spent on their submission and urged the Commission to make a decision soon on the redevelopment as the time increases the impacts of inflation and reduces their ability to finance their project proposal. Also stated the water tap, sewer connections, and taxiway extension for Cessna required for their project should be the responsibility of the airport and developer that wins the RFP as their project would cause the issue of displacement. **Martin Lind, Water Valley & Discovery Air:** Requested to speak on efforts towards Customs. The Chair advised him this item would be covered in other business. **Mick Krantz, Nutrien:** Stated he would also like to make a comment regarding Customs during other business.

### Consent Agenda

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

**Pulled Items** None

**Consent Follow up** None

### Monthly Report Follow-up:

- In March, the airport accommodated on average 417 flight operations daily, slightly above the 285 average for the last 12 months
- In mid-March, there were sold-out flights due to increased travel from spring break
- The Monday, Friday schedule is performing well but in May we have a schedule change to Thursdays, and Sundays.
- Earlier this month, the United Airlines Landline operation celebrated their one-year anniversary at FNL
- Landline also announced their third airline partnership with American Airlines operating out in Philadelphia, and Landline also announced an additional venture capital infusion of \$28 million



- The airport received an award last month from the Colorado chapter of American Concrete Pavement Association for Excellence in Concrete Paving for the commercial ramp expansion in partnership with engineering firm, Dibble and hired construction company, IHC Scott
- The manager's report has an attachment to better illustrate the development activities that are in the planning process or active in the airport influence area;
  - Currently there are over 30 development projects on the list and it seems like on a daily basis we have to coordinate FAA air space studies for cranes and for other construction driven airspace safety coordination activities
  - This is just one example of a work product that the Airport coordinates with the FAA and construction companies to keep the area surrounding the airport safe for aircraft

**Public Comments:** None

## **Regular Agenda**

### **5. TERMINAL DESIGN & FUNDING UPDATE**

Airport and City staff provided Loveland City Council an overview of the multi-modal transportation and technology and training hub projects for Northern Colorado at their special meeting on March 22. The following information is a brief on the information provided:

Congress passed the American Rescue Plan Act (ARPA) on March 11, 2021. City staff have been participating in Northern Colorado regional meetings since late December, 2021 with other local governments and non-profit partners from throughout the region. These discussions are about how to best leverage the final portion of State ARPA funding of approximately \$1.2 Billion to the benefit of Larimer County and its municipalities as well as non-profits. The State desires robust bricks & mortar projects that are both transformational and regional in nature. This regional effort has used foundational pillars that include Safe and Stable Youth & Families, Continuum of Housing Opportunities, Behavior Health Services and Vibrant Workforce / Local Economy / Business Recovery.

The process leading to the award of the State money is still evolving as it still requires action from the State General Assembly. As staff understands it, the timing and milestones will be better understood once the State Legislature appropriates the funding and designates a fiscal agent, which is expected no later than May 11, 2022 or the end of the session. At this point the State agency will have to create and solicit a process for



interested projects to submit proposals. This is likely to take at least until July to accomplish. Once the mechanism is created it may take until September or October to review and award funding.

Airport staff hosted Governor Polis and Congressman Neguse on Friday March 26<sup>th</sup> to visit the Airport and to learn more about the proposed projects. The Governor seemed very interested in what was shared, and was especially focused on the terminal project and commercial air service potential.

### **Innovation Hub at NoCo Airport**

- Project summary
  - New community facility with dedicated space and technology for career and technical education in aviation, avionics, unmanned aircraft, remote tower air traffic control, and more for CSU, Aims CC, and Front Range CC with pathway programs through Poudre School District, & Thompson School District
  - Supplementary funding support for the new airport terminal
- Funding \$39 million total
  - \$24 million for new Technology and Training Hub
  - \$15 million toward new Airport Terminal
- Key Objectives
  - Increase FNL's capacity to support multi-modal commercial aviation activities and the resulting positive tourism and socioeconomic impacts
  - Attract and retain talent through career and technical education, workforce development, and connection to employment in Northern Colorado
  - Drive investment in a targeted, high-growth sector of the economy and position Northern Colorado as a leader in aviation technologies, R&D, manufacturing, and related services
- Relation to COVID-19 Recovery
  - Small business assistance, aid to impacted industries, unemployed worker assistance, relief for disproportionately impacted





**Public Comments:** None

**6. PHILANTHROPIC  
FEASIBILITY STUDY  
REPORT**

**Public Comments:** None

**DUE TO CONFUSION THE FOLLOWING ITEM HAS THE ENTIRE RECORDED DISCUSSION TRANSCRIBED.  
RECORDS ARE ONLY REQUIRED TO RECORD OFFICIAL ACTIONS AND DIRECTIONS TAKEN BY THE  
COMMISSION AND NOT THE FULL DISCUSSION:**

**7. BUSINESS FOR  
MEMBERS**

**Licon** Nine years ago, airport staff worked with the port of entry at the Broomfield Airport in an attempt to bring a joint Customs agent shared between the two facilities. The opportunity was lost once international companies set up and expanded at Broomfield. Staff then investigated the possibility of a user fee facility but this was postponed due to the pandemic and significant amount of infrastructure required for that program; which required a \$3 million facility and a staff member. O&M costs would be just under \$170,000 a year. Since then, U.S. Customs has been reengaged by Discovery Air, who have learned of an alternate solution, the Reimbursable Services Program. Approval for that program requires much less time for review and significantly less infrastructure investment.

**Public Comments: Martin Lind, Discovery Air:** Stated three or four years ago they requested Customs services from the Commission and that the need was still present. Discovery Air applied for the Reimbursable Program and provided a tour of their facilities with Customs Border Patrol's Assistant Director and Port Director. The application was provided with three letters from major entities based here in support for the services. Customs has received the applications and advised them review will be completed by Q2 or at the end of June and take at least four months. There are no assurances or guarantee that this will be approved after review. Discovery Air will be responsible for paying for the personnel and provide the office. Discovery Air introduced the idea of partnering to share this burden. Stated this will cost them \$30-40,000 by November or nine months when a decision is finally made, from holding their office off the market. Requested any direction made also include support or lobbying from Governor Polis, Bennet, and Hickenlooper to provide pressure to accelerate Custom's review of the application so a final decision will not take until November.



**Overcash**

All right, Martin, welcome.

**Martin Lind,  
Discovery Air**

Thank you, Chairman. Good to be here again. I know Wade was honored to have his name up there (Terminal Philanthropy Feasibility study), but I'd like to find the bastards that put my name up there. I'm pretty busy as it is. Yeah, it's good to be here. Down at Discovery Air, Scott Holst is our GM down there, and we have tenants that desperately need Customs and I think that you remember three or four years ago, I was at this exact seat and we need Customs, again two years ago, I need Customs. And so there's a program out called the Reimbursable Program. And I sicced Scott on this program about, I don't know, 90 days ago and at lightspeed, Scott has contacted every single person on this list. And it's a lot. And we have made application. Aaron was with us the other day for a tour. We got accolades. We got words like greatest ever presentation, the greatest ever submittal. Aaron if I'm exaggerating, but were they arguing over who which one of them wanted to move up here and run this office?

**Ehle**

They were very impressed, and it was impressive that Scott was able to get both the Assistant Port Director and the Port Director out here.

**Martin Lind,  
Discovery Air**

I gave all this to Scott, I sicced him on this and, you know, I don't have a lot of time and I don't want to take a lot of your time, but in brief, it's called risk. We've probably got 35 or \$40,000 into this investment right now. And I'm doing this not because Martin Land needs it. This airport needs it and we have tenants, one of them is here right now, they desperately need Customs. So irregardless if there's another customs port in Greeley, we don't want our Loveland businesses and our Loveland tenants of this airport having to stop in Greeley and lift the wheels up again and come back over here. That's one complete cycle on a jet that's very expensive. So we've partnered with our tenants. We took the risk. We're right now in what's called a proverbial holding pattern work in the queue. We've applied for it. They sent it back saying, hey, we received your application, you're in Q2 or a review at the end of June and we need at least four months. Okay. Well, you know, for a federal government, that's kind of cool. That's not too bad. But there's no assurances, there's no guarantee that at the end of the four months where I get this, I feel confident we're getting it because we are taking 100% of the risk. And so what we was Discovery Air we have to pay for the personnel. We have to provide them the office. Ironically, the office that they like is our very nicest front row office. And to be



very honest with you I'm still moving forward with it because I think it would be a magnificent thing to have a giant Customs sign on the front of one of our buildings here at Loveland, especially the first building that you'll see when we come in from the airport from the new road someday. So I think it's a really iconic thing. The burden that I have is I've basically gotta not lease that space and hold it in the queue so that Customs can have this opportunity in nine months when they finally decide what whether we live or die. And so, you know, I just wanted to bring you up to speed where we're at. The accolades to Scott, what he's got done in this short three months is amazing to me. Our tenants and our businesses in Loveland desperately need this. And I think that my risk that I'm taking is a kind of a safe risk because it doesn't work just on my tenants just at Discovery Air. But I think there's a lot of transient jets that are going to and fro along the front range between Canada and Mexico. That would stop here, especially after we have Waterpark Hotels or we have other reasons for them to stop. So I think it's a self-fulfilling prophecy and build it and they'll come. I think that the Reimbursable Program, the way it works is we have we a charge a fee. If we charge too much, nobody's going to stop. It's the purest of capitalism. If we charge a landing fee at Discovery Air for Customs to come be inspected here and our fee is too high. Nobody's going to stop there. If we're too low, we're going to continue to lose money on this thing forever. I would like to introduce the idea of maybe partnering. This will probably cost us 30, \$40,000 by the time we get to November. If we hold this thing off the market. I don't need this job. I don't need to be the guy that brought Custom to this airport, but my tenants desperately need it. And I want to be the steward landlord of my tenants and they desperately need to have Customs here. And we think we've got an opportunity. I'm not asking for anything, but I really think that the airport could raise an eyebrow to this and say, hey, we should share Martin's burden on this hold so that I don't have to turn down tenant. I could lease that tomorrow to a flight school. And we've avoided putting GA in that in that building so far because we really want to keep that a corporate campus. And I think it'll pay dividends if we honor that for a long time. But I'm not asking for anything today I'm bringing you up to speed. We've got and I think Jason, I think you conferred this is light speed compared to where we've been treated. So and I give it to Scott. He's done a great job and

**Scott Holst,  
Discovery Air**

It's been a team effort all around. I'd like to emphasize the reason we're here is because Martin gave me the ability with no holds barred, just a runway, do whatever it took, didn't matter the



expanse, whatever it was. Right. And he emphasized to me that this is because it's a value for this entire airport and every person on this airport and outside the airport, for that matter. And what I did from there is I contacted numerous larger entities that are operating down on this airport, I believe, one of which will speak today. And there's three specific letters that were included with our application from large tenants down here saying, please get this rolling. We support this, we need this, we've needed it for a while. So Customs not only got our application, they also got three letters of support from major entities here at the airport. Yeah, so it was pretty overwhelming, I think, for CBP and what they were provided. And we have received, like Martin has said, a very, very positive feedback from them on they are going to be fighting over this office. They did acknowledge that they could offer this to one of the Denver personnel and see if they want to relocate to here, and then they would open up a transfer location to fill the Denver spot.

**Overcash**

I appreciate your comments. You've taken the time to come in and sit through our entire meeting for them, so thank you. But what I wanted to do is ask the commission, this is not an action meeting, but we can provide direction. And what I want to do is ask the Commission if they're willing to provide direction to staff to work with Discovery here and look at see if we can work out a relationship because we both gain from having Customs here and we're going to share a relationship that's acceptable to staff who's been close to it, as well as to Discovery Air. Because we can direct them to do that. If that made sense.

**Martin Lind,  
Discovery Air**

If you're going to direct, we would ask one more thing, and that is I heard some talk about Governor Polis and Bennett and Hickenlooper. I don't know, but I think support or lobbying from them to maybe accelerate the FAA to or excuse me, the Customs, maybe it wouldn't be such a long holding pattern where maybe we won't have to wait till November if it's such a layup opportunity for them and they really want to do it and we're taking all the risk, maybe they could accelerate that four-month window. I don't know whether they can or not, but yeah, that would be a direction we would love to have some help on too.

**Scott Holt,  
Discovery Air**

They did give us an impression that they possibly could do that.

**Overcash**

What I'm looking at is the impact not just of Customs, because we've already been through that discussion of having Customs here. But if we could demonstrate our commitment to work to



make things happen, the impact that might have on getting support for some of the grants that you're looking for, it shows that the community, the airport is behind this. We're already working with our business partners to improve the service level, to take this airport to the next level. So that's part of my rationale for being not just excited about addressing something we've tried to do for two years, but I think it signifies something much broader as we're trying to gain support at the national level for this airport. We're not just sitting on our hands waiting to do things. You're helping us get things done.

**Scott Holst,  
Discovery Air**

One other quick item of that, it's important to realize that Jason and Aaron helped identify this also was that this RSP program. What it's doing, it's allowing us to move in an expedited fashion to getting this opened. The full-on user fee program is substantially more complicated and takes a lot more to do. So this is a quick entry into the door. Get this up and running. They get used to us. They're already in here. And it fits better for the smaller quantity we have right now. But there's no reason we can't transfer into a full user fee program as things pick up and the airport grows, more jets are in here, more people coming through with Customs and so on.

**Overcash**

Is there any hesitation on that recommendation to staff or comment you'd like to make?

**Fleming**

My hesitation is predicated on the answer we receive from Laurie in a minute. I suspect Martin, you're looking for either some financial contribution to mitigate this or a reduction in lease rates, something that creates partnership, if I can use that term.

**Martin Lind,  
Discovery Air**

It is, Tom thank you, but I leave this completely wide open. I don't have any predetermined expectations here today. I just want to bring you up to speed. Respecting everybody's time, I'd like to yield my time to Nutrien one of our tenants because I think Mick would like to talk about this.

**Fleming**

Before we do...

**Martin Lind,  
Discovery Air**

And lastly, if we do form a partnership of any sorts for us, it's really easy. You, the airport, take the expenses and we take the profit.

**Adams**

You mean like usual?

**Overcash**

Yeah we were waiting for that. We know you now, right?



- Martin Lind** And I'd like yield my time just before you make a decision here from one of the tenants.
- Overcash** Thank you Martin
- Fleming** My question of Jason and Laurie is, are there any constraints on adjusting lease rates for one tenant or one segment of the tenant that would constrain us in our ability to negotiate that?
- Stirman** In the Airport?
- Fleming** Well, I know the FAA has certain rules and we fall in the rates aren't the same everywhere. And there are reasons. But are there any legal constraints that say thou cannot do this or can we?
- Overcash** A little more going out.
- Fleming** Well, I assume that's part of the discussions that will need to happen?
- Stirman** Absolutely, I'm happy to investigate our ability further.
- DiMartino** I really apologize I am supposed to be at another meeting at 530, and I apologize to you that I have to leave early, but I have been hearing about Customs since the first meeting I came to, so I'm very comfortable exploring what creative options we have and add it to the lobbying list.

**5:04 Commissioner DiMartino exited the meeting**

**Direction:** Staff will investigate options available for partnership possibilities with Discovery Air for support of the U.S. Customs Reimbursable Services Program once legal staff has completed their investigation on the abilities available for the Airport.

**Public Comments: Mick Krantz, Nutrien:** I just want to reemphasize our strong support for the Customs Border Patrol, Nutrien we're trying to do everything we can to partner with the community. We gave \$10 million to CSU, were the presenting sponsor of the airshow, and we were humbled to be listed here is how money can be raised (Terminal Philanthropy Feasibility study). I just want reinforce that we want to partner with you, and however we do that, we have a full time lobbyist in Washington DC. Just give me the word and the phone calls will made. So I'm going to keep it short and sweet here. So just let us know what we can do.

- Overcash** Good. Thank you. Thank you much for being present again. Thank you for being here. Anymore public comments on this particular





item? It's a non-action item providing some direction to staff. They'll be coming back to us and we'll see where we go from there.

**Ehle**

I just want to add with this new program that really we just learned about this spring is really that the main hurdle is sign off and approval from the local Customs support which I think we have, and then the facility, which discovery has offered to provide space for and probably some build out cost. Also, the facility costs are a lot more flexible than what we would be looking at with a full user fee facility. So it's really at the discretion of the local port office and they seem to think that it wouldn't be a whole lot.

**Adams**

One quick question with this program. Do they need just an office space or do they have some special Customs equipment and stuff? So they need an equipment storage area and an office area or can they just all jam it in the same area?

**Scott Holt,  
Discovery Air**

A little bit of both, they need a specific spot on the ramp, which is simple for us with our staff and the office space they'll use. The main office, Martin was discussing that they like our nicest office up front. We've offered to finish it out, provide what they need. They'll bring in some of their own equipment, they'll utilize some of our existing infrastructure and video surveillance, that type of thing. And we'll put in a reception window for them. There's the door to the outside right there. So it's a perfect fit for them they were very, very pleased with that fit.

**Martin Lind,  
Discovery Air**

Now, Steve, I would add too. Well the old I'm here from the government, I'm here to help the oxymoron of that. Right? We didn't see that at all. In fact, they were adamant that they said, well, we have a window of hours that we would operate this, but if you need us to come after hours, we would charge an overtime and we would come get a midnight flight. It was like one of the greatest experiences that we had. And I was a little bit hesitant when we had to do the final meeting and it was the opposite. They were super supportive, you know, of bringing Customs to this airport.

**Overcash**

Great. Well, Scott, thanks for accepting the challenge, Martin for giving it to him. Really appreciate the opportunity you're bringing to the airport. And thank you so much for other opportunities you bring. Appreciate that. So there's no additional business from commission members. We will adjourn this meeting at 5:13.

**Adjournment:**

Meeting adjourned at 5:13 p.m.



**Respectfully Submitted,**

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**Vice-Chair, Tom Fleming**

DRAFT



## April 21, 2022 REGULAR MEETING SIGN IN SHEET

**Please Print Your:**

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## May 19, 2022 Meeting Minutes

**Call to Order:** Chair Overcash called the meeting to order at 3:32

**Roll Call:** Chair Overcash, Vice-Chair Fleming, Commissioners Adams, Arndt, Burgener, DiMartino, and Stooksbury were present.

**Public Comments: Mick Krantz, Nutrien:** Thanked the Commission for the strong letter of support for the Customs Border Patrol. Also mentioned Casper, WY Customs was very busy with six to nine airplanes a day and purchasing large orders of fuel each time. The letter was signed at that day's meeting and mailed the following day. **Scott Holst, Discovery Air:** This public comment period is for items not on the regular agenda. Mr. Holst had a comment which pertained to item 6. **Adam Woodward, EAA:** Asked if the Amazon development on private property adjacent to the airport property has filled out FAA Form 7460-1 regarding development near local airspaces. Stated the General Aviation Information Manual discussed approaches into runways and that runway 6-24, that the calculation for the approach angle of three degrees and an obstacle clearance of ten degrees that the Amazon building would be within a wingspan based on the building's location. Commissioner Stooksbury stated due to the FAA categorization of 6-24 as a taxiway the calculation may differ. Airport staff responded they would look into the request. **Jason Kopp, Blue Ocean:** Stated he had already emailed the Airport Commission in response to an email that was sent from another stakeholder in this group. Mr. Kopp stated he was a little frustrated for the lack of support that Jason Licon receives like what was reflected through that other email in response to the amount of work that he does. He wanted to show his support for Jason as the airport manager and the amount of work that he does. Stated there were a lot of accusations in the referenced email that he didn't quite initially agree with and thought there were some things in there that didn't adequately support that stakeholder's agenda. Stated some these things need to be addressed that are in the Commission's court to handle appropriately. But when it starts ending up on his desk and start having to have him answer, it really starts frustrating him as well, especially some of the comments. Stated he had sent a response back to the referenced email to all of the Commissioners. Stated he would be available to answer any questions behind the scenes and or in the few minutes available to him for this public comment period as well. Stated he wanted to publicly put that out there and those things. He understands the frustration and how the private sector works versus public governance can be frustrating at times as well, which he does recognize. But at the same time, he believes there needs to be a response to that. Stated he is here to support the work that the commission has done and what Jason Licon has done for the airport with the resources and tools that he's been given, which he has also made comments about in the past that Jason needs better support to free up his time because he is limited with what he has here to really get the airport to grow and be where it needs to be. **Buster Downey, Lear Earhart Association:** Stated his comment



was not accurately reflected in the last meeting's minutes and requested a correction as the recording had not begun when his comment had been made. The points he attempted to make were that since the reconstruction of Site A of the RFP is one of the major reasons, the factor driving the development of site B where additional hangars would be built, his suggestion to the airport commission was to consider having the airport and perhaps the benefactors of site A contributing to infrastructure needs for site B and that he had not name the jetCenter as a competitor since they were not privy to their RFP response and as far as they knew, they could even be collaborators.

## Consent Agenda

**Vice-Chair Fleming moved to approve items the Consent Agenda items 2-4. The motion, seconded by Commissioner Stooksbury carried with all the Commissioners present voting in favor thereof.**

**Pulled Items** April 21, 2022 minutes were pulled for correction and will be up for approval at the next Commission meeting.

**Consent Follow up** Commission Stooksbury asked about the business assistance balance in item 2, and requested a review of the program at the next Commission meeting.

### Monthly Report Follow-up:

- Phase testing for the Remote Tower is complete
- The airport will be again supporting the U.S. Air Force Thunderbirds for Cheyenne Frontier Days for the week of July 25<sup>th</sup> as Cheyenne's runway project is still incomplete

**Public Comments:** None

## Regular Agenda

### 5. REMOTE TOWER UPDATE

This is an informational item. The Remote Tower Project is a proof of concept supported by the Federal Aviation Administration (FAA) and Colorado Department of Transportation. The project's goal is to create a certified technologically advanced air traffic control tower solution for airports. This project is currently one of two active airports testing this concept in the United States.

This item will provide an update on progress being made on the project and specifically information on the recently conducted phase one operational testing conducted by the FAA in April. State of Colorado's Remote Tower Project Manager Bill Payne will be in attendance to share the results of the first phase of operational testing and provide the view of the path ahead.



**Public Comments:** None

**6. HANGAR**  
**REDEVELOPMENT**  
**RFP**  
**RECOMMENDATION**

In February of 2021, Airport staff received an unsolicited proposal from Fort Collins-Loveland jetCenter (FCLJC) to redevelop the Airport-owned T-hangars with larger hangars capable of supporting the increased business jet traffic at the Airport. Staff followed the normal process for Airport development, negotiated lease terms with FCLJC, and presented the proposal at the June 2021 Airport Commission meeting. The proposal generated considerable stakeholder concern and at the July 2021 meeting, the Airport Commission directed staff and the Planning & Development Subcommittee (PDSC) to create a request for proposals (RFP). The RFP was intended to provide the opportunity for entities that were unaware of the redevelopment opportunity on site A to submit proposals and to solicit proposals for the construction of new hangars on undeveloped sites.

The objectives of the RFP were to:

- Replace the aging Airport-owned T-hangars with new facilities that represent a higher and better use in alignment with the Airport Master Plan (2020).
- Support the construction and operation of new hangars to provide options for tenants who might be displaced by redevelopment as well as others looking to base aircraft at the Airport.

The RFP was approved and published in November 2021. The RFP closed in December and three responses were received. An Airport Commission approved evaluation committee, which includes staff from both cities and members of the public at large, evaluated the proposals and conducted interviews. At the February Airport Commission meeting, the committee shared that there were gaps and items of concern with all of the proposals and that there wasn't enough information to make a recommendation that would satisfy all of the objectives of the RFP.

In executive session at the April 1, 2022 Airport Commission meeting, the evaluation committee discussed details of the proposals and presented some potential approaches to deliver on the originally stated objectives of the RFP. The Commission provided the following direction:

- RFP evaluation committee engage proposers with minimum requirements to develop large hangars on Site A.



- Require that each proposer provide a detailed construction plan and timeline that they commit to achieving.
- Collaborate with the proposers to create solutions and mitigate negative impacts to T-hangar tenants who will be displaced as a result of the redevelopment of Site A.
- PDSC and Airport Commission will work in parallel on the creation of an infrastructure plan to create more improved sites for future basic hangar development projects.

In April, members of the evaluation committee met to formulate a strategy based on the Commission direction. A lease negotiation terms letter was sent to the proposers to establish minimum requirements and obtain commitments. The proposers were given two weeks to provide responses. The content of the responses was used to identify a single entity to enter into exclusive negotiations with on Site A. Based on the following factors, it is recommended that Fort Collins-Loveland jetCenter be engaged in lease negotiations for site A:

- Rent Revenue – jetCenter proposed a higher rent rate.
- Initiation of Rent – jetCenter proposed to start paying rent sooner.
- Displacement of T-hangar Tenants – jetCenter indicated willingness to participate in a relocation strategy for displaced tenants.
- Site Plan – The layout/orientation of hangars in jetCenter’s site plan is more conducive to phased development with phased displacement of T-hangar tenants.

The evaluation committee recommends the following considerations guide the path forward:

- Ensure a detailed agreement with strong performance requirements is in place before any demolition or construction commences.
- Develop a viable relocation strategy and clear communications for tenants who will be displaced.
- Create an infrastructure plan to create improved sites for future smaller hangar development.
- Document and detail the anticipated airport revenue changes associated with this lease.
- Don’t allow more land to be leased on speculation on future “market-based” development. Include





minimum assurances and performance deadlines for development in agreements.

**Public Comments: Scott Holst, Discovery Air:** “I guess my first comment would be based on the questions from Vice Chair Fleming and Mayor Arndt especially. I think those are very legitimate questions. I've got some background in working on RFPs. By no means makes me a professional at it, but I've been involved in them for about 15 years, off and on. My question would be is if everybody would please consider is the intention of an RFP to award exclusive negotiations on stuff we don't have total facts on? We don't know the exact expenses. We don't know the exact details. My understanding of an RFP is for it to be a black and white document that bidders need to meet the specifications on and provide their expenses and their details on it. They can just be disqualified if they don't meet that or if they do qualify, then, you know, everybody picks whoever is in charge to do so, picks the right bidder. It doesn't seem to be the case here to me and to our view. So I just wanted to open with that is just a little bit of food for thought. From there, I apologize in the fact that I'm not as talented of a presenter as Mr. Lind, but he had something come up and was unable to be here. So he asked that I state I read the following to everybody, if that's okay here he says, Dear Commission on behalf of Discovery Air and 100% of our tenants, we respectfully request the agenda item regarding the exclusive negotiations with the jetCenter be tabled. Additionally, we at this time wish to enter into the public record our RFP responses to your staff. First, our original proposal, which I've got the originals here, if anybody would like to see, which I think you all have copies of anyway. And then after three different negotiations outside of the RFP structure, which also I would question, we've got our third manipulated or massaged version of it, which I think all bidders had a chance to provide. Let me find words out here. And Martin just wanted to make a point that we were asked numerous times to submit a new plan, and we just felt that was a bit odd when there was an original RFP structure that it really was intended to meet. So originally our rate was 25% higher than the plan on the recommended approval for the jetCenter proposal from eight months ago they were almost awarded a \$0.30 per foot lease our proposal started at \$0.41 per foot. Our plan preserves all of the tie downs. Our plan produces highest and best use for the land area and houses more aircraft than the jetCenter's prior plan. We do this directly to equate to more fuel sales. We were never contacted by staff that our proposal was denied or that this item was even on the agenda today. We learned about this from a business report published Tuesday afternoon. We invested over \$20,000 in these plans without so much as a response from the staff on an award being made. Again, we saw it in the news. Also, please be advised that we exhausted efforts to be on today's agenda about well, and this is referencing U.S. customs, which I think I'll skip over that because that's a completely different subject. I know we're focusing on this RFP right now. Martin did want me to note, too, that lastly, this is not about the jetCenter, we think we have a great relationship with the jetCenter and we wanted to be sure to note that they've been very helpful to Discovery Air on providing fuel for our tenants. And I want to thank Danny in particular for his help over there. And he's been very responsive even as long as a target at one time when we had a tug failure. So very much appreciated. And as a tenant of the airport, we you know, we just wanted to be sure to note that.



So thanks to him for that, we really feel like this is about transparency in the government. And again, not against, not about the jetCenter, in particular, parity among stakeholders, open and fair process in the highest and best use for public property. I guess in closing on that, we really feel like we realize there's a bunch of effort that's been put into putting this RFP together, going through. It's been a long, drawn out process. It seems like from our end that this really should be canceled and rewritten much more accurately, very much more in black and white so that bidders know exactly what's expected, as there's two large hangars expected right off the bat. And that should be noted, and I've been critical of how it's written. These things are horribly hard to write. I know that myself. They're terribly hard to write and they're very, very complicated. But we feel like the proper position right now would be to cancel this altogether, revisit it, and give everybody a new RFP that's extremely accurate and detailed and exactly what it needs to be. So you all can evaluate exact costs like your questions. You can evaluate exact risks. Instead of guessing right now. So I appreciate the time."

**James Hays, PDSC member:** "So I'd like to talk, but I'd like to talk as just a citizen. Okay. Nothing else. I do share some concerns with the latest direction that the commission gave for the organization. I was concerned that we just don't seem to have a clear vision of where we want to be in the next ten, 20, 30, 40 years. And I'm not sure jumping the gun, even though it's been a long yearlong process. I don't know that we have the information to make the right decisions. The original RFP called for redevelopment of site A and site B, the latest direction completely negated site B, we're just talking about a site now, which to me invalidates the RFP in its entirety. I think we should start from scratch. It's too soon to say. I think we should look at things for and really where we want things to go rather than just what's being proposed right now. What is the highest and best use? Do we really know what that is? I mean, quick calculations shows that every unit that's torn down is going to be a loss of about \$3,000 a year. Take that times 50-60 units is \$160,000. Okay. That's not considering the increase in the what was it \$0.31 \$0.41 for the land lease." **Ehle:** It was more than 41. **James Hays Cont:** "But that was \$0.41, something like that?" **Ehle:** No, that was the other one. **James Hays Cont:** "Oh, okay. Okay. But that roughly equates to in order to have a breakeven point, that roughly equates to roughly a million gallons of fuel that needs to be sold in addition to what's being sold today to offset the difference. I don't think that's going to occur. So are we willing to take a loss? Can the airport? So I'm sure the airport can survive that if they have other means. Are the cities going to subsidize that? Do they need to? You know, and what are the additional what are what are some additional options that we have that were not yet explored? I just feel like we have an opportunity to look at this from a long-term perspective. And I think we need more guidance from the Commission to figure out where we want to go before we can lock this in. That's all I have." **Ehle:** That's fine. I was just going to note that would not be including the land lease numbers, for the fuel numbers that you were quoting. **James Hays Cont:** The fuel numbers I was quoting was including the additional land lease from the new development. Rough numbers, but the land lease doesn't equate to a lot." **Ehle:** The land lease hasn't even been negotiated yet. **Scott Schorling, City of Loveland Economic Development:** We still have the option to go to an executive session. If you'd like to hear more detail and see more detail, we



could potentially provide that, if that's something that you'd be interested in doing.

**Legal Counsel Stirman:** You wouldn't be able to do that today, but we could do that at a later date.

**Diane Jones, PDSC Member:** You know, when we started the process, we were looking at the proposal from the jetCenter and then the questions came up about the displacement of the t-hangars. And so the purpose of the RFP was really to say, hmm, are there some other options in conjunction with building the larger hangars which are called for in the master plan. So the purpose of the RFP was to answer the so-called means over time. The purpose of the RFP was to really back up and say, are there some options that we need to look at really concerning the displacement of the of the hangars? And so the sites that were identified, sites B and C were to say there are some options for where t-hangar development might take place. So it was really them putting out the RFP to see what the interest was, what the comments might be, to do both and build according to the master plan, and then to figure out if there are ways in which we can accommodate displacement and create some other t-hangars from the people that are leasing those hangars now. So that was really the purpose. And it was really unlike, as Scott described, most RFPs, where you have a project, you have a budget and you have like a facility that you know you need to build. So there's a lot more specificity. And this was really in response to the commission saying, let's take a broader look here and see how these two parallel kinds of things might take place concurrently. And so that was really our charge, I think, to then invite proposals in to how to do that and to assess those and bring back to the commission what we thought was the recommendation. And then our recommendation said we really need to have a little more information to see if there was a way in which we might enter negotiations. So I just wanted to clarify that it is different than a lot of RFPs that the cities are used to. And it was in response to questions that came up in conjunction with an unsolicited proposal from the jetCenter that you all took a look at. So it was really trying to accommodate, as I think just use the term concurrently, those two situations. **Overcash:** Diane thank you and appreciate you making the distinction that it was a little different because I actually saw that process was very similar to my experience of 20 some years in giving RFP like and then say and what else. And what do you think about this? It was a great way to gain information from the market, but thank you for your comments, and your involvement with the PDSC it's greatly appreciated.

**Theo Barker, Lear Earhart Association:** "I'm a pilot owner and also a member of the Lear Earhart Association Group. We'd like to point out a couple of items. We've started working on T-Hangar replacement when I was about two and a half years ago. Okay. So that predates the jet center proposal by a significant amount. Number two, the sequence as shown in the flowchart, I believe the green box needs to be the first. You got to address how you're going to displace. Number three, it has been 14 years since the last hangars were built. Am I correct?" **Stooksbury:** I wouldn't know, I'm not in a t-hangar. **Ehle:** It was 2012. **Theo Barker Cont:** "2008 is when they were built. I moved in to them in 2009. Okay. Since then, we've had quite a few box hangars, but frankly, your vast population are t hangar tenant or owners or whatever. Right. So you've been overdue for a long time to address additional t-hangars. So it seems to me like there's a bit of a cart before the horse happening here. In addition to your displacement





problem, you have a significant pressure backlog of owner pilots who either need to get or will move into the area as soon as they can buy a t-hangar. And they're not going to buy the \$300,000 box hanger. They're not going to put their plane in with somebody else's. The cost of hangar rash is just too high. Thank you."

**Adam Woodward, pilot:** "The current RPFs have been focused on properties 60 to 100,000 square feet, which requires the significant infrastructure that many members have spoke of. I think the request from the pilots I know would be reduce the size of the square foot of the new RFPs to that of, you know, smaller four plex t- hangar associations or whatever that may be closer to, you know, 6,000 square foot for the RFPs instead of 60 to 100 to minimize the cost for individual developers.

**Overcash:** Okay. We're going back up to the commission for comment.

**Stooksbury:** Thank you, Jason. Could I ask for your help? Yeah, I love that picture. (pointing to aerial view image of the airport) Could you point to where the jetCenter is right now? And can you point to where the terminal is and is going to go? All right. So I really want everybody to consider that when you think about highest and best, you can't imagine anything better for what is being proposed. You know, if the RFP process was flawed or anything like that, I'm not making a comment on that. I am saying highest and best use. I think that box is checked. Now how we get there, you know that that could be up for discussion. All right. So that's number one. Number two is if we are going to handle the dislocation properly and correctly, I feel a lot of support for that. We just don't know how. I think that the discussion about the revenue numbers is a wash. And, you know, how do they afford it? What's the rent? What might be the fuel sales? Clearly, we're going to bring in larger jets, larger fuel sales. We're going to retain the local tenants, and they're going to continue to buy the same hopefully more fuel because they're not outstanding in that regard at least some of them, you know. So I think that that's also important for us to consider. And I think really we need to understand the timeframe for getting strategic about this. But we were kind of in a position where we've got to decide, are we going to continue to keep everything on hold or are we going to try to move forward in parallel? But with the commitment to move forward on both tracks and the strategic vision, we put out an RFP for t-hangar development. And just that, I think that if there were I think it's a fair question, why aren't there a ton of development proposals for that right now if the demand is there? I think we have to keep that a consideration as well.

**Arndt:** Just some things, I want to say thank you for the public comments and the PDSC comments and thanks for serving on that. It's very helpful to this Commission. I just can't get over the notion of two separate things, and one of them is the private sector coming in, and then we approve the private sector development. They're not saying it's a bad one and not saying anything about either of the proposals or anything that seems like one issue and both. It displaces the t-hangars. That seems like a public sector question because that's something that the government does that could have financial impact on the cities who own the airport. So so it just feels like two different votes to me. One, do we want to accept the bid from the jetCenter and have it go there with us or not? I don't know. The other one is of how the public sector investment whether into t-hangars that's a function of what the airport does. Right. So I can't vote yes on this motion because it's just so fundamentally different to me for



what we're voting on. And if I get to the these bullet points here and if I were to vote yes on the hangar development, which I'm a strong proponent of from the public sector point of view, because it's a public for the public, I would just need more details, like more financials, because if we have a shortfall, we need to go back to our cities and convince the council that they're going to be in to something, right? And I couldn't do that with voting yes on this without knowing what some of the costs for what some of the infrastructure costs for, how the infrastructure costs were handled before what Loveland gets in tax revenue and what Loveland pays back in O&M. Those are all just questions I would have before the airport goes into the development phase, which I encourage, which are supportive of. I just. And so since it's been proposed as a single motion my vote would be no, not that I want to hold up the jetCenter of the process. I just don't have enough information.

**Overcash:** It's not that this motion regarding site A period?

**Ehle:** Yeah

**Overcash:** That's what this motion is for. It's going to create in part of the process they're going to move in a parallel track and develop what to do about t-hangars. But the negotiation on leases is really focuses on site A.

**Stooksbury:** So if I understand the previous conversation, Steve check me on this, but these negotiations may or may not move forward based on the solution that's going to take a certain amount of time. Right? Then they're going to come back here for approval, in which case if we don't have a satisfactory answer and definition of a parallel track, which is your very valid concern, on what do we do on the dislocation. We can choose not to approve that lease as a condition when it's presented to us at a future meeting or that negotiated outcome, which assumes the lease agreement. Does that make sense?

**Arndt:** With the jetCenter?

**Stooksbury:** Yes. It's going to come back to us and if we haven't used that time correctly to get a relocation strategy in place. We're very specific, like what you just described. We can choose not to accept that lease as a Commission when it's presented to us at a future meeting.

**Ehle:** Would the Commission prefer we bring back a framework to work from or to just begin negotiations and return with that?

**Commissioner Adams moved to direct staff to enter into exclusive negotiations with Fort Collins-Loveland jetCenter. The motion, seconded by Vice-Chair Fleming was amended. Commissioner DiMartino move to amend the motion, requiring airport staff provide periodic check-ins with the Commission on the negotiations, which legal counsel advised will need to be completed under executive session. The amended motion was seconded by Commissioner Burgener, and passed with two no votes from Commissioners Arndt and Burgener.**

## **7. MPS LEASE EXTENSION**

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 to enable the sale of 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 in principle on a new 30-year lease. In February, the PDSC voted unanimously to recommend approval of the new lease agreement. If approved, this new lease agreement will set a precedent for extending other leases in the future, explaining the rationale behind the long period of lease negotiations.

Existing lease details:

- Typical 25-year lease with three 5-year extensions
- Initial term commenced in August of 1993 and final extension expires 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
  - Extends 18 years beyond the existing lease term set to expire in Sept, 2033
  - Initial term to commence May 2022 and final extension to expire in April of 2052 for a total of 30 years
- Expanded leasehold area of 58,112 square feet
  - Approximately 2.5 times the area of the existing leasehold
  - Increases the tenant's area of responsibility for maintaining the taxiways that support this structure
- Lease rates will escalate annually through 2033



- Rent increases incrementally by \$2,400 each year through 2033 bringing lease rates in line with current rates and fees
- The building is constructed with steel and is structurally sound and will be able to be utilized through the term for this purpose.
- The master plan identifies the current use of the airport property as the continued use for the foreseeable future
- CPI escalation changed from every five years to annually
- Although the Airport could let the current lease expire in 2033, assume ownership and directly rent the hangars, there are several benefits to granting a new lease agreement
  - The new lease will generate more revenue for the Airport than the existing lease
  - The condominium association will be able to sell the individual hangar units with a 30-year term.
    - Owners are more likely to invest in improvements than renters
    - Owners with many years left in their lease term are more likely to invest in improvements than those with less time remaining
  - The increased leasehold footprint means the tenant will assume the responsibility for pavement maintenance for the area that is used exclusively by the planes that are housed in the hangars
    - Grant funding to maintain and repair these kinds of pavements is no longer available

**Public Comments: Adam Woodward, EAA:** “I do support the airport renegotiating the city’s agreement against properties. However, it is a you know, the first of its kind from what I’ve been aware of any lease being renegotiated the reversion clause in the current lease is one of the biggest deterrents for investing a capital because of its after it’s 25 years plus the extensions if you get those is usually beyond the loan term that you can get for any kind of development like that. So is there any thought to amending the lease paperwork to have some kind of wording, something of that, like if the lease property is not in the master plan to be repurposed, general guidance from the council is to provide lease extensions to the property owner going forward. So what I’m asking for is a suggestion to review the lease, to take the same kind of course of action where you can get continuous extensions as opposed to getting the property taken back by



the airport. I mean, that's exactly what happened with MPS and I do agree with that, that that gives you the ability to maintain your capital, do the upgrades and maintain the property as desired by the airport. So my, my request is just to review the lease agreement to also include the, the terms that, you know, if your property is not in the master plan degree of your purpose, general guidance is to provide lease extensions to the property owner.” **Buster Downey, Lear Earhart Association:** “Is that new pavement area that is now part of the lease, does the airport still do snow removal?” **Licon:** The Airport is not legally obligated to do any of the snow removal in the leased areas, this is completed by the Airport as a courtesy as it became an issue back in 2007 when there were multiple snow operators competing with each other for associations and privately owned units.

**5:32 pm Commissioner DiMartino exited**

**Commissioner Arndt moved to approve the renegotiated lease. The motion, seconded by Commissioner Stooksbury carried with all the Commissioners present voting in favor thereof.**

**8. BUSINESS FROM**     None  
**MEMBERS**

**Adjournment:**                     Meeting adjourned at 5:36 p.m.

**Respectfully Submitted,**

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**Vice-Chair, Tom Fleming**

**Please Print Your:**

## ORGANIZATION

027





# 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:** June 16, 2022

**PREPARED BY:** Jason Licon, Airport Director

## **TITLE**

May 2022 Financial Statements

## **RECOMMENDED AIRPORT COMMISSION ACTION**

Staff recommends acceptance of the preliminary financial statement as presented

## **BUDGET IMPACT**

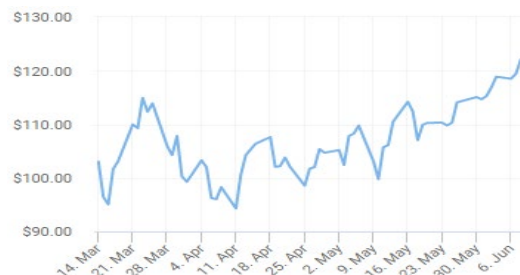
Neutral

## **SUMMARY**

The Airport's financial highlights for the first month of the fiscal year include:

- Revenues and expenses remain on track with the budget.
- Aviation business lease deferrals totaled \$133,812 for the period April 2020 – May 2022 with two companies with remaining balances in the program. These amounts are reflected within the Hangar Rental and Land Lease revenue line items. This program ended in 2021 and repayment was requested to begin by 2022 with full repayment within three years.
- Fuel revenues are expected to be greater than last year due to rising fuel prices coupled with continued strong demand. The following are the per barrel oil price amounts for the past few months:

- March 1, 2022: \$103.41
- April 1, 2022: \$99.27
- May 1, 2022: \$105.17
- June 1, 2022: \$115.27



- Wholesale fuel volumes sold at the airport were reported by jetCenter as follows:
  - April 2020: 24,041
  - April 2021: 79,856
  - April 2022: 94,987
  - May 2020: 47,847
  - May 2021: 104,518
  - May 2022: 95,521

## **ATTACHMENT**

Preliminary monthly financial statement for May 2022



# NORTHERN COLORADO REGIONAL AIRPORT

## Airport Statement of Revenues and Expenses From 01/01/2022 to 5/31/2022

PRELIMINARY

	Y-T-D 2022 Actual	Y-T-D 2021 Actual	Y-T-D 2022 Budget	2022 Total Budget	% of Total Budget
<b>OPERATING REVENUES</b>					
Hangar Rental	100,487	102,927	93,750	225,000	45%
FBO Rent	39,238	37,779	40,120	96,287	41%
Gas and Oil Commissions	101,647	59,929	75,000	180,000	56%
Aviation Fuel Tax Reimbursement	84,450	48,064	58,330	140,000	60%
Land Lease	215,929	149,682	154,165	370,000	58%
Land Lease PD Training Ctr	92,139	90,375	158,290	379,900	24%
Terminal Lease and Landing Fees	9,842	766	6,040	14,500	68%
Parking	0	330	31,250	75,000	0%
Miscellaneous	45,458	7,081	8,540	20,500	222%
<b>TOTAL OPERATING REVENUES</b>	<b>689,190</b>	<b>496,934</b>	<b>625,485</b>	<b>1,501,187</b>	<b>46%</b>
<b>OPERATING EXPENSES</b>					
Personal Services	300,881	251,886	344,720	827,312	36%
Supplies	48,628	36,503	41,670	100,000	49%
Purchased Services	144,606	108,835	292,630	656,419	22%
<b>TOTAL OPERATING EXPENSES</b>	<b>494,115</b>	<b>397,224</b>	<b>679,020</b>	<b>1,583,731</b>	<b>31%</b>
<b>OPERATING GAIN (LOSS)</b>	<b>195,075</b>	<b>99,710</b>	<b>(53,535)</b>	<b>(82,544)</b>	
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Passenger Facility Charge	0	0	0	0	
Interest Income	9,503	10,956	21,250	51,000	19%
Capital Expenditures	(277,378)	(285,352)	(10,160,718)	(20,369,053)	1%
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(267,875)</b>	<b>(274,396)</b>	<b>(10,139,468)</b>	<b>(20,318,053)</b>	
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<b>(72,800)</b>	<b>(174,686)</b>	<b>(10,193,003)</b>	<b>(20,400,597)</b>	
Capital Contributions	900	252,184	6,908,905	16,581,373	0%
<b>CHANGE IN NET POSITION</b>	<b>(71,900)</b>	<b>77,499</b>	<b>(3,284,098)</b>	<b>(3,819,224)</b>	
NET POSITION, Beginning	19,864,424	16,591,600			
NET POSITION, Ending	19,792,524	16,669,099			
Investment in Capital Assets	15,805,175	13,627,746			
Net Position Available for use	3,987,349	3,041,353			





# NORTHERN COLORADO REGIONAL AIRPORT

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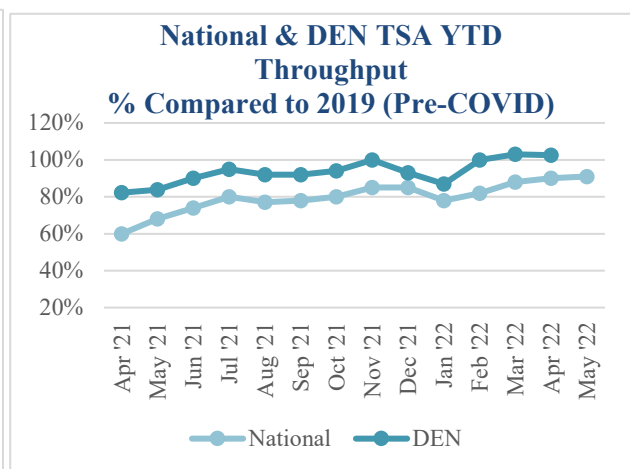
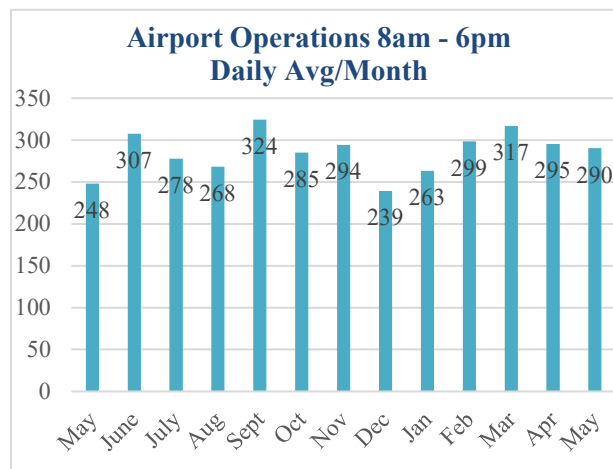
DATE: June 10, 2022  
TO: Northern Colorado Regional Airport Commission  
FROM: Jason R. Licon, Airport Director  
RE: Airport Monthly Report for May

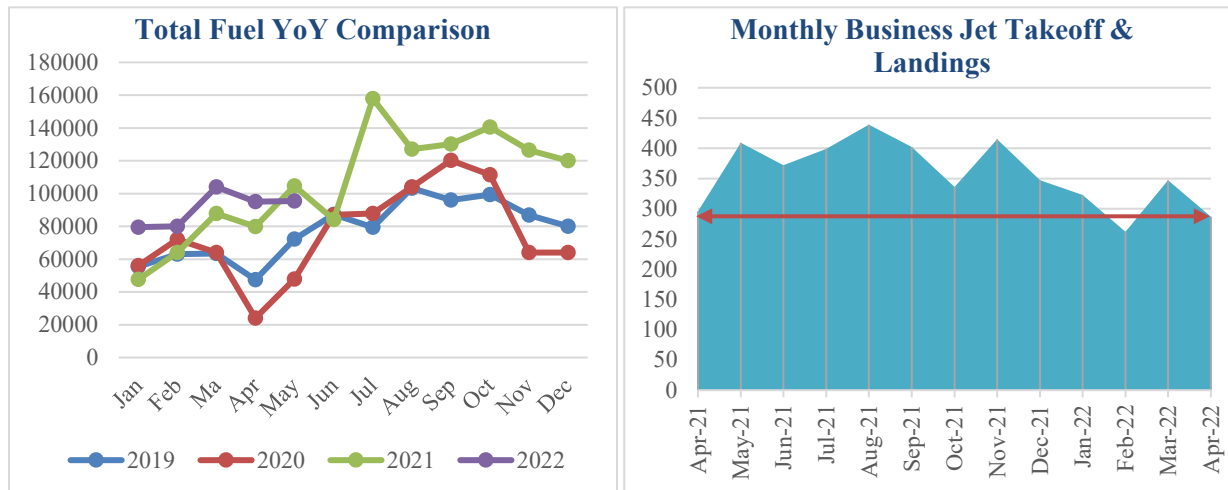
## Executive Summary

- On May 31<sup>st</sup> Avelo Airlines announced their plans to suspend flights from FNL due to rising fuel costs. Flights for Las Vegas will end on June 16 and flights to Burbank will end on June 24.
- At the May 19 Commission meeting a public request was made for the FAA Aeronautical Study 2021-ANM-4997-OE for the Amazon development which is on private property adjacent to the airport, additional details are below
- The Safety Risk Management Panel (SRMP) for the Remote Tower project is scheduled for the second week of July from the 11<sup>th</sup> to the 15<sup>th</sup>
- Staff met with Senator Woodward to discuss support for the NoCo Airport Innovation Hub application towards ARPA funds on May 3
- Airport Director participated in the Aims Community College Board of Trustees meeting presenting on the idea of a Technical Training and Innovation Hub proposed to be located at the Airport

## May Airport Activity Dashboard

- May averaged 290 flight operations a day, twelve-month daily average was 285
- National airline passenger throughput for May was at 91% (vs. 2019)
- DEN Airport April throughput increased to 102.6% throughput (vs. 2019)
- Wholesale fuel ordered by the jetCenter FBO for May was 95,521 gallons, a decrease of 8.6% compared to last year
- Business jet activity for April compared to last year fell by 2.9%





### Action Plan Update

Objective	Focus	Target	Update
Enhance and Increase Airport Staffing	Organization Excellence	6/16/22	Staffing plan analysis is complete and recommendations will be presented at the 6/16 Commission meeting.
Complete planning and design of new terminal building	Multi-modal transit & terminal	12/15/22	The design team and Hensel Phelps have completed the design at the 60% level. Four levels of design have been created to align with available resources.
Complete planning relevant to the hangar proposal submitted by Jet Center, which led to the ongoing request for proposals (RFP)	Capital Projects	10/20/22	PDSC representatives have been directed to enter into negotiations with jetCenter on Site A. Staff obtained engineering consultant cost options for site B & C as an alternate for offsetting t-hangars. PDSC met on May 25 and evaluated the cost and benefits for both sites, recommending site C as the preferred alternative.
Enhance political support for the remote tower project	Multi-modal transit & terminal	ongoing	Testing for Phase 1 is completed in April. SRMP (safety risk management panel) is planned for July 11-15. Funding for the project has been gained through the 2023 federal fiscal year.
Develop local support for an education and training center/facility focused on Innovation, Technology, and Aviation	Private & Public Economic Development	7/21/22	Airport Director participated in a presentation to the Aims Community College Board of Trustees to obtain support for their participation in the center. This was given a thumbs up for both participation and possible financial contributions amounting to up to the 25% grant match for the ARPA funding being

			sought through the State of Colorado. Legislation was passed at the end of the Colorado General Assembly session (House Bill 22-1350 or the “Regional Talent Development Initiative Act”) outlining the direction for a state agency to create a grant application process for this funding with a requirement to have them available no later than December 2022.
Enhance commercial air service	Multi-modal transit & terminal	ongoing	At the special meeting on May 27, staff provided options for paths forward for air service development. Staff is creating a request for proposals in alignment with the Cities’ procurement requirements to recruit and obtain a professional consultant to assist with air service development efforts. The Airport Director is attending the Airports Council International Air Service Development Conference June 13-15.
Establish the airport as a true Multi-modal transportation hub, including exploration of Union Pacific Railroad opportunities	Multi-modal transit & terminal	2023	The Airport will be participating and presenting at the June 2 North Front Range Metropolitan Planning Organization NFRMPO meeting. The NFRMPO is the transportation and air quality planning agency for our region.
Complete the 2022 scheduled capital improvement projects	Capital Projects	10/20/22	The largest project is the terminal design, which at the end of May reached a 60% design milestone. During the month of June and July the 60% design will be evaluated for additional ways to reduce costs.
Develop sub-area land plans and procedures for on-airport development	Private & Public Economic Development	2023	This item is to be budgeted for in 2023. Costs are being estimated for this and a draft scope of work will be developed in 4Q 2022.

### **Airport Commission Appointment Schedule**

The City Councils approved an amendment to the Airport’s Intergovernmental Agreement that staggered terms for the citizen members. This change allowed for terms to be adjusted for the City of Loveland and City of Fort Collins appointees to be staggered so that all three did not reach their appointment term at the same time. The City of Fort Collins appointee is Mr.

Thomas Fleming, and the amended three-year term is ending this July. The next appointment by the City of Fort Collins will be for the traditional four-year term.

### **CDOT Aeronautics Internship Grant**

The Colorado Department of Transportation Division of Aeronautics approved an internship grant for 2022-23. This grant will provide up to 50% funding for a qualified intern to support airport operations and administration. The grant was awarded for up to \$20,800 that includes benefits to be paid to the intern. After a successful recruitment a new intern was selected, and Greame De Leon was selected from the pool of applicants to serve through the next 12 months.

Mr. De Leon is completing his degree at Denver Metropolitan University with a major in aviation and aerospace management. He expects to graduate in December of this year, and is looking forward to joining the Airport team in June. He brings experience from working at Denver International Airport and is interested in making a career in airport management.



### **Fort Collins – Loveland jetCenter**



Deb Montgomery, the manager for the Fort Collins – Loveland jetCenter has accepted a position within the company to manage their Denver location at the Centennial Airport. Deb has been manager of the FBO for the past ten years, and has been with the company for many years prior. Danny McGinn will be promoted into the Manager role, previously serving as their Manager of Operations.

### **Planning & Development Update**

- Amazon Facility Construction - A new facility is being constructed quickly near to the Airport just to the north eastern corner of Airport property. Airport staff were involved early in the design approval process, which included a thorough coordinated review of airspace safety by the Federal Aviation Administration. The facility is planned to be constructed to a height of 110 feet above ground level, and due to the proximity of the Airport's crosswind runway triggered the need to perform a building height airspace analysis by the FAA. The orientation of the building and height were determined in this study to not be a hazard to air navigation, requiring no additional action for the safety of airport flight activities. A copy of this notice from the FAA is attached for reference.



- In May, Airport staff participated in two concept review meetings for potential development projects near the Airport.

- A concession agreement was executed with Avis-Budget Car Rental to provide car rental services at the Airport terminal.
- Foundation work began for two new hangars on the south side of Gulfstream Court.
- Construction was completed on a three-plex of hangars on the north side of Gulfstream Court and users moved in.



- Brands West - Vertical construction began on two industrial distributions buildings totalling 188,000 square feet near the intersection of Byrd Drive and Earhart Rd.



## Attachments

1. WEPA Remote Tower Project Manager Report for May
2. CDOT Aeronautics Notice of Grant Award
3. FAA Airspace Approval for Amazon Facility
4. Avelo Airlines To Suspend Flights From Loveland
5. Avelo's Impending Departure Is Latest Disappointment For Northern Colorado's Airport
6. Allegiant and Avelo Drop Ogden flights, Leaving city without commercial air service



May 31, 2022

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

**Section A – Remote Air Traffic Control Contract Progress Report #11**

Re: Period: May 1 through May 31, 2022

Colorado Remote Tower Project Activity Status			
Activity	Status/Start Date (Projected)	Finish Date (Projected)	Remarks
<b>Remote Tower Implementation</b>			
STARS FTI Comm line	Complete	5/15/2022	Awaiting FTI installation of communication
<b>Remote Tower System</b>			
System Upgrade - Tech Refresh	In-Progress	TBD	Continuing
<b>Remote Tower Testing</b>			
Serco Controller Staff Remote Tower	10/1/2021	Ongoing	Controllers familiarization exercise underway
<b>Phase 1 - Passive Testing</b>	3/21/2022	4/29/2022	Complete
Period 1	3/21/2022	Complete	Flight test scenarios 4/30/22
Period 2	4/18/2022	Complete	Flight test scenarios 4/19,20,22/22
Reduce Phase 1 Data - Produce Report	5/2/2022	6/15/2022	Submit to the SRMP
Safety Risk Manage Panel	7/11/2022	7/15/2022	FAA Forecast Schedule 1 week duration
Safety Risk Management Document Signed	TBD	TBD	FAA Forecast Schedule 6 months
<b>Phase 2 - Active Testing</b>	TBD	TBD	Subject to FAA Phase 1 SRMD Signatures
Safety Risk Manage Panel	TBD	TBD	
Safety Risk Management Document Signed	TBD	TBD	
<b>Phase 3 - Validation &amp; Verification</b>	TBD	TBD	Subject to FAA Phase 2 SRMD Signatures
Safety Risk Manage Panel	TBD	TBD	
Safety Risk Management Document Signed	TBD	TBD	
<b>Operational Viability Decision (OVD)</b>	TBD	TBD	
<b>Phase 4 - Post OVD Validation</b>	TBD	TBD	Subject to FAA Phase 3 SRMD Signatures
Safety Risk Manage Panel	TBD	TBD	
Safety Risk Management Document Signed	TBD	TBD	
<b>Certification/Commissioning</b>	TBD	TBD	

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

### **Remote Tower Project Narrative:**

With the successful conclusion of Phase 1 passive testing of the Colorado Remote Tower system, the data gathered is being analyzed and the test report produced. This report will be disseminated to the members of the Safety Risk Management Panel (SRMP), Subject Matter Experts (SME) and test observers for review and comment. I will be attending the SRMP meeting as an SME. The report will be used by the SRMP to evaluate system performance against the set of pre-defined remote tower hazards.

Below is an overview of the upcoming FAA Safety Management System (SMS) process required to move to Phase 2 active testing:

The FAA's Safety Management System (SMS) is designed to determine the risk to the National Airspace System (NAS) of any system. At a high level the SMS process is to define:

1. A set of hazards.
2. Their individual risk levels.
  - a. High
  - b. Medium
  - c. Low
3. The likelihood of a hazard occurring.
  - a. Frequent
  - b. Probable
  - c. Remote
  - d. Extremely Remote
  - e. Extremely Improbable
4. The severity if the hazard is realized.
  - a. Minimal
  - b. Minor
  - c. Major
  - d. Hazardous
  - e. Catastrophic

After each of the above has been determined for an individual hazard, the Operational Risk Matrix (see attached) is created to determine if the risk is acceptable (green), acceptable with mitigation (yellow) or unacceptable (red). If a hazard's risks are determined to be unacceptable and cannot be mitigated to acceptable (green or yellow) the system cannot be implemented.

The two (2) documents that are the basis for evaluating the performance of the remote tower system are: 1) Operational Visibility Requirements (OVR), and 2) the Operational Safety Assessment (OSA). The OVR details the minimum visual requirements necessary for an air traffic controller to perform the tasks in a VFR ATCT. The OSA defines the various hazards, risks associated with the hazard, likelihood of the risk occurring and the severity if the hazard is realized.



This SRMP will convene on July 11, 2022. This is an extremely important step toward ultimate certification of the system. Successful completion of the safety panel will result in creation of a Safety Risk Management Document (SRMD) that will be routed to the risk acceptors in each participating FAA line of business for signature. Success is when the SRMD is complete with no high hazards identified and passes a final review. The next hurdle will be getting the required signatures. Past performance indicates this could take months, which is totally ridiculous. Once the SRMD is finally signed, the project can move to the next critical step--Phase 2 active testing. The FAA has forecast not being able to begin Phase 2 testing until the first quarter of 2023, again absurd, as the signatures after the SRMD has been reviewed are simply a formality.

At the conclusion of Phase 2 another SRMP and SRMD will be required before the system achieves Operational Viability Decision (OVD). The sister remote tower project at Leesburg Virginia has been operation under a OVD since September 9, 2021. The significance of the OVD is that the remote tower is controlling traffic full time and the mobile ATCT (the "horse trailer" as the controllers call it) is no longer continuously staffed and the FAA will check the operation on a reduced schedule.

After the SRMP concludes our NextGen Project Manager will be stepping down and will be acting in a supporting role to the new Program Manager, who was/is the Program Manager for the Leesburg remote project.

Given delays our program has experienced I, in conjunction with NextGen, will be trying to shorten the time between final SRMD and the time Phase 2 will be allowed to begin. The hope is to be able to start Phase 2 in late September or October. This is an aggressive goal. Stay tuned.

NATCA has indicated they are not sure if they will be able to support a trip for their panel member to come to FNL to see the system. In my opinion, the project will not be well served by having the representative of the air traffic controllers' union, who is a voting member on the SRMP, not having seen the Colorado Remote Tower system. NATCA will also have two (2) non-voting representatives as subject matter experts at the SRMP meeting in addition to the voting panel member. I have made my concern known to the NATCA Director of Safety and Technology, as well as the NextGen Program Office. The NATCA Director of Safety and Technology has indicated that he will try to get the voting panel member to FNL to at least see the system. I have spoken to the designated panel member, and his schedule is open the week of June 6, 2022. I am waiting to hear from NATCA if they will be able to support a trip to FNL.

Schedule of upcoming meetings (dates are tentative based on FAA and NATCA availability):

1. June 8, 2022 – NATCA SRMP member familiarization visit. NextGen program team members will be present during this visit – FNL ???
2. June 21, 2022 – Air Traffic Safety Oversight Service (AOV) and NextGen - system familiarization and evaluation - FNL
3. July 11, 2022 – Phase 1 SRMP Meeting – FAA Headquarters Washington

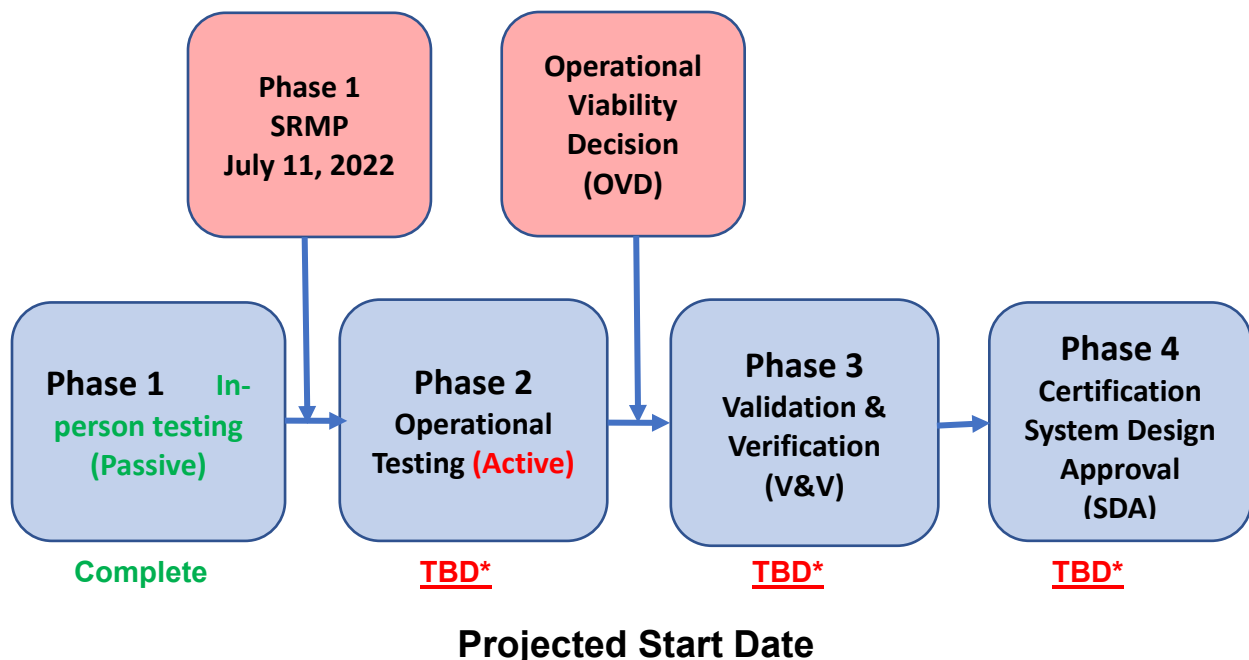


4. July 25, August 1 or August 8, 2022 – Technical Operations (AJW) team, NextGen and Searidge preliminary System Design Approval meeting to allow TechOps the opportunity to begin evaluation of the remote tower system - FNL

### **Remote Tower Approval Phases:**

- ❖ Operational Testing
  - Phase 1 - Passive Op Evals (Mobile ATCT staffed controlling traffic, passive data collection from Remote Tower (RT)) – **Complete**.
  - Phase 2 - Active Op Evals (RT staffed controlling traffic, Mobile ATCT staffed as safety back up); operating under an AOV (Aviation Safety) approved Phase 2 test plan - **TBD**
  - Phase 3 – Validation and Verification (V&V) (RT staffed controlling traffic, Mobile ATCT unstaffed); operating under an AOV approved V&V test plan - **TBD**
- ❖ Operational Viability Decision
  - Phase 3 - Extended Monitoring (RT staffed controlling traffic, existing ATCT can be deactivated or MATCT can be removed); operating under an AOV approved extended monitoring plan - **TBD**
- ❖ System Design Approval (SDA) - **TBD**
- ❖ **Remote Tower System/Facility Commissioning -TBD**

### **Proposed Remote Tower Testing Phases:**

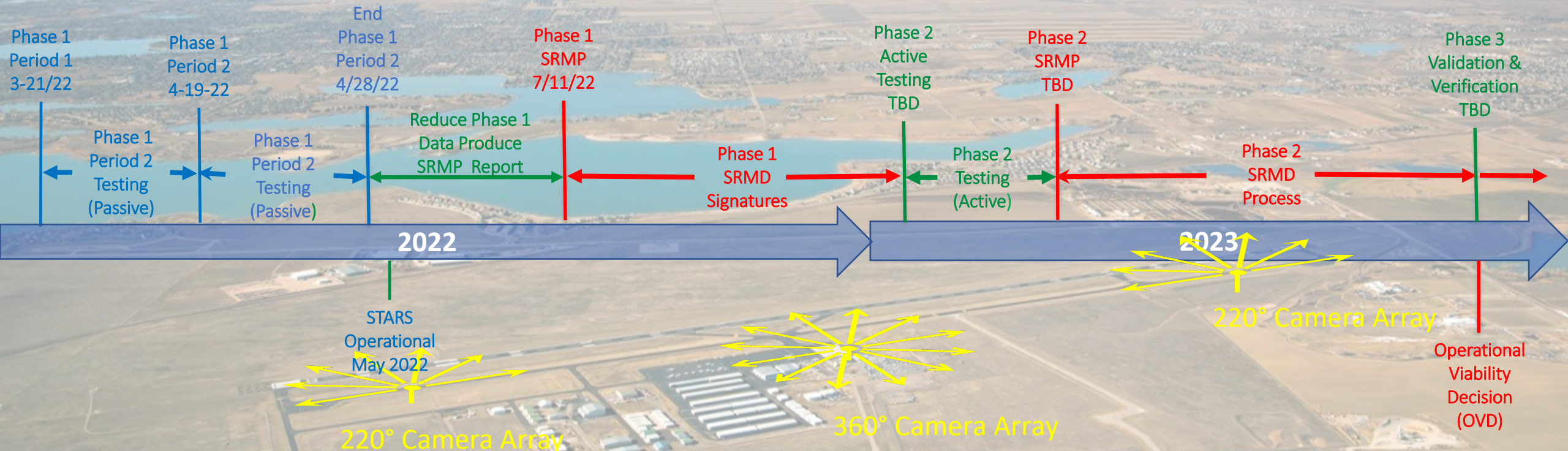


**\*Dependent on local resources' ability to travel to FNL and COVID status**

**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.

Note: The FAA has replaced the term Initial Operating Capability (IOC) with Operational Viability Decision (OVD). This may change again as the terminology of remote tower certification is in flux.

# Colorado Remote Tower Timeline (Draft)



- Upcoming activity
- Complete
- Critical Path Item

Abbreviation Key

- SRMP - Safety Risk Management Panel
- SRMD - Safety Risk Management Document
- STARS - Standard Terminal Automation Replacement System
- SDA - System Design Approval (System Type Certification)
- Ops - Operations
- TBD - To Be Determined
- OVD - Operational Viability Decision
- V&V - Validation & Verification

## Operational Risk Matrix

Severity Likelihood	Minimal 5	Minor 4	Major 3	Hazardous 2	Catastrophic 1
Frequent A					
Probable B					
Remote C					
Extremely Remote D					
Extremely Improbable E					*

Unacceptable Risk
Acceptable Risk with Mitigation
Acceptable Risk

\* Unacceptable with  
Single Point and/or  
Common Cause



Colorado Dept of Transportation  
2829 W. Howard Place  
Denver CO 80204

DATE: 04/20/2022



**Purchase Order**  
State of Colorado

**Buyer:** David Musgrave  
**Phone Number:** 303-757-9861  
**Agency Contact:** Kip McClain  
**Phone Number:** 303-512-5259

**IMPORTANT**  
The PO# and Line# must appear on all invoices, packing slips, cartons and correspondence

**PO# 411031198**  
**Award#:**  
**BID#:**



Page# 1 of 1

**Vendor Master#:** 2000033  
**Phone:** 970-962-2703  
**Vendor Contact:**

V  
E  
N  
D  
O  
R  
CITY OF LOVELAND  
4900 EARHART ROAD  
LOVELAND CO 80538

**Invoice**  
**TO:** CDOT DIVISION OF AERONAUTICS  
5126 FRONT RANGE PKWY  
Watkins CO 80137

**Payment will be made by this agency**

**Ship**  
**TO:** Colorado Dept of Transportation  
5126 Front Range Pkwy  
Watkins CO 80137

**Delivery/Installation Date: 06/30/2023**

**INSTRUCTIONS TO VENDOR**

1. If for any reason, delivery of this order is delayed beyond the delivery/Installation date shown, please notify the agency contact named at the top left (Right of cancellation is reserved in instances in which timely delivery is not made). 2. All chemicals, equipment and materials must conform to the standards required by OSHA. 3. NOTE: Additional terms and conditions on reverse side or at address shown in Special Instructions.

**SPECIAL INSTRUCTIONS**  
\*The Small Dollar Grant Award Terms and Conditions supersede CDOT's Standard Terms and Conditions and can be found on our website: <https://www.codot.gov/business/procurement-and-contract-services> or directly at: [https://drive.google.com/file/d/1SPHvQQpes69ghjik3Gf\\_aOBUoCGjBo2B/view](https://drive.google.com/file/d/1SPHvQQpes69ghjik3Gf_aOBUoCGjBo2B/view).

LINE	PRODUCT NUMBER PRODUCT CATEGORY DESCRIPTION	UOM PLANT	QUANTITY	UNIT COST	TOTAL ITEM COST
00001	95313 CDAG 2022 Intern Grant - FNL	AU 7001	20,800.00	1.00	20,800.00

FY22: 22-FNL-I01

Project Manager: Kip McClain

The 22-FNL-I01 grant is designed to assist the Northern Colorado Regional Airport in cooperation with the Cities of Loveland and Fort Collins, employ a full time airport management intern for 12 months.

Project EndDate: 06/30/2023

**DOCUMENT TOTAL: 20,800.00**

**THIS PO IS ISSUED IN ACCORDANCE WITH STATE AND FEDERAL REGULATIONS**  
<https://www.codot.gov/business/procurement-and-contract-services/purchase-order-terms-and-conditions/purchase-order-terms-and-conditions/view>  
DP-01 (R-02/06)

FOR THE STATE OF COLORADO

Authorized Signature Date

Signature not required if PO transmitted electronically.



Mail Processing Center  
Federal Aviation Administration  
Southwest Regional Office  
Obstruction Evaluation Group  
10101 Hillwood Parkway  
Fort Worth, TX 76177

Aeronautical Study No.  
2021-ANM-4997-OE

Issued Date: 08/02/2021

Brad Stevinson  
TC Pursuit Services, Inc  
1225 Seventeenth Street  
Suite 3175  
Denver, CO 80202

**\*\* NOTICE OF PRELIMINARY FINDINGS \*\***

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure:	Building Loveland Commerce Park
Location:	Loveland, CO
Latitude:	40-27-29.69N NAD 83
Longitude:	105-00-00.32W
Heights:	4978 feet site elevation (SE) 110 feet above ground level (AGL) 5088 feet above mean sea level (AMSL)

Initial findings of this study indicate that the structure as described exceeds obstruction standards and/or would have an adverse physical or electromagnetic interference effect upon navigable airspace or air navigation facilities. Pending resolution of the issues described below, the structure is presumed to be a hazard to air navigation.

If the structure were reduced in height so as not to exceed 44 feet above ground level (5022 feet above mean sea level), it would not create a substantial adverse effect and a favorable determination could subsequently be issued.

To pursue a favorable determination at the originally submitted height, further study would be necessary. Further study entails distribution to the public for comment, and may extend the study period up to 120 days. The outcome cannot be predicted prior to public circularization.

If you would like the FAA to conduct further study, you must make the request within 60 days from the date of issuance of this letter.

See Attachment for Additional information.

**NOTE: PENDING RESOLUTION OF THE ISSUE(S) DESCRIBED ABOVE, THE STRUCTURE IS PRESUMED TO BE A HAZARD TO AIR NAVIGATION. THIS LETTER DOES NOT AUTHORIZE CONSTRUCTION OF THE STRUCTURE EVEN AT A REDUCED HEIGHT. ANY RESOLUTION OF THE**



ISSUE(S) DESCRIBED ABOVE MUST BE COMMUNICATED TO THE FAA SO THAT A FAVORABLE DETERMINATION CAN SUBSEQUENTLY BE ISSUED.

IF MORE THAN 60 DAYS FROM THE DATE OF THIS LETTER HAS ELAPSED WITHOUT ATTEMPTED RESOLUTION, IT WILL BE NECESSARY FOR YOU TO REACTIVATE THE STUDY BY FILING A NEW FAA FORM 7460-1, NOTICE OF PROPOSED CONSTRUCTION OR ALTERATION.

If we can be of further assistance, please contact our office at (206) 231-2990, or paul.holmquist@faa.gov. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2021-ANM-4997-OE.

**Signature Control No: 487782150-490200557**

( NPF )

Paul Holmquist  
Specialist

Attachment(s)  
Additional Information

## Additional information for ASN 2021-ANM-4997-OE

### Abbreviations

AGL - above ground level

AMSL - above mean sea level

RWY - runway

VFR - visual flight rules

IFR - instrument flight rules

NM - nautical mile

ASN- Aeronautical Study Number

CAT - category aircraft

NEH - no effect height

MDA - minimum descent altitude

W/1A - with a 1A Survey

W/2C - with a 2C survey

NA - not authorized

Part 77 - Title 14 Code of Federal Regulations (CFR) Part 77, Safe, Efficient Use and Preservation of the Navigable Airspace

### OBSTRUCTION STANDARDS EXCEEDED

Section 77.17(a)(3) -- A structure that causes less than the required obstacle clearance within a terminal obstacle clearance area, including an initial approach segment, a departure area, and a circling approach area resulting in increases to an IFR terminal minimum altitude.

At 5088 AMSL, 4D, Northern Colorado Rgnl (FNL) Fort Collins/Loveland, CO.

Obstacle penetrates RWY 6 Initial Climb Area (ICA) 66 feet. Qualifies as low, close-in penetration with climb gradient termination altitude 200 feet or less above DER, requiring TAKE-OFF MINIMUM AND (OBSTACLE) DEPARTURE PROCEDURES, NOTE: RWY 6, Building 1400 feet from departure end of runway, 811 feet left of centerline, 110 AGL / 5088 AMSL, NEH 5022 AMSL.

If you agree to lower the proposal to 44 feet AGL (5022 feet AMSL) it would not exceed obstruction standards, and the FAA can remove this objection and issue a favorable determination.

To pursue the possibility of receiving a favorable determination at the originally proposed height, further study would be necessary. Further study will involve a public notice circularization and 37 day comment period. The outcome cannot be predicted.

If you have questions regarding this Notice of Preliminary Findings, you may contact Paul Holmquist via email at (paul.holmquist@faa.gov) .



Mail Processing Center  
Federal Aviation Administration  
Southwest Regional Office  
Obstruction Evaluation Group  
10101 Hillwood Parkway  
Fort Worth, TX 76177

Aeronautical Study No.  
2021-ANM-4997-OE

Issued Date: 09/16/2021

Brad Stevinson  
TC Pursuit Services, Inc  
1225 Seventeenth Street  
Suite 3175  
Denver, CO 80202

**\*\* DETERMINATION OF NO HAZARD TO AIR NAVIGATION \*\***

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure:	Building Loveland Commerce Park
Location:	Loveland, CO
Latitude:	40-27-29.69N NAD 83
Longitude:	105-00-00.32W
Heights:	4978 feet site elevation (SE) 110 feet above ground level (AGL) 5088 feet above mean sea level (AMSL)

This aeronautical study revealed that the structure does not exceed obstruction standards and would not be a hazard to air navigation provided the following condition(s), if any, is(are) met:

It is required that FAA Form 7460-2, Notice of Actual Construction or Alteration, be e-filed any time the project is abandoned or:

☐ At least 10 days prior to start of construction (7460-2, Part 1)  
☒ Within 5 days after the construction reaches its greatest height (7460-2, Part 2)

Based on this evaluation, marking and lighting are not necessary for aviation safety. However, if marking/lighting are accomplished on a voluntary basis, we recommend it be installed in accordance with FAA Advisory circular 70/7460-1 M.

The structure considered under this study lies in proximity to an airport and occupants may be subjected to noise from aircraft operating to and from the airport.

This determination expires on 03/16/2023 unless:

- (a) the construction is started (not necessarily completed) and FAA Form 7460-2, Notice of Actual Construction or Alteration, is received by this office.
- (b) extended, revised, or terminated by the issuing office.

- (c) the construction is subject to the licensing authority of the Federal Communications Commission (FCC) and an application for a construction permit has been filed, as required by the FCC, within 6 months of the date of this determination. In such case, the determination expires on the date prescribed by the FCC for completion of construction, or the date the FCC denies the application.

**NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE E-FILED AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE. AFTER RE-EVALUATION OF CURRENT OPERATIONS IN THE AREA OF THE STRUCTURE TO DETERMINE THAT NO SIGNIFICANT AERONAUTICAL CHANGES HAVE OCCURRED, YOUR DETERMINATION MAY BE ELIGIBLE FOR ONE EXTENSION OF THE EFFECTIVE PERIOD.**

This determination is based, in part, on the foregoing description which includes specific coordinates, heights, frequency(ies) and power. Any changes in coordinates, heights, and frequencies or use of greater power, except those frequencies specified in the Colo Void Clause Coalition; Antenna System Co-Location; Voluntary Best Practices, effective 21 Nov 2007, will void this determination. Any future construction or alteration, including increase to heights, power, or the addition of other transmitters, requires separate notice to the FAA. This determination includes all previously filed frequencies and power for this structure.

If construction or alteration is dismantled or destroyed, you must submit notice to the FAA within 5 days after the construction or alteration is dismantled or destroyed.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of the structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

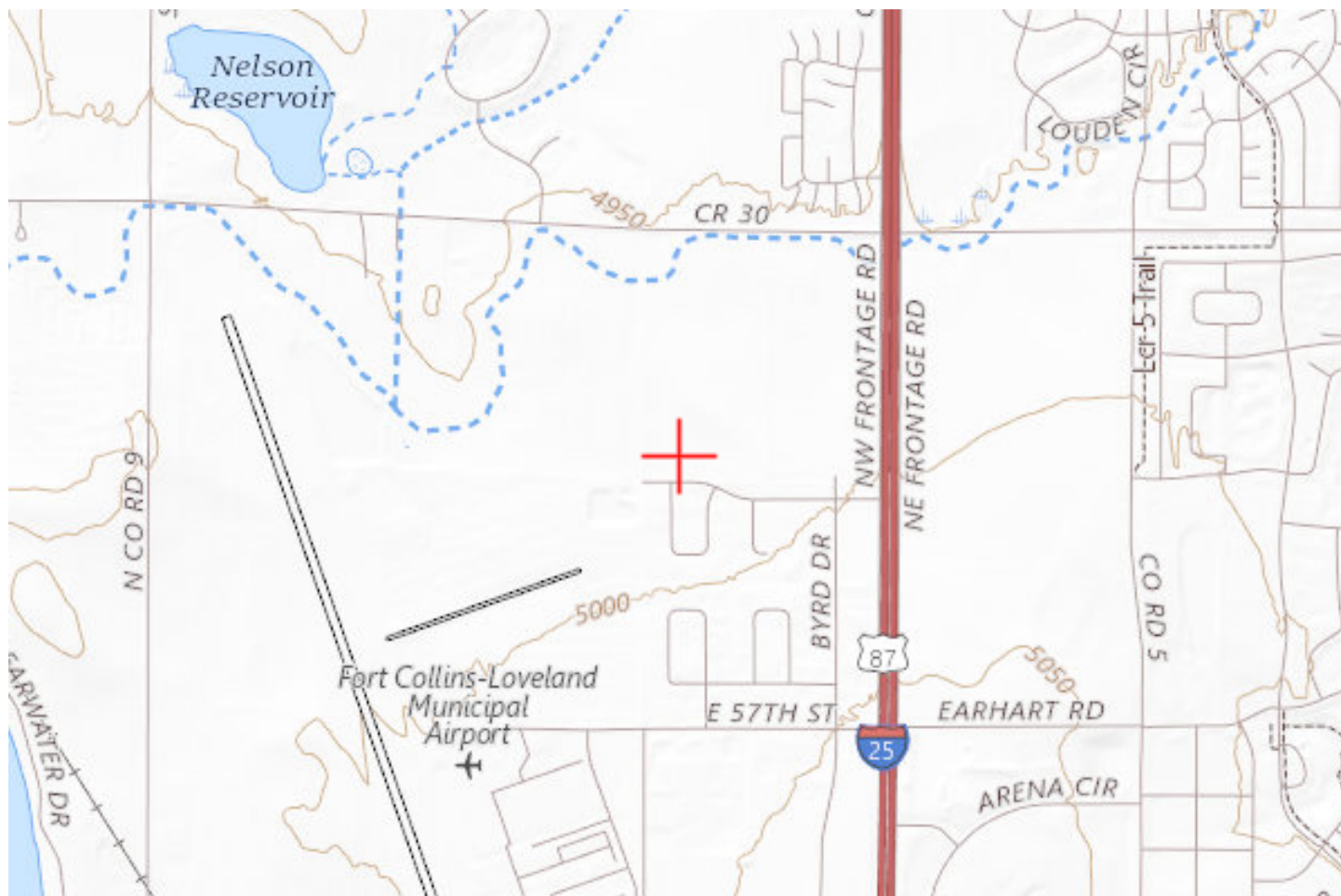
If we can be of further assistance, please contact our office at (206) 231-2990, or [paul.holmquist@faa.gov](mailto:paul.holmquist@faa.gov). On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2021-ANM-4997-OE.

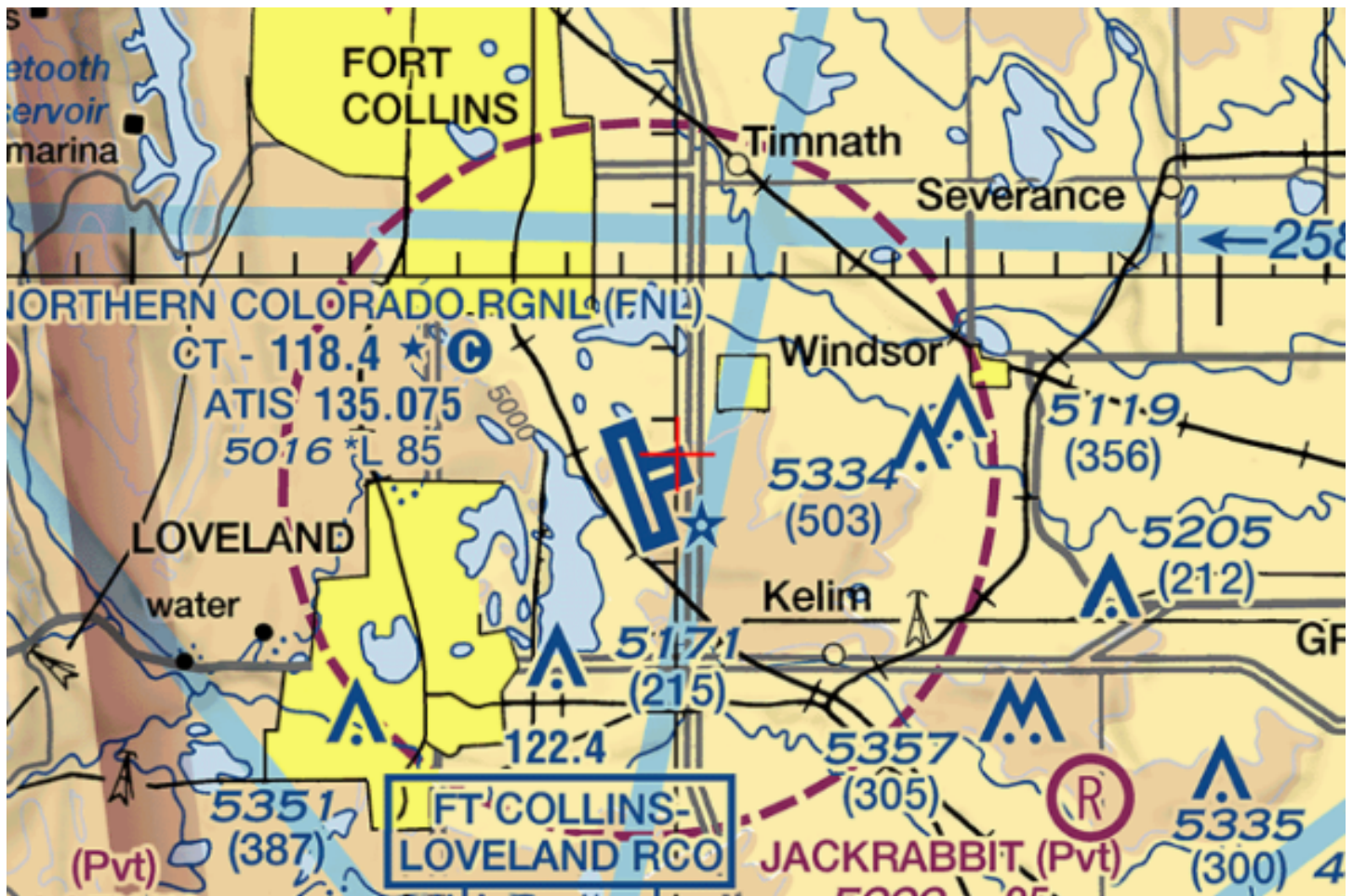
**Signature Control No: 487782150-494781714**

( DNE )

Paul Holmquist  
Specialist

Attachment(s)  
Map(s)







## LOCAL NEWS

# Avelo Airlines to suspend flights from Loveland

Las Vegas flights to end by June 16, Burbank flights by June 24



A crew prepares for an Avelo flight to take off Wednesday, Oct. 13, 2021, at the Northern Colorado Regional Airport in Loveland. (Jenny Sparks/Loveland Reporter-Herald file)

By **JOCELYN ROWLEY** | [jrowley@prairiemountainmedia.com](mailto:jrowley@prairiemountainmedia.com) | Loveland Reporter-Herald

May 31, 2022 at 7:44 p.m.



Just eight months after starting service at the Northern Colorado Regional Airport in Loveland, Avelo Airlines announced last week that it will be suspending commercial flights between Loveland and Las Vegas and Loveland and Burbank later this month.

The final flight from Loveland to Harry Reid International Airport in Las Vegas is scheduled to depart on June 16, while the Loveland to Hollywood Burbank service will end on June 24.

In a statement about the suspension, Avelo Head of Communications Jim Olson cited rising fuel costs as the reason.

“Our jet fuel prices have doubled since January,” Olson’s statement read in part. “As our longest route combination (BUR-FNL-LAS), we could no longer justify operating these routes at today’s historically high jet fuel prices.” (FNL is the NoCo airport’s location identifier code.)

For NoCo airport director Jason Licon, the news came as a surprise, especially after the early success of the Loveland to Vegas route, which launched in December.

According to a [March 28 press release](#) from the airline, more than 6,000 passengers flew the route during its first 100 days, making it a “winning bet” for both Avelo and Northern Colorado, chairman and CEO Andrew Levy said at the time.

Avelo also [raised](#) \$42 million in Series B investment funding earlier this year.

“With the amount of investment and, a few months prior, the CEO having some interest in looking at other potential destinations, it was a surprise,” Licon said of the suspension. “We thought that the momentum was building and awareness was catching on. It was certainly becoming more and more popular as more people understood the new airline and understood the routes.”

At the same time, Licon was not surprised that rising jet fuel prices are prompting changes in the airline industry.

“I think this is just the beginning, if fuel prices remain high,” he said. “Certainly our airport was not the only loss sustained because of rising prices. Avelo alone is cutting a lot of their frequencies and other routes to other airports as well. So ours



Loveland City Councilor Don Overcash, a member of the NoCo airport commission, called the news “disappointing,” but, like Licon, also said it was not surprising to see inflation taking its toll.

“We certainly understand the rising fuel costs and the difficulty of operating within the business model they’ve carved out, but we’re encouraged that they said ‘suspending’ and are hoping to get through this tough period. The relationship was good.”

Avelo became the country’s first new mainline carrier in 15 years when it launched in 2021, offering low fares and a “smooth convenient travel experience.”

The NoCo airport announced its partnership with the airline in July 2021, and twice-weekly flights between Loveland and Hollywood Burbank Airport began in October.

In December, Avelo added twice weekly flights to Las Vegas, departing on Wednesdays and Saturdays. Later, flights were moved to Mondays and Fridays.

Licon confirmed that the door remains open to Avelo, “if the economics allow them to do so.” The airline, too, is open for a reconciliation down the road.

“We had great hopes for Northern Colorado and FNL — it is a wonderful airport and very special region,” Olson wrote. “We appreciate the partnership from the FNL Airport team, as well as the positive and enthusiastic response we received from the Fort Collins-Loveland communities. We are also very grateful to our Customers there who gave Avelo a chance and hope that Avelo will have the opportunity to serve them again under more favorable economic conditions.”

The NoCo airport will continue to offer “wingless” flights on United Airlines through a partnership with Landline, a ground transportation company.

On a wingless flight, passengers park at the Loveland airport and go through the boarding process, then take a bus directly to the terminal at Denver International Airport for a security screening. Luggage is transferred automatically.

The first wingless flights started at NoCo in April 2021, and have been growing in popularity ever since, according to Licon. He also said that Landline recently added two additional airlines to its services in other states, an option that could come to Loveland.



The “next generation” [remote tower](#), one of only two of its kind in the country, completed phase one testing at the end of April, and will not move on to phase two.

The terminal improvement is currently in the design phase, and will be paid for largely by funds from the 2020 CARES act.

“The terminal project actually started well before the airline had announced service, and will continue on because it is a necessary item,” Licon said. “We believe in the service potential the airport has, and will continue to progress down that line so that we can offer an alternative for travelers out of Northern Colorado.”

Local customers with flights booked past June 16 or 24 can obtain refunds directly from Avelo Airlines at [aveloair.com](https://aveloair.com), by calling the customer support line at 346-616-9500, or by email at [support@aveloair.com](mailto:support@aveloair.com).

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**Jocelyn Rowley** | City reporter



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## Avelo's impending departure is latest disappointment for Northern Colorado's airport



**Pat Ferrier**

Fort Collins Coloradoan

Published 3:21 p.m. MT May 31, 2022

Avelo Airlines will make its last flight from Northern Colorado Regional Airport at the end of June, with officials citing rising fuel and supply costs as factors behind the latest commercial airlines' departure from the local airport.

Its last flight from Loveland to Las Vegas will be June 16, while its last Burbank flight on June 24 will end Avelo's seven-month service to the Fort Collins and Loveland area.

The airline had budgeted airline fuel costs at \$2.50 per gallon at the end of 2021 for 2022, but fuel is now about \$7 per gallon, said airport Director Jason Licon, who learned Friday that Avelo intended to suspend local flights.

Licon said he found out through "folks servicing the airline" and called Avelo to confirm the news.

"It was very disappointing," Licon said. "They weren't going to make an announcement, they were just going to discontinue ticket sales. That was disappointing, too."

Avelo CEO Andrew Levy said in a statement to the Coloradoan that its jet fuel prices have doubled. "As our longest route combination (Burbank-Northern Colorado-Las Vegas) we could no longer justify operating there at today's historically high jet fuel prices," he wrote.

"We had great hopes for Northern Colorado and FNL – it is a wonderful airport and very special region," he said, acknowledging the "positive and enthusiastic response" from the communities.

"We are also very grateful to our customers there who gave Avelo a chance and hope that Avelo will have the opportunity to serve them again under more favorable economic

055



conditions," he said.

**Things changed quickly:** Avelo Airlines' Northern Colorado to Las Vegas route beats the odds in first 100 days

## Time to for airport to regroup, again

The suspension of service is a blow to the airport owned by the cities of Fort Collins and Loveland, which reveled in the return of commercial air service after a long absence.

"While we recognize that airlines must make difficult choices, this news is disappointing to us and we know that it is also disappointing to those who choose to fly from FNL," Licon said.

FNL is the airport designation used by pilots.

"Flights from FNL to Burbank and Las Vegas continue to be very popular, proving that local passengers desire commercial air service from our location," Licon said. "Memorial Day weekend, the planes were absolutely full; in March, it was full speed ahead."

Avelo, which celebrated its first 100 days of Northern Colorado flights in late March, touted its success and was looking forward to adding new routes to and from Northern Colorado.

Avelo CEO Andrew Levy told the Coloradoan then that flights to Burbank/Hollywood were increasing and travel to Las Vegas had been a good bet.

About 6,000 customers, or about 430 per week, had flown the twice-a-week route in its first 100 days, he said.

December was good, January was not, February was better and March was excellent as March Madness and spring break drew heavy air travel to Las Vegas and Burbank, he said.

But with Avelo's impending departure, the local airport finds itself in familiar territory, having lost Allegiant Airlines' planned commercial service in October 2019.

"While this news is unfortunate, it doesn't change our airport's commitment to making travel more accessible through investment and innovation," Licon said. "We recognize that Northern Colorado travelers are looking for convenience and value and want the public to know that we will continue to seek this from other potential service providers."

Avelo hasn't shut the door completely on FNL and is open to returning if the opportunity presents itself and the economy improves, Licon said.

Airport officials "did everything we could to encourage Avelo to stay and be successful," he said, including offering it the ability to "operate at zero cost for the first year" through fee waivers and other incentives, he said. "We did everything in our power to make sure they had the ability to be successful."

**More airport news:** Developer Martin Lind seeks to boost international travel at Loveland airport by funding customs office

Avelo began flying to Hollywood/Burbank in October and a few weeks later announced the Las Vegas route.

The addition of Avelo was cause for celebration at the airport, which months earlier had added United Airlines' "wingless flights" that take passengers by a Landline bus from Northern Colorado to Denver International Airport to connect with United's other flights.

The airport had been without regularly scheduled commercial service since 2017, when Elite Airways suspended flights after just a couple of years.

Allegiant had promised to bring back commercial flights to Las Vegas in 2019, but plans never materialized when the Federal Aviation Administration delayed testing of the airport's remote air traffic control tower.

Airport Commission Chairman Don Overcash said it was "unfortunate that rising fuel costs and a tight economy have impacted Avelo and other airlines across the U.S., making it hard for them to be competitive and provide the same level of service to passengers."

The airport will continue focusing on enhancements including a new terminal and remote air traffic control tower "that will be used to support current commercial airline service as well as recruiting new carriers," he said. "These investments are necessary to ensure that FNL continues to serve as an economic engine benefitting the region."

The airport remains dedicated to its partnership with United Airlines and Landline, and to bringing other accessible commercial air service to the region, Licon said.

Ever the optimist, Licon said the airport is committed to looking for another carrier. As the economy becomes more favorable, "perhaps Avelo will return or another carrier will see the opportunity and want to serve us. It's not a matter of if, but when."

**Previous coverage:** Fort Collins-based wingless flight company jump-starts expansion with new funding

## Changing flight schedules created barriers for passengers

Avelo had tinkered with Northern Colorado flight schedules, changing them three times in the course of a few months while both frustrating and confusing passengers. In May, it was down to two functional aircraft on the West Coast when one had to go in for maintenance. The limited fleet "created a lot of challenges," Licon said.

One woman wrote to the Coloradoan in April that her family bought tickets to Las Vegas in February for a trip departing Wednesday, May 18, and returning Saturday, May 21.

She booked an Airbnb, bought show tickets, arranged time off work, and arranged to board her dog only to have her return flight changed to Sunday and her departure changed to the corresponding Thursday.

"Obviously my accommodations for Vegas were for the specific scheduled dates," she wrote.

The Thursday through Sunday schedule didn't work for her family and it was "impossible to get reasonably priced airfare" for the original dates. She ended up eating about \$600, half the cost of the Airbnb when she canceled, plus the cost of the show.

She said an Avelo representative had no explanation for the change.

"This 'too good to be true' airline with cheap flights is in fact too good to be true," she wrote. "It is so disheartening to be out this much money without a clear understanding as to why they had to change the flight and why I wasn't even properly notified."

Avelo's changing schedules were a limiting factor for some potential passengers, Licon said.

"Twice a week can only work for a select few individuals. Folks really have, especially if they're working, only a finite availability to travel," he said.

More frequency could have captured more customers, he said. "Having a brand new airline and a lot of folks just learning about it, it's taken some time to get the public initiated to who they are and what they offer."

In addition to reducing its scheduled flights, Avelo is reducing staff, pulling out of some West Coast operations and focusing on the East Coast now, Licon said. The airline is heavily investing in operations from Tweed-New Haven (Connecticut) Airport, investing \$1.2 million

to upgrade and modernize facilities and operations there, and offering 33 flights per week to Florida, according to published reports.

Already booked tickets?

Customers who have already booked flights can get refunds through [aveloair.com](https://aveloair.com) or by contacting the customer support line at 346-616-9500 or [support@aveloair.com](mailto:support@aveloair.com).

*Pat Ferrier is a senior reporter covering business, health care and growth issues in Northern Colorado. Contact her at [patferrier@coloradoan.com](mailto:patferrier@coloradoan.com).*

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# Allegiant and Avelo drop Ogden flights, leaving city without commercial air service

By Mark Shenefelt - | Jun 2, 2022



[Home](#) / [News](#) / [Business](#) / Allegiant and Avelo drop Ogden flights, leaving city without commercial air service



Jamie Lampros, Special to the Standard-Examiner

The Ogden-Hinckley Airport terminal is pictured Friday, May 20, 2022.

OGDEN — Two airlines have ended service to Ogden, dealing a setback to the city's efforts to expand travel options at Ogden-Hinckley Airport.

Allegiant Air said Tuesday it shelved its Ogden flights recently, while Avelo Airlines said high fuel costs had caused it to drop its Ogden service. The news comes at an awkward time for the city, which has been leveraging Federal Aviation Administration funds to build capacity for more commercial flights.

“While we made the decision to put our service at Ogden Airport on hiatus in April, we remain highly committed to Utah and are, in fact, growing our presence in the region,” Allegiant spokesperson Sonya Padgett said in an email.

The Allegiant expansion Padgett referenced is at the Provo Airport, where the airline is establishing a \$95 million base for five aircrafts and crews. By November, Allegiant will be flying to 12 destinations from Provo, including Los Angeles; San Diego; Las Vegas; Portland, Oregon; and Orlando, Florida.

Allegiant began flying through Ogden a decade ago. Avelo scheduled an Ogden-Burbank, California, flight beginning in May 2021, billing the Ogden destination as a convenient route to all Wasatch Front attractions.

“Due to record-high fuel costs, we have halted service of this route,” Avelo spokesperson Courtney Goff said in an email. “While demand is doing well, the costs were not sufficient to justify flying this route at today’s record-high jet fuel prices. As prices continue to fluctuate, we will re-evaluate continuing operation in Ogden.”

Bryant Garrett, Ogden’s airport manager, said Wednesday a “perfect storm” of conditions is buffeting Ogden and other smaller-market airports around the country.

Garrett said Allegiant told him the company has more than two dozen leased aircrafts parked because it doesn’t have air crews for them. He said larger airlines can have their pick of expensive-to-train pilots and “it’s killing the smaller airlines.”

Garrett added that Avelo’s departure was triggered by Allegiant’s. They shared fuel supply services at Ogden, and rather than pick up that burden alone, Avelo decided it had a better use for the flight elsewhere.

A silver lining is that Ogden will be able to finish terminal improvements more quickly, now that construction will not need to be done around functioning airlines, Garrett said. He said current capacity limits Ogden to two commercial flights at a time.

“Hopefully in a year and a half, these bad business factors will have abated and we will be able to get a new commitment,” he said. “The issue is the price of fuel and the availability of pilots. It appears the airlines’ strategy is to retrench in the markets where they are going to make the most money right now.”

In air industry parlance, Allegiant and Avelo are known as ultra-low-cost carriers, which look to fill niches, often at suburban airports. While Ogden City officials have extolled the virtues of Ogden’s airport for those services, some critics of the



administration said they are not surprised Avelo and Allegiant have pulled out.

The skeptics said that some airlines shun flying to Ogden because of a key runway's proximity to the local mountain ranges. "They are not willing to do 'circle to land'" to work around the impediment, Ed McKenney, president of the Ogden Regional Airport Association, said in a recent interview.

He said losing both airlines may bring into question the \$1 million per year through 2027 that the airport is scheduled to receive from the FAA for improvements of airport facilities.

"This is a continuation of Ogden's spending millions to attract and fund the airlines when there are significant safety and business reasons why the airlines have no interest in doing business with Ogden City," McKenney said.

McKenney is one of dozens of plaintiffs in a federal civil suit against the city alleging the airport is unconstitutionally depriving hangar ground lessees of improvements they have made to hangars. Under a 2019 airport master plan, the airport says it will no longer automatically renew ground leases and will demolish hangars that are 40 years or older. Garrett said recently some of the hangar lessees no longer fly and that they store boats, trailers and other belongings in the hangars.

Troy Larkin, a vice president of the airport users association and another plaintiff in the lessees' suit, echoed McKenney's comments. He said ultra-low-cost carriers will stay in Ogden only as long as they can maintain passenger numbers on a handful of flights. Ogden's future may be more amenable to an airline such as JetBlue, which has been known to serve similar markets, Larkin said.

But, both McKenney and Larkin said Ogden should focus on general aviation operations. McKenney said that should include not just owners of small planes but also corporate operations, maintenance and repair services, and government business, such as Forest Service bases.

At the city-owned Provo Airport, acting manager Brian Torgersen said Tuesday that, in addition to Allegiant's expansion, Breeze Airways will begin offering daily flights in August to San Francisco and to more destinations later in the year.

Torgersen said Provo's new terminal is part of the airport's growth story, plus the ease and convenience of parking, and no long lines or long walks. He said the Allegiant flight to and from Mesa, Arizona, is one of the most successful for the airline, fueled by the

large population in the Mesa area of members of The Church of Jesus Christ of Latter-day Saints. Allegiant previously flew to Mesa from Ogden.

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# NORTHERN COLORADO REGIONAL AIRPORT

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**ITEM NUMBER:** 4  
**MEETING DATE:** June 16, 2022  
**PREPARED BY:** Jason Licon, Airport Director  
Jeff Miller, Senior Accountant

---

## **TITLE**

2021 Financial Audit Presentation

## **RECOMMENDED AIRPORT COMMISSION ACTION**

Make a motion to accept the 2021 audit as presented

## **BUDGET IMPACT**

Neutral

## **SUMMARY**

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 will be available in person and the consultants from Plante Moran will be calling in to present the 2021 consolidated audited financial statement to the Airport Commission and will be available to answer questions.

## **ATTACHMENTS**

Plante Moran Audit Summary Letter  
Airport Financial Audit for 2021  
Audit Presentation

June 1, 2022

To the Northern Colorado Regional  
Airport Commission  
Northern Colorado Regional Airport

We have audited the financial statements of Northern Colorado Regional Airport (the "Airport") as of and for the year ended December 31, 2021 and have issued our report thereon dated June 1, 2022. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated March 21, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Airport. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the Airport's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the Airport, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated June 1, 2022 regarding our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated May 12, 2022.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Airport are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021.

We noted no transactions entered into by the Airport during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

The disclosures in the financial statements are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in performing and completing our audit.

#### ***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

#### ***Significant Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Airport, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Airport's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

#### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated June 1, 2022.

#### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Airport's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Information Included in Annual Reports**

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we read the letter of transmittal included in the financial statements, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

We would like to take this opportunity to thank the Airport's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of Northern Colorado Regional Airport Commission and management of the Airport and is not intended to be and should not be used by anyone other than these specified parties.

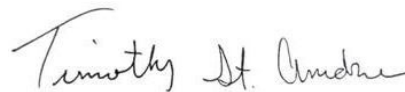
We welcome any questions you may have regarding the preceding communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

**Plante & Moran, PLLC**



William Brickey, CPA  
Partner



Timothy St. Andrew, CPA  
Partner



Rumzei Abdallah, CPA  
Principal



*Northern Colorado*  
*Regional Airport*  
**Year Ended December 31, 2021**



**COLORADO**



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June 1, 2022

The Northern Colorado Regional Airport annual financial statements for the year ended December 31, 2021, are respectfully submitted. This report was prepared by the City of Loveland's Finance Department. The responsibility for both the accuracy of the presented data and fairness of the presentation, including all the disclosures rests with the City of Loveland. The City believes the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly portray the financial position and results of Airport operations as measured by the Airport's financial activity; and all disclosures necessary to enable the reader to gain an understanding of the Airport's financial affairs have been included.

Generally Accepted Accounting Principles (GAAP) requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Airport's MD&A can be found immediately following the external auditor letter.

### Airport Overview

The Northern Colorado Regional Airport (FNL) has served as a public regional air transportation center since 1964. The Airport is certified by the Federal Aviation Administration as a commercial service airport and is administered and operated jointly by the Cities of Fort Collins and Loveland in Northern Colorado. The Airport supports approximately 120,000 aircraft flight operations annually. These operations range from commercial air carrier, air taxi and charter, business aviation, air ambulance transport, aerial fire suppression, pilot training, and private transportation flights. An estimated 5,000 outbound passengers (enplanements) traveled from the Airport on commercial air carriers and chartered flight services supported by Avelo Airlines, Swift Air, and Sun Country Airlines.



Airport Area	1, 073 Acres
Runway (Primary)	8,500' x 100'
Runway (Crosswind)	2,273' x 40'
Based Aircraft	308
Hangars	222
Passengers	5,000

The Airport is home to many aviation-based businesses including one full service fixed base operator that provides aircraft fueling and storage, five flight training schools, two aircraft maintenance and repair stations, and an avionics center. The Airport is also host to a variety of private and corporate aviation businesses that provide air transportation services to companies in order to remain competitive in today's global economy. According to the Economic Impact Study conducted in 2020 by the Colorado Department of Transportation Division of Aeronautics, the Airport contributes approximately \$296 million annually to the regional economy. This impact is derived through airport associated activities and area spending from visitors. The study also identified 1,072 jobs that were directly associated with the Airport through administrative and operational support, airport businesses, capital improvement investments, and visitor spending. The Northern Colorado Regional Airport Commission is comprised of elected officials, staff, and appointed citizen members from both Fort Collins and Loveland. The Commission has been delegated powers and authority from both City Councils in order to continue to make progress towards the strategic plan and the associated Vision and Mission:

### **Vision Statement**

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

### **Mission Statement**

*"Serving the region, we are a catalyst for innovation in all modes of transportation, a driving force for business and training, and a global gateway to a magnificent Colorado."*

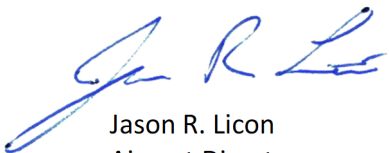
The Northern Colorado Regional Airport Commission is charged by the Cities to set policy and direction for the Airport to achieve the goals and objectives outlined in the various plans including the Airport Master Plan, and Strategic Plan. The Airport's Strategic Plan priorities are:

- Organizational Excellence & Innovation
- Multimodal Transit & Terminal
- Capital Projects
- Private Development & Economic Development

The financial outlook for 2022 continues to be positive. Some of the highlights include:

- Continuation of the new innovative "wingless flight" services in partnership with United Airlines. United is expecting the ability to have passengers' clear security at FNL and connect to DEN gate to gate sometime in 2022 that will increase the flight schedules and demand.
- The new airline terminal design is scheduled to have design work complete 4Q 2022 with construction to begin in early 2023. Many opportunities for growth in commerce and additional jobs for the community are anticipated with this project.
- New development for both aeronautical use and non-aeronautical use are in the construction phases which will add to the economic bottom line of the Airport and contribute toward self-generated revenues.
- A new FBO has been announced and according to the developer is scheduled to begin construction within the next two years.
- The Remote Air Traffic Control Tower is rescheduled for testing during the first quarter of 2022 subject to pandemic restrictions. Capital and operational costs continue to be primarily funded by the FAA and Colorado Aeronautics.
- Fuel flowage and aviation fuel tax reimbursements are tied to a percentage, relying upon the price of fuel in addition to the volume of sales. The price of fuel in the coming year will impact the amount of revenues collected from percentage-based fuel flowage and tax reimbursements. Fuel price trends have been on an upward path through 2021 and if it remains at this level with consistent volumes, the revenues it will provide will be greater than what was budgeted.

**Respectfully,**



Jason R. Licon  
Airport Director

## **Independent Auditor's Report**

To the Northern Colorado Regional  
Airport Commission  
Northern Colorado Regional Airport

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Northern Colorado Regional Airport (the "Airport") as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Northern Colorado Regional Airport as of December 31, 2021 and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Northern Colorado Regional  
Airport Commission  
Northern Colorado Regional Airport

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Northern Colorado Regional Airport's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### ***Other Information***

Management is responsible for the other information included in the other information. The other information comprises the letter of transmittal but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Northern Colorado Regional  
Airport Commission  
Northern Colorado Regional Airport

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Report on Summarized Comparative Information***

We have previously audited Northern Colorado Regional Airport's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 19, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2022 on our consideration of Northern Colorado Regional Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northern Colorado Regional Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northern Colorado Regional Airport's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

June 1, 2022

## MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the Northern Colorado Regional Airport's financial performance provides an overview of the Airport's financial activities as of and for the year ended December 31, 2021. Please read it in conjunction with the financial statements, which begin on page 9.

### Financial Highlights

- In 2021, net position increased by \$3,272,826 (19.73%) primarily due to an increase in capital contributions.
- Total operating revenues increased to \$1,684,665 an increase of \$407,885 (31.95%) compared to 2020, due to increased Gas and Oil Commissions and Miscellaneous Revenue. The two major components of the Miscellaneous Revenue were income from the Airshow and the reimbursement for the use of the Airport's firefighting equipment.
- Total operating expenses were unchanged compared to 2020.

### Overview of the Financial Statements

The Statement of Net Position presents information on all the Airport's assets and liabilities. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Airport is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information that reflects how the Airport's net position changed during the year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The Statement of Cash Flows reports the Airport's cash flows from operating, capital and non-capital financing and investing activities. The financial statement demonstrates how the various activities of the Airport impact its cash balances.

The Notes to Financial Statements provide additional information that is essential for a full understanding of the data provided in the financial statements.

### Entity-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Airport's financial position. As of December 31, 2021, assets exceeded liabilities by \$19,864,424.

<b>Net Position</b>		
	2021	2020
Current Assets	\$ 4,524,806	\$ 3,099,946
Capital Assets	15,805,175	13,627,748
<b>Total Assets</b>	<b>20,329,981</b>	<b>16,727,694</b>
<b>Current Liabilities</b>	<b>465,557</b>	<b>136,094</b>
Net Position:		
Investment in Capital Assets	15,805,175	13,627,748
Unrestricted	4,059,249	2,963,852
<b>Total Net Position</b>	<b>\$ 19,864,424</b>	<b>\$ 16,591,600</b>

### **Net Position**

Net position of the Airport at December 31, 2021 is shown to the left. The largest portion (82.1%) of the Airport's net position is the net investment in capital assets (land, buildings, improvements, runways, leasehold improvements and equipment). The Airport uses these capital assets to provide aviation services to the surrounding communities. Consequently, these assets are not available for future spending. Unrestricted net position may be used to meet the Airport's ongoing obligations.



Changes in Net Position			
	2021		2020
Program Revenues	\$ 1,684,665	\$	1,276,780
Program Expenses	2,624,588	\$	2,618,451
<b>Operating Loss</b>	(939,923)		(1,341,671)
<b>Non-operating Revenues</b>			
Interest Income	(61,294)		95,157
Federal/State Grants	631,385		197,553
<b>Total Non-operating Revenues</b>	570,091		292,710
<b>Net Loss before Capital Contributions</b>	(369,831)		(1,048,960)
Capital Contributions	3,642,656		459,588
<b>Change in Net Position</b>	3,272,824		(589,373)
Net Position - Beginning	16,591,600		17,180,973
<b>Net Position - Ending</b>	<b>\$ 19,864,424</b>	<b>\$</b>	<b>16,591,600</b>

### Change In Net Position

The Airport's total revenues of \$5,897,412 were higher than total expenses of \$2,624,588 for an increase in net position of \$3,272,824 for 2021.

## Debt Administration And Capital Assets

### Debt Administration

The Airport currently has no long-term debt.

### Capital Assets

At the end of December 31, 2021, the Airport had \$15,805,175 invested in capital assets. This represents a net increase of \$2,177,430, or 16.0%, from 2020. This increase is due primarily to the expansion of the Commercial Apron. More detailed information about the Airport's capital assets is presented in the Notes to Financial Statements.

### Budgetary Highlights

The 2021 Airport budget was very much on target with both projected revenues and expenses, other than Capital outlay and its related reimbursement of Federal grant monies, due to delays in capital projects.

### Economic Factors and the 2022 Budget

The Airport plays an important supportive role in the region and its financial health is impacted by economic trends and regional growth. Northern Colorado has a healthy and diverse economy that continues to experience increasing demands for all modes of transportation.

- Aviation demand continues to steadily increase in step with regional growth and economic trends.
- The Airport's air traffic control system, known as the Remote Tower Project, is rescheduled for testing during the first quarter of 2022. Airport staff and project managers anticipate this project will elevate the airport to potential aeronautical operators who have expressed an interest in this project's success. Capital costs will be completely funded by CDOT and the FAA and the FAA has agreed to fund all air traffic control operating costs to maintain consistent levels of safety.
- Fuel flowage and aviation fuel tax reimbursements are tied to a percentage, relying upon the price of fuel in addition to the volume of sales. The price of fuel in the coming year will impact the amount of

revenues collected from percentage-based fuel flowage and tax reimbursements. The price of fuel slowly began to increase after summer months in 2021 and has seen a significant increase in early 2022.

#### **Requests For Information**

This financial report is designed to provide a general overview of the Airport's finances. If you have questions about this report or need additional financial information, contact the City of Loveland Finance Department at 500 East Third Street, Loveland, Colorado, 80537.

NORTHERN COLORADO REGIONAL AIRPORT

STATEMENT OF NET POSITION

December 31, 2021

	<u>2021</u>
<b>ASSETS</b>	
Current Assets	
Equity in Pooled Cash	\$ 9,411
Equity in Pooled Investments	77,476
Accounts Receivable	258,484
Grants Receivable	<u>4,179,435</u>
Total Current Assets	<u>4,524,806</u>
Noncurrent Assets	
Land	563,614
Construction in Progress	807,432
Runways	15,133,712
Improvements Other than Buildings	12,369,085
Equipment	2,700,265
Buildings	<u>1,891,645</u>
Total Capital Assets	33,465,753
Accumulated Depreciation	<u>(17,660,578)</u>
Capital Assets, Net	<u>15,805,175</u>
<b>TOTAL ASSETS</b>	<u>20,329,981</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	364,748
Rental deposits	18,918
Accrued Liabilities	<u>81,891</u>
Total Current Liabilities	<u>465,557</u>
<b>NET POSITION</b>	
Investment in Capital Assets	15,805,175
Unrestricted	<u>4,059,249</u>
<b>TOTAL NET POSITION</b>	<u>\$ 19,864,424</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN COLORADO REGIONAL AIRPORT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended December 31, 2021

(With Summarized Comparative Totals for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Hangar Rental	\$ 247,095	\$ 224,059
FBO Rent	92,713	88,336
Gas and Oil Commissions	265,576	111,192
State Aircraft Fuel Tax	110,050	98,233
Land Lease	371,770	332,890
Land Lease - Police Training Center	366,791	361,501
Terminal Lease and Landing Fees	7,160	5,700
Parking	330	4,805
Miscellaneous	<u>223,180</u>	<u>50,064</u>
TOTAL OPERATING REVENUES	<u>1,684,665</u>	<u>1,276,780</u>
OPERATING EXPENSES		
Personal Services	668,422	641,869
Purchased Services	435,275	513,984
Supplies	74,945	68,129
Depreciation	<u>1,445,945</u>	<u>1,394,470</u>
TOTAL OPERATING EXPENSES	<u>2,624,588</u>	<u>2,618,451</u>
OPERATING LOSS	<u>(939,923)</u>	<u>(1,341,671)</u>
NONOPERATING REVENUES		
Interest/Investment Income(loss)	(61,294)	95,157
Federal/State Grants	<u>631,385</u>	<u>197,553</u>
TOTAL NONOPERATING REVENUES	<u>570,091</u>	<u>292,710</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(369,831)	(1,048,961)
Capital Contributions	<u>3,642,656</u>	<u>459,588</u>
CHANGE IN NET POSITION	3,272,824	(589,372)
NET POSITION, Beginning	<u>16,591,600</u>	<u>17,180,973</u>
NET POSITION, Ending	<u>\$ 19,864,424</u>	<u>\$ 16,591,600</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN COLORADO REGIONAL AIRPORT

STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

(With Summarized Comparative Totals for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 1,639,767	\$ 1,119,193
Cash Payments for Goods and Services	(190,913)	(648,305)
Cash Payments to Employees	<u>(658,266)</u>	<u>(654,147)</u>
Net Cash Used by Operating Activities	<u>790,588</u>	<u>(183,258)</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Federal and State Grants	(284,595)	260,146
Payments for Capital Acquisition	<u>(3,623,375)</u>	<u>(364,986)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(3,907,971)</u>	<u>(104,840)</u>
Cash Flows from Noncapital Financing Activities		
Proceeds from Federal and State Grants	<u>631,385</u>	<u>197,553</u>
Net Cash Provided by Noncapital Financing Activities	<u>631,385</u>	<u>197,553</u>
Cash Flows from Investing Activities		
Purchase of Investments	(1,241,776)	(1,038,640)
Proceeds from Sale of Investments	3,697,067	1,100,000
Investment Earnings	<u>9,722</u>	<u>58,027</u>
Net Cash Provided by (Used in) Investing Activities	<u>2,465,013</u>	<u>119,387</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20,985)	28,841
CASH AND CASH EQUIVALENTS, Beginning	<u>30,396</u>	<u>1,555</u>
CASH AND CASH EQUIVALENTS, Ending	\$ <u><u>9,411</u></u>	\$ <u><u>30,396</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (939,923)	\$ (1,341,671)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation	1,445,945	1,394,470
Changes in Assets and Liabilities		
(Increase)decrease in Accounts Receivable	(44,900)	(157,587)
Increase(decrease) in Accounts Payable	316,864	(68,496)
Increase(decrease) in Accrued Liabilities	<u>12,601</u>	<u>(9,974)</u>
Total Adjustments	<u>1,730,510</u>	<u>1,158,413</u>
Net Cash Used by Operating Activities	\$ <u><u>790,588</u></u>	\$ <u><u>(183,258)</u></u>

The accompanying notes are an integral part of the financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2021

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Northern Colorado Regional Airport (the Airport) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The more significant accounting policies of the Airport are described below.

#### **Reporting Entity**

In accordance with governmental accounting standards, the Airport has considered the possibility of inclusion of additional entities in its financial statements. The definition of the reporting entity is based primarily on financial accountability. The Airport is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Airport officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for benefits to, or to impose specific financial burdens on, the Airport. The Airport may also be financially accountable for other organizations that are fiscally dependent upon it.

Based upon the application of these criteria, no additional organizations are includable within the Airport's reporting entity.

The Airport is jointly operated under an Intergovernmental Agreement between the Cities of Fort Collins and Loveland, Colorado. Only the financial transactions of this joint venture are included in this report, and the Airport is not included as a component unit of any other government.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Airport uses an enterprise fund to account for its operations. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Airport's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Airport's practice to use restricted resources first, then unrestricted resources as they are needed.

**NOTE 1:**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash and Investments**

The Airport's cash and investments are pooled with those of the City of Loveland. The City of Loveland's Investment Policy authorizes investments in accordance with State statutes for the investing of public funds. Current investment holdings may include Certificates of Deposit, U.S. Treasury Notes, U.S. Agency Securities, Municipal Bonds and Corporate Bonds that mature within seven years. Investments are stated at fair value. Because the investments are part of a pool, the underlying securities cannot be determined. For the purposes of the statement of cash flows, management defines cash and cash equivalents as amounts in demand deposits as well as short-term, highly liquid investments with original maturities of three months or less. Cash equivalents are both readily convertible to cash and are so near their maturity that they present insignificant risk of change in value due to interest rate changes. The Airport's cash is approximately 0.006% of the City's cash balance.

**Receivables**

Receivables consist primarily of federal and state grants, land and hangar leases, as well as other miscellaneous receivables. At December 31, 2021, the grants receivable balance was \$4,179,435.

**Capital Assets**

Capital assets include land, improvements, buildings, runways, leasehold improvements and equipment. Capital assets are defined by the Airport as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the 6-month convention method over the estimated useful lives of the assets. Buildings are depreciated over a period from 10 to 25 years; improvements from 10 to 20 years, runways are 20 to 25 years, leasehold improvements from 7 to 50 years and equipment from 3 to 30 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

**Accrued Liabilities**

Accrued liabilities consist primarily of Accrued Compensated Absences and miscellaneous payments to vendors due in the current year but not actually paid until the following year.

**Compensated Absences**

Airport employees are allowed to accumulate vacation and sick time as stipulated in the administrative regulations of the City of Loveland. A liability is recorded on the Airport financial statements for these accrued compensated absences. At December 31, 2021, the Accrued Compensated Absence balance was \$56,331.



**NOTE 1:**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Net Position**

Net position is restricted when constraints placed on the assets are externally imposed.

**Comparative Data**

Comparative total data for the prior year has been presented in the financial statements in order to provide an understanding of changes in financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Accordingly, such information should be read in conjunction with the Airport's financial statements as of and for the year ended December 31, 2020.

**Adoption of New Accounting Pronouncements**

The GASB has issued several statements not yet implemented by the Airport. Airport management has not yet determined the effect the Statements will have on the financial statements. However, the Airport intends to implement all standards by the required dates. The Standard which will impact the Airport is as follows:

GASB Statement No. 87, *Leases*, issued June 2017, originally effective December 31, 2020, though GASB has extended the implementation date and now will be effective for the Airport beginning with its fiscal year ending December 31, 2022. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessor must recognize (1) a lease receivable and (2) a deferred inflow of resources. In addition, the Airport must recognize interest revenue on the lease receivable and an inflow of resources from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognize from leases. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases.

**NOTE 2:**      **CASH AND INVESTMENTS**

Cash and investments at December 31, 2021, consisted of the following:

Deposits	\$ 9,411
Investments	<u>77,476</u>
Total	\$ 86,887

Deposits and investments are displayed within this report as follows:

Equity in Pooled Cash	\$ 9,411
Equity in Pooled Investments	<u>77,476</u>
Total	\$ 86,887

**NOTE 2: CASH AND INVESTMENTS (continued)****Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. The State banking commissioner regulates the eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2021 the Airport had \$2,304 collateralized with securities held by the financial institution's agent but not in the Airport's or City of Loveland's name.

**Investments**

The City of Loveland of which the Airport is a joint venture has an investment policy which specifies the investment instruments including rating, maturity and concentration risk criteria in which the City may invest. These investment instruments may include:

- Obligations of the United States and certain US Agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Commercial paper
- Corporate or bank issue debt
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market accounts
- Guaranteed investment contracts
- Local government investment pools

**Fair Value**

The Airport categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Airport's investments are approximately 0.05% of the City's investments and the numbers below are the Airport's percentage:

The Airport has the following recurring fair value measurements as of December 31, 2021:

- U.S. Treasury securities of \$32,568 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency securities of \$30,202 are valued using matrix pricing techniques (Level 2 inputs)
- Corporate Bonds of \$8,304 are valued using matrix pricing techniques (Level 2 inputs)
- Municipal Bonds of \$5,768 are valued using matrix pricing techniques (Level 2 inputs)
- Foreign Securities of \$634 are valued using matrix pricing techniques (Level 2 inputs)

**Investments Held in our Colorado Surplus Asset Fund Trust**

The Airport invested \$399 in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is valued at amortized cost. The investments conform to its permitted investments and will meet Standard & Poor's investment guidelines to achieve an AAAM rating, the highest attainable rating for a Local Government Investment Pool. Information related to CSAFE can be found at their website, [www.csafe.org](http://www.csafe.org).

**NOTE 2: CASH AND INVESTMENTS (continued)**

At December 31, 2021, the Airport had the following investments:

Investment type	STANDARD AND POOR'S RATING	LESS THAN 1	1 TO 3 YEARS	4 TO 5 YEARS	MORE THAN 5	TOTAL
U.S. Treasury Notes	N/A	\$ -	\$ 10,189	\$ 22,379	-	\$ 32,568
U.S. Agency Securities	AA+	4,596	5,355	20,251	-	30,202
Corporate Bonds	AA-/A/A-/AA/AA+	2,091	6,213	-	-	8,304
Municipal Bonds	AA/AA+	624	3,773	1,371	-	5,768
Foreign Securities	AA-	-	634	-	-	634
<b>Total</b>		<b>\$7,311</b>	<b>\$ 26,164</b>	<b>\$ 44,001</b>	-	<b>\$ 77,476</b>

The Airport participates in the City of Loveland's pooled cash and investments; therefore the following applies to the Airport's cash and investment balances:

1. Interest Rate Risk: State statutes and the City of Loveland's Investment Policy limit investments in US Treasury and Agency securities to an original maturity up to five years with a minimum credit rating of A+/A1. State Statutes and the City's Investment Policy require all repurchase agreements with a maturity of less than 1 year and collateralized with securities allowed by statute at no less than 102% of fair value. State statutes and the City's Investment Policy limit investments in corporate bonds to an original maturity of three years or less.
2. Credit Risk: State statutes and the City of Loveland's Investment Policy limit investments in US Agency securities to the highest rating issued by two or more nationally recognized statistical rating organizations (NRSROs). State statutes and the City's Investment Policy limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with rules governing government investment pools, and either have assets of one billion dollars or the highest rating issued by a NRSRO. State statutes and the City's Investment Policy limit investments in corporate bonds and Foreign Issues to a minimum credit rating of "AA- or Aa3" by two or more NRSROs. At December 31, 2021, the City held no corporate bonds with a rating lower than the minimum rating.
3. Custodial Credit Risk: The City of Loveland's Investment Policy requires that securities purchased from any bank or dealer, including appropriate collateral, be placed with an independent third party for custodial safekeeping. The City has entered into an agency agreement with US Bank-Denver to establish an Investment Management Account pursuant to Colorado Revised Statutes. The City's pooled cash is invested in this account. The Bank purchases investments for the City and maintains an internal accounting record of all investments of the City. All investment transactions are approved by City management. All investments, held and maintained by the Trust Department of the Bank, are specifically separate from the investments of the bank and are identified as being investments of the City of Loveland. Investments of Loveland Special Improvement District #1 are held by other banks in their Trust Departments and are also specifically identified as being investments of the City of Loveland.
4. Concentration of Credit Risk: The City of Loveland's Investment Policy does not limit the amount the City may invest in one issuer. The City had investments in US agency securities greater than 5% of its total portfolio as follows, the Airport's percent is 0.05% of the City's total investments:
  - a. US Treasury Notes (42.04%)
  - b. Federal Home Loan Bank (8.90%)
  - c. Federal National Mortgage Association (5.93%)
  - d. Federal Home Loan Mortgage Corporation (12.54%)
  - e. Federal Farm Credit Bank (11.61%).

**NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY****Budgets and Budgetary Accounting**

The budget is developed by the City of Loveland's staff on a non-GAAP budgetary basis, which includes budgeting for capital outlay and excludes depreciation. The budget is then submitted to the Northern Colorado Regional Airport Commission. Upon approval by the Northern Colorado Regional Airport Commission, the City of Loveland legally adopts the budget before commencement of the following fiscal year as part of the support role for the City in the Airport Management IGA between the City of Loveland and City of Fort Collins. The budget includes proposed expenditures and the means of financing them. Expenditures may not legally exceed budgeted appropriations at the fund level. Revisions that alter total expenditures of the fund must be approved by the City Councils. Appropriations lapse at year end.

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2021 is below:

	Balances 12/31/20	Additions	Deletions	Balances 12/31/21
Capital Assets, Not Being Depreciated				
Land	\$ 563,614	\$ -	\$ -	\$ 563,614
Construction in Progress	286,028	579,090	57,686	807,432
Total Capital Assets, Not Being Depreciated	849,642	579,090	57,686	1,371,046
Capital Assets, Being Depreciated				
Runways	12,031,741	3,101,971	-	15,133,712
Improvements	10,807,424		-	10,807,424
Equipment	2,707,594	-	(7,329)	2,700,265
Buildings	1,891,645		-	1,891,645
Leasehold Improvements	1,561,661	-	-	1,561,661
Total Capital Assets, Being Depreciated	29,000,065	3,101,971	(7,329)	32,094,707
Less Accumulated Depreciation				
Runways	(7,205,708)	(651,525)	-	(7,857,233)
Improvements	(5,575,381)	(513,580)	-	(6,088,964)
Equipment	(1,852,305)	(158,115)	7,329	(2,003,091)
Buildings	(460,063)	(65,253)	-	(525,316)
Leasehold Improvements	(1,128,502)	(57,472)	-	(1,185,974)
Total Accumulated Depreciation	(16,221,959)	(1,445,945)	7,329	(17,660,578)
Total Capital Assets, Being Depreciated, Net	12,778,106	1,656,026	-	14,434,129
Total Capital Assets, Net	<b>\$ 13,627,748</b>	<b>\$ 2,235,116</b>	<b>\$ 57,686</b>	<b>\$ 15,805,175</b>

**Construction Commitments**

At December 31, 2021, the Airport had construction projects in progress as follows:

Project	Budget	Cost to Date
New Terminal Building	\$1,540,000	\$807,432

**NOTE 5:**      **RISK MANAGEMENT**

The Airport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Cities of Fort Collins and Loveland carry commercial insurance for these risks of loss. During the last three years, there have not been any claims that exceeded coverage.

**NOTE 6:**      **CONTRACTURAL AGREEMENTS**

**Facilities Leased to Fixed Base Operator**

The City of Loveland, on behalf of the Airport, leases certain facilities to the Fixed Base Operator (FBO). The 24-year lease agreement includes monthly rent of land and improvements for the first four years at \$4,766 a month. The base monthly rent payment was set at \$6,824 beginning May 1, 2015. However, the annual base rent was increased on May 1, 2018 and will increase on each third anniversary in an amount equal to the increase, if any, in the "Consumer Price Index". The current rate is \$93,172, which is set to increase based on CPI on May 1, 2024. After the initial term expiration on April 30, 2035, the Lessee shall have the option to extend the term of the agreement for two additional periods of five years each. The agreement also provides for a fuel flowage fee of 6% of delivered fuel cost or \$.08 per gallon, whichever is higher.

**Intergovernmental Agreements**

The Airport is jointly operated under an Intergovernmental Agreement between the City of Fort Collins, Colorado and the City of Loveland, Colorado. This Agreement was approved by the City of Loveland City Council on May 17, 2016 to reflect the changed airport name and to expand the Airport Commission's authority.

Since July 3, 1979, ownership of assets vests equally with each city. Assets acquired prior to July 3, 1979 vested one-third with the City of Loveland and two-thirds with the City of Fort Collins.

Pursuant to the agreement, any needed contributions for annual operating budgets or capital improvements are shared equally by both cities. Also, either city may invest additional funds in the Airport as it sees fit. The agreement provides that if either city does not pay its one-half of agreed expenses in a given year, it will convey to the other city 10% of its total Airport ownership.

A second Intergovernmental Agreement between the City of Fort Collins, Colorado and the City of Loveland, Colorado was entered into March 19, 2019, for the lease of certain real property at the Airport for a Police Training Center. The Intergovernmental Agreement calls for each City to pay fair value rent to the Airport in equal payments on a quarterly basis. The rental rate will be adjusted annually by using the CPI as published by the Bureau of Labor Statistics. The term of the rental period is 50 years. Each City paid \$183,395 in rental payments in 2021.

Certain administrative services are provided by the City of Loveland. These include legal services, accounting and purchasing, audit costs, personnel and benefits administration, engineering, facilities maintenance, general administration, environment services and risk and insurance management. In 2021, the City of Loveland was paid \$23,450 for these services. The City also provided the Airport Fleet maintenance services in the amount of \$36,310 and utilities in the amount of \$104,996.

**NOTE 6:** **CONTRACTURAL AGREEMENTS (continued)**

As part of personnel administration, the employees of the Airport also participate in the City of Loveland's 401(a) money purchase plan that was established (and may be amended) by City Council of the City of Loveland. This Plan requires contributions of 5% from the employer and 3% from the employee. The Airport contributed \$25,000 to the Plan in 2021, representing the required contributions.

**NOTE 7:** **COMMITMENTS AND CONTINGENCIES**

**TABOR Amendment**

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including raising revenue, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Airport believes it is in compliance with the requirements of the Amendment.

The Airport is operated as a unit of each City through the Intergovernmental Agreement; therefore both the City of Loveland and the City of Fort Collins includes the Airport's emergency reserves in its city-wide financial statements.

**Claims and Judgments**

The City of Loveland receives Federal and State grants for use by the Airport. These grants are reported as grant revenues in the Airport's financial statements. However, certain Federal compliance and reporting requirements remain the responsibility of the City of Loveland. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the Airport may be required to reimburse the grantor government.

**Lease Commitments**

The Airport is obligated to pay the Fixed Base Operator for modification, upgrade, or replacement of the Fuel Farm equipment to the extent the cost of such modification, upgrade or replacement, exceeds \$50,000 in any calendar year. Lessee shall consult with the Cities and the Cities' approval shall be required prior to incurring any expenditure to be borne by the Cities.

**NOTE 8:** **SUBSEQUENT EVENT**

**Commercial Airline Suspension**

The Airport was notified on May 27, 2022, that Avelo Airlines will suspend commercial flights to/from Las Vegas on June 16, 2022 and to/from Burbank, California on June 24, 2022.

NORTHERN COLORADO REGIONAL AIRPORT

BUDGETARY COMPARISON SCHEDULE

(NON-GAAP BUDGETARY BASIS)

Year Ended December 31, 2021

(With Summarized Comparative Totals for the year ended December 31, 2020)

	2021			DIFFERENCE WITH FINAL BUDGET	2020 ACTUAL
	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL		
REVENUES					
Hangar Rental	\$ 215,000	\$ 215,000	\$ 247,095	\$ 32,095	\$ 224,059
FBO Rent	96,287	96,287	92,713	(3,574)	88,336
Gas and Oil Commissions	165,000	165,000	265,576	100,576	111,192
State Aircraft Fuel Tax	87,000	87,000	110,050	23,050	98,233
Land Lease	300,000	300,000	371,770	71,770	332,890
Land Lease - Police Training Center	370,538	370,538	366,791	(3,747)	361,501
Terminal Lease and Landing Fees	9,000	9,000	7,160	(1,840)	5,700
Parking	10,000	10,000	330	(9,670)	4,805
Interest/Investment Income (Losses)	50,000	50,000	(61,294)	(111,294)	95,157
Federal and State Grants	6,487,000	6,487,000	4,274,041	(2,212,959)	657,141
Miscellaneous	36,000	36,000	223,179	187,179	50,066
TOTAL REVENUES	7,825,825	7,825,825	5,897,411	(1,928,414)	2,029,080
EXPENDITURES					
Personal Services	734,737	734,737	668,421	66,316	641,868
Purchased Services	648,149	648,149	435,275	212,874	513,984
Supplies	85,000	85,000	74,945	10,055	68,129
Capital Outlay	5,566,000	5,566,000	3,623,375	1,942,625	364,986
TOTAL EXPENDITURES	7,033,886	7,033,886	4,802,016	2,231,870	1,588,967
CHANGE IN NET POSITION, Budgetary Basis	\$ 791,939	\$ 791,939	1,095,394	\$ 303,455	440,113
RECONCILIATION TO GAAP BASIS					
Capital Outlay			3,623,375		364,986
Depreciation			(1,445,945)		(1,394,470)
CHANGE IN NET POSITION, GAAP Basis			\$ 3,272,824		\$ (589,372)

See the accompanying Independent Auditors' Report.



**Notes to Budgetary Comparison Schedule:**

The Airport follows the City of Loveland's procedures in establishing the budget as reflected in the financial statements:

1. Prior to September 20, the City Manager submits to the City Council, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 15, the budget is legally enacted through passage of an ordinance. This ordinance authorizes a lump-sum expenditure budget for the City taken as a whole. An appropriation ordinance is also adopted which allocates the total budget to each individual fund. This allocation of the appropriation may not be legally exceeded by an individual fund.
4. Supplemental appropriations are approved on an individual fund level basis.
5. All appropriations lapse at year-end per State statutes.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with *Government Auditing Standards*

**Independent Auditor's Report**

To Management and the Northern Colorado Regional  
Airport Commission  
Northern Colorado Regional Airport

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Northern Colorado Regional Airport (the "Airport") as of and for the year ended December 31, 2021 and the related notes to the basic financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated June 1, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Airport's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Airport's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Airport's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Northern Colorado Regional  
Airport Commission  
Northern Colorado Regional Airport

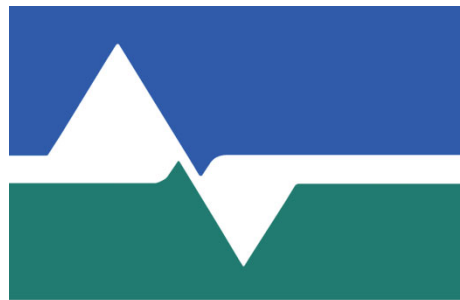
### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

June 1, 2022

Prepared by:  
Finance Department  
Accounting Division



**City of Loveland**  
**COLORADO**



plante moran | Audit. Tax. Consulting.  
Wealth Management.

# Audit Presentation to the Airport Commission– Northern Colorado Regional Airport

Year Ended December 31, 2021



# Key Deliverables

- Opinion on the Northern Colorado Regional Airport financial statements
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Communication between auditors and those charged with governance.





# Opinion on Airport financial statements

- Plante Moran has completed our audit of the financial statements of Northern Colorado Regional Airport (the “Airport”) for the year ended December 31, 2021. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
- We issued an unmodified opinion on the financial statements.
- The objective of our audit was to obtain reasonable—not absolute—assurance about whether the financial statements are free from material misstatement.
- All records and information requested by us were available for our inspection.
- Management provided support for all items requested and full cooperation and we did not experience any difficulties in performing our audit.





# Opinion on Airport financial statements

We have reviewed the accounting practices, which include policies, estimates, and financial statement disclosures, related to the following areas of focus:

Primary Area of Focus	Procedures and Findings
Revenue Recognition	<ul style="list-style-type: none"><li>• Through observation and inquiry, we put together a memo for understanding of the Airport's various revenue streams.</li><li>• Tested a sample of revenue transactions by agreeing to cash receipt documentation and related invoice or agreement as applicable.</li><li>• Analytically tested 2021 revenues as a percentage of various key performance indicators.</li></ul>
Accounts Receivables and Allowances	<ul style="list-style-type: none"><li>• Performed testing on significant AR balances through subsequent cash receipt reviews and ensuring grant receivables were for valid grant expenses</li><li>• Tested the aging to assess the need for an allowance for doubtful accounts.</li></ul>
Capital Assets	<ul style="list-style-type: none"><li>• Obtained a rollforward schedule of capital asset balances from January 1, 2021, through December 31, 2021.</li><li>• Agreed the rollforward schedule of capital assets to supporting detailed schedules.</li><li>• Selected a sample of capital asset additions during the year to vouch to supporting documentation.</li><li>• Tested depreciation expense analytically and through recalculation.</li></ul>
Accounts Payable and Accrued Expenses	<ul style="list-style-type: none"><li>• Tested actual expenditures subsequent to year-end to support year-end accruals.</li><li>• Reviewed other supporting documentation as considered necessary.</li></ul>



# Single Audit

- Based on the amount of expenditures of the FAA Airport Improvement Grant (AIP), an audit of federal expenditures was required to be performed (Reported on the City of Loveland SEFA)
- In our opinion, the Authority complied, in all material respects, with the requirements of the AIP program for the year ended December 31, 2021.
- We noted no instances of noncompliance nor any questioned costs on this program and have issued an unmodified opinion on this program



# Single Audit

Based on the amount of expenditures of the FAA Airport Improvement Grant (AIP), an audit of federal expenditures was required to be performed (Reported on the City of Loveland SEFA):

Primary Area of Focus	Procedures and Findings
Single Audit	<ul style="list-style-type: none"><li>• Tested compliance with the requirements of the Federal Aviation Administration grant Airport Improvement Program CFDA #20.106.</li><li>• Testing included focusing on the following compliance areas: Allowable activities, financial and performance reporting, wage rate requirements, and revenue diversion.</li><li>• No duplicate reimbursement requests noted</li><li>• We noted no instances of noncompliance nor any questioned costs on this program and have issued an unmodified opinion on this program</li></ul>
Revenue Diversion	<ul style="list-style-type: none"><li>• The basic requirement for use of airport revenues is that all revenues generated by a public airport must be expended for the capital or operating costs of the airport system and are directly and substantially related to the actual air transportation of passengers or property.</li><li>• We reviewed transactions with related parties (Cities of Loveland and Fort Collins) to ensure they were properly supported and authorized</li><li>• We noted no unsupported or unallowable expenditures that did not relate directly to the airport system</li><li>• We noted no transfers of airport revenues outside of the airport system</li><li>• We reviewed marketing and airline incentive expenses noting expenses are in accordance with FAA guidelines</li></ul>



# Report on Internal Controls and Compliance

## Internal Control Over Financial Reporting

In conjunction with our audit of the financial statements of the Airport, we considered the Airport's internal control over financial reporting ("ICFR") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's ICFR. In addition, our consideration of ICFR was not designed to identify all deficiencies in ICFR that might be significant deficiencies or material weaknesses. Accordingly, we do not express an opinion on the effectiveness of the Airport's ICFR. However, we are required to communicate, in writing, to management and those charged with governance all material weaknesses and significant deficiencies that have been identified during our audit.

Category	Definition
<b>Material Weakness</b>	A deficiency, or a combination of deficiencies in ICFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented, or detected and corrected, on a timely basis.
<b>Significant Deficiency</b>	A deficiency, or a combination of deficiencies, in ICFR that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the Airport's financial reporting.
<b>Control Deficiency</b>	A deficiency in ICFR exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

In conjunction with our audit, we did not identify any deficiencies in ICFR that we consider to be material weaknesses.



# Report on Internal Controls and Compliance

Report on Compliance with Requirements Applicable to Federal Programs and on Internal Control Over Compliance

## Opinion on Compliance

In our opinion, the Airport complied, in all material respects, with the requirements referred to above that could have a direct and material effect for the year ended December 31, 2021.

## Internal Control Over Compliance

Our consideration of internal control over compliance was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.



# Required Communications

Professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit. Following is a summary of those required items along with specific discussion points as they pertain to the Airport:

Requirement	Discussion Points
<b>Auditors' judgment about the quality of the Airport's accounting policies, estimates, and financial statement disclosures</b>	In accordance with applicable accounting standards, we reviewed the quality of the Airport's financial reporting, which includes the Airport's significant accounting practices, estimates, and financial statement disclosures.
<b>Critical accounting policies and practices</b>	The significant accounting policies used by the Airport are described in Note 1 to the financial statements. No new accounting pronouncements adopted in the current year.
<b>Adoption of a change in accounting principle</b>	None
<b>Material corrected misstatements brought to the attention of management by the auditors</b>	There were no material corrected misstatements brought to the attention of management by the auditors.



# Required Communications

Professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit. Following is a summary of those required items along with specific discussion points as they pertain to the Airport:

Requirement	Discussion Points
Unrecorded misstatements, other than those the auditors believe to be trivial	There were no uncorrected misstatements outside of those the auditors believe to be trivial.
Disagreements with management	There were no disagreements with management on financial accounting and/or reporting matters and auditing procedures that, if not satisfactorily resolved, would cause a modification of our auditors' reports.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Major issues discussed with management prior to retention	We generally discuss a variety of matters, including the application of accounting principles and accounting standards, with management prior to acceptance as the Airport's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.





# Required Communications

Professional guidance requires independent auditors to communicate with those charged with governance certain matters in relation to an audit. Following is a summary of those required items along with specific discussion points as they pertain to the Airport:

Requirement	Discussion Points
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Fraud and potential illegal acts involving senior management and those that cause a material misstatement of the financial statements	During the course of our audit, we did not become aware of any illegal acts or fraud committed by the Airport's management or its employees.
Representations requested from management	We request certain representations from management, which are included in the management representation letter.
Other issues arising from the audit the auditors consider significant and relevant to those charged with governance	There were no other issues arising from the audit that we consider significant and relevant to those charged with governance.
Material alternative accounting treatments discussed with management	There was no discussion with management concerning alternative accounting treatments.



# Questions?

**Thank you for the opportunity  
to serve as auditors for the  
Northern Colorado Regional Airport**

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# 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:** June 16, 2022  
**PREPARED BY:** Jason Licon, Airport Director

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## **TITLE**

Airport Staffing Analysis Presentation

## **RECOMMENDED AIRPORT COMMISSION ACTION**

Make a motion to approve the staffing analysis and staff recommendation for the addition of two staff members in 2022 & 2023.

## **BUDGET IMPACT**

Negative: Total additional costs for these new positions will be an ongoing increase of \$234,198 annually.

## **SUMMARY**

The airport has seven (7) full time equivalent (FTE) employees and an intern. These staff members are tasked with safely operating and maintaining the airport. Staff provide a variety of functions including maintaining grounds, facilities, equipment, lease management, financial coordination & budgeting, communications with stakeholders and the public, security compliance and badging for 1,200 airport users, plus much more.

In late 2019 a staffing analysis was created with help from a consulting firm specializing in airport staffing and recruitment. Once the analysis was completed, the pandemic arrived, creating an uncertain future that delayed implementation of the plan. Fast forward to this year, staff reviewed the draft plan, and elected to update it with current information. Since 2019 much has changed at the airport including the start of testing the remote tower project/provision of air traffic control services, increased security needs, and airport growth requiring greater personnel resources and professional services. The staffing analysis was updated by the same executive search firm that specializes in airport executive recruitment utilized for the study in 2019.

The result of the study showed that there is a great need for additional staff compared to other airports and current workloads. The study also focused on the creation of a longer-term framework for classifying and organizing future personnel needs. The City of Loveland Human Resources Department has reviewed the study, and concurs with implementation of the short-term recommendations. This includes the addition of two staff members to focus

on administrative services & security badging support and hiring a Deputy Director to assist with airport managerial functions. These two positions are designed to reduce workloads from most if not all current staff, allowing focus and effective use of time, bringing the total FTE to nine (9). Attached are draft job descriptions that apply to both proposed new positions that expand on anticipated roles and responsibilities.

### **ATTACHMENTS**

Staffing Analysis Presentation

Airport Administrative Technician Job Description

Deputy Airport Director Job Description

# Proposed Staffing Plan

Airport Commission Meeting

June 16, 2022

# Current Staffing

- Seven (7) Full Time Equivalent or FTE staff
- Exempt Positions
  - Airport Director
  - Airport Operations & Maintenance Manager
  - Business Development and Planning Specialist
- Non-Exempt Positions
  - Airport Operations and Maintenance Lead
  - Airport Operations and Maintenance Technician x 2
  - Executive Assistant
- Intern not considered an FTE

- This plan was created with assistance from professional aviation consulting firm ADK, human resources representatives from the City of Loveland, and airport staff.
- Goals
  - Provide for the immediate needs of the airport and growing time needs to support the various airport functions
  - Allow for staff to focus talent in areas where their expertise can be leveraged most effectively
  - Create a long term organizational framework that can be implemented based on need
  - Compare the current employee levels with other airports of similar size
  - Enhance morale, retention, and productivity efficiencies
    - Airports are highly specialized environments requiring significant training and expertise



# Factors Influencing Change

- Increasing airport activities
  - Population growth, airport activity increases, communications, economic & property development onsite and adjacent
- Air service development & retainage
- Terminal facility planning & funding
- Remote Air Traffic Control Tower
- Grants management
- 2020 Master Plan & capital improvements
- Governance/ Commission support

# Comparator Airports

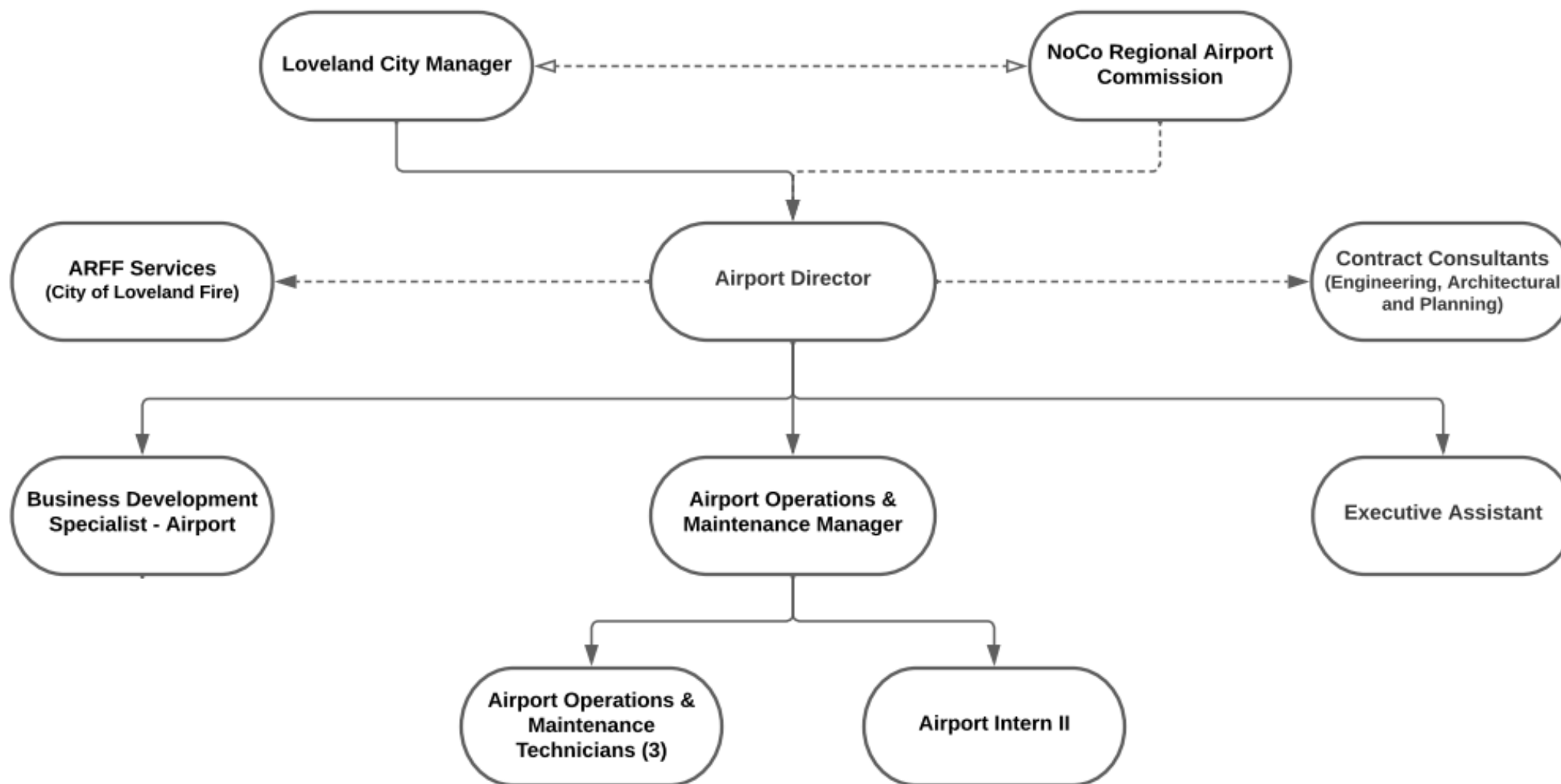


Airport	Governance	2020 Enplanements	FTE	Total Ops	Own/Operate FBO	Admin Support
Hilton Head Airport (HXD)	Beaufort County	73,615	23	33,335	No	In-House
Flagstaff Municipal Airport (FLG)	City of Flagstaff	61,158	13	38,139	No	In-House
Columbia Regional Airport (COU)	City of Columbia	51,191	17	19,909	No	In-House
Helena Regional Airport (HLN)	Authority	46,298	22	32,746	No	In-House
Stockton Metropolitan Airport (SCK)	County of San Joaquin	44,386	14	52,693	No	In-House
Manhattan Regional Airport (MHK)	City of Manhattan	36,577	19	32,567	No	In-House
California Redwood Coast Airport (ACV)	Humboldt County	37,979	17	31,622	No	In-House
San Angelo Regional Airport (SJT)	City of San Angelo	35,595	11	71,684	No	In-House
Sawyer International Airport (SAW)	Marquette County	26,843	18	16,478	No	In-House
Northern Colorado Regional Airport (FNL)	City of Loveland & Fort Collins	20,000	6	125,000	No	In-House
Yellowstone Regional Airport (COD)	City of Cody	20,624	9	15,540	No	In-House
Worcester Regional Airport (COD)	Authority	20,464	20	17,160	No	In-House

# Comparator Airports

- Comparing airports is challenging due to each being relatively unique
  - For instance, none have a joint ownership model like FNL
- Selected 11 comparable airports based on a variety of metrics.
  - Average enplanements: 41,534                      FNL: 10,000 estimated
  - Average operations: 41,340                      FNL: 125,000 estimated
  - Average staff size: 16 FTE                      FNL: 8 FTE
- The number of FTE staff reported by comparator airports range from nine (9) to twenty three (23)
- No comparator airports own/operate their FBO, but they all support in-house administrative teams

# Current Organizational Chart



# Proposed Staffing Plan: Short Term



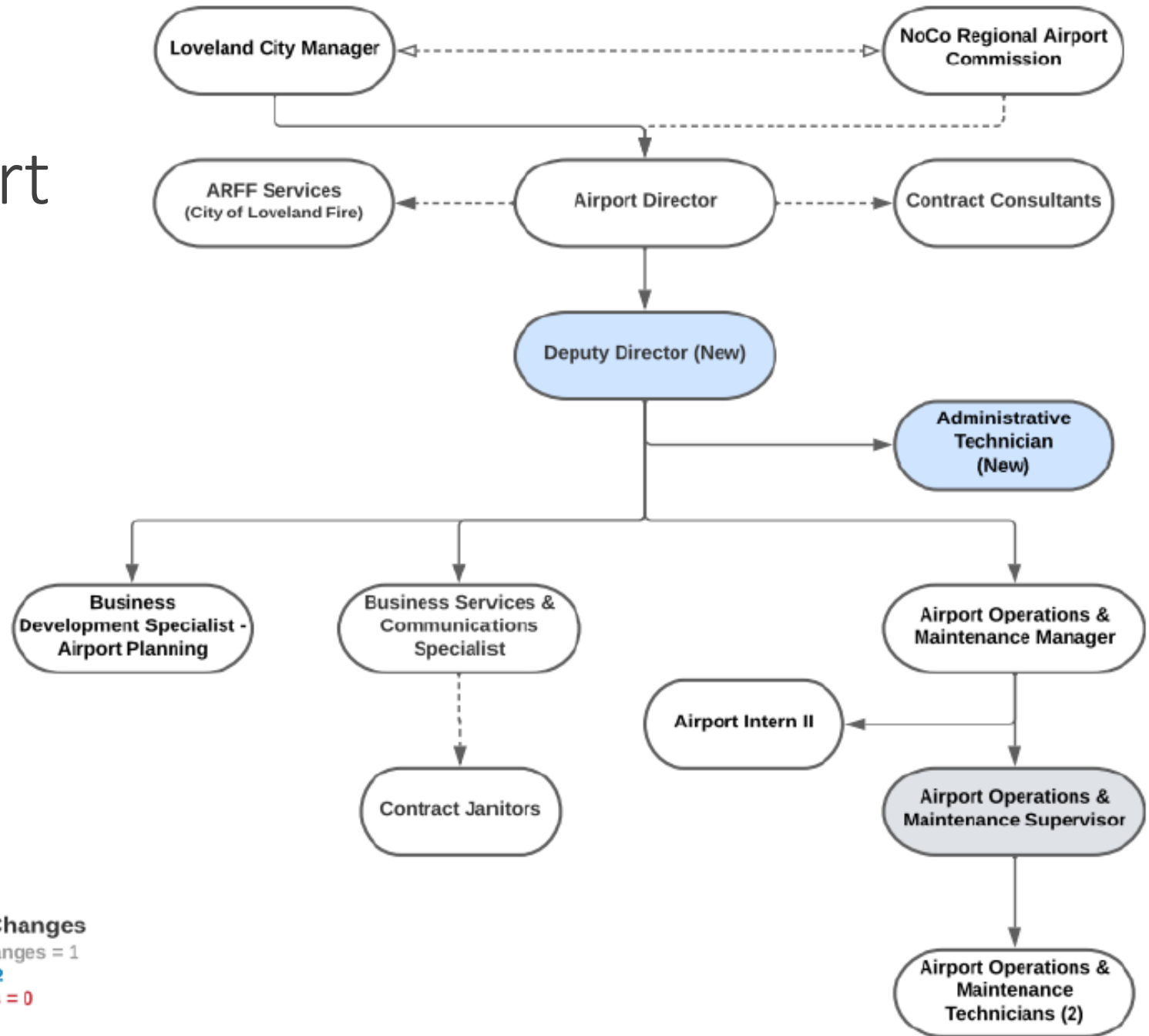
- **Short Term: 2022 to 2024**
- Recommend hiring two new positions immediately to help FNL meet the increase of demands today
- Business Services Technician- Nonexempt
  - Provide assistance with general office duties such as answering phone calls and electronic messages, organizational support, and will be the primary access badge processor for the 1,200 airport tenants and stakeholders.
- Deputy Airport Director - Exempt
  - An assistant role is needed to support the Airport on the operational and compliance management, communications, and business development activities. Will also assist with terminal construction starting 1Q 2023.



# Proposed Staffing Plan: Short Term

- Begin recruiting for Admin Technician now- the budget that is adopted will support this FTE through 2022
- Create the Deputy Director as a FTE addition in 2023 within the budget process currently underway
  - Due to the workload of current staff this would likely require a professional recruitment consultant
  - Start this process once first position is trained estimate 3Q of 2022
- Airport funds will be able to provide for these additional staff members based on current financial projections and inclusion into the 2023 budget

# Proposed Short Term Staffing Plan Org Chart



## Summary of Changes

Position Title Changes = 1

New Positions = 2

Deleted Positions = 0

Note: Airport Operations, Maintenance & Security (AOMS) Manager acts as ASC. The AMOS Supervisor is Alternate ASC. The new Business Services Professional position will be responsible for security badging and overall administration of the airport's badging activities.

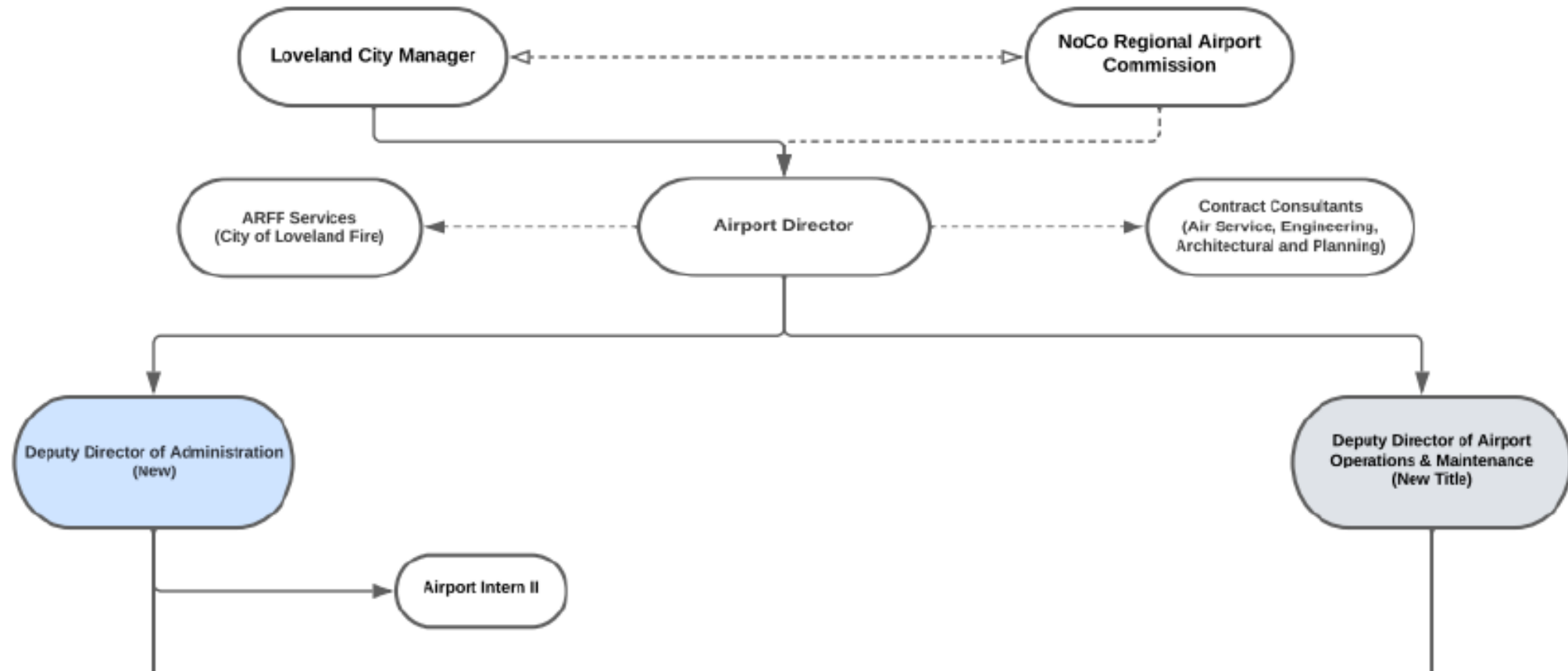


# Proposed Staffing Plan: Long Term

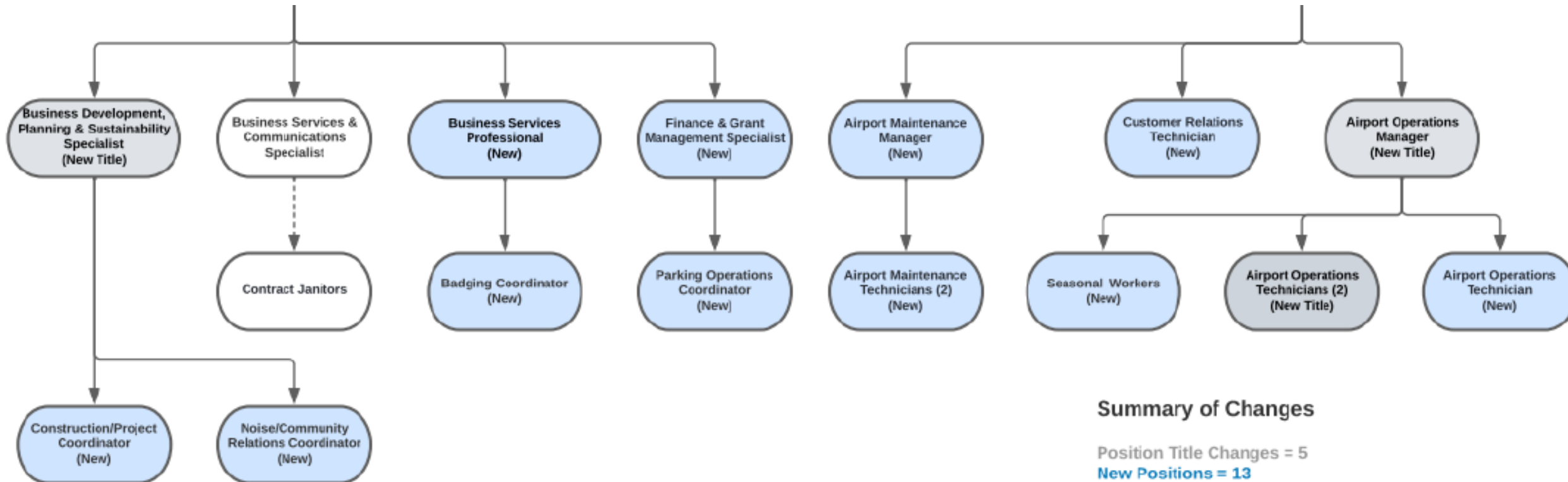


- **Long Term: Beyond 2024**
- The new organizational structure is designed to provide a framework for future needs
- Allows flexibility in creating staffing needs that are driven by demand and funding availability
- Overall, the long term organizational chart includes thirteen new positions
- It is not the intent that all of the positions listed be hired at once after 2024 but rather to be determined by need and workload

# Proposed Staffing Plan: Long Term Org Chart



# Proposed Staffing Plan: Long Term Org Chart Continued



## Summary of Changes

Position Title Changes = 5

New Positions = 13

Deleted Positions = 0

# Proposed Process

- The need for staffing continues to grow
- Hire the new administrative technician & access badge processor immediately
  - Expect an August start
  - The security rebadging process begins in August, where assistance is greatly needed to support the 1,200 renewals through October
- In September begin recruitment for Deputy Director
  - October and November recruit for position
  - January projected start date

**POSITION TITLE: Business Services Technician**

**DEPARTMENT: Airport**

**DIVISION: N/A**

**REVISION DATE: June 8, 2022**

**FLSA STATUS:**        ☐ Exempt        ☒ Non-exempt

**GENERAL PURPOSE:**

Support the needs of the Airport by fulfilling administrative, organizational, and operational responsibilities for the Airport Director and the Deputy Director.

**ESSENTIAL JOB FUNCTIONS:**

- Answer phone inquiries from the public and other City Departments
- Respond to the public regarding inquiries or complaints
- Research reported activities to verify compliance with rule and regulations
- Compose and edit written correspondence, coordinate meetings, and explain policies and procedures to customers and staff
- Coordinate submittal of City Council and Northern Colorado Regional Airport Commission correspondence and information with staff and the Cities
- Coordinate marketing and public information management including electronic communication resources
- Develop and maintain computer skills proficient in operations of the airport
- Work with staff to facilitate and coordinate citizen participation and public outreach
- Assist with Airport safety management
- Maintain accurate filing and organization of records
- Perform research, generate reports, and distribute information
- Process purchase orders, vouchers, check requests, reports, payroll, and purchasing card transactions
- Maintain and organize airport security badging and processing
- Prepare information and presentations for public meetings
- Prepare and maintain department policy and procedure manuals
- Maintain department files, both confidential and general
- Promote effective administrative procedures for the department

**OTHER JOB FUNCTIONS:**

- Resolve conflicts independently and professionally

**SUPERVISORY DUTIES:**

None

**JOB QUALIFICATIONS:**

Qualified candidates will possess the following:

- A positive attitude
- A high level of personal accountability
- Will be ready and willing to perform various functions expeditiously, and be flexible in responding to high priority or unscheduled events
- Is able to work independently in a fast-paced environment on a wide range of customer challenges
- Will exercise judgment within defined practices and policies
- Is capable of efficient prioritizing and multitasking
- Has knowledge of modern office practices, procedures, and equipment
- Displays and demonstrates sharp verbal and written communication skills
- Acts with diplomacy and professionalism
- Exercises integrity in handling sensitive information
- Understands and closely follows oral and written instructions
- Establishes and maintains positive working relationships with coworkers, customers, and the public

**Core competencies:**

- Accountability
- Collaboration
- Courtesy and kindness
- Innovation
- Integrity
- Safety
- Service

**Job Specific Competencies:**

- Job Knowledge
- Coordination
- Communication
- Organizational Skills
- Reporting

**Education and/experience**

Five (5) years of progressively responsible administrative experience required.

Experience in a high volume, extensive public contact office is preferred. Prefer business related degree or equivalent experience. Experience using word processing, electronic spreadsheet, relational database, and Innoprise computer programs preferred.

**Licensure and/or certifications:**

- Valid driver's license

**Material and equipment directly used:**

- Computer
- Printer - copier - fax
- Calculator
- Telephone
- Smart phone

**Working environment/physical activities:**

Work is mainly performed in an office environment, which includes sitting for extended periods of time and repetitive keyboard motion. Must have the ability to lift, position, push, pull, and transport objects weighing up to 20 pounds. May including traveling on the Airport grounds and operating a variety of motorized vehicles.

*This job description is not designed to contain a comprehensive listing of activities, duties or responsibilities that are required of the employee.*

*Reasonable accommodations will be made to enable qualified individuals with disabilities to perform the essential functions.*



**POSITION TITLE: Deputy Airport Director**

**DEPARTMENT: Airport**

**DIVISION:**

**REVISION DATE: 6-8-22**

**FLSA STATUS:** Exempt

**GENERAL PURPOSE:**

Performs various duties to ensure the general safety regulatory requirements of the airport are met. Ensures the airport is operated in accordance with FAA Part 139 requirements and TSA regulations. Oversees operational management of the airport including the Airport Operations & Maintenance Manager. Available on year-round twenty-four (24) hour on-call basis. Continually monitors airport activities and responds to emergencies. Performs special projects as assigned by the Airport Director. Majority of work is completed in an office environment. Is designated Airport Director in the Airport Director's absence.

**ESSENTIAL JOB FUNCTIONS:**

Under the direction of the Airport Director, the incumbent leads, directs, and is responsible for the day-to-day management of the Northern Colorado Regional Airport (Airport). Specifically, he/she/they oversee Airport operations to include Facilities & Construction, Operations & Security, and coordinate with outside support agencies including emergency response agencies, air traffic control, and in the absence of the Director, this position performs the duties of the Director.

Specifically, the Deputy Airport Director:

- Through management and general oversight of reporting manager(s) and associated team members, the position will ensure the safety, security, and efficient operation of the airport, tenants, and their respective operations in accordance with airport rules, regulations and minimum standards of operation.
- Ensures that the Airport complies with by meeting or exceeding all Federal Aviation Regulations (FAR) and Part 139 standards, Transportation Security Regulations (TSRs) and TSR 1542 as well as other federal and state regulations.
- Ensures that the Airport's FAA approved Airport Compliance Manual and TSA Airport Security Plan are being met and are updated as needed.
- Coordinates with the Federal Aviation Administration (FAA), the Transportation Security Administration (TSA), and the State of Colorado Department of Transportation Division of Aeronautics regarding regulatory matters impacting operations of the facilities.
- Participates in the negotiation and implementation of all leases and contracts with Airport tenants.
- Works to enhance air service at the Airport, overseeing activities to and promote business development.

- Assists in the research and evaluation of airport rates and charges and other cost that impact airport revenues and expenses.
- Through demonstrated practices, the position works to maintain a positive culture and a cooperative and supportive teamwork environment.
- Facilitates and maintains positive tenant relationships.
- Supports the relationship between the Airport Commission, Cities, other local government entities and the general public by demonstrating courteous and cooperative behavior when interacting with citizens, visitors, and staff.
- Communicates effectively with airport tenants and the general public and attends commission, board or public meetings on behalf of the Airport Director, as necessary.

#### **OTHER JOB FUNCTIONS:**

Assists with the creation and execution of the Airport's Strategic Plan. Aligns work goals with direction from Airport Commission and Airport Director. Collaborates with department and division staff. Communicates effectively with community members.

#### **SUPERVISORY DUTIES:**

This position is responsible for supervision of City employee(s). Carries out supervisory responsibilities in accordance with the organization's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems. This position is a second-line supervisor responsible for supervision of first-line supervisors and may also supervise non-exempt and/or exempt employee(s).

#### **JOB QUALIFICATIONS:**

##### **Knowledge, skills and abilities:**

Must be able to communicate effectively in writing and orally. Proficient with computers and use of Microsoft Office programs. Must have the ability to do occasional strenuous physical work. Knowledgeable in airport, FAA and TSA regulations including compliance with Part 139, Transportation Security Administration regulations, and personnel management. Must be able to pass criminal history background checks as required by TSA to work within the airport Secured Areas. Possess the ability to effectively manage people and make decisions with little or not supervision. Motivates, energizes and leads airport staff to accomplish objectives. Assists the Airport Director and is responsible for implementing senior level management decisions. Must be a creative thinker, a self-starter and capable of making decisions with minimal supervision. Demonstrates, promotes, and supports a culture of diversity, equity, inclusion and belonging. Perform other duties as assigned.

**Core competencies:** Accountability, Integrity, Transparency & Honoring the Public Trust, Collaboration, Innovation, Safety, Excellent Service with Courtesy and Kindness

**Job Specific Competencies:** Advocacy, Poise/ Professionalism, Problem Solving, Regulatory Compliance, Speaks Effectively, Tactical Decision Making

**Education and/experience**

A Bachelor's degree in aviation management, business administration, public administration, planning, engineering, or a related field; and five (5) years of progressively responsible experience working at a publicly owned airport directly involved with duties most closely related to the essential job functions.

A combination of education and/or experience that includes seven (7) years or more of progressive supervisory Airport managerial responsibilities and duties associated with Airport operations and maintenance in FAA Part 139 operations, TSA Regulations, the Federal Emergency Management Agency's National Incident Management System. Minimum of three (3) years of supervisory experience.

**Licensure and/or certifications:**

- Airport Certified Employee (ACE) Certification from the American Association of Airport Executives (AAAE) in Operations and/or Security, or the ability to obtain within one year of hire
- Certifications in Federal Emergency Management Agency's National Incident Management System or ability to obtain within one year of hire
- Must possess and maintain a valid driver's license
- Must be able to pass a criminal history background check by the Transportation Security Administration
- AAAE Certified Member Accreditation preferred

**Material and equipment directly used:**

City vehicles, computer, tools, heavy equipment, snow removal equipment

**Working environment/physical activities:**

Performs most duties in an office environment. Also requires traveling between buildings and hangars on airport and throughout the airport grounds, runways, taxiways and ramp areas. Required to drive motorized vehicles, climb ladders, push, pull, stoop, kneel and crawl to perform the essential functions of the job.

*This job description is not designed to contain a comprehensive listing of activities, duties or responsibilities that are required of the employee.*

*Reasonable accommodations will be made to enable qualified individuals with disabilities to perform the essential functions.*



# 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:** June 16, 2022

**PREPARED BY:** Aaron Ehle, Airport Development Specialist

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## **TITLE**

General Aviation Hangar Development Area Recommendation

## **RECOMMENDED AIRPORT COMMISSION ACTION**

Direct staff and the PDSC to focus infrastructure planning efforts on the recommended area.

## **BUDGET IMPACT**

Negative

## **SUMMARY**

Recent hangar development has led to a shortage of shovel-ready land for development. With the likely redevelopment of the Airport-owned T-hangars, the Airport Commission has directed staff and the Planning & Development Subcommittee (PDSC) to work on the creation of an infrastructure plan that will create more improved sites for future hangar development projects. Two sites have been discussed as the best options for near-term development, the area east of the existing T-hangars (Site B from the Hangar Development RFP) and the area north of Runway 6/24 (Site C from the RFP).

Dibble engineering has prepared high-level cost estimate for improving both sites to shovel-ready condition for basic general aviation hangar development. At the May PDSC meeting, the cost estimates were analyzed and the pros and cons of both areas were discussed. The PDSC voted unanimously to recommend the area north of Runway 6/24 (Site C) to the Airport Commission as the location where we should focus our infrastructure planning efforts for new general aviation hangars. Although the infrastructure cost estimates for this site were 30% higher, the area is much larger and can accommodate more hangar development.

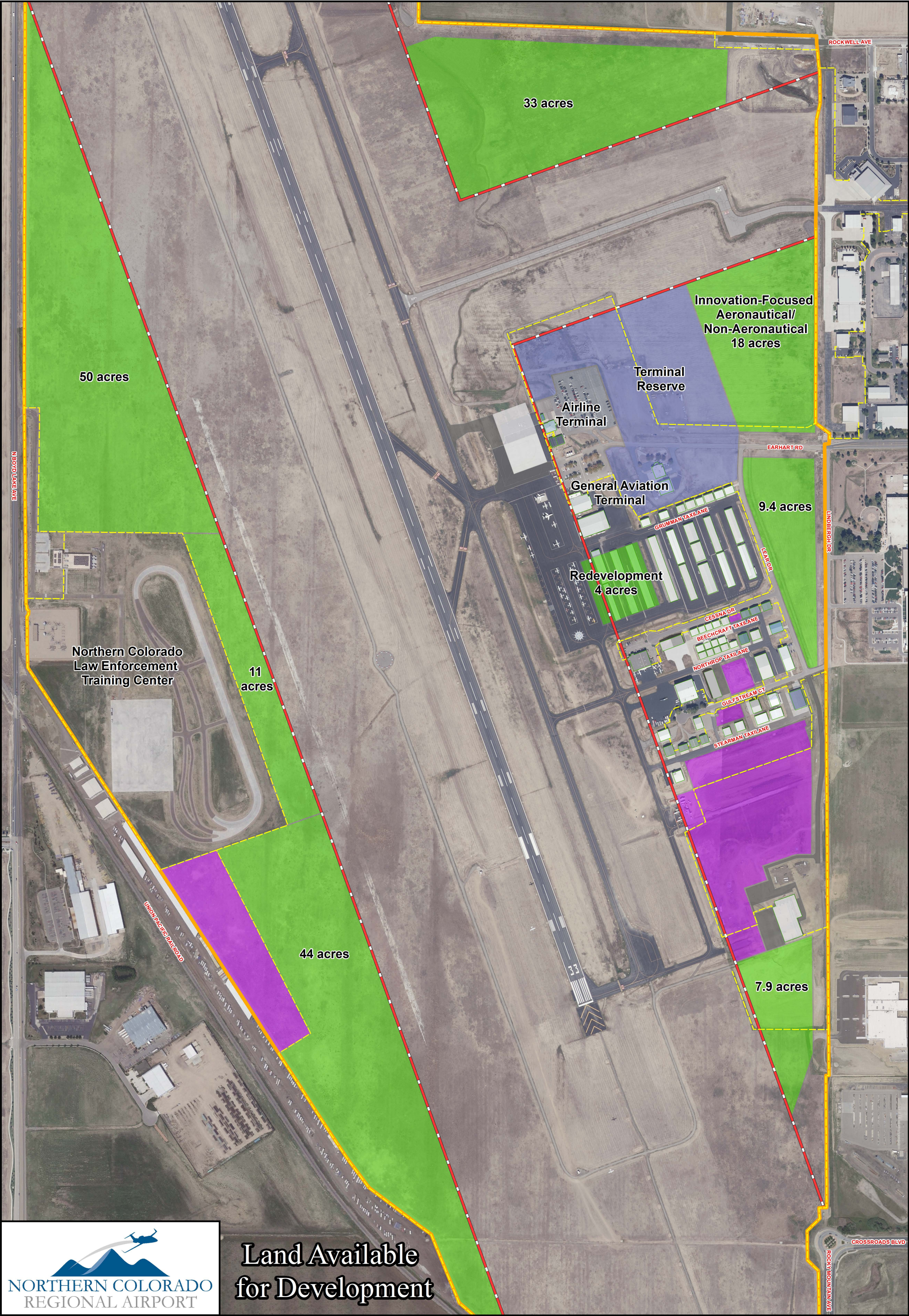
## **ATTACHMENT**

Available Land Map

Infrastructure Plan Site Maps and Cost Estimates

General Aviation Hangar Development Area Recommendation Presentation





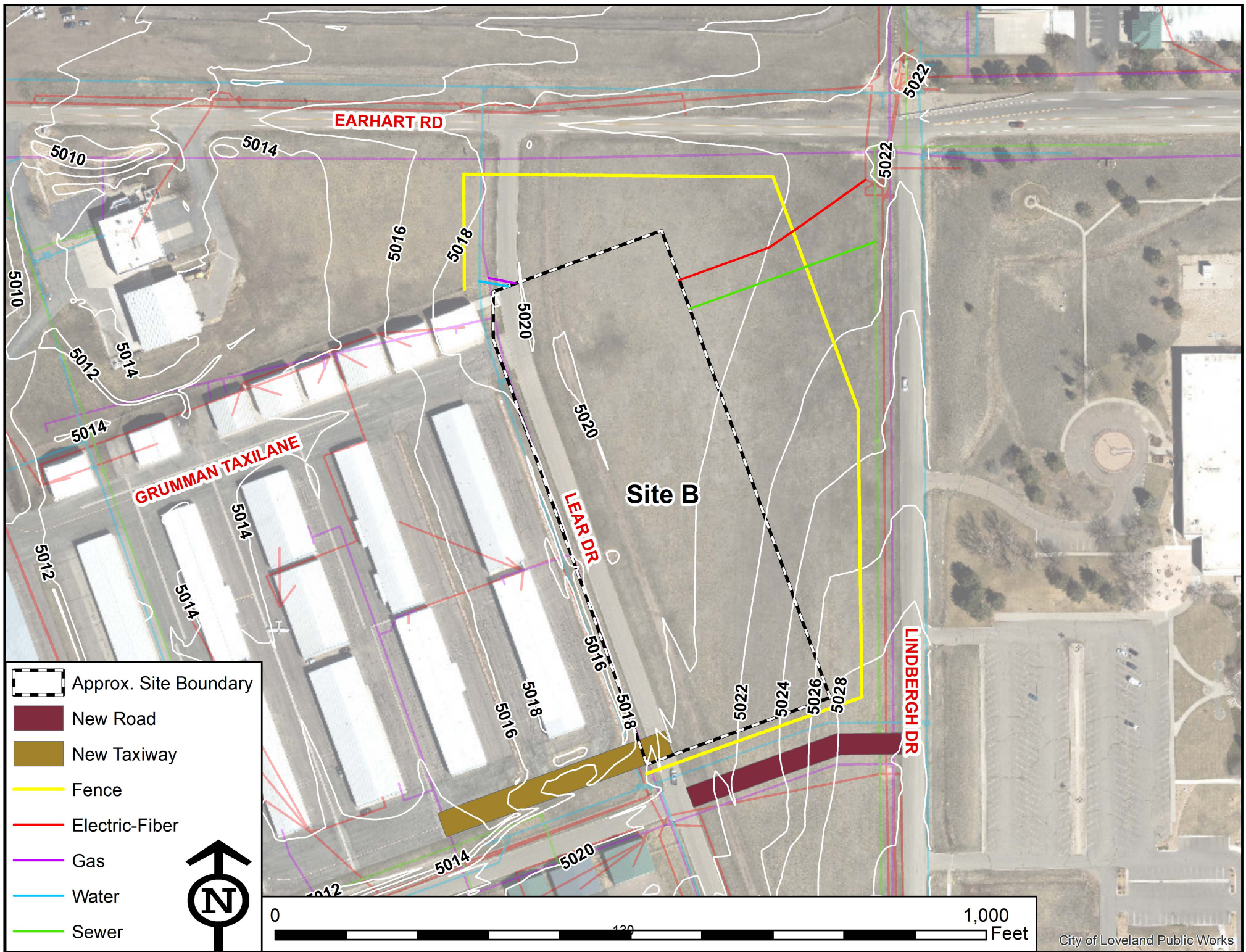
# Land Available for Development

- Airport Boundary
- Aircraft Movement Reserve
- Fence
- Available Land
- Leased Land
- Terminal Reserve Area



0 250 500 1,000 Feet



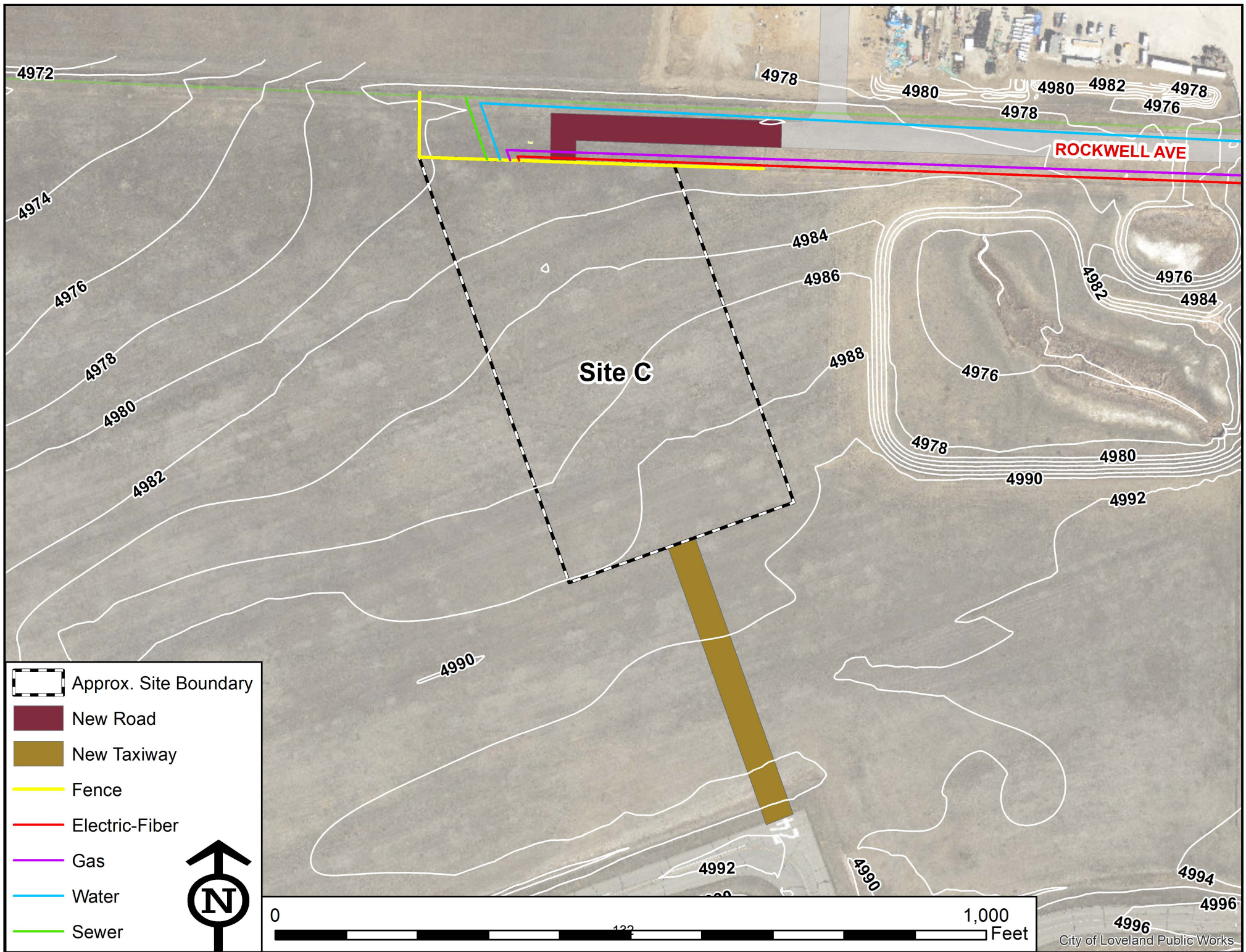


# NORTHERN COLORADO REGIONAL AIRPORT

## AIR HANGAR SITE DEVELOPMENT COST ESTIMATE (SITE B)

LINE No.	DESCRIPTION	APPROX. QTY.	UNIT	UNIT PRICE	AMOUNT
<b>CIVIL</b>					
1	Mobilization and Quality Control	1	LS	\$65,000.00	\$65,000.00
2	Earthwork	1	LS	\$100,000.00	\$100,000.00
4	New Road Section	990	SY	\$50.00	\$49,510.00
6	New Taxiway Section	1,304	SY	\$85.00	\$110,840.00
7	Pavement Marking	165	SF	\$7.00	\$1,155.00
8	Fence	1,675	LF	\$25.00	\$41,875.00
9	Elec/Comm	300	LF	\$150.00	\$45,000.00
10	Gas	50	LF	\$50.00	\$2,500.00
11	Water	50	LF	\$85.00	\$4,250.00
12	Sewer	275	LF	\$85.00	\$23,375.00
13	Drainage	1	LS	\$50,000.00	\$50,000.00
<b>Civil Subtotal</b>					<b>\$493,505.00</b>
<b>CONSTRUCTION SUBTOTAL</b>					<b>\$493,505.00</b>
<b>PROJECT TOTAL</b>					<b>\$493,505.00</b>





## NORTHERN COLORADO REGIONAL AIRPORT AIR HANGAR SITE DEVELOPMENT COST ESTIMATE (SITE C)

LINE No.	DESCRIPTION	APPROX. QTY.	UNIT	UNIT PRICE	AMOUNT
<b>CIVIL</b>					
1	Mobilization and Quality Control	1	LS	\$75.00	\$100,000.00
2	Earthwork	1	LS	\$100,000.00	\$100,000.00
4	New Road Section	1,430	SY	\$45.00	\$64,350.00
6	New Taxiway Section	1,864	SY	\$75.00	\$139,800.00
7	Pavement Marking	202	SF	\$7.00	\$1,414.00
8	Fence	575	LF	\$30.00	\$17,250.00
9	Elec/Comm	1,050	LF	\$75.00	\$78,750.00
10	Gas	1,050	LF	\$30.00	\$31,500.00
11	Water	1,200	LF	\$50.00	\$60,000.00
12	Sewer	50	LF	\$100.00	\$5,000.00
13	Drainage	1	LS	\$50,000.00	\$50,000.00
<b>Civil Subtotal</b>					<b>\$648,064.00</b>
<b>CONSTRUCTION SUBTOTAL</b>					<b>\$648,064.00</b>
<b>PROJECT TOTAL</b>					<b>\$648,064.00</b>

### Infrastructure Payback Period Estimates

	Area (sq. ft.)	Infrastructure Cost	Unimproved Rate			Improved Rate		
			Rent Rate (\$/sq.ft./yr)	Annual Rent	Payback Period (Years)	Rent Rate (\$/sq.ft./yr)	Annual Rent	Payback Period (Years)
Site B w/o Restroom	191,094	\$493,505	\$0.316	\$60,385.75	8.2	\$0.448	\$85,610.18	5.8
Site B w/ \$65k Water Tap	191,094	\$558,505	\$0.316	\$60,385.75	9.2	\$0.448	\$85,610.18	6.5
Site B w/ \$200k Water Tap & Restroom	191,094	\$693,505	\$0.316	\$60,385.75	11.5	\$0.448	\$85,610.18	8.1
Site C w/o Restroom	191,021	\$648,064	\$0.316	\$60,362.68	10.7	\$0.448	\$85,577.47	7.6
Site C w/ \$65k Water Tap	191,094	\$713,064	\$0.316	\$60,385.75	11.8	\$0.448	\$85,610.18	8.3
Site C w/ \$200k Water Tap & Restroom	191,094	\$848,064	\$0.316	\$60,385.75	14.0	\$0.448	\$85,610.18	9.9



# NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

Regularly Scheduled Meeting

June 16, 2022





# General Aviation Hangar Development Area Recommendation

Northern Colorado Regional Airport Commission

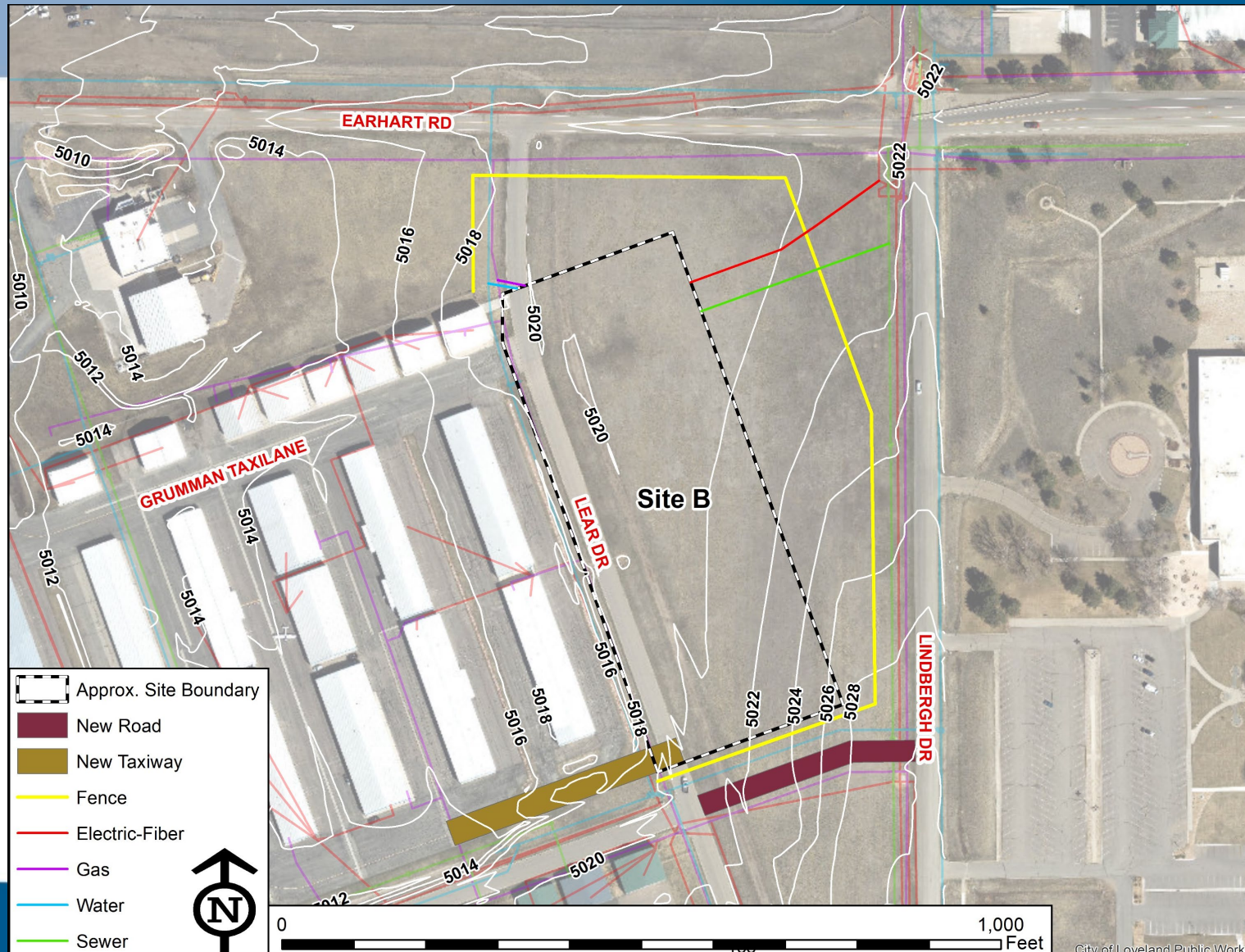
June 16, 2022

- Early 1980s – The Cities issued bonds and invested in infrastructure to attract development at the Airport
- There is a lack of shovel-ready land due to a sharp increase in land leasing and hangar construction
  - Shovel-ready means that there is not a need for significant investment in infrastructure to support new hangars
- Redevelopment of the Airport-owned T-hangars will create even more demand for small-mid sized general aviation hangars

- The Airport Commission has directed staff and the PDSC to work on the creation of an infrastructure plan that will create more shovel-ready sites for future general aviation hangar development projects.
  - Most obvious options are Site B and Site C from the Hangar Development RFP
    - Dibble Engineering prepared high-level infrastructure cost estimates for both sites

# Site B

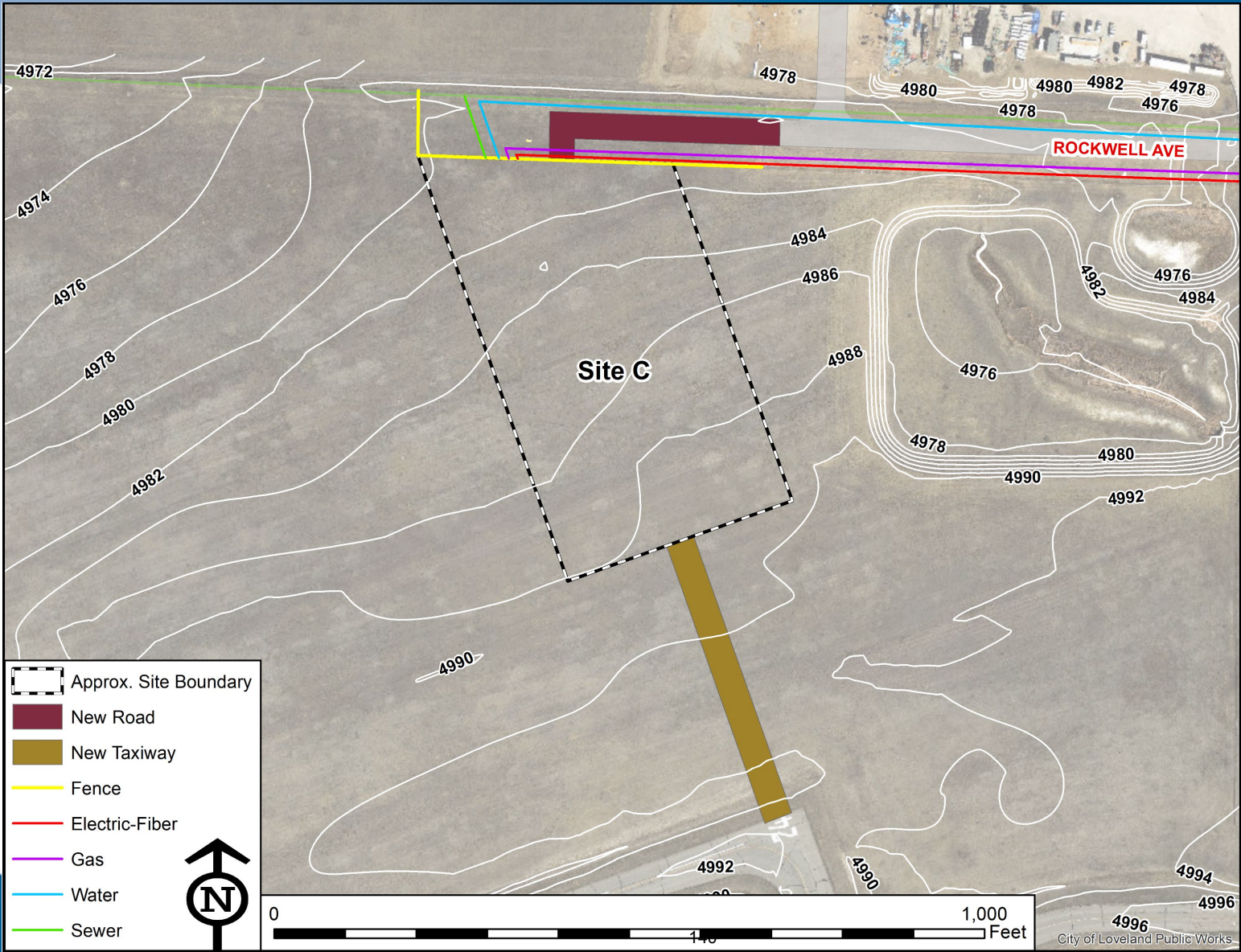
NORTHERN COLORADO  
REGIONAL AIRPORT





- Infrastructure cost estimate - \$493,505
- Pros
  - Close proximity to existing airside infrastructure
  - Close proximity to all utilities
- Cons
  - Limited to approx. 7.5 acres
  - Requires closure of existing road (Lear Dr) and construction of new road (Cessna Dr)
  - Would add aircraft traffic to taxiways not designed to support the additional demand
  - High visibility area may not be ideal for T-hangars

# Site C



- Infrastructure cost estimate - \$648,064
- Pros
  - **More space for future expansion. More layout/orientation possibilities**
  - Low visibility area may be preferable for T-Hangars
- Cons
  - Requires extension of Rockwell Ave
  - Further from airside infrastructure
  - Some utilities are more than 1,000 feet away
  - Would add taxiing plane traffic to runway 6/24

# Recommendation

- The area north of Runway 6/24 (Site C) is where we should focus infrastructure planning efforts for new general aviation hangar development
  - Although the infrastructure cost estimates were slightly higher for this site, it is much larger. Investment in improving this area will benefit a greater number of users and will encourage future development
  - Site B may have a higher and better use than T-hangars



# Recommendation

- The area north of Runway 6/24 (Site C) is where we should focus infrastructure planning efforts for new general aviation hangar development
  - Although the infrastructure cost estimates were slightly higher for this site, it is much larger. Investment in improving this area will benefit a greater number of users and will encourage future development
  - Site B may have a higher and better use than T-hangars

# Questions

- Who will create this plan?
  - Airport/City staff?
  - Consultant?
- What infrastructure will provide the most value
  - Roads and Taxiways?
  - Water tap and/or Community Restroom?
  - Utilities?
- How will this plan be funded?
  - FAA or State grants? – Probably not
  - The Cities?
  - Developers who create displacement by redeveloping T-hangars?





# NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

**ITEM NUMBER:** 7

**MEETING DATE:** June 16, 2022

**PREPARED BY:** Scott Holst, Discovery Air  
Jason R. Licon Airport Director

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## **TITLE**

US Customs Proposal from Discovery Air

## **RECOMMENDED AIRPORT COMMISSION ACTION**

Evaluate the proposal provided by Discovery Air and provide direction to staff

## **BUDGET IMPACT**

Proposal includes a financial support request of \$200,000 annually for a period of up to five (5) years

## **SUMMARY**

At the April 21<sup>st</sup> Airport Commission meeting, representatives from Discovery Air provided a report on their recent efforts to apply for a US Customs program during other business. Staff were directed at that meeting to investigate options available for partnership possibilities with Discovery Air in support of the U.S. Customs Reimbursable Services Program. This included legal staff review on what would be in compliance with federal requirements and crafting Airport Commission written support for the USCBP application. Since that meeting Discovery Air have met with Airport Staff to discuss the topic further, which has evolved into a request for financial support.

Staff have reached out to the Cities and Larimer County Economic Development staff to discuss the potential of financial support on this item. The service as it is currently proposed would support a number of based businesses within the region, and would be more in line with regional economic development. During conversations an idea arose where this financial request could be funded through American Rescue Plan Act resources that the three entities were anticipating to receive this year. This discussion is in the preliminary stages of investigation with no commitments finalized.

- The \$200,000 annual request would require 13% of the airport's \$1.57 million operating and maintenance budget to support.

- Discovery Air provides an annual lease fee to the Airport of \$46,723
- Revenues that would be generated from the service to the airport is unknown, but can be assumed that it could result in additional fuel

### **ATTACHMENTS**

Discovery Air: Proposed Framework for Financial Support of USCBP Reimbursable Services

US Customs and Border Patrol: Reimbursable Services Program Overview

USCBP Demand & Fee Report for Area Airports 2014-2021



5017 Lindbergh Dr, Loveland, CO 80538  
970-460-8606  
[www.discoveryairaviation.com](http://www.discoveryairaviation.com)

June 7, 2022

Northern Colorado Regional Airport

4900 Earhart Road

Loveland, CO 80538

Attn: Jason Licon and Aaron Ehle

RE: Additional Details to Proposed Framework for Financial Support of CBP RSP Program.

**The following parameters were proposed for NCRA/Cities/County support of the CBP RSP program at Discovery Air:**

- 1) Discovery Air accepts all risk for the RSP customs program including office needs, payroll support, ramp space, and other.
- 2) Discovery Air will be sole authority for pricing and fee collections for customs service and manage all logistics, billing, accounting and administration of these services.
- 3) NCRA/Cities/County will support Discovery Air with an annual customs support payment of \$200,000 per year paid as a minimum of 5-year commitment, so long as customs is open and operating.
- 4) Support payment will be eliminated if customs revenue reaches break even for discovery air expenses plus management expenses for two consecutive years.

**The following are further details and information provided in support of the CBP RSP program at Discovery Air and the support payment required:**

**Estimated Financial Plan (annual estimate based on current available information)**

**\*\*Absolute minimum investment/logistics management required by Discovery Air/The Water Valley Company shown for simplicity. Additional expenses (absorbed by Discovery Air) of annual airport land lease cost and cost to build Torrey's Peak Hangar which is providing CBP office space, not reflected below\*\***

Annual Expenses Absorbed by Discovery Air/The Water Valley Co.		One Time Expenses Absorbed by Discovery Air/The Water Valley Co.		Contributions by NCRA/Cities/County or other	
CBP Personnel Base Wages	\$180,000	Discovery Air Office Build out for CBP	\$159,000 (\$300 sq ft)	Annual Investment by NCRA/Cities/County	\$200,000
CBP Overtime/After Hour Wages Estimate	\$14,488 (\$100.61 hr, 3hrs per event, est. 4 events per month.)			<b>Solutions:</b>  <b>**Lease Reduction (Expedited Partial Solution)</b> \$46,723 for 2022 (2% annual increase assumed).  <b>**Contributions by cities/county (ARPA funds)</b>  <b>**Pay this directly to CBP for wages/benefits/overtime</b>	
Discovery Air Office 530 sq ft	\$15,370 (annual increase of 3% per year)				
Logistics, Billing, Scheduling, benefits, insurance, Accounting and Administration	\$110,000				
Facilities, equipment, grounds, custodial, consumables, tenant support	\$90,000				
TOTAL	\$409,858.00 (Total Annually)		\$159,000 (Total Year #1) <b>\$568,858)</b>		Total (Annually) <b>\$200,000</b>

\*\* Wages, overtime costs and other CBP specific details are directly from CBP provided RSP Overview 2022 Denver PDF file\*\*

1) What if any are the financial contributions or commitments from the users and Discovery Air to set up this service?

-Discovery Air has invested in pre-construction of the facility and offices to accommodate CBP which contributed immensely to their interest in creating a new location.

-Discovery Air is holding a large amount of office, hangar and apron space for this CBP RSP location opportunity.

-Discovery Air has offered to finish and outfit the facilities to meet CBP requirements completely at Discovery Air expense.

-Discovery Air and the CBP have invested substantial labor time, presentation time, travel expenses and logistics into this project already and will continue to accrue additional expenses.

-Critical tenants of this airport and Discovery Air have already provided letters of support (as previously presented) and have offered to be integral to the daily CBP operations in utilizing the services. All have committed to routing through KFNL instead of other airports once the CBP office opens.

-The investment to get to this point and to reach a point of “ready to open” which Discovery Air is offering, will far outweigh the requested contribution by NCRA/Cities/County.

2) How is the break-even determined?

-Very simple, a budget summary of expenses for maintaining a daily/yearly operational status will be provided. Once the new CBP office is covering these expenses (not to exceed 5 years) it can operate under its own income and the outside financial support can be eliminated. This cooperation creates an investment and contribution by everyone who will benefit from this new CBP office in the future with The Water Valley Co/Discovery Air taking by far the majority of the risk involved.

3) Can the airport funds be legally used for this purpose or will the Cities need to provide this?

-This is a question for NCRA and the Cities/County to clarify.

-Lease reduction is an excellent initial and quick solution for partial coverage to help get this moving the right direction as soon as possible.

-Direct payment to CBP for agent wages (eliminating any question on payment to a private entity) is also an excellent consideration for the annual support.

4) How do we project this will increase demand for usage outside of the current known demand and possibly outside of our airport?

-The creation of this customs office will attract more large corporate entities with aviation departments similar to Nutrien and Woodward. As presented at many of the commission meetings, a large quantity of customs events exists as surrounding airports. Bringing in these flights with a customs solution will expose our airport and the operating businesses to many new customers and opportunities.

-The increase in airport activity due to customs services will undoubtedly increase fuel sales.

-The creation of an FTZ (foreign trade zone) can be used both by clients inside and outside of the airport community. Again, bringing new business contacts and opportunities to this airport.

-We have the ultimate destination location here at FNL for anywhere along the front range in particular. It has been demonstrated clearly there is a large quantity of transient aircraft going through Casper Natrona currently who would benefit tremendously by our location, not to mention many of the airport locations to our South.

-Reference our own NCRA website for an excellent answer to this question also:

*"Located adjacent to I-25 and US Hwy 34, 50 miles north of Denver. Just minutes away from both award-winning historic downtown areas for Loveland and Fort Collins; which offer live music, delectable restaurants and a variety of tourist, retail, novelty and confectionary shops.*

*The Fort Collins – Loveland area is known for its thriving craft beer industry, eclectic arts and entertainment scene and mix of outdoor recreational activities. With 300 days of sunshine, snow-capped mountains, idyllic lakes and clear-running rivers, it's captivating year-round. Northern Colorado Regional Airport (FNL) is the nearest airport to Estes Park, base camp to the nationally acclaimed and breathtaking Rocky Mountain National Park which is home to wildlife and miles of trails. Drive times from our Airport to ski resorts like Vail, Copper Mountain, Winter Park, and Eldora Mountain are similar if not faster than what you would experience from Denver International Airport.*

5) What will the schedule be to transition from the RSP program to a full UFF program?

-There really is no hard push to transition from the RSP program to the UFF program. The NCRA community will recognize the benefits with either program. This noted, there will be a natural progression to a UFF program as demand for customs services increase. A fair estimation on this would be around 2-4 years as clients transition to NCRA being their preferred customs clearance destination. The creation of a FTZ (foreign trade zone) will also develop as this program matures which will further increase the activity and benefits to this airport.



6) What is the estimated return on investment?

-The ROI is expected to balance out at 3-5 years of time. This is when market saturation of the available service will be recognized and the number of customs events will reach a level to cover the annual costs of the office based on various fee levels applicable to the exact type of customs service provided. Some events will be more expensive than others due to the level of service required. Regardless, The Water Valley Co/Discovery Air is taking ALL the risk on this as we are limiting the requested support to a maximum of 5 years and very possibly less as the office balances with increased billable customs events.

# U.S. Customs and Border Protection Office of Field Operations

## Reimbursable Services Program

### Program Overview

2022



U.S. Customs and  
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# Agenda



- Why Partnerships?
- Program Overview
- Application Guidance



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# Why Partnerships?

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- U.S. Customs and Border Protection (CBP) is frequently asked to provide new or additional services at ports of entry across the country; however, we are not always able to accommodate these requests.
  - Solution: CBP's three pronged Resource Optimization Strategy for Ports of Entry
    - Business Transformation
    - Workload Staffing Model
    - **Alternative Funding Sources through Public-Private Partnerships.**
  - Through Public-Private Partnerships, CBP is better able to accomplish its increasingly complex mission of ensuring border security in the face of rising volumes in travel and trade.
  - The Reimbursable Services Program (RSP) is an example of public-private partnerships between CBP and any private sector and government entities.
- 



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# Reimbursable Services Program Authorities

Section	Year	Description	Expiration
<b>560</b> Consolidated and Further Continuing Appropriations Act, 2013	2013	<ul style="list-style-type: none"> <li>Allowed CBP to enter into five total agreements (any mode) by December of 2013</li> </ul>	Authority expired in 2013 Agreements expire in 2018
<b>559</b> Consolidated Appropriations Act, 2014	2014	<ul style="list-style-type: none"> <li>Gave CBP five years to sign agreements of unlimited duration</li> <li>Limited CBP to ten* air agreements each calendar year for overtime services only</li> <li>Unlimited in sea and land</li> <li>Allows for reimbursement of support staff in the air environment**</li> </ul>	Authority expires in 2019 Agreements do not expire Supplanted by Sec. 481
<b>481</b> Homeland Security Act, 2002	2016	<ul style="list-style-type: none"> <li>Removes limitation on number of air agreements</li> <li>Allows for reimbursement of salaries and benefits of up to five CBPOs in airports that receive less than 100,000 international travelers per year</li> <li>Permits agreements at any facility where CBP provides or will provide services</li> </ul>	No expiration

\*Amended by Section 550 of the *Consolidated Appropriations Act, 2016* to increase airport limit to 10

\*\*Amended by Section 552 of the *DHS Appropriations Act, 2015* to allow for reimbursement of support staff



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# RSP - New Legislation Overview

The *Cross-Border Trade Enhancement Act, 2016*, signed into law on December 16, 2016, amends Title IV of the *Homeland Security Act, 2002* by adding Section 481 – Fee Agreements for Certain Services at Ports of Entry.

The legislation expands the authority provided in Section 559 of the *Consolidated Appropriations Act, 2014* by:

- Making the RSP permanent;
- Removing the annual statutory limit on the number of air agreements;
- Permitting agreements at any facility in which CBP provides services or will provide services;
- Allowing small airports (<100k international passengers per year) to compensate CBP for the salaries and expenses of up to five officers; and
- Authorizing the Commissioner to determine if advanced payment is warranted to enter into an agreement in place of cost reimbursement.



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# Program Overview

- The RSP provides an alternative source of funding for overtime services beyond CBP's appropriated budget and allows our partners to target where they desire CBP to provide additional services.
- Signing a Reimbursable Services Agreement does not obligate the CBP Port of Entry to provide services beyond its staffing resource capacity and CBP Port Directors maintain control over their staff.
- Signing an agreement does not obligate stakeholders to request certain levels of reimbursable services.



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# Overview: Program and Impact


- The **Reimbursable Services Program** enables partnerships between CBP and private sector or government entities, allowing CBP to provide additional inspection services upon the request of stakeholders.
- In 2017, the RSP expanded its open season from once a year to accepting applications year-round with three evaluation periods beginning in March, July and November.
- Through the third evaluation window of 2021, CBP has expanded the RSP to 269 stakeholders covering 192 U.S. Ports of Entry.
- Since program inception, CBP has provided over 360,000 officer overtime assignments and an additional 1 million hours of services. These services accounted for the processing of over 15.7 million travelers and over 2.0 million personal and commercial vehicles at ports of entry.

269 

Stakeholders

192 

Ports of Entry

360k 

Assignments

1.0m 

Hours of Service

15.7m 

Travelers

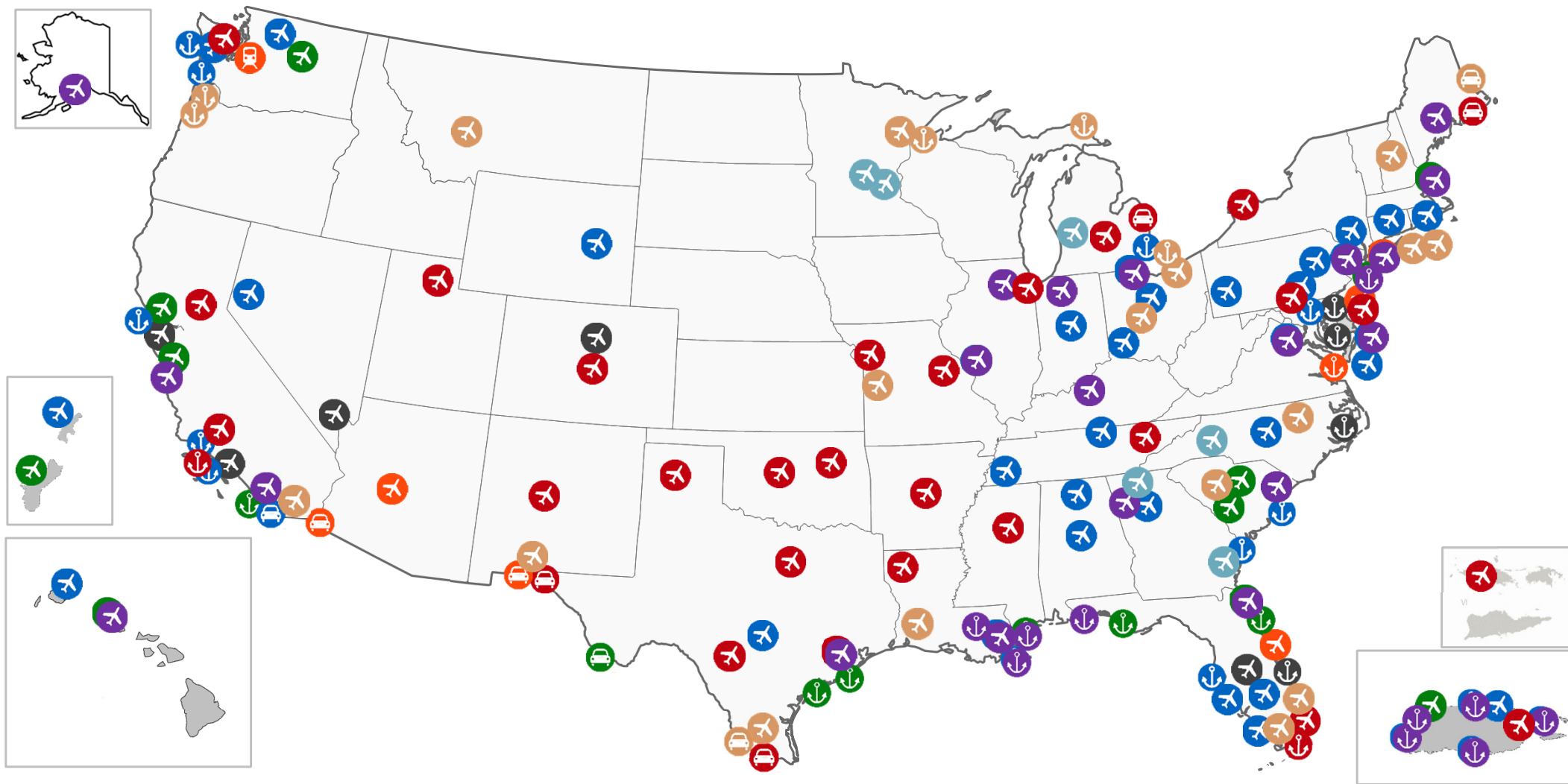
2.0m

Vehicles



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# RSP Locations and Stakeholders



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# Joining the Program

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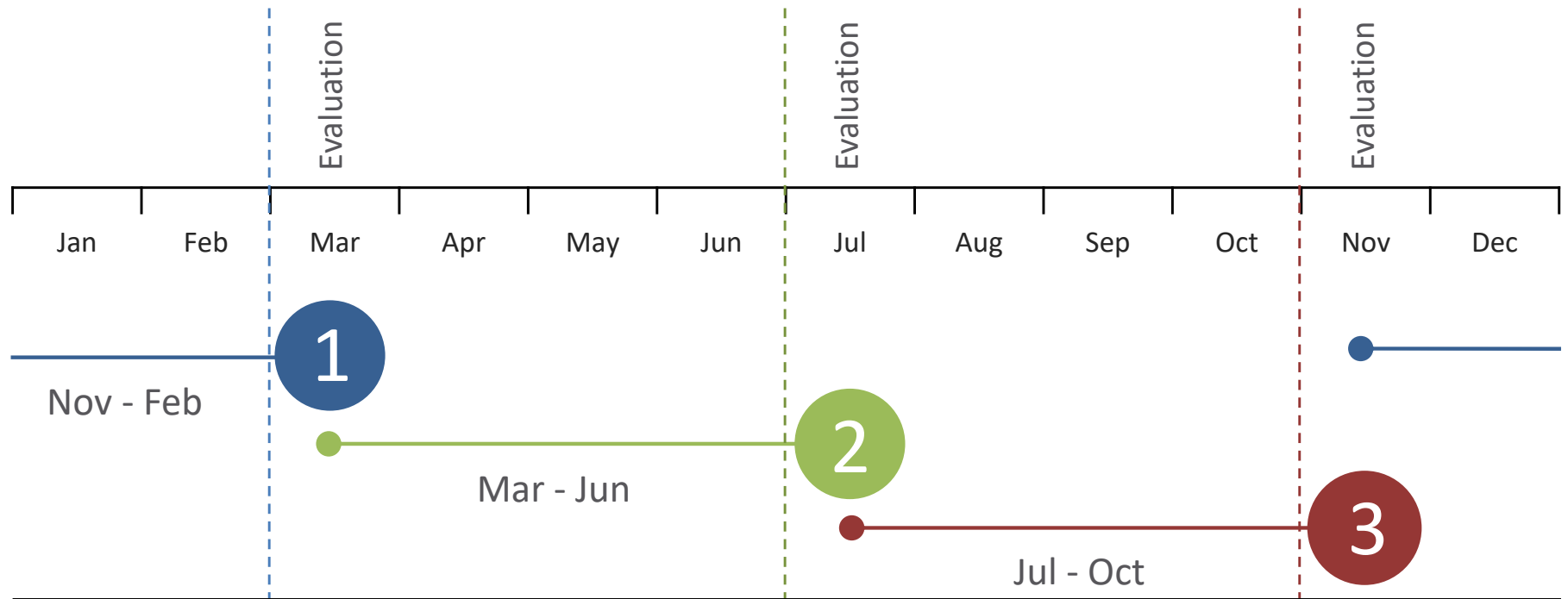
- CBP opens the application submission year-round with a triannual evaluation period, and posts detailed instructions and guidelines on [www.cbp.gov/RSP](http://www.cbp.gov/RSP).
- CBP reviews applications to select partnerships that are mutually beneficial to the requesting parties, the affected communities and CBP.
- Applications are evaluated utilizing a rigorous, multi-layered process to ensure compatibility with CBP's mission.
- Criteria include, but are not limited to:
  - Impact on current CBP operations;
  - Funding reliability;
  - Community concerns;
  - Health and safety issues;
  - Community and economic benefits; and
  - Whether the proposal can be introduced in a timely manner.
- Interested applicants are encouraged to coordinate with the affected CBP Field Office and ports of entry in developing their letters of application.



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# Triannual Evaluation



## Year-Round Open Season / Triannual Evaluation

RSP will have a year-round open season where stakeholders may apply at any time and their applications are evaluated three times per year.

1. Applications received November through February will be evaluated beginning in March
2. Applications received March through June will be evaluated beginning in July
3. Applications received July through October will be evaluated beginning in November



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# Takeaways

- Allocation of appropriated staffing not impacted by this program.
  - Legislation states that an RSA cannot unduly impact existing services.
- Enhanced services provided are above and beyond what would normally be possible.
  - Allows our partners to identify exactly where they need CBP services.
- Program selections predicated upon a rigorous evaluation process with a primary component being operational feasibility.
- Signing an RSA does not obligate stakeholders to request certain levels of services. Stakeholders will not be billed unless services have been requested.
- CBP will be continually accepting applications, with evaluations beginning every March, July, and November.



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# Reimbursable Services FTE/Overtime Costs and Benefit Rates

Denver, CO

2022



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# Agenda

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- Annual and Hourly Salary and Overtime Rates
- FTE/Overtime Benefits Contribution Rate
  - Applicable Benefits
  - Benefit Rate Range



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# Annual Salary and Overtime Ranges

## Annual Salary

Grade	7	9	11	12	13
Denver, CO	\$55,896	\$68,376	\$82,726	\$104,992	\$117,908

## Hourly Rate

Grade	7	9	11	12	13
Denver, CO	\$26.79	\$32.77	\$39.64	\$50.31	\$56.50

## Overtime Rate

Grade	7	9	11	12	13
Denver, CO	\$53.57	\$65.54	\$79.27	\$100.61	\$112.98

The tables include a variety of possible annual and hourly base salary and overtime rates to represent the range of grade levels that might perform work for the reimbursable services agreements.

Note that all grades are depicted at Step 7 in the tables.

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2022/general-schedule/>



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# Overtime Benefit Contribution Rates

CBP Officers earn overtime under the Customs Officer Pay Reform Act (COPRA). Government contributions are required for the following items for employees earning COPRA overtime:

Rate	Type	Calculation Basis
1.45%	Medicare	Applied to all COPRA overtime earnings
6.20%	FICA	Applied to all COPRA overtime earnings
1.00%	FERS One Percent	Applied to the first \$22,500 of COPRA overtime earnings
4.00%	FERS Matching*	Applied to the first \$22,500 of COPRA overtime earnings
35.8%	FERS Annuity	Applied to the first \$22,500 of COPRA overtime earnings

\*The FERS Matching contribution is up to 4% but depends on the level of retirement contribution that the employee has elected.

Note: COPRA overtime is also subject to CSRS retirement contributions, but relatively few CBP Officers receive CSRS (the majority receive FERS retirement benefits).



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# Sample Annual Salary Rate

The table below reflects the average annual salary for a GS-12 Step 7 employee at the location, assuming a 48.45% government contribution rate and 15% overhead:

GS-12 Step 7	Denver, CO
<b>Base Salary</b>	<b>\$104,992.04</b>
Medicare (1.45%)	\$1,522.38
FICA (6.2%)	\$6,509.51
FERS 1 Pct (1%)	\$1,049.92
FERS Matching (4%)	\$4,199.68
FERS Annuity (35.8%)	\$37,587.15
<b>Contribution Subtotal</b>	<b>\$50,868.64</b>
Overhead (15%)	\$23,379.10
<b>Total Annual Salary</b>	<b>\$179,239.79</b>
<b>Estimated Quarterly Payment</b>	<b>\$44,809.95</b>



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# Sample Hourly Rate for Overtime

The table below reflects the average hourly cost for a GS-12 Step 7 employee at the location, assuming a 48.45% government contribution rate and 15% overhead:

GS-12 Step 7	Denver, CO
<b>Overtime</b>	<b>\$100.61</b>
Medicare (1.45%)	\$1.46
FICA (6.2%)	\$6.24
FERS 1 Pct (1%)	\$1.01
FERS Matching (4%)	\$4.02
FERS Annuity (35.8%)	\$36.02
<b>Contribution Subtotal</b>	<b>\$48.75</b>
Overhead (15%)	\$22.40
<b>Total Hourly Rate</b>	<b>\$171.76</b>



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# Premium Pay Regulations

19 USC 267 – Premium Pay for Customs Officers		
Law	Description	Summary
19USC267(b)(1)(A)	<b>Night Work Differential (15%)</b>	If the majority of the hours of regularly scheduled work of a customs officer occurs during the period beginning at 3 p.m. and ending at 12 a.m., the officer is entitled to pay for work during such period at the officer's hourly rate of basic pay plus premium pay amounting to 15 percent of that basic rate.
19USC267(b)(1)(B)	<b>Night Work Differential (20%)</b>	If the majority of the hours of regularly scheduled work of a customs officer occurs during the period beginning at 11 p.m. and ending at 8 a.m., the officer is entitled to pay for work during such period at the officer's hourly rate of basic pay plus premium pay amounting to 20 percent of that basic rate.
19USC267(b)(2)	<b>Sunday Differential (50%)</b>	A customs officer who performs any regularly scheduled work on a Sunday is entitled to pay for that work at the officer's hourly rate of basic pay plus premium pay amounting to 50 percent of that basic rate.
19USC267(b)(3)	<b>Holiday Differential (100%)</b>	A customs officer who performs any regularly scheduled work on a holiday is entitled to pay for that work at the officer's hourly rate of basic pay plus premium pay amounting to 100 percent of that basic rate.



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# Overtime Regulations

19 USC 267 – Overtime for Customs Officers		
Law	Description	Summary
19USC267(a)(1)	<b>Overtime Pay Rate</b>	A customs officer who is officially assigned to perform work in excess of 40 hours in the administrative workweek of the officer or in excess of 8 hours in a day shall be compensated for that work at an hourly rate of pay that is equal to 2 times the hourly rate of the basic pay of the officer.
19USC267(a)(2)(A)	<b>Callback</b>	Any work for which compensation is authorized and for which the customs officer is required to return to the officer's place of work shall be treated as being not less than 2 hours in duration; but only if such work begins at least 1 hour after the end of any previous regularly scheduled work assignment and ends at least 1 hour before the beginning of the following regularly scheduled work assignment.
19USC267(a)(2)(B)	<b>Commute</b>	<p>The customs officer is entitled to be paid, as compensation for commuting time, an amount equal to 3 times the hourly rate of basic pay of the officer; but only if such work:</p> <ul style="list-style-type: none"> <li>• Begins at least 1 hour after the end of any previous regularly scheduled work assignment;</li> <li>• Commences less than 16 hours after the officer's last regularly-scheduled work assignment;</li> <li>• Commences more than 2 hours prior to the start of the officer's next regularly-scheduled work assignment; and,</li> <li>• Ends at least 1 hour before the beginning of the following regularly scheduled work assignment.</li> </ul>



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# Cost Regulations

## Costs Breakdown for Customs Officers

Law	Description	Summary
26USC3101(b)(6)	<b>Rate of Tax Medicare (1.45%)</b>	There is hereby imposed on the income of every individual a tax equal to 1.45 percent of the wages received by him/her with respect to employment. <a href="https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/html/USCODE-2011-title26-subtitleC-chap21-subchapA-sec3101.htm">https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/html/USCODE-2011-title26-subtitleC-chap21-subchapA-sec3101.htm</a>
26USC3101(a)	<b>Rate of Tax FICA (6.2%)</b>	There is hereby imposed on the income of every individual a tax equal to 6.2 percent of the wages received by the individual with respect to employment. <a href="https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/html/USCODE-2011-title26-subtitleC-chap21-subchapA-sec3101.htm">https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/html/USCODE-2011-title26-subtitleC-chap21-subchapA-sec3101.htm</a>
5USC8432(c)(1)(A)	<b>FERS (Federal Employees Retirement System) 1 Pct (1%)</b>	At the time prescribed by the Executive Director, the employing agency shall contribute to the Thrift Savings Fund for the benefit of such employee or Member the amount equal to 1 percent of the basic pay of such employee or Member for such pay period. <a href="https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap84-subchapIII-sec8432.htm">https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap84-subchapIII-sec8432.htm</a>
5USC8432(c)(2)(C)(ii)	<b>FERS Matching (4%)</b>	The Government adds up to 4% of basic pay to every FERS employee's TSP (Thrift Savings Plan) account in addition to the 1% mentioned above, depending on the amount the employee chooses to contribute. Please note this is a variable rate. <a href="https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap84-subchapIII-sec8432.htm">https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap84-subchapIII-sec8432.htm</a>
5USC8334(d)(2)(A)(ii)	<b>FERS Annuity (35.8%)</b>	The Office of Personnel Management distributes the contribution rates under FERS. <a href="https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2020/20-304.pdf">https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2020/20-304.pdf</a> <a href="https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap83-subchapIII-sec8334.htm">https://www.gpo.gov/fdsys/pkg/USCODE-2011-title5/html/USCODE-2011-title5-partIII-subpartG-chap83-subchapIII-sec8334.htm</a>
19CFR24.21(a)	<b>Overhead (15%)</b>	An additional charge for administrative overhead costs shall be collected to reimburse Customs for compensation and/or expenses of Customs officers performing reimbursable and overtime services. The cost of the charge for administrative overhead shall be 15 percent of the compensation and/or expenses of the Customs officers. <a href="https://www.gpo.gov/fdsys/pkg/CFR-2012-title19-vol1/xml/CFR-2012-title19-vol1-sec24-21.xml">https://www.gpo.gov/fdsys/pkg/CFR-2012-title19-vol1/xml/CFR-2012-title19-vol1-sec24-21.xml</a>



# Additional Information on CBP Public Private Partnerships

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CBP's website, CBP.gov, includes additional information on the following link:

<http://www.cbp.gov/RSP>

## Questions?



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Airport	Location	Mid-Size Business Jet Customs Fee	International Arrivals (Yearly Average 2014-2021)	International Departures (Yearly Average 2014-2021)	Customs Fees (Estimate based on mid-size jet fee)
Casper/Natrona County International	Casper, WY	\$0	357	94	\$0
Centennial	Englewood, CO	\$310	713	647	\$221,030
Cheyenne Regional Airport	Cheyenne, WY	No Customs	0	18	\$0
Greeley-Weld County	Greeley, CO	No Customs	0	14	\$0
Northern Colorado Regional	Loveland, CO	No Customs	0	69	\$0
Rocky Mountain Metropolitan	Broomfield, CO	\$515	260	195	\$133,900

	User Fee Facility
	International Port of Entry
	No Customs

\*Mid Sized Business Jet is 15,000 - 25,000 lbs



# NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

**ITEM NUMBER:** 8

**MEETING DATE:** June 16, 2022

**PREPARED BY:** Jason Licon, Airport Director

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## **TITLE**

COVID Business Assistance Program Report

## **RECOMMENDED AIRPORT COMMISSION ACTION**

Provide staff with direction on entities that have not kept their accounts in good standing with past participation in the Business Assistance Program

## **BUDGET IMPACT**

None

## **SUMMARY**

The Airport Commission approved the COVID Business Assistance Program to provide relief to Airport businesses due to the financial impacts of the COVID-19 Pandemic. A total of two companies are participating in the program. The current balances on total lease deferral through the end of May 2022 is \$133,812 for both companies. FAA guidance requires that upon the end of the 2020 calendar year, airports begin charging interest to the incurred balances using the published Federal treasury note interest rate. These two accounts have been accruing interest on their balances since January 2021 in accordance with FAA guidelines.

One company is in good standing and is repaying the deferred lease payments as agreed. The second company has been in continual contact with airport staff and is still working to obtain the necessary financing in order to move forward with their project. Unfortunately, the entity still has not started repaying the balance due and continues to accrue unpaid lease fees. After review of their agreement, they are also past due for starting construction as a condition of the lease.

## **ATTACHMENT**

None