

PDSC MEETING AGENDA

DATE: 7/20/2022
TIME: 3:30-5:00 PM
LOCATION: Zoom
RE: Planning and Development Subcommittee

PDSC Objectives:

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

PDSC Agenda Items:

- 1) **Meeting Minutes – June 22nd (5 minutes)**
- 2) **New Hangar Development – Conceptual Layout Review (45 minutes)**
- 3) **Strategic Planning Process (15 minutes)**
- 4) **Customs Update (20 Minutes)**
- 5) **Open Discussion (5 minutes)**

Unresolved/Pending Topics:

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

Join Zoom Meeting

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

Meeting ID: 970 1148 2750

Passcode: 465261

Meeting ID: 970 1148 2750

Passcode: 465261

Find your local number: <https://us06web.zoom.us/u/kyWbKQOaD>

DATE: 6/22/2022
TIME: 3:32-5:07 PM
RE: Planning and Development Subcommittee Meeting (PDSC)
ATTENDEES: Tom Fleming, Jason Licon, Diane Jones, Troy Bliss, James Hays, Scott Schorling,

Begin Meeting Record 6/22/2022

Agenda Item #1: Meeting Minutes – May 25th, 2022

- Butler Snow has been hired to provide an opinion on the enterprise fund status of the Airport and to provide options for raising capital for the terminal project.
- **Diane moved to approve the minutes. The motion, seconded by Tom, passed unanimously.**

Agenda Item #2: Land Use Plan for Airport Property

- The Airport Commission has suggested creating a detailed land use plan for aeronautical and non-aeronautical development of Airport property.
 - Using the Airport Layout Plan as a foundation, the plan would identify highest and best uses for undeveloped/redevelopment areas to assist with decision-making and infrastructure planning.
 - What exactly do we mean by highest and best use? This can mean different things to different people. Do we need more feedback from the Commission?
 - Building and fire codes can help guide infrastructure planning and layouts/creation of lots.
 - Infrastructure planning needs to allow for future flexibility. Too much specificity can hinder future development if market conditions change.
 - In the 1980s the southeast was laid out with one-acre lots, but only 3 of those full lots were developed as intended and the rest was subdivided into smaller lots.
 - A capital improvement plan for infrastructure needs to be included. Much of this infrastructure will be ineligible or low-priority for grant funding.
 - How infrastructure improvements will be phased is an important consideration.
 - What are the trends in aviation in general and specifically at FNL?
 - A market study could help us gain a better understanding.
 - Box hangars are more flexible and provide a higher rate of return per square foot than T-hangars.
 - How do we develop a strategy for attracting uses that we want, but don't currently have (jet engine repair, technical training center, wildland firefighting base, etc.)?
 - We need to collaborate with prospective developers to understand the types and sizes of buildings they are interested in constructing and tailor the plan to fit their needs.
 - Are there certain areas of the Airport that we want to lease out for master development?
 - This would mean less infrastructure spending for the Airport, but also less lease revenue.
 - We need to consider development adjacent to the Airport and how the uses will interact and complement on-Airport development.

- The extension of Rockwell Ave would benefit the Airport and private development north of the Airport. Airport staff has discussed a joint effort to extend the road with the developer to the north.
- The site north of Runway 6/24 will be the area of immediate focus and can serve as a pilot for other areas of the Airport.
 - Dibble Engineering has been engaged to help plan this area.
 - The site that has been identified is only part of a larger greenfield development area.
 - Where do we want certain types of hangars/shelters, aviation-related businesses, and non-aeronautical uses?
 - How can we offset the loss of T-hangars that will be redeveloped?
 - If the Runway 6/24 is converted to a taxiway, hangars can be built closer to it, which would lessen the size of the taxiway(s) needed. Even without closing the runway, we can likely build closer to it than the Airport Layout Plan shows.
 - Staff will work on putting some conceptual layouts together for our next meeting.

Agenda Item #3: Strategic Planning Process

- The purpose of this item is to discuss how we can create a regular framework and schedule for strategic planning.
 - Identify the timing and frequency of strategic planning sessions/updates and link projects/initiatives to the Cities' budget cycles
 - Every two years in the first quarter would be a good place to start
 - Budget allocation requests are due in the second quarter.
 - The third quarter is when budgets get finalized and go to the City Councils for adoption.
 - Fort Collins is on a two-year budget cycle.
 - Loveland is on an annual budget cycle.
 - Develop a process for how we create annual work plans and provide updates on progress
 - This year's plan is a good model to build off of.
 - We are facing a high level of uncertainty related to funding and cost escalation on the terminal project.
 - The design team is working on lower-cost alternates.
 - We should know about the Bipartisan Infrastructure Law (BIL) funding request next month.
 - American Rescue Plan Act (ARPA) funding status may not be known until the first quarter of 2023.
 - The airline industry is experiencing challenges with fuel prices and pilot shortages. The suspension of the Avelo flights is unfortunate, but we started designing the terminal before they were here.
 - Staff will prepare a planning framework and schedule to be considered for recommendation to the Commission at the next PDSC meeting.

End Meeting Record



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: July 20, 2022

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

New Hangar Development – Conceptual Layout Review

RECOMMENDED PDSC ACTION

Provide feedback on conceptual layouts

SUMMARY

At the June meeting, the PDSC discussed the need for detailed land planning of Airport Property. The immediate focus will be on the Area north of Runway 6/24, with the intent of creating more shovel ready sites for general aviation hangars. Airport staff has prepared two concept layouts for this area.

Conceptual Hangar Layout #1

This layout uses the current building restriction line (BRL) from the airport layout plan (ALP as the southern limit for building footprints.

Conceptual Hangar Layout #2

In this layout, the BRL has been moved 180' south to the taxiway object free area of the future parallel taxiway. Based on staff analysis, buildings could still be around 30' tall at the BRL. By shifting the BRL to this new location, and extra 7.7 acres of development area would be opened up.

Comparison

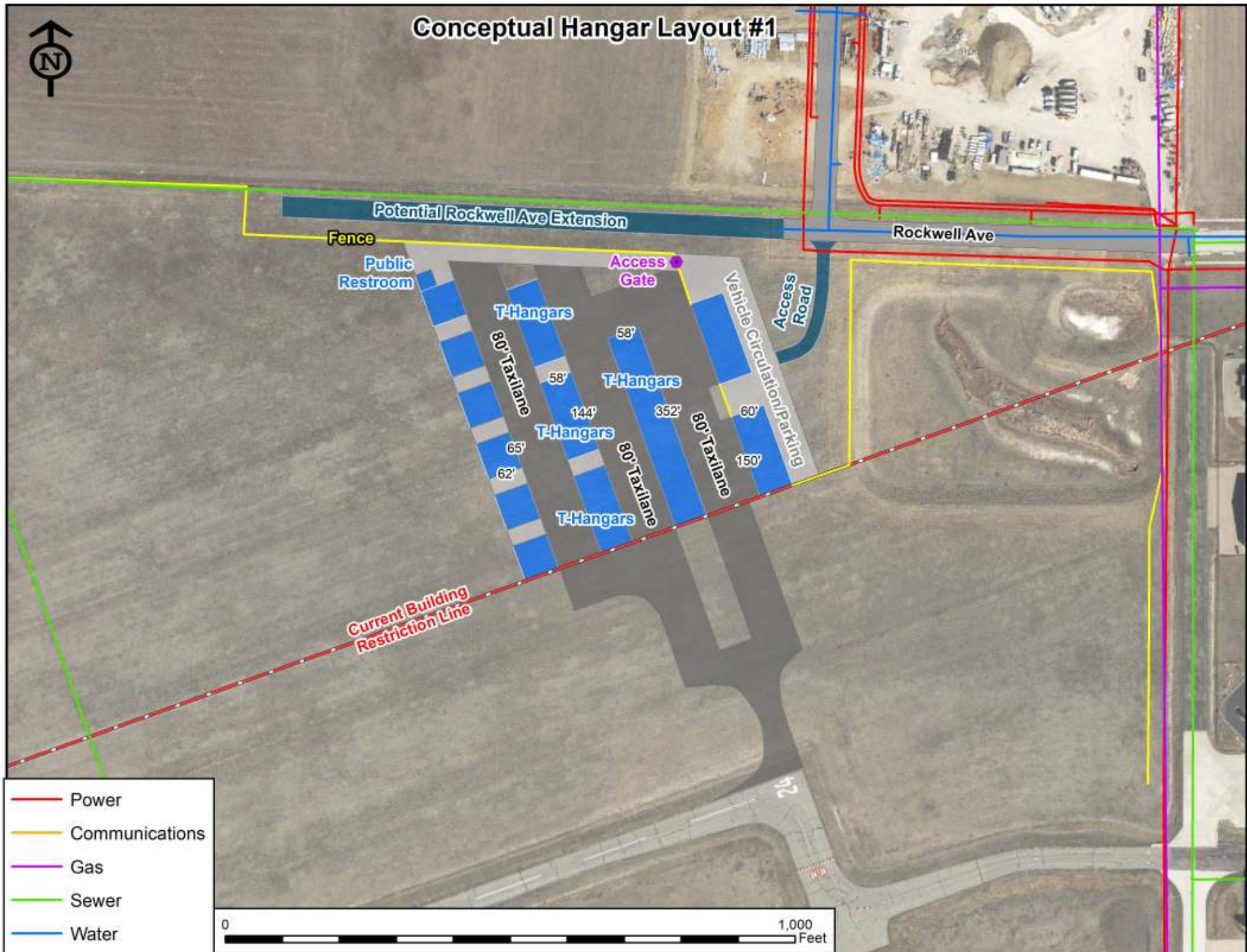
Layout #1			Layout #2		
T-Hangars	Quantity	Square Feet	T-Hangars	Quantity	Square Feet
352' X 58'	1	20,416	352' X 58'	1	20,416
144' X 58'	3	25,056	144' X 58'	1	8,352
Box Hangars			Box Hangars		
150' X 60'	2	18,000	150' X 60'	2	27,000
65' X 62'	6	24,180	65' X 62'	6	28,210
Hangar Total	12	87,652	Hangar Total	10	83,978
Taxiway		205,317			148,596

ATTACHMENTS

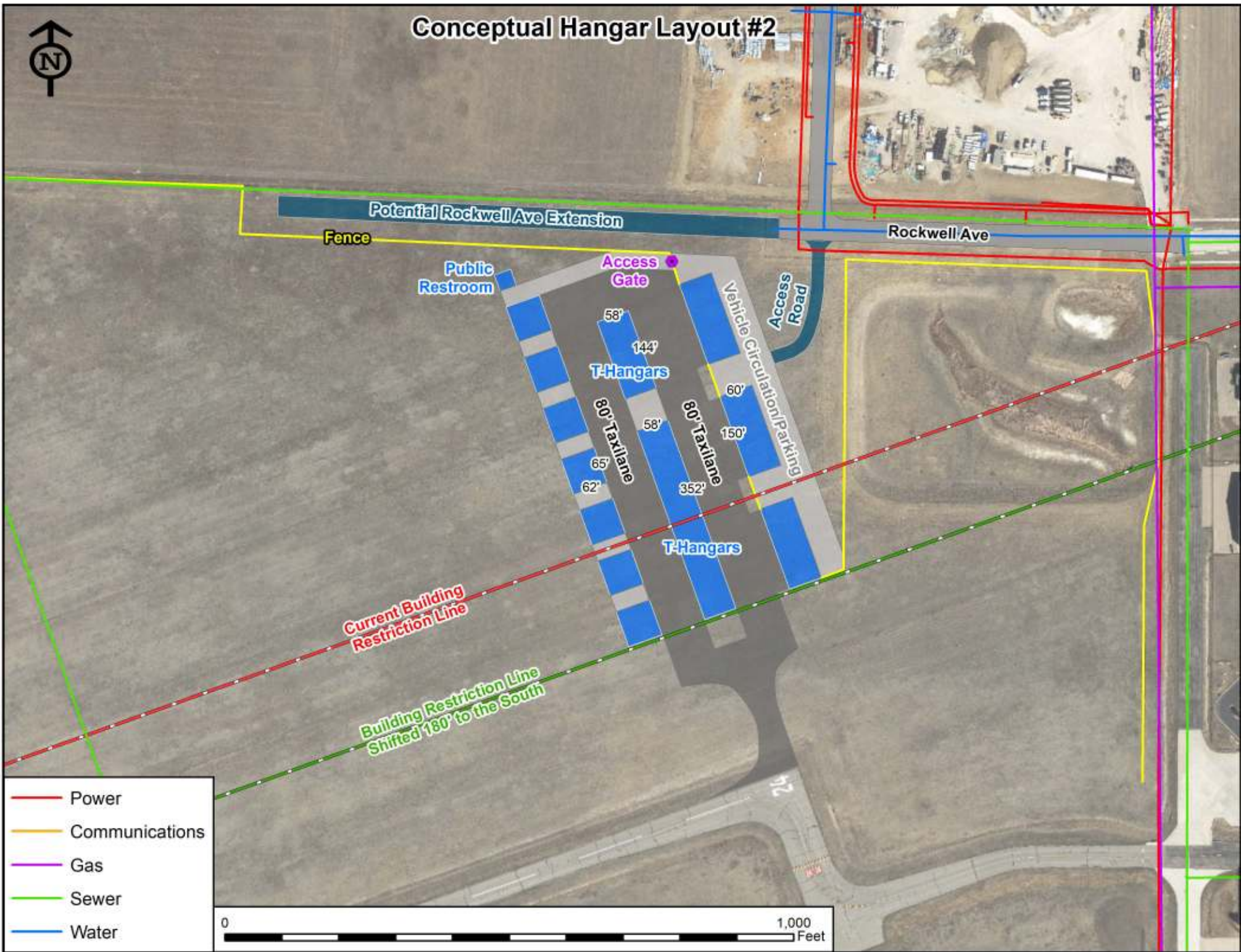
Conceptual Hangar Layout #1

Conceptual Hangar Layout #2

Conceptual Hangar Layout #1



Conceptual Hangar Layout #2





NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

ITEM NUMBER: 3

MEETING DATE: July 20, 2022

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

Strategic Planning Process

RECOMMENDED PDSC ACTION

Advise on strategic planning framework/schedule and prepare recommendation for the Airport Commission

SUMMARY

At the previous meeting, we discussed creating a process for updating our Strategic Plan and tying it to the budget cycles of the two cities. The following framework/schedule was discussed:

- First Quarter
 - Update the Strategic Plan every two years (on even-numbered years)
 - We have been planning to conduct our previously postponed Strat-op in November. Stacey Pearson, the facilitator we've been working with is no longer with the company.
 - Recommendation: eliminate the November Strat-op session and update the Strategic Plan in 2024
- Second Quarter
 - Submit budget allocation requests during the second quarter
 - Loveland is on an annual budget cycle.
 - Fort Collins is on a two-year budget cycle (2023-2024 budget will be determined in 2022).
- Third Quarter
 - Budgets are finalized and submitted for review by Airport Commission to recommend to City Councils
- Fourth Quarter
 - Budgets get adopted by the City Councils
 - PDSC prepare Airport Action Plan for the upcoming year to be considered by the Airport Commission

ATTACHMENT

None



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538
(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

ITEM NUMBER: 4
MEETING DATE: July 20, 2022
PREPARED BY: Jason R. Licon, Airport Director

TITLE

US Customs Service

RECOMMENDED PDSC ACTION

Informational

SUMMARY

The purpose of this agenda item is to provide a status update of the investigation of the US Customs proposal from Discovery Air. This will be shared with the Airport Commission at the August 4, 2022 meeting.

Discovery Air has submitted an application to US Customs requesting inclusion in their Reimbursable Services Program. The applications started being reviewed in July, and Discovery Air anticipates a decision will be made sometime in August, however the period of time published by the agency lists the time could extend until October before a decision is made.

Discovery Air is requesting \$200,000 annually to be provided toward the service. Discovery Air provided an updated cost sharing proposal to the Airport Commission in June and the cost breakdown is as follows:

One-time costs

- Office build-out = \$159,000 (\$300/sq.ft. x 530)

Ongoing annual costs

- USCBP personnel wages = \$195,000
- Office lease: \$15,000
- Logistics, billing, scheduling, benefits, insurance, accounting and administration: \$110,000
- Facilities, equipment, grounds, custodial, consumables, tenant support: \$90,000

Total annual costs: \$410,000

Legal has reviewed the request and determined that the airport can not provide direct payment to Discovery Air, but can provide for the costs of the US Customs agent. This cost is up to \$195,000 annually based on USCBP formula for the program.

The proposal also states a five-year maximum commitment, which could amount to up to \$1 million in total cost to the Cities/Airport.

ATTACHMENT

Discovery Air US Customs Service Proposal



5017 Lindbergh Dr, Loveland, CO 80538
970-460-8606
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.)			Solutions: **Lease Reduction (Expedited Partial Solution) \$46,723 for 2022 (2% annual increase assumed). **Contributions by cities/county (ARPA funds) **Pay this directly to CBP for wages/benefits/overtime	
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) \$568,858)		Total (Annually) \$200,000

** 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.