



August 22, 2022 Meeting Minutes

Call to Order: Chair Overcash called the meeting to order at 3:01

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

Public Comments: None

Consent Agenda

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

3:04 p.m. Commissioner Adams arrived

Pulled Items None

Consent Follow up Chair Overcash requested staff include the page number for action items listed on the agenda. Commissioner Stooksbury asked if item 5 had been reviewed for highest and best use. Vice-Chair Fleming confirmed it was reviewed by the PDSC and agreed with Commissioner Stooksbury that the Airport needs a development plan. Commissioner Stooksbury also requested the Commission pay close attention to item 6 for the Remote Tower as the FAA had listed 17 issues that the Commission needs to get in front of because this will slow the project and the SRMP scheduled for August 1st has now been cancelled. Also was concerned that the Remote Tower could be categorized as non-Fed equipment which would place all maintenance costs on the local entity.

3:09 p.m. Commissioner Burgener arrived

Monthly Report Follow-up: Monthly Report Follow-up: When the FAA completed phase one testing in April and May, the FAA identified 17 discrepancies. Only a couple of the 17 discrepancies are high interest, the rest have all been easily resolved. Bill Payne, the project manager, two items that are of the highest concern have to do with the amount of wind that was experienced during the testing phase and changes made to the visibility requirements for the system. As a direct result of all the wind there was some camera shaking issues that occurred. Either protocol or system changes will be needed to address that situation. The vendor is confident that



guidewires and stiffening of the camera array system will solve this issue.

The third item has to do with visibility. The FAA is now requiring the visibility to be three nautical miles from the end of each runway. The challenge that we're seeing with this particular item is that back in November of 2019, when the FAA put together the operation concept and requirements document for Searidge technologies to develop the system the requirement was two miles of visibility. Six months ago, the FAA developed a new draft white paper that still references to the original requirement. Searidge technologies is working to accomplish this change in specs, which is essentially 150% of what they were required to do initially on the visibility standpoint and are working to address those issues. But it is a high concern because this change order came about in the middle of last year and the FAA is not paying for the change to be implemented.

The FAA is working to standardize the systems throughout their network so that it's easier for them to test and evaluate. Three miles is the minimum visibility basically for visual traffic in the airport traffic area for aircraft. The question is where you measure the three-mile visibility from, which is holding remote towers to a higher standard than a physical tower as they are typically located in the center of the airfield, more or less where the main camera mast is located. The FAA's new criteria includes using visibility from the end of each runway, rather than the center or primary tower location, so there's two different visibility requirements in essence.

Remote Tower could be categorized as non-Fed equipment which would place all maintenance costs on the local entity.

Public Comments: None

Regular Agenda

7. U.S. CUSTOMS PROPOSAL FROM DISCOVERY AIR

At the April 21st Airport Commission meeting, representatives from Discovery Air provided a report on their recent efforts to establish a U.S. Customs program. Airport staff was directed to investigate options for partnership with Discovery Air in support of the U.S. Customs Reimbursable Services Program (RSP). Legal staff researched how the Airport/Cities could support a Customs program in compliance with federal requirements and Airport staff drafted a letter to the Director of U.S. Customs and Border Patrol (CBP) on behalf of the



Airport Commission in support of Discovery Air's RSP application.

In June, Discovery Air provided a proposal requesting an annual contribution of \$200,000 from the Airport/Cities to support the service. Under the proposal, Discovery Air would provide the administrative support and office space, including the build-out to meet CBP's requirements, and retain all revenues generated by the service. An April 2020 Airport investigation estimated the cost to build facilities for a User Fee Facility (UFF) Customs program, which has more rigorous standards than RSP, to be \$1.5-\$2.5 million (\$1-\$1.5 million to remodel an existing building). Following the proposal, Airport staff met with Discovery Air representatives to discuss the topic further and to attempt to obtain more detailed financial information.

Staff has 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 businesses in the region that have international travel needs and may have the potential to attract new business to the region. This discussion is in the preliminary stages of investigation, with no financial or use commitments finalized.

Details:

- The \$194,488 annual financial contribution for the salary of the Customs agent would require 12.4% of the airport's \$1.57 million operating and maintenance budget
 - Direct financial return is not known
 - This would impact the Airport's ability to fund other strategic objectives, equivalent to 60% of discretionary budget (\$322,450)
- Discovery Air would fund all other costs and retain all revenues generated by the service
- Discovery Air would provide quarterly reports on usage
- The service would be able to provide Customs clearances for private general aviation aircraft
- The Customs facility would be open to the public for:
 - Immigration Services
 - I-94 Arrival/Departure Record Verification
 - Camera and Gun Registration



- Assistance with international phone/internet scams
- Global Entry Registration
- Foreign Trade Zones (FTZ) are not permissible under RSP. A different program would be necessary to establish an FTZ.
- The Airport is not able to legally make any direct payments to Discovery Air
- The Airport/Cities can pay U.S. Customs and Border Patrol (CBP) directly for services provided.

3:23-3:24 p.m. Commissioner Arndt exited and re-entered the meeting

Public Comments: None

Chair Adams moved to approve the Commissions support of the RSP Customs program with funding to be further investigated by staff. The motion, seconded by Commissioner Burgener carried with all the Commissioners present voting in favor thereof.

8. UNITED AIRLINES
/ LANDLINE
INCENTIVE
EXTENSION

Airport staff negotiated terms with Landline and United Airlines with their “wingless flight” connectivity to Denver International Airport. The original terms included fee waivers for the first six months of service. This extension as requested would bring their agreement into alignment with the assistance provided to Avelo Airlines which was for a total of twelve months. This extension would put the original fee waiver request in line with previous air carrier agreements dating back more than ten years.

Since the service started in April of 2020 the company has been challenged to obtain the necessary approvals to begin serving area residents with the goal of a secure-to-secure seamless transportation option with partner United Airlines. A great amount of collaborative work has been happening behind the scenes with partners from TSA, Denver International Airport, United Airlines, Landline, and FNL Airport Staff. The company currently provides five daily round trips between DEN and FNL.

Recently Landline secured an additional airline partner, American Airlines, with service between Philadelphia and Allentown and Atlantic City. This new partner is also pursuing a similar secure to secure transportation option, and is working in parallel to obtain this approval. The Landline Company also operates transportation services for Sun Country Airlines in



Minneapolis/St Paul. They are a Fort Collins based company with headquarters located in Old Town Fort Collins.

Public Comments: None

Vice-Chair Fleming moved to approve the incentive extension for United Airlines. The motion, seconded by Commissioner Arndt carried with all the Commissioners present voting in favor thereof.

**9. TERMINAL
DESIGN UPDATE:
FINANCIAL &
DESIGN OPTIONS**

As a result of funding received through federal Covid-19 assistance grants, the Airport with assistance from the Cities began a qualification-based procurement process to select a team of professionals to begin design for the future airport terminal building. As a result, the Airport contracted with the most qualified team that consisted of Denver based engineering firm Dibble Engineering and Fort Collins based VFLA Architects to begin work on the design of the Airport Terminal project.

Since this time the project team have conducted four Charrette exercises obtaining feedback from airport stakeholders at every critical design step, with the goal of creating a sustainable iconic new facility that will serve as a new gateway for Northern Colorado air travelers. Input and direction were provided by the Airport Commission at every step of the design process starting with the design charrettes and continuing through the 15% and 30% design milestones. Early this year the Commission was briefed on the status of the project and approved completion of the design and entering into a preconstruction contract for the Construction Manager at Risk (CMaR) with firm Hensel Phelps. The CMaR contractor was recommended by staff after a thorough qualifications-based procurement process aligned with federal procurement regulations.

Staff recommended the Commission select Level 4 design and construction option

- Bridge \$4.5 million gap through potential contributions from the Cities, through Airport reserves, and/or future anticipated grant funding
 - Cities: \$4 million (\$2 million from each)
 - Airport: up to \$2 million available (using this reduces ability to fund future capital project needs)
 - FAA AIP BIL: up to \$1.59 million available (90% requires 10% match or \$175K)
 - This funding was not part of the 2022 adopted Capital Improvement Plan



- Defer landside project scope that includes parking, landscaping, and loop roadways ~\$3.5 million cost savings
- Continue to seek resources to apply toward deferred facility & landside needs
 - Parking lot: \$2 million - loop road: \$1.5 million - remodel existing terminal for office support space: \$300,000

Recommended Path

1. Airport Commission will have to approve another amendment to the current design contract, increasing the approved amount for design (estimated at an additional \$250-\$300K)
 - Will require City of Loveland only City Council Approval (within current approved budget)
 - Cost savings from reducing the scale of the building for remaining contract and for other soft costs such as construction management will likely bring the total to what was anticipated for Level 1 design (estimated reduction of \$250K)
2. Negotiate a guaranteed maximum price with Hensel Phelps 4Q 2022
3. Begin construction 1Q 2023
4. Spend CARES Act funding by July 2024 deadline
5. Continue to apply for grant resources to supplement needs on landside, or pivot to original design if able to obtain \$10+ million
 - American Rescue Plan Act (ARPA) through the State and County
 - FAA Bipartisan Infrastructure Law Terminal Funding

Public Comments: Jacki Marsh, City of Loveland Mayor: Agreed with the Fort City Manager's request for the difference in costs for the various LEED levels, and added that she would like to also know the difference in carbon footprint for each level.

Vice-Chair Fleming moved to proceed with option 4 with phasing consideration and LEED cost options broken out. The motion, seconded by Commissioner Adams carried with all the Commissioners present voting in favor thereof.



**9. BUSINESS FOR
MEMBERS**

None

Adjournment: Meeting adjourned at 5:31 p.m.

Respectfully Submitted,

Vice-Chair, Tom Fleming

