



NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

4900 EARHART ROAD • LOVELAND, CO 80538

MEETING AGENDA THURSDAY NOVEMBER 10, 2022 3:30PM – 5:00PM

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

CONSENT AGENDA

1. OCTOBER 20, 2022 MEETING MINUTES (P02)
2. OCTOBER FINANCIAL STATEMENT (P10)
3. OCTOBER AIRPORT DIRECTOR'S REPORT (P12)
4. LEASE ASSIGNMENT & ASSUMPTION FOR 5010 GRUMMAN CONDO ASSOCIATION LOCATED AT 5010 GRUMMAN STREET (P41)
5. ASSOCIATION LEASE AGREEMENT FOR GAMEBIRD FLYERS CONDO ASSOCIATION COMBINING 5261 & 5263 STEARMAN HANGAR LEASES (P46)
6. LEASE ASSIGNMENT & ASSUMPTION FOR IC LOVELAND INVESTORS LLC LOCATED AT 5232, 5240, 5250, 5260, & 5270 STEARMAN STREET (P76)

APPROVAL OF CONSENT AGENDA

AIRPORT DIRECTOR'S REPORT HIGHLIGHTS

REGULAR AGENDA

7. STATE OF COLORADO AERONAUTICS DIVISION UPDATE (20 MIN) (P81)
8. LEGAL: COMMISSION ROLES AND RESPONSIBILITIES TRAINING (30 MIN) (P97)
9. HANGAR REDEVELOPMENT RFP UPDATE WITH POSSIBLE EXECUTIVE SESSION CONSISTENT WITH C.R.S. Sections 24-6-402(4)(e)(I), 4(a), and 4(b) (45 MIN) (P112)
10. BUSINESS FROM MEMBERS

PULLED CONSENT AGENDA ITEMS

ADJOURN

Meeting Planning Calendar

December 15

- Election of Officers for 2023
- Meeting Schedule for 2023
- Remote Tower Update

January 19

- Strategic Planning Session for 2023 & 2024

February 16

- Strategic Plan Adoption
- Planned Aviation Events
- Staffing Plan Presentation

Next Regularly Scheduled Planning & Development Subcommittee Meeting: November 30 @3:30pm.
Agenda and materials will be made available at www.flynoco.com/airport-commission/pdsc.



October 20, 2022 Meeting Minutes

Call to Order: Chair Overcash called the meeting to order at 3:34 p.m.

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

Public Comments: None

Consent Agenda

Commissioner Adams moved to approve the Consent Agenda. The motion, seconded by Commissioner DiMartino carried with all the Commissioners present voting in favor thereof.

Pulled Items None
Consent Follow up None

Monthly Report Follow-up: The Triennial disaster drill exercise was successfully held September 20. Special thanks to Loveland Fire Rescue Authority, Thompson Valley EMS, Loveland Police Department, Poudre Fire Authority, Windsor Fire Rescue, Aims Community College, Denver International Airport, Midland Texas International Air and Space, and area hospitals. Many people from our local pilot community and emergency services volunteered as victims and the support and help from our partners was much appreciated.

Since the last meeting there is no change in status with the Remote Tower Project. Timelines have been updated with goals to restart testing early next year after anticipated upgrades are made. Staff has reached out to the Remote Tower vendor to determine if future adjustment criteria can be met. Searidge Technologies and FAA are still negotiating costs associated to the FAA's change order. Staff and project managers currently feel optimistic that necessary adjustments will be made and that the project will continue to progress.

Terminal Design contract was passed by the Loveland City Council earlier this week. Airport budget will be presented for Fort Collins Council on the first of November. Loveland City Council has earmarked \$1 million for the terminal project gap contingent upon the same contribution from the City of Fort Collins as part of their 2023 budget process.



Public Comments: None

Regular Agenda

4. AVIATION TECHNOLOGY AND TRANSPORTATION INNOVATION CENTER

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021 by the President, and the Colorado state government received \$3.8 billion from the Coronavirus State Fiscal Recovery Fund. These funds may be used for purposes outlined in federal law and are subject to appropriation by the General Assembly. These funds must be obligated for authorized purposes by December 31, 2024, and expended by December 31, 2026.

As part of the Larimer County's State ARPA grant requests, Aims Community College is poised to submit for a grant to support the "Aviation Technology and Transportation Innovation Center" which includes an education space that Aims would build and provide the programming for which would include an Aircraft Maintenance Technician School (also referred to as and Aircraft and Powerplant Mechanic, or A&P Program). The demand for aircraft mechanics exceeds that of pilots (133,000 aircraft mechanics needed over the next 20 years in North America). Denver and Northern Colorado have an incredible career outlook for this segment of the aviation industry. This project, along with other Larimer County projects, were highlighted by the visit by Governor Polis and Congressman Neguse to the Aims Flight Training Center earlier this year.

The Larimer County Board of County Commissioners (BOCC) recently gave staff the green light to proceed with county contributions to support several of the exciting capital projects that have been in the works since late last year. The BOCC earmarked and approved \$1.5M to support the local match (Aims match is up to 25% of \$24 million facility) for the Technology and Transportation Innovation Hub proposal. It is expected that the grant submission process will occur in QTR 1 of FY23, with the award notification to occur shortly after this process. Larimer County Staff have identified that the projects they are actively supporting started in late 2021 with approximately 50 projects, which has been short listed down to eight (8).

This project is also part of another request of State of Colorado ARPA funding that is to be applied to the completion of the new Airport Terminal. The Terminal funding will be requested



through a different state grant program that is focused on economic recovery, where the Aims CC request will be derived through the workforce development allocations.

The objectives of this educational space include:

- Expand aviation training and educational offerings to its students; complete the aviation education ecosystem to complement existing Professional Pilot, UAS & Drone Training, and Air Traffic Control educational programs
- 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, transportation, and other related services
- Supports high-demand and well-paying careers, compliments other aviation programs, veterans, HS pathway program, supports innovation and future technologies, supports Northern Colorado economic development
- Career opportunities in Colorado are exceptional: United Airlines, Frontier Airlines, Southwest Airlines, Sierra Nevada, Ball Aerospace, Lockheed Martin, Pilatus, plus numerous fixed-based operators (FBO) at Centennial Airport, Rocky Mountain Metropolitan Airport, Greeley Airport, and Northern Colorado Regional Airport

The Educational Program overview includes:

- Aims educational facility would initially host an A&P A.A.S. degree (2-year)
 - The only other similar program on the front range is Spartan, a for profit institution
 - Aims would provide the programming a reduced and great value to the student
 - Enrollment numbers planned at 75 students within 3 years
 - Create the space to grow and accommodate 150 students
- Education space includes:
 - 33,900 sq/ft of classroom/lab space, which includes hangar bay and test cell spaces



- Highly specialized lab and aircraft equipment that will be state-of-the-art
- Discussion on including a space for the Remote Air Traffic Control Tower within the new facility
- Must become a FAA part 147 certified A&P Program (takes about 2 years to achieve certification)
- The ARPA grant for Aims falls under “Workforce Development”

Public Comments: **Martin Lind**, Discovery Air: Voiced support of this project and stated he was on the committee that allowed Aims to build their flight training center in the through the fence location but that this is the last spot available. That interest was shown for this location in the last airport RFP. That finding spots available with access to taxiways and gates is challenging. Requested the Commission ensure this fantastic site is the best option for this fantastic building which does not require a lot of aviation access.

Commissioner DiMartino moved to approve the letter of support for Aims Community College’s Aviation Technical Training and Innovation Center and the recommendation from the Planning and Development Subcommittee for the identified site. The motion, seconded by Commissioner Burgener carried with all the Commissioners present voting in favor thereof.

**5. US CUSTOMS
NEGOTIATIONS
WITH POSSIBLE
EXECUTIVE**

At the April 21 Airport Commission Meeting, representatives from Discovery Air provided a report on their efforts to establish a U.S. Customs and Border Protection (CBP) program. Following that meeting at the June 16 Airport Commission Meeting, Discovery Air provided a proposal requesting a \$200,000 annual financial contribution 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. The services proposed would support businesses and individuals with international travel needs traveling on general aviation aircraft through their newly constructed facilities.

Staff conducted a thorough investigation of the proposal, and hired specialized legal consultants to assist with navigating legal review and identify options for the request. Federal laws dictate how Airport generated revenues can be used, which



made the request challenging to find solutions to provide. One option was identified that would provide Airport funding directly to the US Government through a separate agreement with CBP. The costs as estimated by Discovery Air and the CBP service is \$195,000 annually. This option was presented to the Airport Commission at the September 15 meeting in addition to a drafted agreement that could be used between the Cities and Discovery Air for the provision of CBP services.

As a result of the previous month's meeting the Airport Commission directed staff to continue negotiations with Discovery Air on the service. The Commission also directed Loveland's Economic Director to engage in the efforts to find a resolution to the financial request. This item is to provide a briefing to the Airport Commission on the status of the negotiations and the status of the application between Discovery Air and CBP.

It was announced on Wednesday October 12 that the application for Discovery Air was selected tentatively for the CBP program.

Kelly Jones, Economic Director for the City of Loveland, provided a brief summary that negotiations had been made directly between Discovery Air and the City of Loveland. Details were not available as the proposal first needed to be presented and approved by the City of Loveland Council. More details would be provided after approval by the City of Loveland Council.

Public Comments: **Martin Lind**, Discovery Air: Formally withdrew his request for monetary support from the Airport Commission for the CBP program because it was too cumbersome, and that this program was too critical to the region. Stated his company would complete this project regardless of support as they saw the value that it will bring and will enhance services here for the region and their tenants. He stated this may take pressure off of Kelly if she is not able to get the City of Loveland to approve of it but that he would not be mad at her and that her staff have been great to work with and that they greatly appreciated all the support.

6. PROPOSED 5-YEAR AIRPORT CAPITAL

The Capital Improvement Plan (CIP) is a critical planning tool that is used to identify the Airport's priority list for projects for the next five (5) years. It is updated annually to keep current with project costs and the status of available resources.



IMPROVEMENT PLAN

At the end of 2020, the Airport Commission and the City Councils approved the 2020 Airport Master Plan, which included the recommended capital projects and a 20-year financial plan for implementation.

In 2020 and 2021, the CIP was modified and updated multiple times to support competing priorities as a result of the CARES Act funding and the anticipated airport reclassification.

The projects in this updated Capital Improvement Plan are primarily those that are listed in the 2020 Master Plan and are predominantly eligible for aviation related federal (FAA) and state funds. The CIP does not include all of the capital projects and equipment that are necessary of continued operations and maintenance of the Airport—particularly those that are not eligible for aviation related federal and state funding. This updated Capital Improvement Plan has been discussed with and affirmed by FAA and state officials in meetings held on October 4.

Due to the number of enplanements from Avelo Airlines' operations in 2022, we are on track to received approximately \$2 million of additional guaranteed FAA funding in 2024.

While all of the projects on our updated CIP list are important to the vision and operation of the Airport, two are particularly significant to mention over the next two years.

One is the new Airport Terminal. This year's update reflects the work done on the Terminal Design and includes current estimated costs of construction and notes some of the additional funding we are seeking for construction. Our design of the terminal and related infrastructure needs (i.e., the associated road and parking network) has been impacted by the pandemic (supply chain and labor issues) and inflation (driving up early estimates). However, we continue to work on securing the necessary resources to construct an attractive and well-functioning terminal.

The other large scale federally funded project is the Runway Widening Project. This is scheduled for construction in 2023-2024 for a total cost of \$14.5 million. This is an FAA supported project to satisfy related airfield design requirements for the Airport's type of critical design aircraft—the Airbus A320 and Boeing 737 series aircraft.



The attached “2023-2027 Proposed Airport Capital Improvement Plan” spreadsheet provides a wide range of information about the variety of funding resources—both available and sought—for each project listed.

The purpose of this agenda item is to request adoption by the Airport Commission of this updated 2023-2027 Airport Capital Improvement Plan. Per the Intergovernmental Agreement, this annual update is does not need to be approved by the City Councils.

Public Comments: None

Commissioner DiMartino moved to approve Resolution R-06-2022 to approve the 2023-2027 Airport Capital Improvement plan for adoption by the City Councils. The motion, seconded by Commissioner Adams carried with all the Commissioners present voting in favor thereof.

7. BUSINESS FROM MEMBERS None

Public Comments: None

Adjournment: Meeting adjourned at 4:54 p.m.

Respectfully Submitted,

Vice-Chair, Tom Fleming

October 20, 2022 REGULAR MEETING SIGN IN SHEET

Please Print Your:

NAME

ORGANIZATION

[illegible]



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: November 10, 2022

PREPARED BY: Jason R. Licon, Airport Director

TITLE

Monthly Financial Statement

RECOMMENDED AIRPORT COMMISSION ACTION

Staff recommends acceptance of the preliminary financial statement as presented

BUDGET IMPACT

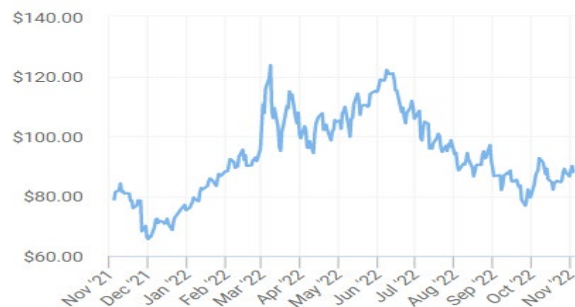
Neutral

SUMMARY

The Airport's financial highlights for the month of October include:

- Aviation business lease deferrals totaled \$136,416 for the period April 2020 – October 2022 with two companies in the program.
- Fuel revenues continue exceeding the anticipated budget due to greater prices. Petroleum prices have been dropping since peaking in June. Oil price (barrel) trends can be seen below and in the chart to the right:

- August 1, 2022 \$93.89
- September 1, 2022 \$86.61
- October 1, 2022 \$83.63
- November 1, 2022 \$88.37



- With increased petroleum prices in 2022, the volume of fuel sales remains at a level of steady demand and slightly above previous year amounts. As a reminder, fuel sales in October last year were higher due to the airshow. Wholesale fuel volumes sold at the airport were reported by jetCenter as follows:

- | | |
|----------------------|---------------------|
| ○ Sept 2020: 120,242 | ○ Oct 2020: 111,443 |
| ○ Sept 2021: 130,194 | ○ Oct 2021: 140,458 |
| ○ Sept 2022: 135,883 | ○ Oct 2022: 111,980 |

ATTACHMENT

Preliminary monthly financial statement for Oct 2022



NORTHERN COLORADO REGIONAL AIRPORT

Airport Statement of Revenues and Expenses From 01/01/2022 to 10/31/2022

PRELIMINARY

| | Y-T-D 2022 Actual | Y-T-D 2021 Actual | Y-T-D 2022 Budget | 2022 Total Budget | % of Total Budget |
|---|-------------------|-------------------|---------------------|---------------------|-------------------|
| OPERATING REVENUES | | | | | |
| Hangar Rental | 199,235 | 205,430 | 187,500 | 225,000 | 89% |
| FBO Rent | 78,476 | 77,018 | 80,240 | 96,287 | 82% |
| Gas and Oil Commissions | 304,300 | 171,045 | 150,000 | 180,000 | 169% |
| Aviation Fuel Tax Reimbursement | 164,294 | 99,723 | 116,660 | 140,000 | 117% |
| Land Lease | 444,875 | 311,149 | 308,330 | 370,000 | 120% |
| Land Lease PD Training Ctr | 285,114 | 274,652 | 316,580 | 379,900 | 75% |
| Terminal Lease and Landing Fees | 13,883 | 4,247 | 12,080 | 14,500 | 96% |
| Parking | 0 | 330 | 62,500 | 75,000 | 0% |
| Miscellaneous | 95,114 | 28,560 | 17,080 | 20,500 | 464% |
| TOTAL OPERATING REVENUES | 1,585,290 | 1,172,153 | 1,250,970 | 1,501,187 | 106% |
| OPERATING EXPENSES | | | | | |
| Personal Services | 603,668 | 527,165 | 689,440 | 827,312 | 73% |
| Supplies | 89,774 | 54,282 | 83,340 | 100,000 | 90% |
| Purchased Services | 379,123 | 306,852 | 572,045 | 679,869 | 56% |
| TOTAL OPERATING EXPENSES | 1,072,565 | 888,299 | 1,344,825 | 1,607,181 | 67% |
| OPERATING GAIN (LOSS) | 512,725 | 283,854 | (93,855) | (105,994) | |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Passenger Facility Charge | 0 | 0 | 0 | 0 | |
| Interest Income | 18,040 | 16,672 | 42,500 | 51,000 | 35% |
| Capital Expenditures | (831,319) | (747,209) | (17,452,383) | (20,369,053) | 4% |
| TOTAL NONOPERATING REVENUES (EXPENSES) | (813,279) | (730,536) | (17,409,883) | (20,318,053) | |
| NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS | (300,554) | (446,683) | (17,503,738) | (20,424,047) | |
| Capital Contributions | 1,219,816 | 343,570 | 13,817,810 | 16,581,373 | 7% |
| CHANGE IN NET POSITION | 919,263 | (103,113) | (3,685,928) | (3,842,674) | |
| NET POSITION, Beginning | 919,263 | (103,113) | | | |
| NET POSITION, Ending | 20,783,685 | 16,488,486 | | | |
| Investment in Capital Assets | 15,805,175 | 13,627,746 | | | |
| Net Position Available for use | 4,978,509 | 2,860,740 | | | |



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

DATE: November 4, 2022
TO: Northern Colorado Regional Airport Commission
FROM: Jason R. Licon, Airport Director
RE: Airport Monthly Report for October

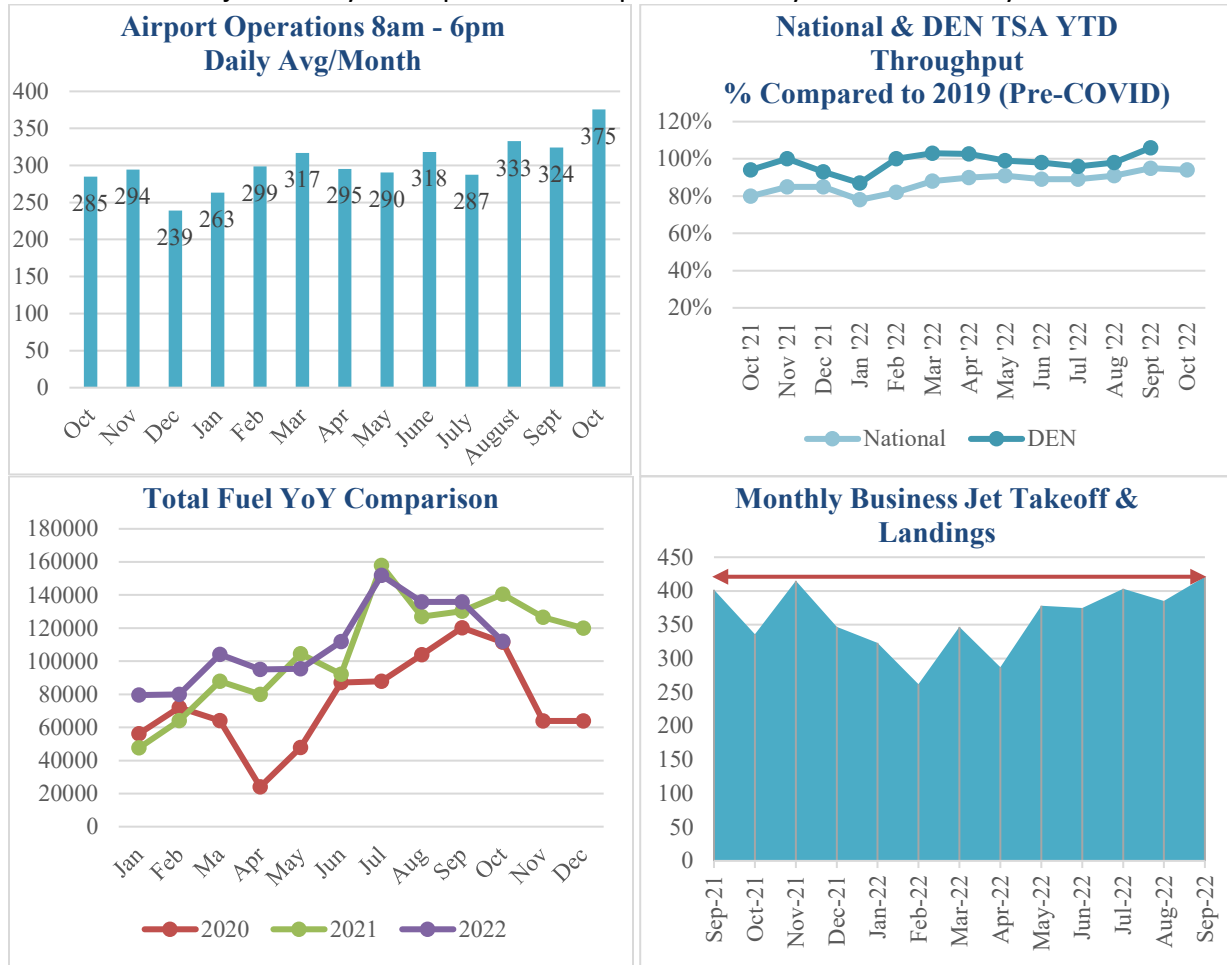
Report Highlights

- On October 12, 2022 the US Customs office announced the tentative approval for 24 new Reimbursable Services Programs and the Discovery Air company is one of those listed candidates.
- Airport staff and Aims Aviation Director presented the proposal for the Aircraft Maintenance Technician School partnership which will further efforts to develop a Technology and Transportation Innovation Hub at Northern Colorado Regional Airport to the Aims board of trustees on October 6, 2022.
- Approximately 832 airport security badges were renewed between the months of September and October. The 409 badges that were not renewed were deactivated but will remain in our system and remain available for renewal until November 30th. Airport staff provided a great amount of outreach to ensure that badges were updated within the 60-day window, including hosting weekend and after-hours badge events. Also a raffle for airport branded items was completed in the last two weeks of renewal to help incentivize users to renew within the deadline.
- A federal grant for the commercial ramp construction, a project that was completed last year, was originally provided to the Airport for \$2,459,621. The project was split between this grant and another \$552,425 grant derived from a portion of the Cares Act grant. Eligible costs for the FAA Airport Improvement Program funding were \$35k more than the original grant total (the project was completed both early and under budget). Staff applied for a grant amendment for the excess amount and the FAA recently informed the airport the amendment was approved. This amendment will be sent through to City sponsors for signature once received.
 - \$2,459,621 was increased by \$31,962 to \$2,491,583
 - \$552,425 from the Cares Act Grant was decreased to \$492,663, saving \$59,762 to be applied to the Terminal project

October Airport Activity Dashboard

- October was the busiest month the Airport has on record since the Air Traffic Control services began March of 2020. Flight operations averaged 375 per day greatly exceeding the previous twelve-month rolling average of 271
- National airline passenger throughput for October dropped to 94% (vs. 2019)
- DEN Airport September throughput was at 106% throughput (vs. 2019)

- Wholesale fuel ordered by the jetCenter FBO for October was 111,980 gallons, a decrease of 20% compared to last year's 140,458 gallons. Fuel amounts in 2021 were significantly boosted by the Air Show.
- Business jet activity for September compared to last year increased by 4.7% to 421



Strategic Plan/ Action Plan Update

The chart below will be updated monthly to provide information on work in progress or accomplished that is associated with each task within the Action Plan.

| Objective | Focus | Target | Update |
|---------------------------------------|-------------------------|---------|---|
| Enhance and Increase Airport Staffing | Organization Excellence | 1Q 2023 | Further analysis and refinement of the staffing plan has further moved the discussion to the December Commission meeting due to competing priorities for the Airport Commission's time. |

| | | | |
|---|---------------------------------------|----------|--|
| Complete planning and design of new terminal building | Multi-modal transit & terminal | 1Q 2023 | The terminal design amendment contract was approved and the project has been moving forward. |
| Complete planning relevant to the hangar proposal submitted by Jet Center, which led to the ongoing request for proposals (RFP) | Capital Projects | 11/10/22 | An update on negotiations from jetCenter are expected at the November Airport Commission Meeting. |
| Enhance political support for the remote tower project | Multi-modal transit & terminal | ongoing | Project is on hold as the vendor determines steps necessary to meet the FAA's newly updated Remote Tower requirements. Once the updated requirements are sent to the vendor, a new strategy will be created. |
| Develop local support for an education and training center/facility focused on Innovation, Technology, and Aviation | Private & Public Economic Development | 7/21/22 | The new Aims AMT facility is well supported, results on grant funding are pending in March of next year. |
| Enhance commercial air service | Multi-modal transit & terminal | ongoing | Staff continues to work to market the Airport to potential air carriers. The supply of pilots continues to be a challenge for new service possibilities. |
| Establish the airport as a true Multi-modal transportation hub, including exploration of Union Pacific Railroad opportunities | Multi-modal transit & terminal | 2022 | The Landline company has expanded their services at the airport to include both their United branded service and a new standalone company branded Landline service. Eight roundtrips are now being offered with both services in addition to the multiple options provided by Groome Transportation. |
| Complete the 2022 scheduled capital improvement projects | Capital Projects | 1Q 2023 | Work on the terminal building design reached the 30% level on October 28. This is for the new terminal design. The design is on track for completion by the 1Q of 2023, where the start of negotiations with the contractor will begin to create a guaranteed maximum price. The updated Airport Capital Improvement Plan for 2023-27 was approved by the Commission and was uploaded by staff into the CDOT and |

| | | | |
|---|---------------------------------------|------|---|
| | | | FAA's ACIP systems by the October 31 deadline. |
| Develop sub-area land plans and procedures for on-airport development | Private & Public Economic Development | 2023 | This item is being budgeted for in 2023, and is on hold to determine prioritization for this and other identified projects within the Strategic Plan. |

Remote Tower Project

The FAA has issued a stop order to Searidge Technologies until the FAA provides an updated and finalized Operational Visual Requirements (OVRs) document. This is a key issue with the system, since the first version of the OVRs were created in 2019 when the system was installed. These requirements were originally intended to be dynamic and modified as the project moved forward. This does not seem to be the case today as there has not been much movement with the testing of the system by the FAA.

The FAA is now expected to release a new version of these OVRs in early November, at which time Searidge Technologies will be able to provide a response to how they intend to comply with the new requirements. The hope is that the FAA will provide Searidge a fair chance to implement the necessary changes in order to meet the new requirements. The Airport Commission approved a letter to be sent in September along with the CDOT Division of Aeronautics requesting an impartial process be applied to this frustrating approach taken by the FAA.

Part of the radar equipment that was needed to support the Remote Tower system has finally been installed. After an eight-month delay, the Federal Telecommunications Infrastructure has finally been provided to activate the STARS radar system to be used by the Remote Tower controllers. Radar is proving to be a critical need, and is something that could greatly enhance the mobile unit that is being used to control traffic. The FAA has indicated that this STARS radar system is not able to be extended to that site due to technical limitations with the length of wiring needed to create this extension. For more information and details on the Remote Tower Project, see the attached report from Project Manager Bill Payne.

Bipartisan Infrastructure Law – Airport Terminals Program

Through the Bipartisan Infrastructure Law, \$5 billion has been appropriated by Congress to provide competitive grants for airport terminal development projects that address the aging infrastructure of the nation's airports. The first \$1B has been awarded earlier this year to more than 90 projects at airports across the country. Two Airports in Colorado received grant awards including \$60 million to Denver International Airport, and \$3.2 million to the Durango Airport. The second \$1B notice of funding opportunity was released September 28, and all grant applications were due October 24.

The Airport Director created and submitted a grant application for \$6.9 Million, and included details on what was requested by the Notice of Funding Opportunity as published in the Federal Register, and information recommended to include by the FAA and were found within grants

that received awards in the first round. This grant request is the second of five total rounds that will each provide up to \$1B to Airports with no more than 55% for large hub airports, no more than 15% for medium hub airports, no more than 20% for small hub airports, and not less than 10% shall be for both nonhub and nonprimary airports. The FNL Airport is in the last category where not less than 10% is being dedicated to smaller airports.

Airport Development Update

- Two new hangars located on the south side of Gulfstream Court are nearing completion. The buildings are being built by two current tenants of the Airport-owned T-hangars and will add 9,200 square feet of aircraft storage capacity to the Airport.
- EDF Renewables has entered into an intent to lease agreement for a potential solar project that could occupy up to 55 acres in the south and southwest area of the Airport. The potential project is related to their response to a request for proposals (RFP) from Platte River Power Authority (PRPA), which supplies wholesale electricity to the Northern Front Range, including the cities of Loveland and Fort Collins. This proposal will undergo a thorough evaluation process and will require numerous approvals, including from the Airport Commission and both City Councils. This non-binding agreement allows EDF Renewables to demonstrate “site control” in their response to PRPA’s RFP. Alternative uses for the identified land are very limited due to access, infrastructure, and building height restrictions. The PDSC reviewed a preliminary proposal from EDF Renewables and unanimously voted to support working towards a long-term lease agreement.
- AT&T has approached the Airport about a potential land lease for a 70-foot-tall cellular data tower requiring a 2,500 footprint near the intersection of Rockwell Avenue and Rickenbacker Road. Other adjacent properties have also been identified including property at the Larimer County Humane Society. A 25-year lease with a starting rent rate of \$26,000 annually has been discussed, which is in-line with similar leases that have been researched by staff. Although no official action was taken, the PDSC unanimously expressed support for the lease, pending due diligence by staff.
- Airport staff participated in a pre-construction meeting for the new Aero FNL (formerly Homestead Hangars) development. Construction of the 23-unit hangar project is anticipated to begin soon. The development will add approximately 77,000 square feet of aircraft storage capacity to the Airport. Information on the project can be found at <https://apn.aero/listing/2096>
- Airport staff and the PDSC met with representatives of a planned project in the Airpark North development to begin discussions on a joint effort to extend Rockwell Avenue approximately 900 feet to the west.
- Staff continues to work with Fort Collins-Loveland Water District on an easement for a 30-inch water line that will run along the northern and eastern boundary of the Airport. The water line will provide service to areas of the Airport that currently lack this infrastructure.



- Construction began on the Boyd Lake Commerce Center adjacent to the southwest area of the Airport. More information on the project can be found at <https://milehighcre.com/boyd-lake-commerce-center-breaks-ground-in-loveland/>

Attachments

1. WEPA Remote Tower Project Report for September
2. PDSC Draft Minutes 10-23-22
3. Loveland City Council and Thompson School District Discuss Partnership Programs
4. Customs Office at Northern Colorado Regional Airport Gets Federal Clearance



October 31, 2022

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

Section A – Remote Air Traffic Control Contract Progress Report #16

Re: Period: October 1 through October 31, 2022

| Colorado Remote Tower Project Activity Status | | | |
|---|-------------------------------------|----------------------------|--|
| Activity | Status/Start Date (Projected) | Finish Date (Projected) | Remarks |
| Remote Tower Implementation | | | |
| STARS FTI Comm line | Complete | 10/28/2022 | Complete |
| STARS Operational at FNL | 11/25/2022 | 12/15/2022 | Dependency - FAA Resource Availability |
| Remote Tower System | | | |
| System Upgrade - Tech Refresh | In-Progress | TBD | Continuing |
| Remote Tower Testing | | | |
| Phase 1 - Passive Testing | 3/21/2022 | 4/29/2022 | Complete |
| Safety Risk Manage Panel (cancelled) | - | 7/18/2022 | Cancelled |
| Memo to Vendor Listing System Deficiencies | - | 7/18/2022 | Complete |
| Vendor Proposed Changes | - | 8/24/2022 | Complete |
| FAA Stop Work Order | 10/7/2022 | 11/11/2022 | Awaiting Searidge Response |
| Implement System Changes | TBD | TBD | Vendor |
| Phase 1B - Passive Re-testing | TBD | TBD | |
| Safety Risk Manage Panel | TBD | TBD | FAA Forecast Schedule 1 week duration |
| Safety Risk Management Document Signed | TBD | TBD | FAA Forecast Schedule 6 months |
| Phase 2 - Active Testing | TBD | TBD | Subject to FAA Phase 1 SRMD Signatures |
| Safety Risk Manage Panel | TBD | TBD | |
| Safety Risk Management Document Signed | TBD | TBD | |
| Phase 3 - Validation & Verification | TBD | TBD | Subject to FAA Phase 2 SRMD Signatures |
| Safety Risk Manage Panel | TBD | TBD | |
| Safety Risk Management Document Signed | TBD | TBD | |
| Operational Viability Decision (OVD) | TBD | TBD | |
| Phase 4 - Post OVD Validation & Verification | TBD | TBD | Subject to FAA Phase 3 SRMD Signatures |
| Safety Risk Manage Panel | TBD | TBD | |
| Safety Risk Management Document Signed | TBD | TBD | |
| Certification/Commissioning | TBD | TBD | |

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

Remote Tower Project Narrative:

The Colorado Remote Tower Program has reached a critical juncture in the development, implementation, and certification of the remote tower at the Northern Colorado Regional Airport (FNL). FAA's NextGen Program Office has issued a stop work order to the Vendor based on the following stated deficiencies (see attached Letter):

1. **Primary Display Resolution:** Based on Searidge's analysis, it appears updates to improve primary display visual acuity still may not meet current Operational Visual Requirements (OVRs).
2. **System Instability:** Searidge does not know the root cause of the flickering. Instead of completing a full system analysis and proposing a system fix in the Corrective Action Plan, the Corrective Action Plan only proposed conducting a full review of processors, drivers, cabling & screens.
3. **Video Stitching:** It seems Searidge's proposed fix will improve the stitching. However, it is not clear if proposed improvements will fully eliminate displaying multiple images for single target and targets disappearing. Additionally, it seems this could be a recurrent problem since Searidge has stated the stitching is a periodic maintenance item, which requires minor monthly maintenance and major annual health check/maintenance.

In addition to the above, the vendor has not provided the necessary system design documentation required by the FAA to support System Design Approval (SDA). They have repeatedly indicated that the documentation was in progress but have yet to provide drafts for review.

This stop work order was sent subsequent to a meeting with the vendor on September 21, 2022, during which the vendor proposed changes to the system to address the visual acuity issue (item 1 above). The vendor presented an analysis that showed that the proposed corrective actions would not meet the visual requirements in the **current** Operational Visual Requirements (OVR) Version 1.0.

The vendor to date has not demonstrated the level of engagement and commitment to the project that is necessary to ensure a successful completion of the project resulting in certification of the system.

Version 1.0 of the current OVR was created on July 26, 2019, and sent to the vendor on May 7, 2020 by the FAA contractor with the admonition that **"It is envisioned that the FNL effort will support the development of Version 2.0 of the OVRs. This will broaden them to include converging runways. Also, we know the definitions for Primary and Secondary Displays will be updated."** The FAA has indicated to the vendor that it would issue OVR Version 2.0 on November 4, 2022, after which they will have 7 days to respond to the stop work order. The issue of the primary versus secondary display is an important factor in the ability of a controller to detect an aircraft at the distance required in the current OVR (3 nm from the end of the runway). This issue is discussed in the two white papers attached to this report.

The vendor is not totally to be faulted for the situation we find ourselves in, as the FAA has changed the requirements based on input from the National Air Traffic Controllers Association (NATCA) and has failed to provide the needed guidance for fear of being criticized. The requirements in the Request for Information (RFI) upon which the Other Transaction Agreement (OTA) with the vendor is based, were extremely loose using the term “may” as opposed to “shall”.

It is my belief that a contributing factor to the situation in which the program finds itself is the FAA has recently decided to pursue a new path to certification by having vendors bring their systems to the Technical Center in Atlantic City for testing. This is discussed in “Remote Tower Testing Alternatives,” attached.

The program has experienced delays for 4 main reasons:

1. The FAA committed resources to the remote tower system deployed at the Leesburg Executive Airport (JYO);
2. The COVID 19 pandemic prevented FAA and vendor travel to FNL;
3. The inconsistent and haphazard way program evaluation has proceeded, in part because of the two reasons above;
4. FAA’s latest desire to have system testing at the Tech Center as opposed to on-site, as originally envisioned and has been carried out at FNL and JYO.

I continue to believe that the system at FNL is the best configuration and will ultimately be the blueprint for follow on remote tower systems until the next generation is proposed. The primary attributes of the system are:

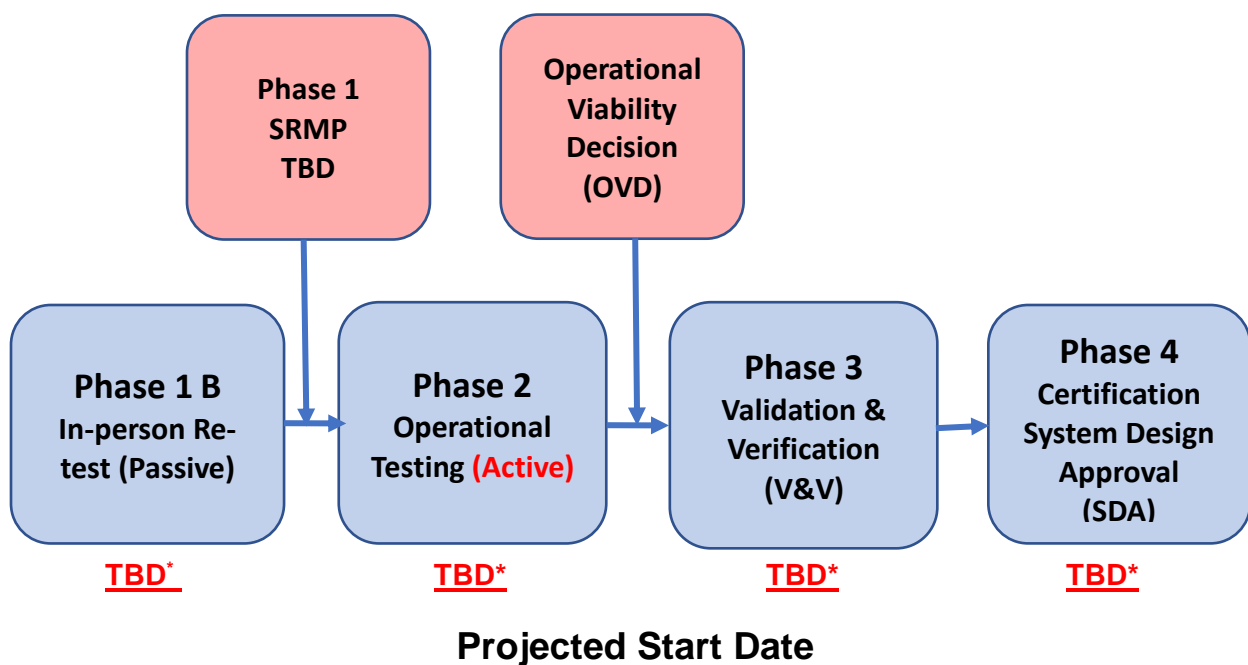
1. Distributed camera arrays to account for longer runways and more complicated airports with multiple runways.
2. Stitched video presentation.
3. 360° panable displays at each controller working position.
4. Zoomable approach/departure cameras
5. Radar as a situational awareness tool that can be stand-alone and/or ingested into the video automation to present target data on the video displays.

It is my contention that the FAA’s insistence on designating the video wall as the primary display is based on the system at the Leesburg Executive Airport (JYO). This position does not recognize the advantage of the 360° panable displays at the individual controller working positions (CWP). As these displays are closer to the controllers (32”), this appreciably increases the probability of detection of targets at the required distance. This assumption is supported by modeling using the Beta version of the FAA Remote Tower Siting Tool.

It is instructive to note that the remote tower vendor at JYO is in the process of upgrading their system to more closely mimic the FNL configuration and other vendor systems are similarly configured.

The Federal Telecommunications Infrastructure (FTI) installation of the communication lines from the STARS at FNL to the STARS at Denver Tracon were completed on Friday, October 28th. Some additional adaptation will be required before controller training on the system begins. The training will consist of classes on STARS operation and functions.

Proposed Remote Tower Testing Phases:



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

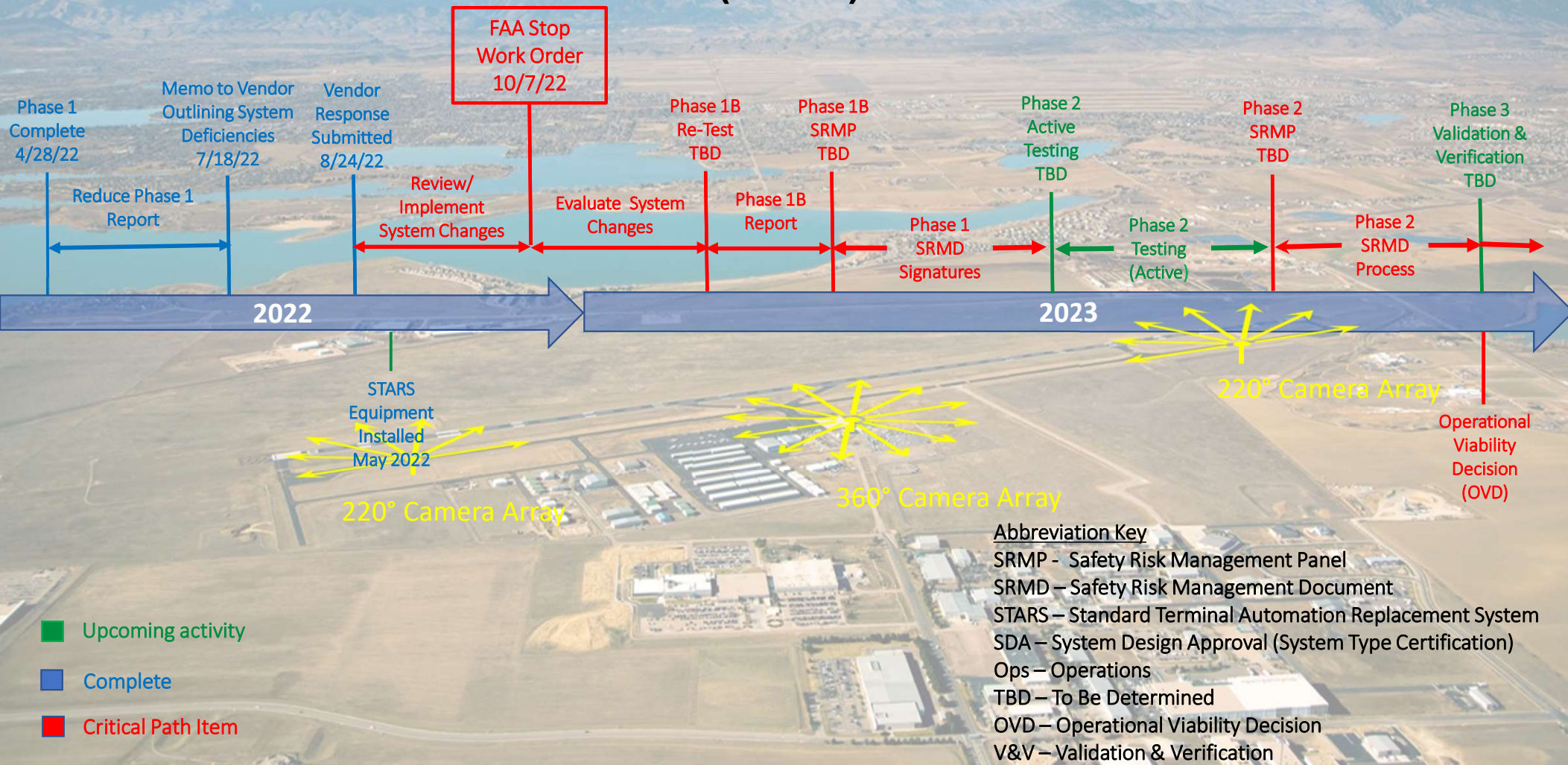
Schedule Note: This status is based on the latest proposed schedule and is dependent upon availability of FAA resources to staff the remote tower and support the Phase 1 SRMP.

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.

ATTACHMENTS

1. FNL "Draft Graphic Remote Tower Timeline" as of October 31, 2022.
2. FAA Stop Work Order Letter dated 10/7/22.
3. White Paper: Future Remote Tower Testing Alternatives dated 7/10/22.
4. White Paper: Remote Towers Path Forward dated 10/3/22.

Colorado Remote Tower Timeline (Draft)



Remote Tower Testing Alternative

Presented by:
William E. Payne, P.E.
July 10, 2022

Remote Tower Testing Protocol:

NextGen's approach to testing remote tower systems involves a vendor providing the intake documentation, deploying their system at a candidate airport and the agency committing resources to test and evaluate the individual system. This process is both innovative and effective in that it creates an environment that permits individual vendors to propose and deploy systems without preconceived ideas or undue constraints. Ultimately, this results in superior remote tower systems. Employing this innovative approach to remote tower development supports the FAA's goal of establishing a list of qualified system vendors. While on-site evaluation requires travel by FAA to airports around the country, this seems a small price to pay when compared with the unique opportunity to observe and collect real time in situ test data.

Remote Tower Development Overview:

Remote tower technologies represent a paradigm shift for the safe and efficient delivery of airport traffic control services to uncontrolled airports that would benefit from enhanced air traffic control or to replace an aging control towers. In the 2018 FAA Reauthorization Act, Congress established the Remote Tower Pilot Program and identified six slots for eligible airports.

The advantage to the agency of the current approach is clearly that they can continue exploring remote tower technologies as an alternative to traditional and costly sticks and bricks control towers by allowing sponsors to fund the projects while the FAA evaluates the various systems and their individual operational concepts. The FAA has indicated that for the foreseeable future the agency does not intend to establish a remote tower program. However, it is believed that as remote tower systems mature, are certified and proliferate throughout the NAS, the FAA will at some point establish a Remote Tower Program Office.

The two systems being evaluated by the FAA are the Colorado Remote Tower Project at the Northern Colorado Regional Airport (FNL) in Loveland, CO, and the Virginia SATLab remote tower at the Leesburg Executive Airport (JYO) in Leesburg, VA. These two systems pursued different paths for development and deployment. The Colorado Remote Tower Program at FNL from its inception engaged the FAA as a partner to develop a remote tower at a Colorado Airport. The State of Colorado provided \$8.8M in funding to the FAA, who then developed the preliminary concepts of operation, evaluated 5 candidate airports and selected the vendor with direct input from the State. Conversely, at JYO, the Leesburg Executive Airport teamed with Saab and Virginia SATLab, Inc. to fund development of the remote tower and deploy the system with little or no input from the FAA. They then requested that the FAA evaluate and test the system.

These two systems are similar but differ in the following ways.

| Functionality | FNL | JYO |
|---|-----|-----|
| Central Mast - 360° Camera Array | X | X |
| Distributed Camera Arrays (2 runway end masts) | X | |
| Stand-alone Radar Display* | X | X |
| Radar ingested into the automation tags displayed on the video displays | X | |
| Video display at each controller working position (CWP) | X | |
| 360° Video Wall | X | X |
| Video Tracking | X | X |
| Stitched Video permitting panning at the CWP display | X | |

* Radar was an initial requirement of the FNL system. FAA added a stand-alone STARS radar to the JYO system after completion of initial testing and evaluation.

Note: This comparison is intended to demonstrate the two remote tower concepts and does not imply the efficacy of either system.

A single central mast configuration was employed at JYO, which has a field elevation of 390' msl and a runway length of 5,500', and tested by the FAA. The FAA then stipulated that the single central mast configuration can only be deployed at airports with runway lengths no greater than 5,500'. FNL has a field elevation of 5,015' msl with a 8,500' primary runway and a 2,273' crosswind runway. The distributed camera mast configuration (1-360° central mast and 2-220° end masts) was chosen for implementation at FNL to mitigate the runway length. This configuration provides controllers with an improved view of the runup area and runway hold short line. Both airports, while being evaluated, are designated Class E airspace with a control tower. It should be noted, as a complicating factor, that JYO lies under the Washington Dulles International Airport (IAD) Class B airspace shelf.

A third remote system is proposed at the Friedman Memorial Airport (SUN) in Hailey, ID. The Airport elected to pursue a remote tower as the replacement for its aging airport traffic control tower (ATCT), which lies within the Runway Obstacle Free Area (ROFA). The Airport has been mandated to move the ATCT out of the ROFA by the Airports District Office. The Airport Authority Board has selected the Raytheon-Frequentis team to implement a remote tower known as the SUN Digital Tower (SDT) Project. The SDT would be similarly configured to the system at FNL. It would consist of a distributed camera system to mitigate the runway length (7,550'), would include a radar display to support controller situational awareness and employ video stitching. The Raytheon-Frequentis team has proposed deploying the SDT at the Friedman Memorial Airport and remoting a real-time video feed to the Tech Center or other FAA location to facilitate evaluation and testing. This proposal is novel and would definitely be valuable in supporting visual testing of the system by FAA resources by reducing the travel requirement and cost.

FNL and JYO have been designated as the first two Remote Tower Pilot Program airports pursuant to the 2018 FAA Reauthorization Act. FAA has indicated that SUN would be the third Pilot Program airport.

Remote Tower Operational Concepts:

The remote tower testing to date has primarily concentrated on visual certification of the system with limited or no use of radar as a tool. The current state of today's cameras and display systems does not exactly replicate the out-of-the-window view from a legacy ATCT. This can lead to loss of visual situational awareness due primarily to several factors including:

1. Distance from the camera array;
2. Aircraft size, color and type;
3. Atmospheric conditions – cloud cover, visibility, etc.;
4. Aspect ratio of the aircraft relative to the camera – profile, head-on, turning, etc.

Testing at FNL and JYO has borne out this hypothesis.

It is for this reason that a radar display to mitigate the difference in visual presentation and to provide enhanced situational awareness to the controller is a critical tool in any remote tower system. This is particularly true at medium to high activity airports with annual operations approaching or exceeding 100,000. A visual only remote tower system may well work at low activity airports $\leq 50,000$ operations per year. However, there are airports in the NAS with lower levels of annual operations that experience seasonally or event peaked operations that would benefit from the situational awareness provided by a radar display. There are several examples of this in the NAS.

Remote Tower Testing Today:

The process currently being followed for the deployment of remote tower systems by individual vendors allows for the maximum flexibility essential for a developmental program of this nature. The rapid pace at which camera, sensor and display technologies are changing makes flexibility even more important.

There are two major components involved with the evaluation, testing, and certification of remote tower systems:

1. Visual Performance – Ability of the system to present to a controller located in the remote facility without direct view of the airport environs a picture of the airfield surface and local airspace sufficient for the controller to safely provide VFR separation based on inputs from a variety of sensors, electro-optical (visual), Infra-Red (IR) and track-based (radar), etc. The controlling documents are the Draft Operational Visual Requirements (OVR) and Draft Remote Tower Advisory Circular (AC).
2. Non-Fed Remote Tower Equipment – Confirm the reliability, maintainability, and availability (RMA) of the remote tower system components to a sufficient level to ensure system availability. It is the stated position of the agency to certify the remote tower equipment as Non-Fed. The controlling documents are the Draft Remote Tower Operational Safety Assessment (OSA) and Draft Remote Tower AC.

Proposed Remote Tower Testing Protocol:

NextGen in conjunction with AJW and other lines of business is considering a different approach to evaluating, testing and certification of remote tower systems. This new process would involve a vendor taking their system to the FAA Technical Center in Atlantic City, New Jersey for visual and equipment testing and certification. This proposal has distinct advantages and disadvantages.

Advantages:

1. Easy access to the system by FAA resources.
2. Changes to the system could easily be evaluated by FAA in real time.
3. Upon completion of testing, the vendor may be able to take the system to any number of airports with, in theory, only a local adaptation and limited testing/observation needed to certify the system for operation.

Disadvantages:

1. This process would add considerable time to the deployment of a remote tower system.
2. This process would necessitate the vendor either installing the system at the Tech Center and after testing moving the system to the candidate airport or deploying the system at the airport and a copy at the Tech Center.
3. The additional time could adversely affect the airport's funding timeline.
4. The cost to a potential vendor of deploying a system at the Tech Center could make this process unattractive.
5. The testing environment at the Tech Center would be different than that of a candidate airport at which the system would be deployed.
6. Requiring certification of Commercial Off the Shelf (COTS) equipment at the Tech Center presents a logistics problem.
7. This process is similar to the FAA's Acquisition Management System (AMS), which is cumbersome at best, and is unnecessary in that this is not an FAA Program requiring the AMS protocol be followed.

The equipment required for a Non-Fed remote tower system falls into three primary categories:

1. Remote tower visual equipment – Commercial-Off-the-Shelf (COTS) – **Non-Fed**
 - a. Video cameras;
 - b. Video displays;
 - c. Servers (computers);
 - d. Routers;
 - e. Etc.
2. ATCT Minimum Equipment List (MEL) - **Non-Fed**
 - a. Radios;
 - b. Voice Switch;
 - c. Lighting control panel;
 - d. DASI;
 - e. Wind instruments;

- f. Etc.
- 3. **FAA Equipment- FAA certified**
 - a. STARS;
 - b. FDIO;
 - c. Etc.

Alternative Hybrid Testing Solution:

As FAA considers the merits of moving remote tower testing functions to the Tech Center, a hybrid approach should also be considered. The major component of the remote tower system which is unique to each vendor's system is the software driving the automation platform. The benefit gained by requiring a vendor to bring a complete remote tower system to the Tech Center would be minimal and costly, as it would require installation of camera masts, a fiberoptic communication system in addition to the servers, displays and human machine interface (HMI) etc.

Alternatively:

1. The vendor software could be loaded on servers at the Tech Center and tested using replay or real time data from a specific airport at far less cost than requiring the entire system to be stood up.
2. The vendor would provide the FAA with individual manufacturer's specifications, test data and maintenance manuals. The vendor would arrange for FAA personnel to visit the manufacturers' facility to witness testing as required. Requiring a remote tower vendor to certify a COTS manufacture's equipment creates undue complexity and would best be accomplished by the individual equipment manufacturers providing the FAA with the necessary data.

Employing this or a similar hybrid approach to testing of remote tower systems would take advantage of both current and proposed testing protocols.

It is unclear if the FAA intends to require vendors from the two projects already in place to bring their systems to the Tech Center. The vendors for FNL and JYO could bring their software to the Tech Center for testing, as this should not impose an undue burden on them and would support testing by the FAA.

Conclusions:

The remote tower systems presently being assessed by the FAA, as well as those proposed, must be evaluated and tested to ensure they can safely deliver airport traffic control services before being given operational approval. This does not imply the system is 100% risk free. Any system operated by humans will always have some degree of risk, which should be mitigated to the greatest degree possible.

The real evaluation of these systems will only occur when being operated by certified air traffic controllers in an operational environment. As controllers use the system and become more familiar

and comfortable with the system functionalities, unique and innovative ways to use the system to its maximum benefit will be discovered. Conversely, unforeseen shortcomings invariably will be discovered that necessitate changes to the system. Instead of trying to lock down a configuration, why not allow these systems to proceed as true developmental projects and learn from actual operations? Obviously, a remote tower system would not be put into operation until it has been fully tested and has received Operational Viability Decision (OVD).

Remote Towers Path Forward

Presented by:

William E. Payne, P.E.

Program Manager, Colorado Remote Tower Project

October 3, 2022

Brief History of Airport Traffic Control

Visual tower operations have changed little since the first airport traffic control tower (ATCT) began operation in 1920 at London's Croydon Airport, followed in 1930 by the first ATCT in the United States at Cleveland's Hopkins Airport. The major changes have been the introduction of tools that enhanced the controller's situational awareness such as the first radar at the Newark, New Jersey airport in 1952 established by a consortium of airlines to improve air traffic control safety and efficiency.

Remote Towers represent the first substantial evolution in the way airport traffic control services are delivered to airports in the United States since Archie League controlled traffic using flags at St. Louis in 1929.

Remote Tower Development

Remote towers go by many names: virtual tower, remote virtual tower, digital tower, remote digital tower, etc. All of these systems present a synthetic representation of the airfield and local airspace to an air traffic controller, possibly in a remote location without a direct out-of-the-window view. This is done by employing electro optical devices such as video and infra-red in combination with other surveillance technologies (radar, etc.).

The FAA's approach to development of remote tower systems has been to have industry propose different solution sets for the implementation of a remote tower and then develop a list of qualified vendors. This is the most efficient approach and ultimately will result in safe and robust remote tower systems. To be successful and yield the best results, the FAA must be prepared to consider unique solutions and not be constrained by legacy thinking.

The two remote tower systems currently being evaluated by the FAA are at the Northern Colorado Regional Airport (FNL) and the Leesburg Executive Airport (JYO). These two systems have employed different approaches to system configuration and operational concept. Below is a comparison of the two systems' configurations.

| Functionality | FNL | JYO |
|--|-----|-----|
| Central Mast - 360° Camera Array | X | X |
| Distributed Camera Arrays (2 runway end masts) | X | |
| Stand-alone Radar Display* | X | X |

| | | |
|--|---|---|
| Radar integrated into the automation data tags on the video displays (1) | X | |
| Video display at each controller working position (CWP) | X | |
| 360° Video Wall | X | X |
| Video Tracking | X | X |
| Stitched Video | X | |
| Video Displays at each Controller Working Position (CWP) (360° stitched) | X | |

(1) Radar data is derived from the FAA's System Wide Information Management (SWIM) system.

The above does not imply the efficacy of one system over the other--only the two different configurations proposed for civilian remote towers. As the remote tower program matures, other configurations will without doubt emerge. Only by investigating various system configurations and operational concepts without prejudice or preconception will remote towers reach their ultimate goal of providing safe and efficient airport traffic control.

Remote Tower Visual Requirements

Before any system can be effectively evaluated, a set of realistic and achievable operational visual requirements based on probability of detection versus absolute visual detection must be established. Otherwise, the vendors are trying to hit a moving target. It is understandable that as more experience is gained with these proposed systems, the requirements, by necessity, will change. Vendors must be permitted the flexibility to meet these requirements by proposing new and innovative ideas using the technologies available.

Visual acuity (ability to detect an aircraft) is a major issue facing remote tower systems. The two systems currently being evaluated by the FAA have demonstrated a degree of difficulty in meeting the requirements in the Draft Operational Visual Requirements (OVR).

The visibility requirement today is that a controller must be able to detect an aircraft at 3 nm from the end of the active runway without regard for the variables involved:

1. Size of the aircraft
2. Color of the aircraft
3. Visibility
4. Aspect ratio of the aircraft to the camera array
5. Sun angle and location
6. Individual controller's abilities
7. Distance of the Camera array from the end of the runway
8. Etc.

This requirement, while arbitrary, could still be applied provided the requirement is based on a probability of detection and not on an absolute requirement to detect an aircraft at 3 nm from the end of the active runway. Another complicating factor is that the OVR has not been finalized, making it almost impossible for the vendor to approach a solution with any degree of confidence.

Air Traffic will be responsible for finalizing the visual requirements and to date has not signed off on probability of detection.

Given the difficulty meeting the requirements, it is time to look at different ways to solve this problem.

Currently the Draft OVR requires the primary display to be a fixed 360° view of the airfield and local airspace. This requirement, as written and interpreted, constrains the primary display to be the video wall in the remote tower systems currently being evaluated by the FAA.

A stitched video system configuration that places video displays at each CWP designated as primary and the video wall as secondary is superior to the video wall as the primary display. Obvious benefits to this approach are:

1. The displays are closer to the controller (18"-24" vs 164" for the closest video wall display).
2. Stitching permits the controller to pan the view as necessary to focus on any areas of interest on the surface or in the local airspace.
3. The controller can digitally zoom as desired to get a clearer image of an area of interest on the airfield or an aircraft in the local airspace. This function is not available on the video wall.
4. This configuration would support inserting pan-tilt-zoom and/or approach camera views on the video wall in areas such as parking lots that do not interfere with air traffic operations.
5. The controllers' focus will be concentrated closer to other functional elements such as the human machine interface (HMI), graphical user interface (GUI), STARS displays and controls, weather display, voice switch, etc.

The challenge to defining the CWP display as the primary display is the requirement that it must provide a fixed 360° view. The CWP displays do, by virtue of the stitching, provide the required 360° view simply by panning the stitched image to any point of interest. When the OVR was written, it did not contemplate video stitching. It is plainly stated in the Scope of the Draft OVR that **"The RT System OVRs is a living document that will continue to be updated, improved, and validated"**. With this in mind, the vendor should have the flexibility to make this change.

More and more multifunction displays are being introduced into airport traffic control towers every day. Examples of these are systems that incorporate electronic flight strips, voice switch, lighting control panels, airfield surface displays, AWOS and ASOS, etc. Placing the visual display nearer the controllers will eliminate the need to divert attention to the video wall.

The Case for RADAR

The Draft OVR assumes in the Scope that **"The RT system be operated without additional surveillance information provided (e.g., RADAR)"**. The disagreement with this assumption is with the affirmative nature of the assumption. Radar is a valuable situational awareness tool for controllers in legacy VFR towers and is even more valuable in remote towers that rely on video

displays to provide the controllers with a view of the airfield environment and local airspace. The stated reason for this assumption is that some airports may not have radar coverage. With the advent of ADS-B, the proliferation of ADS-B equipped aircraft and increased ADS-B coverage volume, there are very few airports that do not have radar coverage. Airports that do not have adequate coverage could pursue installation of ADS-B via the FAA's Third Party Expanded ADS-B Coverage Program or even a non-Federal solution. In the case of FNL, it has radar in the form of FAA certified STARS displays. It is not my contention that radar be a requirement--only that when available, it be considered during the evaluation of the system.

A solution to this dilemma would be that radar could be used as a situational awareness tool, where available.

Remote Tower Equipment/System Certification

Hardware and software are the major components of any remote tower system. These are subject to FAA certification as Non-Fed. The process FAA has identified for certification of remote tower systems is System Design Approval (SDA).

The primary hardware components of a remote tower system are:

1. Video cameras;
2. Video displays;
3. Servers (computers);
4. Human Machine Interface (HMI);
5. Closed Fiber Optic Communication Systems;
6. Routers;
7. Etc.

A cost saving benefit of remote tower systems is the use of commercial off the shelf (COTS) hardware. The advantage of COTS hardware certification is that individual component suppliers would provide the FAA with manufacturer's specifications, test data, mean time between failure (MTBF), maintenance manuals, product schematics, etc. FAA personnel could visit the manufacturers' facility to witness testing as required. In this way, the FAA would review and evaluate the data provided without going through a time consuming and costly testing procedure. This is already done with other Non-Fed pieces of equipment.

The real magic of remote tower systems is not in the hardware but in the software. Each individual remote tower vendor has developed its own proprietary software to manage the display of information to the controller. Because the software is the critical component of any remote tower system, it will be subject to DO 278 Software Integrity Assurance or some equivalent test. Certification of the software will require the vendors to provide FAA with access to the proprietary software. The testing/certification of the software could be done at the FAA Technical Center with little difficulty and minimal cost to the FAA and vendor using either live feed from an airport or recorded data.

MEETING RECORD

Page 1

DATE: 10/12/2022
TIME: 3:33-4:47 PM
RE: Planning and Development Subcommittee Meeting (PDSC)
ATTENDEES: Tom Fleming, Jason Licon, Aaron Ehle, James Hays, Scott Schorling, SeonAh Kendall, Troy Bliss

Begin Meeting Record 10/12/2022

Agenda Item #1: 2023-2027 Airport Capital Improvement Plan (ACIP)

- The Airport Capital Improvement Plan is a critical planning tool that is used to define the Airport's prioritized list of projects that require funding from federal or state resources for the next five years.
 - The ACIP is updated annually and is tied to the Master Plan.
 - The ACIP identifies how Airport assets will be maintained and how new projects are anticipated be funded.
 - To provide a more complete understanding, we included some projects that will be 100% locally funded and projects that may be funded by special or unique resources in this year's plan.
 - The amount of local funding shown in the plan is likely higher than what will be available.
 - The ACIP is coordinated with the FAA and State. Although funding is programed in advance, there is no guarantee that the funding will be available. Sometimes projects have to be pushed out into future years.
 - The two major projects in the 5-year window are the new airline terminal and widening of the runway 15/33.
 - The Technology and Transportation Hub is another potential major project, but is reliant on American Rescue Plan Act (ARPA) and Aims Community College funding.
 - The plan includes several pavement maintenance and rehabilitation projects.
 - Plans are being made to construct a new fuel farm with more capacity in 2025.
 - More robust land use and business development planning can help us to understand additional capital needs that aren't included in this plan.
 - The primary function of the Airport is to support aeronautical uses, but there may be areas where non-aeronautical uses make sense. Specific types of infrastructure will be needed to support different uses.
 - Guiding principles for justification/prioritization of projects
 - Increasing usage and the maximizing the overall benefit of the Airport to the community
 - Achieving the greatest economic and social benefits to the community.

MEETING RECORD

Page 2

- Reducing/better managing Airport operating costs
- Enhancing revenues and opportunities
 - Obtaining and leveraging outside funding, including private investment
 - Safe and effective Airport operations
 - Stewardship of the environment
- The ACIP will be presented to the Airport Commission at the October 20th meeting for feedback and potential approval.
- It was recommended to put more context into the presentation to provide rationale behind the purpose of the ACIP and the key projects that we are focused on achieving.

End Meeting Record

NEWS > EDUCATION

Loveland City Council and Thompson School Board discuss youth shelter, mental health

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

PUBLISHED: October 20, 2022 at 9:20 p.m. | UPDATED: October 20, 2022 at 9:21 p.m.

A new option for homeless students and additional mental health services drove discussion at a joint meeting between Loveland City Council and the Thompson School District Board of Education on Thursday.

A proposed shelter for homeless students in Thompson School District is gaining momentum, and could move forward as soon as next year, Loveland City Council learned on Thursday.

At a meeting between council and Thompson School District board, Todd Piccone, the district's chief operations officer, discussed the evolution of the proposal and efforts to secure funding for it through the state's American Rescue Plan Act grant program.

"This started getting quite a bit of traction in May, when there were conversations about us selling Monroe because of consolidation," he explained. "During a



TSD targeted the Monroe Early Childhood Education building for the proposed shelter, and then found they had a willing partner in Larimer County, which pledged a matching grant of \$1.5 million toward the project.

Then TSD visited youth facilities in Boulder and Denver to learn more about operations, logistics and potential challenges.

“This is not something that’s done very much in Northern Colorado,” Piccone said. “There’s one in Boulder, there’s one in Denver, and that’s about all.”

The proposed Loveland facility would provide alternative living arrangements for up to 20-30 students, ages 14 to 21, and drop-in shelter services for others.

“That’s for the kids who don’t have a place to go when they leave school until later that night,” Piccone said. “They can drop in and do homework and there will be counselors there to help them.”

It will also serve as “transitional housing” for students who have aged out of the foster care system at age 18.

“That’s to set these kids up for success, and then working towards so they can actually get an apartment or buy a house,” he said.

When construction is completed, TSD will hand over operation of the facility to another entity, like The Matthews House in Fort Collins.

A preliminary estimate put the total price tag at the facility at around \$6.3 million. Funds from the county and TSD come to about \$4.5 million, leaving a \$2.8 million gap that TSD hopes to fill with funds from the county’s share of \$1.2 billion in American Rescue Plan Act funding granted to the state.

Though there wasn’t much discussion of the item during the meeting, Loveland City Council members were enthusiastic about the idea.

“The youth shelter is a great idea,” Councilor Jon Mallo said. “It’s a great concept.”

Other topics

The joint meeting also included a discussion of joint projects between the city and TSD, and plans for future collaborations.



He also announced that youth ridership on city buses has returned to pre-pandemic levels.

Dr. Melissa Schneider also announced the district's inaugural youth mental health summit, slated for Nov. 16 at The Ranch. During a full-day event, representatives from TSD, the city of Loveland, Larimer County, and local mental health providers will discuss action to address anxiety and depression among students.

Northern Colorado Regional Airport Director Jason Licon also spoke about a proposed career and technical training center at the airport, to prepare students for the aviation or avionics industries, two fast growing employment sectors.



Jocelyn Rowley | City reporter

Join the Conversation

We invite you to use our commenting platform to engage in insightful conversations about issues in our community. We reserve the right at all times to remove any information or materials that are unlawful, threatening, abusive, libelous, defamatory, obscene, vulgar, pornographic, profane, indecent or otherwise objectionable to us, and to disclose any information necessary to satisfy the law, regulation, or government request. We might permanently block any user who abuses these conditions.

Loading...



BUSINESS

Customs office at Northern Colorado Regional Airport gets federal clearance

Local customs office could help residents as well as corporate travel

**Pat Ferrier**

Fort Collins Coloradoan

Published 1:01 p.m. MT Oct. 17, 2022

Windsor developer Martin Lind has won the federal go-ahead to open a U.S. Customs office at his Discovery Air development adjacent to Northern Colorado Regional Airport in Loveland.

U.S. Customs and Border Protection last week announced Lind's Water Valley Cos. and 23 other sites nationwide had been selected for its reimbursable services agreement program. The program allows Discovery Air to get reimbursed the cost of hiring customs officers to staff an office in Loveland.

Under the program, Customs can only reimburse salaries and overtime for no more than five full-time officers. Discovery Air expects to hire one full-time agent.

Whether Lind receives any financial help from the cities of Loveland and Fort Collins, which own the airport, remains to be seen.

The airport commission, which oversees airport operations, balked in September at Lind's initial request for \$200,000 a year for five years to pay for a full-time Customs agent. While it supported the idea for a Customs office, it couldn't see a way to provide the financial contribution given it's trying to build a new airport terminal. Instead, it sent Loveland Economic Development Director Kelly Jones to negotiate a potential decrease in funding with Lind.

Jones declined comment until after she briefs the airport commission on Thursday.

Lind said despite the airport commission's hesitancy, the city of Loveland may want to help anyway, "as it's an incredible asset to have in Loveland regardless of the aviation aspect." He said his company committed to the program despite lack of financial support from the airport commission.

"I couldn't put this important public service opportunity at risk," he said, so his company is assuming all the financial responsibility, at least for now. "This will be a tremendous benefit to our region, and the list of services that can now be obtained from our Discovery Air facility in Loveland is astounding. It's not just about a business person in a private jet."

Companies will pay Discovery Air an as-yet-undetermined amount per flight to use the Customs office. Those fees will be set until once Lind determines the costs to build and operate the facility.

"It's our hope by my company taking all the risk on this and proving its value to our region, then maybe it will be recognized by the airport and the region that this is a big deal and it should be supported by a government and not a private entity," Lind said. "However, for the time being, our tenants specifically need the service desperately and it's my fiduciary duty as the landlord to do everything I can to make my tenants more successful."

The Customs office would largely benefit some of the region's largest and wealthiest businesses that fly internationally from Northern Colorado Regional Airport, but it would be open to the public for immigration services, I-94 arrival/departure record verification, gun registration and global entry registration. It could also help attract and retain large international businesses that need airport access, commissioners said.

Discovery Air, a four-building campus that expands hangars and commercial space just south of the airport, currently houses aircraft flown by Woodward Inc. and agriculture company Nutrien, which has its international headquarters in Canada. Both have long sought a Customs office in Northern Colorado.

When the Customs office opens in Loveland will depend "100 percent" on Customs, Lind said, "although they seem to be enthusiastic about this particular site. It gives us optimism that it will be sooner than later, however, we do need to build out the tenant improvements in their space," which have not been designed yet.

Having to take off and land at another airport to clear Customs is a large expense of time and money, pilots have told the Coloradoan and the airport commission.

When flights leave Loveland for any international destination, they need to clear Customs and Border Patrol for the country they are flying in to. So when flying to Canada, for instance, they have to clear Canadian customs when they arrive in Canada.

When flying back to the U.S., they must land at an airport that offers U.S. Customs and Border Patrol, including Billings or Great Falls, Montana; Casper, Wyoming; Rocky Mountain Regional Airport in Broomfield; Centennial Airport in south metro Denver; or Denver International Airport.

Once a Customs office opens in Loveland, Nutrien and other international flights can take a direct route. "I'm 100 percent convinced that we will make this a successful venture and it will indeed be recognized as a big deal for Northern Colorado in the long run."

Northern Colorado Regional Airport Commission meeting

The Northern Colorado Regional Airport Commission will meet from 3:30 to 5 p.m. Thursday, Oct. 20, at the administration building 4900 Earhart Road, Loveland.



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: November 10, 2022

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

Lease Assignment and Assumption for 5010 Grumman Condo Association Located at 5010 Grumman Street

RECOMMENDED AIRPORT COMMISSION ACTION

Staff recommends acceptance of the assignment and assumption as presented

BUDGET IMPACT

Neutral, the lease rates will remain unchanged

SUMMARY

This is an administrative item. The existing leaseholder MPS Properties has updated their name to 5010 Grumman Condo Association. The transfer of ownership of privately-owned buildings is frequent on the Airport and requires the approval of the Airport Commission for a lease reassignment and assumption. No other changes are requested with this change.

LOCATION



ATTACHMENT

Association Lease Agreement: MPS Properties to 5010 Grumman Condo Association, 5010 Grumman Street

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

5010 Grumman Street
Loveland, Colorado 80538

WHEREAS, the Cities of Fort Collins and Loveland, Colorado (the “Cities”) acting by and through the Northern Colorado Regional Airport Commission (“NCRAC”) are the Lessors under that Lease Agreement dated May 19, 2022 as amended, a copy of which is attached hereto as **Attachment 1** and incorporated herein by this reference (the “Lease Agreement”) to MPS Properties LLC as Lessee (“Assignor”) concerning that property at the Northern Colorado Regional Airport described in Exhibit A to the Lease Agreement (the “Leased Premises”); and

WHEREAS, the Cities are parties to an Amended and Restated Intergovernmental Agreement for the Joint Operation of the Northern Colorado Regional Airport signed on January 22, 2015 and paragraph 4.A. of said Agreement delegates to the NCRAC the authority to enter into lease agreements in a form generally approved by the Cities; and

WHEREAS, the form of this lease agreement has been previously generally approved by the Cities; and

WHEREAS, Commission Bylaws adopted on October 15, 2015 authorize the Commission Chair to sign such agreements on behalf of NCRAC; and

WHEREAS, Assignor desires to assign all of its lease rights and obligations for the Leased Premises, as well as all improvements located thereon, to 5010 Grumman Condominiums Association, Inc., (“Assignee”); and

WHEREAS, Article 13 of the Lease Agreement permits this assignment under the conditions as set forth therein; and

WHEREAS, Assignee intends to benefit the Cities by promising to perform all terms and conditions of the Lease Agreement with respect to the Leased Premises as Lessee under the Lease Agreement.

NOW, THEREFORE, in consideration of the Cities’ approval, the mutual covenants and agreements expressed in the Lease Agreement, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Assignor, by its signature below, hereby assigns all of its right, title and interest in and to the Lease Agreement and the Leased Premises, to Assignee as of November 10, 2022 (the “Effective Date”).

2. Assignee, by its signature below, hereby assumes and agrees to be bound by all obligations, responsibilities and terms of the Lease Agreement with respect to the Leased Premises and hereby becomes the Lessee of the Leased Premises under the Lease Agreement as of the Effective Date.

3. Assignee acknowledges and agrees that the annual rent payment for the Leased Premises under the Lease Agreement is \$4,300.29 per year, payable in monthly installments, which rental amount shall be adjusted on May 1, 2023 and on each anniversary thereafter pursuant to Article 4 of the Lease Agreement.

4. Assignee submits to the Cities herewith, the proof of insurance as required in Articles 8 and 9 of the Lease Agreement, attached hereto as **Attachment 2** and incorporated herein by this reference.

5. Assignee submits to the Cities the following notice address pursuant to Article 23 of the Lease Agreement:

**5010 Grumman Condominiums Association, Inc.
3711 Crescent Dr.
Fort Collins, CO 80526
jon.t.steinway@gmail.com**

6. The Cities designate the NCRAC and the Airport Manager as its representatives who shall make, within the scope of their authority, all necessary and proper decisions with reference to the Lease.

7. For purposes of this Agreement, there may be any number of counterparts, each of which shall be deemed as originals. Facsimile, scanned and other electronic signatures permitted by law, for purposes of this Agreement, shall be deemed as original signatures.

Dated this ____ day of _____, 20____.

[end of page 2]

Assignee:
5010 Grumman Condominiums Association, Inc.
3711 Crescent Dr.
Fort Collins, CO 80526

By: [Signature]
Jonathan Steinway, President

State of Colorado)
 Denver)ss
County of ~~Larimer~~)

Subscribed and sworn to before me this 2nd day of Nov, 20 22 by
Jonathan Steinway, as President of 5010 Grumman Condominiums Association, Inc.

My commission expires 8/25/23.

SEAL

[Signature]
Notary Public



Assignor:
MPS Properties LLC
3711 Crescent Dr.
Fort Collins, CO 80526

By: [Signature]
RetroFit Builders LLC, Manager
By Jonathan Steinway, its Sole Member

State of Colorado)
 Denver)ss
County of ~~Larimer~~)

Subscribed and sworn to before me this 2nd day of Nov, 20 22 by
Jonathan Steinway, the Sole Member of RetroFit Builders LLC, as the Manager of MPS Properties LLC.

My commission expires 8/25/23.

SEAL

[Signature]
Notary Public



The Northern Colorado Regional Airport Commission acting on behalf of the City of Loveland, Colorado and the City of Fort Collins, Colorado, hereby consents to the above-described assignment of all right, title, and interest as Lessee under the above-described Lease Agreement from Assignor to Assignee on the terms and conditions set forth above.

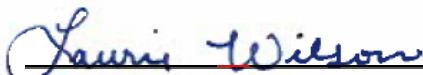
**Northern Colorado Regional Airport
Commission acting on behalf of the City of
Loveland, Colorado and the City of Fort Collins,
Colorado**

By: _____
Commission Chair

ATTEST:

Secretary

APPROVED AS TO FORM:



Senior Assistant City Attorney



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: November 10, 2022

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

Association Lease Agreement for Gamebird Flyers Condo Association Combining 5261 & 5263 Stearman Hangar Leases

RECOMMENDED AIRPORT COMMISSION ACTION

Make a motion to approve the new association lease

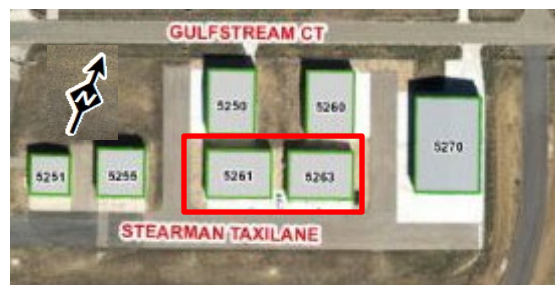
BUDGET IMPACT

None – the terms of the new association format lease will be the same as the terms of the individual format leases that it will be replacing

SUMMARY

This is an administrative item. The execution of new lease agreements requires Airport Commission Approval. The leases for 5261 and 5263 Stearman are held by Loren & Heidi Johnson and CO Fire Aviation respectively. Both leaseholders are requesting that the two separate existing individual leases, be terminated and replaced by an association lease that will combine both separate land leases. These hangars were built at the same time by the same developer in May of 2017, and the lease terms and rates are identical. By combining the individual lease agreements, it will allow them to share in expenses associated with extending additional utilities to serve the buildings. The new lease will be with a new entity, Gamebird Flyers Condo Association, which has been formed to manage the condo association. The existing lease terms for the individual leases including term and rental rates will not change.

LOCATION



ATTACHMENT

Association Lease Agreement: 5261 & 5263 Stearman Street

HANGAR GROUND LEASE AGREEMENT

5261 STEARMAN STREET

5263 STEARMAN STREET

**CITIES OF LOVELAND AND FORT COLLINS, COLORADO,
acting by and through the
NORTHERN COLORADO REGIONAL AIRPORT COMMISSION
AND
GAMEBIRD FLYERS CONDOMINIUM ASSOCIATION**

**DATED
NOVEMBER 10, 2022**

TABLE OF CONTENTS

| | |
|---|----|
| ARTICLE 1: TERM, OPTIONS AND RIGHT OF FIRST REFUSAL | 1 |
| ARTICLE 2: LEASED PREMISES | 2 |
| ARTICLE 3: USE OF LEASED PREMISES..... | 2 |
| ARTICLE 4: RENT | 3 |
| ARTICLE 5: ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR | 4 |
| ARTICLE 6: ADDITIONAL OBLIGATIONS OF LESSEE..... | 5 |
| ARTICLE 7: INGRESS AND EGRESS | 7 |
| ARTICLE 8: INSURANCE, DAMAGE OR DESTRUCTION | 8 |
| ARTICLE 9: LIABILITIES AND INDEMNITIES | 9 |
| ARTICLE 10: LEASEHOLD MORTGAGES | 10 |
| ARTICLE 11: RULES AND REGULATIONS | 11 |
| ARTICLE 12: SIGNS | 11 |
| ARTICLE 13: ASSIGNMENT AND SUBLEASE | 11 |
| ARTICLE 14: CONDEMNATION | 12 |
| ARTICLE 15: NON-DISCRIMINATION | 13 |
| ARTICLE 16: GOVERNMENTAL REQUIREMENTS..... | 14 |
| ARTICLE 17: RIGHT OF ENTRY RESERVED | 14 |
| ARTICLE 18: TERMINATION | 15 |
| ARTICLE 19: SURRENDER AND RIGHT OF RE-ENTRY | 17 |
| ARTICLE 20: SERVICES TO LESSEE | 17 |
| ARTICLE 21: SURVIVAL OF THE OBLIGATIONS OF LESSEE | 18 |
| ARTICLE 22: USE SUBSEQUENT TO CANCELLATION OR TERMINATION | 18 |
| ARTICLE 23: NOTICES..... | 18 |
| ARTICLE 24: INVALID PROVISIONS | 19 |
| ARTICLE 25: MISCELLANEOUS PROVISIONS | 19 |
| ARTICLE 26: SUBORDINATION OF CLAUSES | 21 |
| ARTICLE 27: QUIET ENJOYMENT..... | 22 |
| ARTICLE 28: ENTIRE AGREEMENT | 22 |
| ARTICLE 29: TITLE TO IMPROVEMENTS UPON TERMINATION | 22 |
| ARTICLE 30: RIGHT OF FIRST REFUSAL..... | 23 |
| ARTICLE 31: REQUIREMENTS FOR CONDOMINIUMIZATION | 24 |

EXHIBIT A, Description of Leased Premises

LEASE AGREEMENT-

THIS HANGAR GROUND LEASE AGREEMENT, made and entered into this 10th day of November, 2022, is by and between the Cities of Fort Collins and Loveland, Colorado (the “**Cities**”) acting by and through the Northern Colorado Regional Airport Commission (the “**Commission**”) and Gamebird Flyers Condominium Association, hereinafter called “**Lessee**.”

WITNESSETH:

WHEREAS, the Cities own and operate an airport known as the Northern Colorado Regional Airport located in Larimer County, Colorado, including the real property upon which the same is located, (hereinafter, the “**Airport**”); and

WHEREAS, the Cities and Lessee are mutually desirous of entering into this Lease Agreement (the “**Agreement**”) for the use and occupancy of certain areas at the Airport; and

WHEREAS, the Cities desire to accommodate, promote and enhance general aviation at the Airport and Lessee desires to be assured of the Airport's continued availability as a base for aircraft; and

WHEREAS, Lessee is a Colorado limited liability company, which intends to be a Declarant of a condominium declaration creating a leasehold condominium ownership pursuant to the Condominium Ownership Act, C.R.S. § 38-33-101, *et seq.* (the “**Act**”), and desires to construct leasehold hangar condominiums on the Leasehold Premises, for ownership by individual Unit Owners as defined in such Act (the “**Unit Owners**”); and

WHEREAS, the Cities and Lessee have reached an understanding in principle, which envisions Lessee's maintenance of an existing hangar building or buildings, without cost to the Cities; and

WHEREAS, the prior Lessees, Loren and Heidi Johnson and CO Fire Aviation Leasing requested termination of their leases for the subject Premises as described herein, and this Lease Agreement hereby replaces and supersedes those leases originally approved by the Cities on May 18, 2017 with KFNL Hangars, LLC

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and conditions herein contained, the Cities do hereby lease to Lessee the area(s) of the Airport described in Article 2 hereof (the “**Leased Premises**”) on to the conditions set forth below.

ARTICLE 1: TERM; OPTIONS; RIGHT OF FIRST REFUSAL

1.1 The initial term of this Agreement shall commence at 12:01 a.m. on December 1, 2022, and expire at 11:59 p.m. on June 1, 2042, a duration of nineteen (19) years and nine (9) months, hereinafter the “**Initial Term**,” unless sooner terminated in accordance with the provisions hereof.

1.2 Subject to the conditions set forth herein, Lessee shall have the option to extend the term of this Agreement for two (2) additional periods of five (5) years each, hereinafter the “**Extended Term(s)**,” provided Lessee is not in default in the payment of any rent or in default in any other provisions of this Agreement at the time of its exercise of any such option. Lessee may exercise each option by giving written notice to the Cities not more than eighteen (18) months, nor less than six (6) months prior to the expiration of the Initial Term or the then-current Extended Term, of Lessee’s intent to exercise its option to extend. With the exception of rentals due, as set forth in Section 4.1, the terms and conditions applicable during the Initial Term of this Agreement shall remain applicable during any Extended Term. The rent escalation shall continue throughout the Initial Term and any Extended Term as provided in Article 4.

1.3 If Lessee desires to continue occupying the Leased Premises after the expiration of both (2) Extended Terms, Lessee may request in writing that the Cities grant a new lease agreement. Such a request shall be made by Lessee in writing and delivered to the Cities not later than one hundred twenty (120) days prior to the expiration of the last Extended Term. If: (i) if Lessee is not then in default under any provision of this Agreement; and (ii) the Cities in their discretion wish to offer to lease the Leased Premises to hangar tenants or an association of hangar tenants; and (iii) such a new lease would be consistent with the Airport's master plan then in effect and any and all federal rules, regulations, directives, guidelines or other obligations with respect to Airport, including but not limited to the "grant assurances" to the FAA ; then the Cities may, in their sole discretion, offer Lessee a new lease of the Leased Premises, under such terms and conditions as the Cities deem appropriate, including rental rates to include an assessment of fair market value of the property including the improvements thereon, and duration of the lease term and on the then-current lease form being offered by the Cities.

ARTICLE 2: LEASED PREMISES

2.1 The Leased Premises consist of the parcel of land described in **Exhibit "A"**. Without limiting the foregoing, the Cities acknowledge that the Hangars (as defined below) currently existing upon the leased premises shall, during the term of this Agreement, be and remain the property of Lessee or any successor in interest.

ARTICLE 3: USE OF LEASED PREMISES

3.1 Lessee and its Unit Owners shall use and occupy the Leased Premises for the following purposes and for no other purpose whatsoever unless approved in writing by Cities:

3.1.1 For the maintenance and operation of a hangar building (the "Hangars") to be used for the parking, storage, servicing, repair, maintenance, modification, and construction of aircraft owned or operated by Lessee or its Unit Owners. Lessee's construction, installation, maintenance and operation of the Hangars shall comply with and be subject to the requirements of the Airport Minimum Standards, including the Airport Land Use and Design Standards incorporated therein. Lessee's use of the Leased Premises, including use for storage of aircraft owned by Unaffiliated Entities, shall be of a non-commercial nature, unless a commercial use is approved by the Cities by a separate written License. The foregoing shall not preclude the subleasing of space within individual Hangar buildings to Unaffiliated Entities, so long as a License is obtained if required by the Airport's Minimum Standards then in effect. Any such License shall require compliance with Minimum Standards for the Provision of Commercial Aeronautical Activities at the Airport (the "Minimum Standards"), as they then exist or are thereafter adopted or amended by the Cities. Any such commercial use must also be consistent with the City of Loveland, Colorado, building, use and zoning regulations and requirements applicable to the Leased Premises. Lessee shall include in its Condominium Declaration governing use and operation of the Leased Premises, a provision that all Unit Owners shall cause such aircraft based at the Leased Premises to comply with noise standards established under Part 36 of Title 14 of the Code of Federal Regulations, ("FAR 36") as amended from time to time. The Leased Premises shall not be used for residential purposes.

3.1.2 Intentionally Deleted.

3.1.3 During the term of this Agreement, Lessee and/or its Unit Owners must regularly house at least one airworthy aircraft or at least one aircraft that periodically may be in active stages of assembly or reassembly in each Hangar, use each Hangar for the primary purpose of aircraft storage, and each Hangar shall be used for Aeronautical Activities only, unless the prior written permission of the Cities is first obtained. The term "Aeronautical Activities" shall mean any activity or service that involves, makes possible, facilitates, is related to, assists in, or is required for the operation of aircraft, or which contributes to or is required for the safety of aircraft operations.

ARTICLE 4: RENT

4.1 Lessee agrees to pay to the Cities during the Initial Term an annual rent of \$0.40 per square foot for the 17,340 square feet of the Leased Premises, including the building footprint, ramp, and area surrounding the building footprint, as set forth in Exhibit A, for a total of \$6,936 per year, subject to adjustment pursuant to Section 4.2. If Lessee exercises any option to extend the term of this Agreement under Section 1.2, annual rent per square foot for the first year of such Extended Term shall be the greater of (a) the rent determined under Section 4.2, as if the Initial Term had continued throughout such Extended Term, or (b) the then current market rates for hangar ground leases at comparable airports in the Front Range area, which shall be deemed to include the Denver Metro Area north through Cheyenne. Cities and Lessee agree to use their best efforts to agree on then current market rates, and execute a Lease Extension Agreement, within ninety (90) days after Lessee's written notice of election is received by the Cities. If the Cities and Lessee cannot agree upon the rental rates, the parties agree to submit to mediation before the Judicial Arbiter Group of Denver, Colorado, or if it no longer exists a similar organization, to determine the rent to be paid by Lessee for the first year of the ensuing Extended Term; provided, however, that such rent shall never be lower than the rental which is due by application of subsection (a), above. The parties will each pay fifty percent (50%) of the mediator cost.

4.2 Commencing on May 1st next occurring after the date of this Agreement, and on May 1st in each year thereafter during the remainder of the Initial Term, the annual rent shall be adjusted by multiplying the annual rent payable in the next preceding year by a fraction, the numerator of which shall be the C.P.I., as hereinafter defined, published for the previous month of December and the denominator of which shall be the C.P.I. published for the month of December which preceded the month used as the numerator. In no event shall the annual rent be reduced from that payable in a previous year. If this Agreement is executed after January 1st, such C.P.I. increase for the calendar year in which this Agreement is executed shall be prorated. If Lessee elects to exercise its option for any Extended Term, and accordingly, the rental for the first year of such Extended Term has been set on the basis of current market rates, then rental for any subsequent year of such Extended Term shall be adjusted in accordance with the C.P.I. formula set forth in this section above.

4.2.1 The term "C.P.I." as used herein shall mean the Consumer Price Index for all Urban Consumers (CPI_U), All items, for the Denver-Boulder-Greeley, CO as published by the Bureau of Labor Statistics of the United States Department of Labor, 1982-84 base = 100. In the event the base year is changed, the C.P.I. shall be converted to the equivalent of the base year 1982-84 = 100. In the event the Bureau of Labor Statistics ceases to publish the C.P.I., or this index, an equivalent or comparable economic index will be used.

4.3 The annual rent payable hereunder may be paid in advance in annual installments, or shall be paid in equal monthly installments on the first day of each month in advance at the office of the Airport Manager or at such other office as may be directed in writing by the Cities. Payments due to the Cities under this Agreement shall be paid without offset. In addition to any other remedies provided in this Agreement, in the event that any rental, fee or charge set forth in this Agreement is not paid to the Cities within ten days of the date due, Lessee agrees to pay a late charge of \$50.00 for each such late payment, and default interest shall accrue on such payment from the date the payment was due, at a rate of twelve percent (12%) per annum. If any action is brought to collect any amounts due under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney fees and costs incurred.

4.4 Intentionally deleted.

4.5 Lessee, shall maintain a paved aircraft ramp area on the Leased Premises (the "Ramp"). The Ramp must be designed and built to specifications, and for a minimum weight bearing capacity, established by the Cities, and to connect with adjacent taxiway, ramp and/or auto parking areas, in order that a continuous and safe pavement section results. It is the responsibility of Lessee to maintain the entire Ramp area, and all other pavement areas on the Leased Premises, in a manner, which is safe and clean of debris so as not to cause danger or unsafe conditions for taxiing aircraft and Airport users. Notwithstanding

the foregoing, the Cities shall be responsible for snow removal on the aircraft Ramp area excluding any parking and side lots and excluding any area within three feet (3') of any Hangar; provided, however, that priority of snow removal shall be in accordance with the Cities' Snow Removal Plan as it now exists or as it may be amended in the Cities' sole discretion. Lessee grants to users of the Airport the right to use aircraft Ramp areas on the Leased Premises from time to time for passage of aircraft on and near the adjacent taxiway.

4.6 Subject to the provisions of Article 10, Lessee shall keep the Leased Premises, and the Hangar, Ramp and any and all structures constructed by Lessee on the Leased Premises (collectively, the "Improvements" hereinafter), free and clear of any liens and encumbrances, except as contemplated by Article 10, or unless expressly approved in writing by the Cities, and shall indemnify, hold harmless and defend the Cities from any liens and encumbrances arising out of any work performed or materials furnished by or at the direction of Lessee. In the event any lien is filed, Lessee shall do all acts necessary to discharge any lien within ten (10) days of filing, or if Lessee desires to contest any lien, then Lessee shall deposit with the Cities such security as the Cities shall reasonably demand to insure the payment of the lien claim. In the event Lessee fails to pay any lien claim when due or fails to deposit the security with the Cities, then the Cities shall have the right to expend all sums necessary to discharge the lien claim, and Lessee shall pay the Cities, as additional rental when the next rental payment is due, all sums expended by the Cities in discharging any lien, including reasonable attorneys' fees and costs, and interest at twelve percent (12%) on the sums expended by the Cities from the date of expenditure to the date of payment by Lessee.

4.7 Lessee agrees to comply with Minimum Standards adopted by the Cities for the Airport, as they now exist or as they may hereafter be adopted or amended. Fees due under such Minimum Standards or pursuant to any License issued for commercial activities conducted in whole or part on the Leased Premises, may be collected by the Cities as additional rent under this Agreement, in addition to any other remedies available to the Cities.

ARTICLE 5: ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

5.1 Lessee acknowledges that it has inspected the Leased Premises, conducted such studies and tests thereof (including environmental tests) as it deems necessary, and accepts possession of the Leased Premises "as is" in its present condition, and, subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration, the rules and regulations of the Airport, and by ordinances of the Cities, admits its suitability and sufficiency for the uses permitted hereunder. The Cities represent to Lessee that, to their knowledge, the Leased Premises are free of any adverse environmental conditions and no part of the Leased Premises lies in a flood hazard area or constitutes a fresh water wetland, nor is any part of the Leased Premises within one hundred feet (100') feet of a fresh water wetland. Except as may otherwise be provided for herein, the Cities shall not be required to maintain nor to make any improvements, repairs or restoration upon or to the Leased Premises or to any of the improvements presently located thereon or placed thereon by Lessee.

5.2 Except as provided in Section 4.5, Lessee shall, throughout the term of this Agreement, assume the entire responsibility, cost and expense, for all repair and maintenance whatsoever on the Leased Premises and all Improvements thereon in a good workmanlike manner, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, Lessee, without limiting the generality hereof, shall:

5.2.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all Improvements thereon and all of Lessee's and/or its Unit Owners' fixtures, equipment and personal property which are located on any part of the Leased Premises. Lessee and its Unit Owners shall not park or leave, or allow to be parked, aircraft on the taxiways, ramps or pavement adjacent to any Hangar in a manner which unduly interferes with or obstructs access to other hangars or movement on adjacent taxiways.

5.2.2 Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by law.

5.2.3 Take measures to prevent erosion, including but not limited to, the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon, if any, and in particular shall plant, maintain and replant any landscaped areas.

5.2.4 Be responsible for the maintenance and repair of all utility services lines placed on the Leased Premises and used by Lessee exclusively, including, but not limited to, water lines, gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers.

5.2.5 In the event Lessee discovers any hazardous material on the Leased Premises, it will promptly notify the Cities in writing.

5.2.6 If extraordinary repairs or maintenance to the Improvements are required during the last five years of the Initial Term or any Extended Term of this Agreement, Lessee may elect not to repair and/or maintain the Improvements, by giving the Cities written notice of its election. In such case, Cities shall have the option of requiring Lessee to either (a) clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; or (b) transfer title to the Improvements to the Cities, as is. Upon Lessee's election and compliance with this section, the Cities shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

5.3 Plans and specifications for each of the Improvements and all repairs (other than emergency repairs), construction, alterations, modifications, additions or replacements to the Improvements, including those made to any paving upon the Leased Premises, excluding non-structural repairs, construction, alterations, modifications, additions or replacements costing less than ten thousand dollars (\$10,000.00) shall be submitted to the Cities for approval, which approval shall not be unreasonably denied, providing the plans and specifications comply with the provisions of this Agreement, the Airport Land Use and Design Standards, as well as all applicable building, use and zoning regulations. Submittal of the above described Plans and Specifications shall also include a site plan, drainage plan, and building plan for the initial project development. The site plan shall show the location of all Improvements on the Leased Premises, including the Hangars, pavements, utilities and location of the Hangars on the site. The drainage plan must show how drainage will be handled and be approved by the Airport Manager prior to a building permit being issued by the City of Loveland. Lessee shall reimburse the Cities for all costs incurred for providing a legal survey and legal description of the Leased Premises and for a proportional share of any costs to bring road access and utilities to the Leased Premises, should the Cities agree to do so. Prior to the commencement of any construction of the Improvements Lessee shall have the Leased Premises staked by a certified surveying company to ensure all Improvements are placed accurately on the Leased Premises. Within ninety (90) days of the certificate of occupancy being received, Lessee shall submit to the Airport Manager a full set of as-built record drawings of the Improvements, which among other things, depicts exact locations of all Improvements, including utilities, made on and/or off of the Leased Premises.

ARTICLE 6: ADDITIONAL OBLIGATIONS OF LESSEE

6.1 Lessee shall conduct its operations hereunder and cause each of its Unit Owners to conduct their operations in an orderly and proper manner, considering the nature of such operations, so as not to unreasonably annoy, disturb, endanger or be offensive to others.

6.2 Further, Lessee shall take all reasonable measures:

6.2.1 To reduce to a practicable minimum vibrations tending to damage any equipment, structure, buildings or portions of buildings.

6.2.2 Not to produce or allow to be produced on the Airport through the operation of machinery or equipment any electrical, electronic or other disturbances that interfere with the operation by the Cities or the Federal Aviation Administration of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications.

6.3 Lessee shall comply and shall include covenants in its Condominium Declaration that require Unit Owners to comply with all federal, state and municipal laws, ordinances, rules, regulations and requirements, the Airport Minimum Standards, Airport security rules and regulations, and other Airport rules and regulations, as they now exist or may hereafter be amended or promulgated, and the terms of this Agreement, applicable to the Leased Premises and the Improvements thereon and its operations and activities at the Airport hereunder.

6.4 Lessee and its Unit Owners shall commit no nuisance, waste or injury on the Leased Premises, and shall not do, or permit to be done, anything that may result in the creation, commission or maintenance of such nuisance, waste or injury on the Leased Premises.

6.5 Lessee and its Unit Owners shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.

6.6 Lessee shall take measures and shall include covenants in its Condominium Declaration that require Unit Owners to take measures to ensure security in compliance with Federal Aviation Administration Regulations and the Airport Security Plan, as they now exist or may hereafter be amended or promulgated.

6.7 Lessee and its Unit Owners shall not do, nor permit to be done, any act or thing which will invalidate or conflict with any fire insurance policies or regulations applicable to the Leased Premises or any part thereof; or other contiguous premises at the Airport.

6.8 Lessee and its Unit Owners shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food or of any vending machines or device designed to dispense or sell merchandise or services of any kind to the general public, unless all required development approvals and permits for that activity are first obtained from the Cities.

6.9 Except for uses permitted under Article 3 to be performed by Lessee, or Unit Owners or their tenants, Lessee and its Unit Owners shall not provide or allow to be provided aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises, for commercial purposes, without all required development approvals, and a License from the Cities if and as required by the Airport's Minimum Standards then in effect.

6.10 Lessee will conduct its operations, and shall include covenants in its Condominium Declaration that require each of its Unit Owners to conduct their operations, in such a manner as to keep the noise produced by aircraft engines and component parts thereof, and any other noise, to a minimum, by such methods as are practicable, considering the extent and type of the operations of Lessee and/or its Unit Owners, and the limitations of federal law. In addition, Lessee and its Unit Owners will employ the maximum amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of their operations, but in no event less than those devices required by federal, state or local law. In its use of the Leased Premises, Lessee and its Unit Owners shall take all possible care, exercise caution and use commercially reasonable efforts to minimize prop or jet blast interference and prevent jet blast damage to aircraft operating on taxiways and to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Leased Premises.

In the event the Cities determine that Lessee or any of its Unit Owners has not curbed the prop or jet blast interference and/or damage, Lessee hereby covenants and agrees to erect and maintain at its own expense or to cause the Unit Owners or Condominium Association to erect and maintain at their expense such structure or structures as may be necessary to prevent prop or jet blast interference, subject, however, to the prior written approval of the Cities as to type, manner and method of construction.

6.11 Lessee shall not store nor permit the storage of disabled aircraft or any equipment or materials outside of the Hangars constructed on the Leased Premises, without the written approval of the Cities.

6.12 On forms and at the frequency prescribed by the Airport Manager, and with respect to each aircraft stored on the Leased Premises, Lessee shall provide the Cities with the (a) make and model, (b) N-number, and (3) identity and address of the registered owner. This requirement shall apply to aircraft whether owned by Lessee or another party, and regardless of whether its storage is subject to the Minimum Standards.

ARTICLE 7: INGRESS AND EGRESS

7.1 Lessee and its Unit Owners shall have the right of ingress and egress between the Leased Premises and the public landing areas at the Airport by means of connecting taxiways; and between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. Lessee and its Unit Owners shall have the right to use the public runways and public aviation aids at all times during which they are open to the public. Such rights of ingress, egress and use shall be in common with others having rights of use and passage thereon.

7.1.1 If, at the time of entering into this Agreement, access to the Leased Premises is not available on existing taxiways and/or roadways, then such taxiways and/or roadways necessary for Lessee's use and occupancy shall be constructed at the sole expense of Lessee, in accordance with construction specifications and design criteria approved by the Cities for the uses contemplated by Lessee. The Cities shall have no obligation whatsoever for the cost of these improvements. Upon completion of construction, Lessee shall certify that the taxiways and/or roadways so constructed have been built to such specifications and criteria, and those portions of any such taxiways and/or roads located off the Leased Premises shall be conveyed and dedicated to the Cities, which shall accept them for maintenance. Upon such conveyance and dedication, Lessee shall warrant that the same shall be free of defects in materials and workmanship for a period of not less than two (2) years after the date of such conveyance and dedication. Such warranty shall be backed by a warranty bond or another form of security instrument, satisfactory to the Cities in their sole discretion, in the amount of not less than fifteen-percent (15%) of the construction cost of the improvements warranted.

7.2 The use of any such roadways or taxiways shall be subject to the Rules and Regulations of the Airport, which are now in effect or which may hereafter be promulgated, and subject to temporary closure, provided, however, that any closure shall be only for reasonably necessary or unique circumstances, and provided that fourteen (14) days prior written notice will be given to Lessee relevant to any closure, unless such closure is necessary due to emergency. Lessee, for itself and its authorized subtenants, hereby releases and discharges the Cities, the Commission, their officers, employees and agents, and all their respective successors and assigns, of and from any and all claims, demands, or causes of action which Lessee or its authorized subtenants may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, provided that other reasonable means of access to the Leased Premises remain available to Lessee without cost to Lessee, unless otherwise mandated by emergency safety considerations or lawful exercise of the police power. Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Leased Premises or in any streets or roadways on the Airport.

ARTICLE 8: INSURANCE, DAMAGE OR DESTRUCTION

8.1 Lessee, at its sole cost and expense, shall procure and maintain throughout the term of this Agreement insurance protection for all risk coverage on the Improvements which are part of the Leased Premises, to the extent of one hundred percent (100%) of the actual replacement cost thereof. Such insurance shall be written by insurers acceptable to Cities. The insurance shall provide for ten (10) days' notice of cancellation or material change, certified mail, return receipt requested, to the Cities, Attention: Airport Manager.

8.1.1 The above stated property insurance shall be for the benefit and to safeguard the interests of the Cities and Lessee.

8.1.2 Lessee shall settle all losses with the insurance carrier. Lessee shall consult with the Cities and use its best efforts to obtain a settlement that covers the cost of repairing or rebuilding the Improvements.

8.1.3 Lessee shall provide certificates of insurance, in a form acceptable to the Cities and marked "premium paid" evidencing existence of all insurance required to be maintained prior to occupancy of the Improvements. Upon the failure of Lessee to maintain such insurance as above provided, the Cities, at their option, may take out such insurance and charge the cost thereof to Lessee, which shall be payable on demand, or may give notice of default pursuant to Article 18.

8.2 In the event the Improvements and any subsequent improvements, insurable or uninsurable, on the Leased Premises are damaged or destroyed to the extent that they are unusable by Lessee for the purposes for which they were used prior to such damage, or same are destroyed, Lessee shall promptly repair and reconstruct the Improvements substantially as they were immediately prior to such casualty or in a new or modified design, subject to the provisions of Article 5 hereof and applicable building codes and the Airport Land Use and Design Standards, existing at the time of repairing or rebuilding. If the aforesaid damage or destruction occurs in the last five years of the Initial term or any option term of this Agreement, Lessee may elect not to repair and reconstruct the Improvements, subject to the following terms and conditions:

8.2.1 Lessee shall give the Cities written notice of its election not to repair and reconstruct the Improvements within ninety (90) days of the date upon which the Improvements were damaged or destroyed. In such case, the Cities shall have the option of either:

8.2.1.1 Requiring Lessee to clear the site, remove all debris and paving, stub up all utilities, and restore the site to its original cleared condition prior to commencement of construction; in which case Lessee shall retain all insurance proceeds above those necessary to fund such site restoration; or

8.2.1.2 Taking title to the damaged Improvements, as is, in which case Lessee shall assign to and the Cities shall retain all insurance coverage and proceeds.

8.2.3 Upon Lessee's notice under Section 8.2.1 hereof and Lessee's compliance with the provisions of Sections 8.2.1.1 or 8.2.1.2 hereof, the Cities shall terminate this Agreement and relieve Lessee of all future rental obligations hereunder.

8.3 All policies of insurance required herein shall name the Cities as additional insureds.

8.4 Whenever in this Agreement, provision is made for the carrying of any insurance, it shall be deemed that such provision is complied with if such insurance otherwise complying with such provision is carried under a blanket policy or policies covering the Leased Premises as well as other properties.

8.5 Lessee shall not violate, nor permit to be violated, any of the conditions of any of the said policies; and shall perform and satisfy, or cause to be satisfied, the requirements of the companies writing such policies.

ARTICLE 9: LIABILITIES AND INDEMNITIES

9.1 The Cities and the Commission shall not in any way be liable for any cost, liability, damage or injury including cost of suit and expenses of legal services, claimed or recovered by any person whomsoever, or occurring on the Leased Premises, or the Airport, or as a result of any operations, works, acts or omissions performed on the Leased Premises, or the Airport, by Lessee, its agents, servants, employees or authorized tenants, or their guests or invitees. Lessee, and each of its Unit Owners, shall not in any way be liable for any cost, liability, damage or injury including cost of suit and expenses of legal services, claimed or recovered by any person whomsoever, or occurring on the Leased Premises, or the Airport, or as a result of any operations, works, acts, or commission performed on the Leased Premises, or the Airport, solely by the Cities and the Commission, their agents, servants, employees or authorized tenants, or their guests or invitees.

9.2 Lessee and its Unit Owners agree to indemnify, save and hold harmless, the Cities and the Commission, their officers, agents, servants and employees, of and from any and all costs, liability, damage and expense, including costs of suit and reasonable expenses of legal services, claimed or recovered, justly or unjustly, falsely, fraudulently or frivolously, by any person, firm or corporation by reason of injury to, or death of, any person or persons, including Cities' personnel, and damage to, destruction or loss of use of any property, including Cities' property, directly or indirectly arising from, or resulting from, any operations, works, acts or omissions of Lessee, its agents, servants, employees, contractors, or authorized tenants. Upon the filing with the Cities by anyone of a claim for damages arising out of incidents for which Lessee herein agrees to indemnify and hold the Cities harmless, the Cities shall notify Lessee of such claim and in the event that Lessee does not settle or compromise such claim, then Lessee shall undertake the legal defense of such claim on behalf of Lessee and the Cities. It is specifically agreed, however, that the Cities at their own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against the Cities for any cause for which Lessee is liable shall be conclusive against Lessee as to liability and amount upon the expiration of the time for appeal.

9.3 Lessee shall procure and keep in force during the term of the Lease policies of Comprehensive General Liability insurance insuring Lessee and the Cities against any liability for personal injury, bodily injury, death, or property damage arising out of the subject of this Agreement with a combined single limit of at least one million dollars or with a limit of not less than the maximum amount that may be recovered against the Cities under the Colorado Governmental Immunity Act, whichever is greater. No such policies shall be cancelable or subject to reduction in coverage limits or other modification except after ten (10) days prior written notice to the Cities. The policies shall be for the mutual and joint benefit and protection of Lessee and the Cities and such policies shall contain a provision that the Cities, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents, citizens, and employees by reason of negligence of Lessee. Lessee shall provide certificates of insurance, in a form acceptable to the Cities and marked "premium paid" evidencing existence of all insurance required to be maintained prior to the commencement of the Agreement.

9.4 Lessee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in any way connected with this Agreement. Lessee agrees to save and hold the Cities, their officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of Lessee under or in any way connected with this Agreement.

ARTICLE 10: LEASEHOLD MORTGAGES

10.1 If Lessee shall execute a Leasehold Mortgage of its leasehold estate, or if a Unit Owner shall grant a similar interest, to an entity which is not directly or indirectly owned or controlled by, or is not under common ownership or control with Lessee or Unit owner, as the case may be, (collectively, an "Unaffiliated Entity"), and if the holder of such Leasehold Mortgage shall provide the Cities through the Commission or Airport Manager with notice in the manner described in Article 13 with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee, then following receipt of such notice by the Cities, the provisions of this Article 10 shall apply in respect to such Leasehold Mortgage.

10.2 The term "Leasehold Mortgage" as used in this Agreement shall include, but not be limited to, a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee's leasehold estate is mortgaged, conveyed, assigned, or otherwise transferred, to secure a debt or other obligation, in connection with the construction contemplated by Sections 4.4 through 4.5, above.

10.3 The Cities, upon providing Lessee any notice of default under this Agreement or termination of this Agreement, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address specified in the notice given pursuant to Section 10.1, above. Such Leasehold Mortgagee shall have the additional periods of time specified in Section 10.4 hereof to remedy, commence remedying, or cause to be remedied the default or acts or omissions which are specified in any such notice. The Cities shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee.

10.4 Anything contained in this Agreement to the contrary notwithstanding, if any default shall occur which entitles the Cities to terminate this Agreement, the Cities shall have no right to terminate this Agreement unless, following the expiration of the period of time given Lessee to cure such default or the act or omission which gave rise to such default, the Leasehold Mortgagee is given an additional period of thirty (30) days to:

10.4.1 Notify the Cities of such Leasehold Mortgagee's desire to defeat such Termination Notice; and

10.4.2 Pay or cause to be paid all rent, additional rent, and other payments then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and which may become due during such thirty (30) day period; and

10.4.3 Comply with due diligence and continuity, or in good faith commence to and with diligence continue to pursue compliance with all non-monetary requirements of this Agreement then in default.

10.5 The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Agreement or of the leasehold estate hereby created, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions of this Agreement. Any Leasehold Mortgagee who takes an instrument of assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the leasehold estate. If the Leasehold Mortgagee or its designee shall become holder of the leasehold estate and if the Hangar and Improvements on the Leased Premises shall have been or become materially damaged on, before or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace or reconstruct the building or other improvements.

ARTICLE 11: RULES AND REGULATIONS

Lessee acknowledges that the Cities have proposed or adopted rules and regulations with respect to the occupancy and use of the Airport, and such rules and regulations may be amended, supplemented or re-enacted from time to time by the Cities provided that such rules and regulations apply generally to all similar occupants and users on the Airport. Lessee and its Unit Owners agree to observe and obey any and all such rules and regulations and all other federal, state and municipal rules, regulations and laws and to require its officers, agents, employees, subtenants, contractors, and suppliers, to observe and obey the same. In the event of a conflict between the provisions of Airport Rules and Regulations and this Agreement, the more stringent provisions shall control. This provision will include compliance with the Airport's Noise Abatement Plan as it now exists and as it may hereafter be amended or supplemented. The Cities reserve the right to deny access to the Airport and its facilities to any person, firm or corporation that fails or refuses to obey and comply with such rules, regulations or laws. Nothing in this Article 11 shall be construed to limit the rights of Lessee to file any action challenging the lawfulness of any such amendment, supplement or reenactment of any such rule or regulations, or to challenge the application of the same to Lessee.

ARTICLE 12: SIGNS

Lessee shall have the right to install and maintain one or more signs on the Leased Premises identifying it and its operations, provided, however, the subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to and in accordance with the City of Loveland Sign Code, and Airport Land Use and Design Standards. No sign will be allowed that may be confusing to aircraft pilots or automobile drivers or other traffic.

ARTICLE 13: ASSIGNMENT AND SUBLEASE

The prior written consent of the Cities shall be required for any sale, transfer, assignment or sublease of this Agreement and of the leasehold estate hereby created. Consent may be withheld by the Cities in the event (a) Lessee is in default of any of the terms or conditions of this Agreement, (b) the transferee or assignee does not deliver to the Cities its written agreement to be bound by all of the provisions of this Agreement in a form satisfactory to the Cities, or (c) the transferee or assignee does not submit proof of insurance as required in Articles 8 and 9 herein, or (d) the transferee or assignee does not qualify as a successor to Lessee under the Condominium Declaration recorded pursuant to Article 31. Consent shall not otherwise be unreasonably withheld. Upon the granting of written consent by the Cities and actual transfer or assignment, Lessee shall be released by the Cities from its obligations under this Agreement. Other than in the manner set forth in Article 31 below, Lessee shall not subdivide or fractionalize either its ownership of the Improvements or leasehold interest in the Leased Premises.

13.2 Lessee shall have the right and obligation to construct and sell hangar condominiums on the Leased Premises in accordance with applicable law, without the prior consent of the Cities. By way of clarification, and not by limitation, the restrictions on sale, assignment or subleasing contained in this Article 13 shall not apply to the first transfer or conveyance by Lessee of an individual Condominium Unit to another Owner. The Condominium Declaration to be recorded by Lessee shall, among other terms, conditions and restriction, require all Unit Owners to comply with all terms and conditions of this Agreement. Lessee, the Condominium Association and any Unit Owner shall be jointly and severally responsible for compliance with the terms and conditions of this Agreement; provided, that, notwithstanding the foregoing, or any other provision of this Agreement to the contrary (including by way of example and not in limitation, the provisions of Articles 9, 18 and 21), the person first above identified as Lessee ("Initial Lessee") shall not be responsible for noncompliance of any Unit Owner other than Initial Lessee or for compliance obligations of the Condominium Association, and Initial Lessee's obligations under this Agreement shall terminate at such time that Initial Lessee (i) assigns this Agreement to the

Condominium Association, or (ii) holds no ownership interest in any Condominium Unit, whichever event first occurs (“Initial Lessee Termination”) and all obligations of Lessee under this Agreement shall thereupon be the responsibility of the Condominium Association and the Unit Owners, as applicable in the context of this Agreement. Following Initial Lessee Termination, except as the context otherwise indicates, the Condominium Association shall exercise the rights and fulfill the responsibilities of Lessee hereunder as Lessee and as agent and attorney-in-fact of the Unit Owners. Upon the lease of any Condominium Unit, the Unit Owner shall provide Cities with notification of the lease and otherwise comply with Article 4, above. Upon the sale, resale or lease of any Condominium Unit, Initial Lessee if the one conveying or leasing, and if not then the Condominium Association, shall promptly provide the Cities with the name, address and other contact information for the Unit Owner, and a description of the aircraft to be regularly stored in such hangar.

13.3 Lessee shall not have the right to subdivide or fractionalize either its ownership of the Improvements or its interest in the Leased Premises, except in accordance with the Condominium Map recorded pursuant to the Act, previously approved by the Cities, and filed with a Condominium Declaration recorded pursuant to the Act and Article 31.

ARTICLE 14: CONDEMNATION

14.1 In the event that all or any portion of the Leased Premises is taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of appropriation, condemnation or eminent domain (or pursuant to a sale to such power or authority under the threat of condemnation or eminent domain), all rents payable with respect to that portion of the Leased Premises taken shall no longer be payable, and the proceeds, if any, from such taking or sale shall be allocated between the Cities, Lessee, and any affected Unit Owners in accordance with the applicable condemnation law, with Lessee and any affected Unit Owner being entitled to compensation for the fair market value of the leasehold interest, Improvements and personal property taken. If a portion of the Leased Premises is so taken or sold, and as a result thereof, the remaining part cannot reasonably be used to continue the authorized uses set forth in Article 3, then this Agreement shall terminate at Lessee’s election, and Lessee’s obligation to pay rent and perform the other conditions of the lease shall be deemed to have ceased as of the date of such taking or sale.

14.2 The Cities expressly reserve the right to grant or take easements on rights-of-way across the Leased Premises if it is determined to be in the best interest of the Cities to do so. If the Cities grant or take an easement or right-of-way across any of the Leased Premises, Lessee shall be entitled only to compensation for damages to all Improvements owned by Lessee or its Unit Owners destroyed or physically damaged thereby, but not to damages for loss of use of the Leased Premises itself. Damages to improvements shall be determined by the reduction in fair market value of the Improvements caused by said damage or cost of repair, whichever is less.

14.3 Lessee understands and agrees that the Cities have the right to take all or any portion of the Leased Premises, and any additions, alterations or improvements thereon, should the Cities, in their sole discretion, determine that said portion of the Leased Premises, and improvements thereon, are required for other Airport purposes, without initiating condemnation proceedings. If such action is taken, the Cities shall substitute comparable areas within the Airport, or any additions or extensions thereof, brought to the same level of improvement as the area taken. The Cities shall bear all expenses of bringing the substituted area to the same level of improvement to the area taken, and of moving Lessee’s improvements, equipment, furniture and fixtures to the substituted area. If any of Lessee’s improvements, equipment, furniture or fixtures cannot be relocated, the Cities shall replace, at their own expense, such non-relocatable improvements and other property with comparable property in the substituted area, and the Cities shall be deemed the owner of the non-relocated improvements and other property, free and clear of all claims of any interest or title therein by Lessee, any mortgagee, or any other third party whomsoever. It is the specific intent of this subparagraph that Lessee would be placed, to the extent possible, in the same position it would have been, had the Cities not substituted new premises for the Leased Premises; provided however, that the

Cities shall not be obligated to reimburse Lessee for lost revenues or other costs due to such substitution. In the event that such substitution of area is demanded by the Cities, Lessee shall have the right and option to terminate this Agreement, prior to the Cities commencing the substitution, upon thirty (30) days prior written notice to Cities, in which event the Cities shall pay Lessee the fair market value of all Improvements constructed on the Leased Premises pursuant to approval of the Cities. Nothing in this subparagraph shall be construed to limit the Cities' rights to condemn Lessee's leasehold rights and interests in the Leased Premises pursuant to state law.

ARTICLE 15: NON-DISCRIMINATION

15.1 Lessee, for itself, its Unit Owners, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises, for a purpose for which a United States government program or activity is extended, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

15.2 Lessee, for itself, its Unit Owners and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

15.2.1 No person on the grounds of race, color, national origin, creed, religion, sex, disability, or age and without regard to the exercise of rights guaranteed by state or federal law shall be excluded from participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;

15.2.2 That in the construction of any Improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, national origin, creed, religion, sex, disability or age shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

15.2.3 That Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in federally-assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

15.3 In this connection, the Cities reserve the right to take whatever action they might be entitled by law to take in order to enforce this provision following the sixty (60) days prior written notice to Lessee, the Condominium Association and/or Unit Owner, as the case may be, of any alleged violation. This provision is to be considered as a covenant on the part of Lessee, a breach of which, continuing after notice by the Cities to cease and desist and after a determination that a violation exists made in accordance with the procedures and appeals provided by law, will constitute a material breach of this Agreement and will entitle the Cities, at their option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce.

15.4 Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility at the Leased Premises providing service to the public and shall include a provision granting the Cities a right to take such action as the United States may direct to enforce such covenant.

15.5 To the extent legally required and applicable, Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to ensure that no person shall on

the grounds of race, creed, color, national origin, disability or sex, be excluded from participation in any employment activities covered in 14 CFR Part 152 Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered sub organizations provide assurances to Lessee that they similarly will undertake affirmative action program and that they will require assurances from their sub organizations, to the extent required by 14 CFR Part 152, Subpart E, to the same effect.

ARTICLE 16: GOVERNMENTAL REQUIREMENTS

16.1 Lessee and its Unit Owners shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over Lessee's operations at the Leased Premises which may be necessary for Lessee's and/or Unit Owner's operations on the Airport.

16.2 Lessee shall pay all taxes, license, certification, permits and examination fees and excise taxes which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder or on the gross receipts or gross income to Lessee there from, and shall make all applications, reports and returns required in connection therewith.

16.3 Lessee shall pay all water, sewer, utility and other applicable use taxes and fees, arising from its occupancy and use of the Leased Premises and/or the Improvements.

ARTICLE 17: RIGHTS OF ENTRY RESERVED

17.1 The Cities, by their officers, employees, agents, representatives and contractors, shall have the right at all reasonable times to enter upon the Leased Premises and enter the Improvements for any and all purposes not inconsistent with this Agreement, including, without limitation, inspection and environmental testing, provided such action by the Cities, their officers, employees, agents, representatives and contractors does not unreasonably interfere with Lessee's and/or Unit Owner's use, occupancy or security requirements of the Leased Premises. Except when necessary for reasons of public safety or law enforcement, or for the protection of property, as determined by Cities, Cities shall provide seventy-two (72) hours written notice of its intent to inspect.

17.2 Without limiting the generality of the foregoing, the Cities, by their officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at their own cost and expense, whether for their own benefit, or for the benefit of others than Lessee at the Airport, to maintain existing and future Airport mechanical, electrical and other utility systems and to enter upon the easements in the Leased Premises to make such repairs, replacements or alterations thereto, as may, in the opinion of the Cities, be deemed necessary or advisable, and from time to time to construct or install over, in or under existing easements within the Leased Premises such systems or parts thereof and in connection with such maintenance use the Leased Premises existing easements for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that in the exercise of such rights of access, repair, alteration or new construction, the Cities shall not install a utility under or through any building on the Leased Premises or unreasonably interfere with the actual use and occupancy of the Leased Premises by Lessee, all such utilities to be placed within existing easements, except as provided in Article 14. It is specifically understood and agreed that the reservation of the aforesaid right by the Cities shall not impose or be construed to impose upon the Cities any obligation to repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services only to the Leased Premises; provided, however, that if they repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services to others, the Cities will restore the Leased Premises to their preexisting condition in a timely manner. Lessee will provide for the installation, maintenance and repair, at its own expense, of all service lines of utilities providing services only to the Leased Premises. Cities will repair, replace and maintain all other utility lines, at Cities' expense.

17.3 In the event that any personal property of Lessee or any Unit Owner shall obstruct the access of the Cities, their officers, employees, agents or contractors, or the utility company furnishing utility service over, along and across the existing easements to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system pursuant to Section 17.2, Lessee shall move such property, as directed by the Cities or said utility company, upon reasonable notice by the Cities, in order that access may be had to the system or part thereof for inspection, maintenance or repair. If Lessee or any Unit Owner shall fail to so move such property after direction from the Cities or said utility company to do so, the Cities or the utility company may move it, and Lessee, on behalf of itself and its Unit Owners hereby waives any claim against the Cities for damages as a result there from, except for claims for damages arising from the Cities' negligence.

ARTICLE 18: TERMINATION

18.1 In the event of a default on the part of Lessee in the payment of rents, the Cities shall give written notice to Lessee, each Unit Owner of which it has been given notice under Section 13.2, above, and each holder of a Leasehold Mortgage, if any, of which it has been give notice under Section 10.1, of such default, and demand the cancellation of this Agreement, or the correction thereof. If, within sixty (60) days after the date the Cities give such notice, Lessee has not corrected said default and paid the delinquent amount in full, then subject to Article 10 above, the Cities may by written notice to Lessee, and each such Unit Owner and holder of a Leasehold Mortgage, terminate this Agreement.

18.2 Subject to the provisions of Section 18.1 above, this Agreement, together with all rights and privileges granted in and to the Leased Premises, shall terminate at the option of the Cities with prompt written notice to Lessee and each such Unit Owner and holder of a Leasehold Mortgage upon the happening of any one or more of the following events:

18.2.1 The filing by Lessee of a voluntary petition in bankruptcy, or any assignment for benefit of creditors of all or any part of Lessee's assets; or

18.2.2 Any institution of proceedings in bankruptcy against Lessee; provided, however, that Lessee may defeat such termination if the petition is dismissed within one hundred twenty (120) days after the institution thereof; or

18.2.3 The filing of a petition requesting a court to take jurisdiction of Lessee or its assets under the provision of any Federal reorganization act which, if it is an involuntary petition is not dismissed within one hundred twenty (120) days after its being filed; or

18.2.4 The filing of a request for the appointment of a receiver or trustee of all, or substantially all, of Lessee's assets by a court of competent jurisdiction, which if the request if not made by Lessee is not rejected within one hundred twenty (120) days after being made, or the request for the appointment of a receiver or trustee of all, or substantially all, of Lessee's assets by a voluntary agreement with Lessee's creditors.

18.3 Upon the default by Lessee in the performance of any covenant or condition required to be performed by Lessee and/or its Unit Owners, other than the payment of rent, and the failure of Lessee, and each such Unit Owner or holder of a Leasehold Mortgage to remedy such default for a period of sixty (60) days after mailing by the Cities of written notice to remedy the same, unless more extensive notice is otherwise provided for in this Agreement, the Cities may, by written notice of cancellation to Lessee, and each such Unit Owner and holder of a Leasehold Mortgage, terminate this Agreement and all rights and privileges granted hereby in and to the Leased Premises.

18.4 Upon the default by Lessee, and the giving of notice of the default and cancellation by the Cities as provided for elsewhere herein, the notice of cancellation shall become final.

18.5 Subject to the provisions of Section 18.1, upon the cancellation or termination of this Agreement for any reason, all rights of Lessee, its Unit Owners, authorized tenants and any other person in possession shall terminate, including all rights or alleged rights of creditors, trustees, assigns, and all others similarly so situated as to the Leased Premises. Except as may be expressly provided to the contrary elsewhere herein, upon said cancellation or termination of this Agreement for any reason, the Leased Premises and all Improvements located thereon, except for Lessee's equipment, fixtures and other personal property which may be removed from said Leased Premises without damage thereto as provided elsewhere herein, shall be and become the property of the Cities, free and clear of all encumbrances and all claims of Lessee, its subtenants, creditors, trustees, assigns and all others, and the Cities shall have immediate right of possession of the Leased Premises and such Improvements. Termination of this Agreement as to any Unit Owner shall not act as a merger of this Agreement, into the Cities' ownership of the applicable Condominium Unit.

18.6 Failure by the Cities or Lessee to take any authorized action upon default by Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by Lessee shall not be construed to be, nor act as, a waiver of said default nor of any subsequent default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by Lessee. Acceptance of rentals by the Cities from Lessee, or performance by the Cities under the terms hereof, for any period or periods after a default by Lessee of any of the terms, covenants and conditions herein required to be performed, kept and observed by Lessee shall not be deemed a waiver or estoppel of any right on the part of the Cities to cancel this Agreement for any subsequent failure by Lessee to so perform, keep or observe any of said terms, covenants or conditions.

18.7 This Lease will terminate at the option of Lessee:

18.7.1 Upon the permanent closure of the Airport, the term "permanent closure" to mean for the purposes of this Agreement, the closure of the airport for ninety (90) or more consecutive days;

18.7.2 The loss of the ability of Lessee due to no significant fault of Lessee to fly in or out of the Airport for reasons other than inclement weather, casualty or disaster, for a period of ninety (90) consecutive days; and

18.7.3 The default by Cities in the performance of any covenant or condition required to be performed by the Cities, and the failure of the Cities to remedy such default for a period of sixty (60) days after receipt from Lessee of written notice to remedy the same, or default in the timely payment of any money due Lessee and failure to cure such default within sixty (60) days after notice to the Cities. Notice of exercise of the option to terminate by Lessee shall be given in the manner specified in Article 23 (Notices). In the event of Termination pursuant to this subsection 18.7.3, Lessee (or its Unit Owners) shall be entitled to compensation from the Cities for the fair market value of the Improvements.

18.8 If Lessee ceases to conduct its authorized Aeronautical Activities on the Leased Premises for a period of twelve (12) consecutive months, the Cities may terminate this Agreement by written notice to Lessee given at any time while such cessation continues, unless Lessee resumes such activities within sixty (60) days following receipt of written notice from the Cities of such intent to terminate this Agreement.

18.9 If Lessee fails to obtain any required permit or other governmental approval for the use of the Leased Premises pursuant to Section 3.1, within eighteen (18) months of the commencement date set forth in Section 1.1, or if Lessee fails to maintain any such permits or approvals during the term of this Agreement, this Agreement shall terminate, unless cured by Lessee within sixty (60) days following receipt of written notice from the Cities specifying the nature of such failure. Upon termination of this Agreement pursuant to this Section 18.9, and upon vacating the Leased Premises, Lessee shall not be required to pay

additional rents, but no refund shall be due to Lessee of payments made by Lessee pursuant to this Agreement.

18.10 Upon termination of this Agreement prior to the expiration of the Initial Term or the Extended Term, if any, the Cities may, but are not required to, relet the Leased Premises, or any part thereof, for the whole or any part of the remainder of such Initial Term or Extended Term, or for a longer period of time. Subject to Section 21.3, any rents received by the Cities as a result of such reletting shall remain the property of the Cities and shall not be credited to or otherwise become the property of Lessee.

ARTICLE 19: SURRENDER AND RIGHT OF RE-ENTRY

19.1 Subject to Section 8.2 above, upon the expiration, cancellation or termination of this Agreement pursuant to any terms hereof, Lessee agrees peaceably to surrender up the Leased Premises to the Cities in the condition required by Article 29, below. Upon such expiration, cancellation or termination, the Cities may re-enter and repossess the Leased Premises together with all Improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at the Cities' election.

19.2 In the event that Lessee remains in possession of the Leased Premises after the expiration, cancellation or termination of this Lease without written agreement with respect thereto, then Lessee shall be deemed to be occupying the Leased Premises as a tenant at-will, subject to all of the conditions, provisions and obligations of this Lease, but without any rights to extend the term of this Lease. The Cities' acceptance of rent from Lessee in such event shall not alter the status of Lessee as a tenant at will whose occupancy of the Leased Premises may be terminated by Cities at any time upon ten (10) days prior written notice.

ARTICLE 20: SERVICES TO LESSEE

20.1 The Cities covenant and agree that during the term of this Agreement, and subject to Airport priorities then in effect, they will use reasonable efforts to (a) operate the Airport as such for the use and benefit of the public; provided, however, that the Cities may prohibit or limit any given type, kind or class of aeronautical use of the Airport if such action is necessary for the safe and/or efficient operation of the Airport or necessary to serve the civil aviation needs of the public, (b) maintain the runways and taxiways in good repair, including the removal of snow, and (c) keep in good repair hard-surfaced public roads for access to the Leased Premises and remove snow there from.

20.1.1 Said obligations of the Cities relevant to the maintenance of public roads and taxiways shall extend to the point where in such roads, streets and taxiways reach the property line of the Leased Premises, or the Ramp area constructed by Lessee under Section 4.5.

20.1.2 Said obligations of the Cities relevant to the snow removal from public roads and taxiways shall extend to the point where in such roads, streets and taxiways reach the property line of the Leased Premises, and shall additionally include the Ramp area constructed by Lessee under Section 4.5 subject to the snow removal limitations set forth under Article 4.5.

20.2 Except in cases of emergency, in which case no notice shall be required, Cities will endeavor to give not less than fourteen (14) days' prior written notice to Lessee of any anticipated temporary Airport closure, for maintenance, expansion or otherwise. Notwithstanding the above, the Cities shall not be deemed to be in breach of any provision of this Article 20 in the event of a permanent closure of the Airport. Provided, however, that if such permanent closure is in connection with the construction of a new airport by the Cities, Lessee shall have the option to enter into a substitute hangar ground lease agreement with the Cities, for the use of a portion of such new airport not smaller than the Leased Premises, under financial terms which are no less favorable than those set forth herein.

ARTICLE 21: SURVIVAL OF THE OBLIGATIONS OF LESSEE

21.1 In the event that the Agreement shall have been terminated due to default by Lessee in accordance with notice of termination as provided in Article 18, all of the obligations of Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the Cities to the same extent, at the same time or times, and in the same manner as if no termination, re-entry, regaining or resumption of possession had taken place. The Cities may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term of this Agreement.

21.2 The amount of damages for the period of time subsequent to termination (or re-entry, regaining or resumption of possession) on account of Lessee's rental obligations shall be the sum of the following:

21.2.1 The amount of the total of all installments of rents, less the installments thereof payable prior to the effective date of termination; and

21.2.2 An amount equal to all expenses incurred by the Cities and not reimbursed in connection with regaining possession, restoring the Leased Premises required by Article 19, above, acquiring a new lease for the Leased Premises, legal expenses (including, but not limited to, attorneys' fees) and putting the Leased Premises in order.

21.3 There shall be credited to the account of Lessee against its survived obligations hereunder, the amount actually received from any lessee, licensee, permittee, or other occupier in connection with the use of the said Leased Premises or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement, and the market value of the occupancy of such portion of the Leased Premises as the Cities may themselves during such period actually use and occupy. No such use and occupancy shall be, or be construed to be, an acceptance of a surrender of the Leased Premises, nor shall such use and occupancy constitute a waiver of any rights of the Cities. The Cities will use their best efforts to minimize damages to Lessee under this Article.

21.4 The provisions of this Article 21 shall not be applicable to termination of this Agreement pursuant to Section 3.1.2 or Section 4.4, or if expressly provided to the contrary elsewhere in this Agreement.

ARTICLE 22: USE SUBSEQUENT TO CANCELLATION OR TERMINATION

The Cities shall, upon termination or cancellation, or upon re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Leased Premises, including changes which alter its character and the suitability thereof for the purposes of Lessee under this Agreement, without affecting, altering or diminishing the obligations of Lessee hereunder, provided that any structural changes shall not be at Lessee's expense.

ARTICLE 23: NOTICES

23.1 Any notice, consent, approval or other communication given by either party to the other relating to this Agreement shall be in writing, and shall be delivered in person, sent by U.S. mail postage prepaid, sent by reputable overnight courier, or sent by electronic means (with evidence of such transmission received) to such other party at the respective addresses set forth below (or at such other address as may be designated from time to time by written notice given in the manner provided herein). Such notice shall, if hand delivered or personally served, be effective immediately upon receipt. If sent by

US mail postage prepaid, such notice shall be deemed given on the third business day following deposit in the United States mail, postage prepaid and properly addressed; if delivered by overnight courier, notice shall be deemed effective on the first business day following deposit with such courier; and if delivered by electronic means, notice shall be deemed effective when received.

23.2 The notice addresses of the parties are as follows:

To the Cities: Northern Colorado Regional Airport Commission
Attn: Airport Manager
4900 Earhart Drive
Loveland, CO 80538
Facsimile: (970) 962-2855
Email address: airport@cityofloveland.org

With a copy to:

Loveland City Attorney's Office
500 E. Third Street
Loveland, CO 80537

and

To Lessee: Gamebird Flyers Condominium Association
Attn: Loren Johnson
6165 Clearwater Dr
Loveland, CO 80538
Email Address:

ARTICLE 24: INVALID PROVISIONS

The invalidity of any provisions, articles, paragraphs, portions or clauses of this Agreement shall have no effect upon the validity of any other part or portion hereof, so long as the remainder shall constitute an enforceable agreement. Furthermore, in lieu of such invalid provisions, articles, paragraphs, portions or clauses, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such invalid provision as may be possible and be legal, valid and enforceable.

ARTICLE 25: MISCELLANEOUS PROVISIONS

25.1 Remedies to be Non-exclusive. All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to the Cities, or Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy provided that the Cities' remedies in the event of default shall not exceed those set forth in this Agreement.

25.2 Non-liability of Individuals. No director, officer, agent or employee of the Cities shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same. Except to the extent expressly provided for herein, no officer, director, shareholder, manager, member, agent or employee of Lessee or of any Unit Owner shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of his or their execution or attempted execution of the same.

25.3 Estoppel Certificate. At the request of Lessee in connection with an assignment of its interest in this Agreement, the Cities shall execute and deliver a written statement identifying them as the Lessors under this Agreement and certifying:

25.3.1 The documents that then comprise this Agreement,

25.3.2 That this Agreement is in full force and effect,

25.3.3 The then current annual amount of rent and the date through which it has been paid,

25.3.4 The expiration date of this Agreement,

25.3.5 That no amounts are then owed by Lessee to the Cities (or, if amounts are owed, specifying the same)

25.3.6 To the knowledge of the Cities, there are not defaults by Lessee under this Agreement or any facts which but for the passage of time, the giving of notice or both would constitute such a default, and

25.3.7 Remaining rights to renew the term of this lease to the extent not theretofore exercised.

The party acquiring Lessee's interest in the Agreement shall be entitled to rely conclusively upon such written statement.

25.4 Recording of Lease. This Agreement shall be recorded by the Cities, and the costs of such recordation, and any closing costs associated with this Agreement, its execution and recordation, shall be billed to and paid by Lessee as additional rent.

25.5 General Provisions.

25.5.1 This Agreement and shall be construed in accordance with the laws of the State of Colorado, venue shall be in Larimer County, Colorado.

25.5.2 This Agreement is made for the sole and exclusive benefit of the Cities and Lessee, their successors and assigns, and is not made for the benefit of any third party.

25.5.3 In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

25.5.4 All covenants, stipulations and agreements in this Agreement shall extend to and bind each party hereto, its legal representatives, successors and assigns.

25.5.5 The titles of the several articles of this Agreement are for inserted herein for convenience only, and are not intended and shall not be construed to affect in any manner the terms and provisions hereof, or the interpretation or construction thereof.

25.5.6 Nothing herein contained shall create or be construed to create, a partnership, joint venture, agency or any other relationship between the Cities and Lessee, other than that of landlord and tenant. The Cities and Lessee each expressly disclaim the existence of any such other relationship between them.

25.5.7 Cities have and may allow certain portions of the Airport to be used by other tenants at any time and Lessee shall not interfere in any manner with said other tenants or with the

facilities granted to such tenants. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended, and the Cities reserve the right to grant to others the privilege and right of conducting any one or all of the activities specified herein, or any other activities of an aeronautical nature.

25.5.8 In the event any action or proceeding is brought to recover payments due under this Agreement or take possession of the Leased Premises and/or the improvements thereon, or to enforce compliance with this Agreement for failure to observe any of its covenants, the prevailing party shall be awarded reasonable attorneys' fees and costs as set by the court.

25.5.9 The time within which either party hereto shall be required to perform any act under this Agreement, other than the payment of money, shall be extended by a period equal to the number of days during which performance of such act is delayed unavoidably by strikes, lockouts, acts of God, governmental restrictions, failure or inability to secure materials or labor by reason of or similar regulation or order of any governmental or regulatory body, war, enemy action, acts of terrorism, civil disturbance, fire, unavoidable casualties, or any similar occurrence.

25.6 Availability of Government Facilities. In the event the existence, maintenance or operation of air navigation aids or other facilities supplied or operated by the United States or the State of Colorado at or in conjunction with the Airport are discontinued, the Cities shall have no obligation to furnish such facilities.

25.7 The Cities designate the Commission and the Airport Manager as its representatives who shall make, within the scope of their authority, all necessary and proper decisions with reference to the Lease.

25.8 The parties further acknowledge and agree that this Lease Agreement replaces and supersedes the prior lease agreements for the Leased Premises approved by the Cities on May 18, 2017 with Loren and Heidi Johnson (originally KFNL Hangars, LLC) and CO Fire Aviation Leasing (originally KFNL Hangars, LLC).

ARTICLE 26: SUBORDINATION CLAUSES

26.1 This Agreement is subject and subordinate to the following:

26.1.1 The Cities reserve the right to develop and improve the Airport as they see fit, regardless of the desires or view of Lessee, and without interference or hindrance by or on behalf of Lessee, provided Lessee is not deprived of the use or access to the Leased Premises or any of Lessee's rights under this Agreement and unless said activities by the Cities shall result in the loss of convenient access to the Leased Premises by motor vehicles and/or aircraft owned or operated by Lessee or Lessee's assigns, subtenants, renters, agents, employees or invitees.

26.1.2 The Cities reserve the right to take any action they consider necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure on the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

26.1.3 This Agreement is and shall be subordinate to the provision of existing and future agreements between the Cities and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of federal funds for the benefit of the Airport.

26.1.4 During the time of war or national emergency, the Cities shall have the right to lease all or any part of the landing area or of the airport to the United States for military use, and if any such lease is executed, the provisions of this Agreement insofar as they may be inconsistent

with the provisions of such lease to the government, shall be suspended, but such suspension shall not extend the term of this Agreement. Abatement of rentals shall be reasonably determined by the Cities and Lessee in proportion to the degree of interference with Lessee's use of the Leased Premises.

26.1.5 Except to the extent required for the performance of any obligations of Lessee hereunder, nothing contained in this Agreement shall grant to Lessee any rights whatsoever in the airspace above the Leased Premises other than those reasonably necessary to Lessee's enjoyment of the Leased Premises and Cities' Airport facilities and which are consistent with Federal Aviation Administration rules, regulations and orders currently or subsequently effective. Further, Lessee's rights in airspace above the Leased Premises and the Airport and the Airport facilities shall be not less than the rights therein by other users of the Airport and Airport facilities.

ARTICLE 27: QUIET ENJOYMENT

Cities hereby covenant and warrant that they are the owners of the Leased Premises and that Lessee upon payment of rentals herein provided for and performance of provisions on its part to be performed shall and may peacefully possess and enjoy the Leased Premises during the term hereof and any extensions hereof without any interruption or disturbance.

ARTICLE 28: ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties hereto and may be changed, modified, discharged or extended by written instrument duly executed by the Cities and Lessee. The parties agree that no representations or warranties shall be binding upon the Cities or Lessee unless expressed in writing.

ARTICLE 29: TITLE TO IMPROVEMENTS UPON TERMINATION

29.1 Upon the expiration, cancellation or termination of this Agreement, Lessee may elect to remove the Improvements and all additions and appurtenances thereto at its own expense in accordance with the following:

(a) Lessee may elect to remove the Improvements upon expiration of the Initial Term or any Extended Term by giving the Cities written notice of Lessee's election not less than sixty (60) days prior to the expiration of the Initial Term or Extended Term (the "Notice Deadline"). If Lessee gives such written notice of its election on or before the Notice Deadline, Lessee shall complete removal of the Improvements and all additions and appurtenances as required by this Article 29 on or before the expiration of the Initial Term or any Extended Term. Failure of Lessee to give such written notice of its election on or before the Notice Deadline shall be deemed to be an election, by Lessee, to surrender ownership of the Improvements and all additions and appurtenances thereto to the Cities in accordance with Section 29.2 below.

(b) Lessee may elect to remove the Improvements upon cancellation or termination of this Agreement by giving the Cities written notice of its election within thirty (30) days after such cancellation or termination. Provided Lessee is not in default in the payment of rental or other financial obligations due hereunder and has given written notice of its election within such thirty (30) day period, Lessee shall have a reasonable time, not to exceed sixty (60) days after notice of such election is given to the Cities, in which to complete removal of Improvements and restoration as required by this Article 29. During any occupancy by Lessee after cancellation or termination of this Agreement for the time period prior to completion of removal of Improvements and restoration, Lessee shall be deemed to be holding over under the terms and conditions of Section 19.2 above and shall pay to the Cities rent at the then-current lease rate for such period. If Lessee (i) fails to give such written notice of its election within the thirty (30) day period set

forth in this subsection (b); or (ii) is ineligible to make such election because Lessee is in default in the payment of rental or other financial obligations due hereunder, Lessee shall be deemed to have made an election to surrender ownership of the Improvements and all additions and appurtenances thereto to the Cities in accordance with Section 29.2.

(c) Removal of Improvements and all additions and appurtenances thereto and restoration as required under this Article 29 shall include Lessee's completion of all work necessary to leave the Leased Premises in a clean, orderly, and as close to original condition as possible as approved by the Cities, and shall include as a minimum:

(i) removal of all Improvements and above ground structures and above ground foundations, including utilities and utility connections, which shall be capped or otherwise left in a safe condition; and

(ii) modification of the surface so that it is free of any holes or obstructions that would prevent normal aircraft taxi operations and graded as necessary to ensure proper drainage.

29.2 In the event that Lessee fails to give written notice to the Cities of its election to remove Improvements within the time periods and as otherwise provided in Section 29.1 above, then Cities and Lessee agree that in consideration of Lessee's use of the Airport for construction and operation of the Improvements, the Improvements and all additions and appurtenances thereto shall become the property of and title shall automatically vest in the Cities upon expiration, cancellation or termination of this Agreement, without payment of additional consideration by the City, and free and clear of all liens and encumbrances. Lessee agrees to execute all documents and take such reasonable actions, if any, as may be necessary to confirm the transfer of title to the Improvements to the Cities.

Lessee's obligations under this Article 29 shall survive any expiration, cancellation, or termination of this Agreement

ARTICLE 30: RIGHT OF FIRST REFUSAL

If at any time Lessee desires to sell, assign, or otherwise transfer its interest under this Agreement, including the Improvements existing on the Leased Premises, or if any Unit Owner desires to sell its interest in any Unit, to an Unaffiliated Entity as defined in Section 10.1 and has obtained a bona fide offer for such sale, Lessee and/or such Unit Owner must first offer to sell, assign, or otherwise transfer such interest to the Cities, at the price and on the same terms as such bona fide offer, and the Cities shall have the right to purchase Lessee's and /or such Unit Owner's interest under such terms. Such offer must be in writing and state the name of the proposed transferee and all of the terms and conditions of the proposed transfer. The Cities shall have the right for a period of sixty (60) days after receipt of the offer from Lessee or Unit Owner to elect to purchase Lessee's and/or Unit Owner's interest (such sixty (60) day period referred to as the "Election Period"). If the Cities do not desire to purchase Lessee's and/or Unit Owner's interest, Lessee and/or unit Owner may then sell, assign, or otherwise transfer its interest in this Agreement or the Unit to the person making the said offer, at the price and terms set forth in the offer, subject to the requirements of Article 13. If Lessee and/or Unit Owner fail to close such sale within sixty (60) days after the expiration of the Election Period, any proposed sale, assignment or other transfer thereafter shall again be subject to this Article. This right of the Cities shall be continuing and shall survive any sale, assignment or other transfer of Lessee's interest under this Agreement. The intent of this Article is to require all of Lessee's interests in this Agreement be sold, assigned or otherwise transferred intact, without fractionalization; except as contemplated by subletting the Lease Premises to the Condominium Declarant pursuant to Article 31. The foregoing right of first refusal shall not apply to the first sale, assignment or other transfer of an interest of any individual Hangar Condominium Unit by Lessee to the first Owner of such Unit.

ARTICLE 31: REQUIREMENTS FOR CONDOMINIUMIZATION

31.1 Prior to the sale of any Hangar Condominium Unit on the Leased Premises, Lessee shall cause a declaration to be recorded in the real property records of Larimer County, Colorado, in compliance with the Condominium Ownership Act (the "Act"), C.R.S. §38-33-105. Lessee shall not record such declaration unless it first provides the Cities' with a copy of such declaration and establishes to the reasonable satisfaction of the Cities that the declaration contains each provision required by this Agreement. The Cities shall not sign such a declaration or otherwise subject this Agreement to the provisions of C.R.S. §38-33.3-206(1).

31.2 At all times during the term of this Agreement, the Condominium Declaration recorded by Lessee pursuant to the Act shall provide the recording data for this Agreement; the date on which this Agreement is scheduled to expire; a legal description of the Leased Premises; a statement that the Unit Owners have no right to redeem any reversion in the Leased Premises or this Agreement; a statement that Unit Owners have no right to remove any Improvements on the Leased Premises, including at or after termination of this Agreement; and a statement that Unit Owners have no right to renew this Agreement at or after termination, other than the contingent right of Lessee to do so under Article 1.3, above.

31.3 The Condominium Declaration recorded by Lessee hereunder shall require that with respect to Units and the Unit Owner's use thereof, and activities of Unit Owners on the Airport, each Unit Owner shall comply with applicable terms of this Agreement, and shall take no action which is in violation of any term or condition of this Agreement. The Condominium Declaration shall provide that any act or omission of a Unit Owner which is contrary to or violates the terms of this Agreement, or of any Airport rule or regulation, shall be a violation of the terms of the Condominium Declaration, and shall contain adequate provisions for Lessee's enforcement of such requirements. Before or at the closing of any sale or resale of a Condominium Unit, the purchaser of the Condominium Unit shall be required to sign and deliver to the Cities, on a form acceptable to the Cities, a declaration providing purchaser's name, address and contact information, and acknowledging that such purchaser has been provided with a copy of this Agreement and the Condominium Declaration, has read this Section 31.3, and understands purchaser's obligations to comply with the applicable terms of this Agreement.

31.4 The Condominium Declaration required by Lessee hereunder shall require the formation of a Condominium Association (being a Colorado non-profit corporation) which, subject to the terms of this Agreement, will have broad authority over and govern the use and operation of the Leased Premises and the Hangar Units, and grant to the Condominium Association the right to enforce all of the terms, conditions and covenants of this Agreement against the Unit Owner, to assess the Unit Owners for the purpose of funding the payment of all monetary amounts due and payable pursuant to the terms of this Agreement and to serve as agent for the Unit Owners in dealing with the Cities pursuant to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

LESSOR:

NORTHERN COLORADO REGIONAL AIRPORT COMMISSION
ON BEHALF OF THE CITIES OF FORT COLLINS AND LOVELAND

Don Overcash, Chair
Northern Colorado Regional Airport Commission

Date

ATTEST:

Secretary

APPROVED AS TO FORM:

Assistant City Attorney
for Northern Colorado Regional Airport Commission

LESSEE:

Gamebird Flyers Condominium Association

Loren J Johnson
Loren J Johnson (Nov 4, 2022 06:01 MDT)

Loren Johnson, Registered Agent

Nov 4, 2022

Date

Gamebird Flyers Condominiums Lease 11-2-22

Final Audit Report

2022-11-04

| | |
|-----------------|--|
| Created: | 2022-11-03 |
| By: | Aaron Ehle (Aaron.Ehle@cityofloveland.org) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAuUtAjUCv6S8_qYynWOU64pjzopkQwvsN |

"Gamebird Flyers Condominiums Lease 11-2-22" History







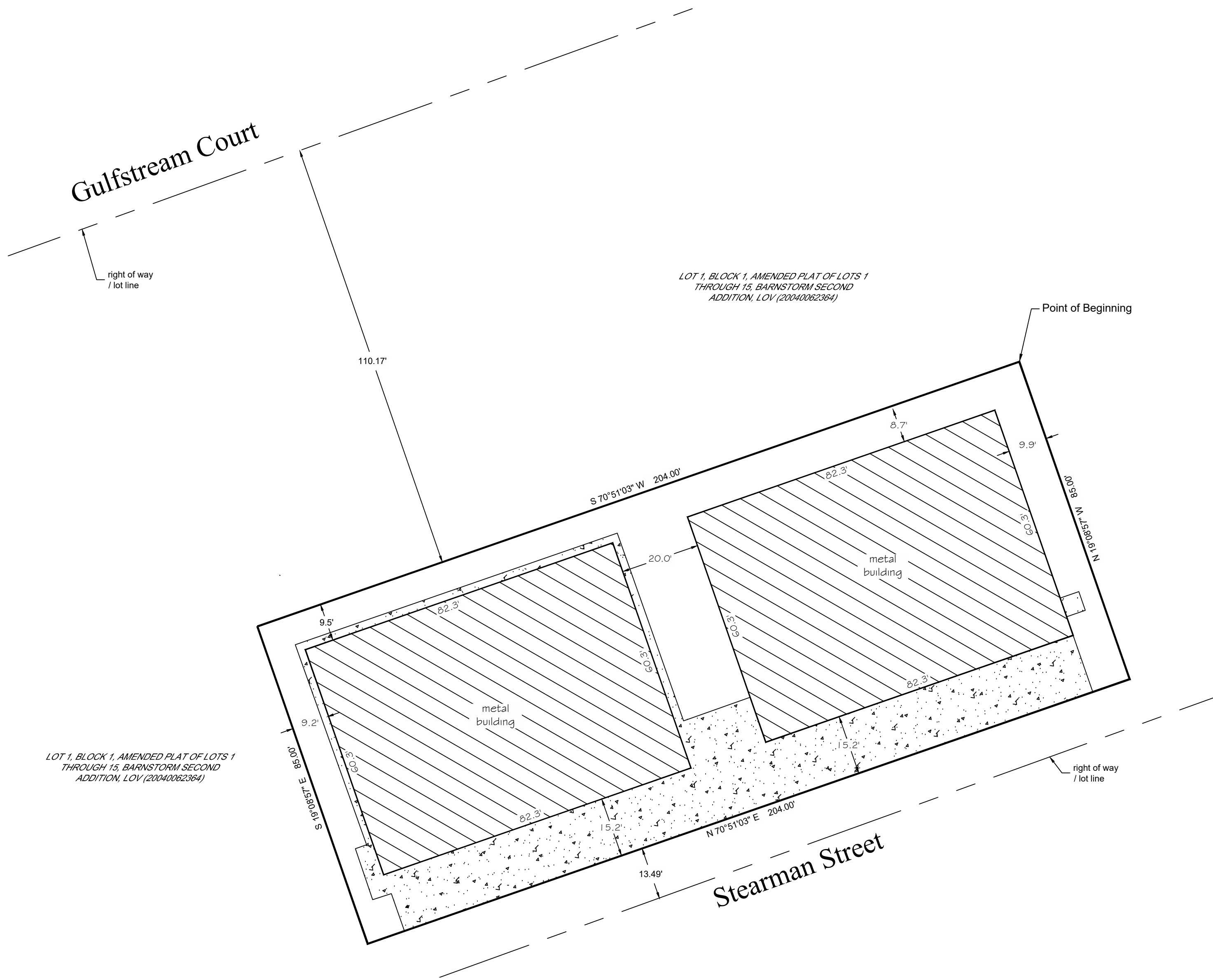
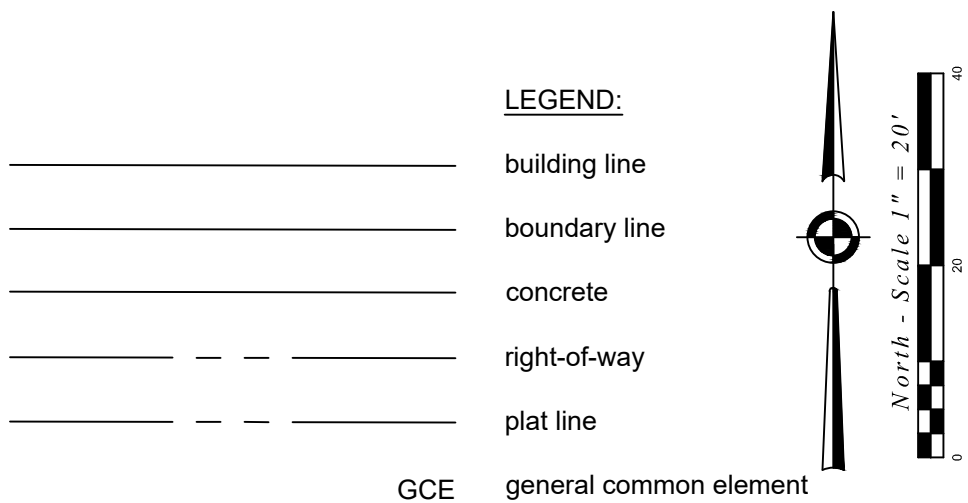
-  Document created by Aaron Ehle (Aaron.Ehle@cityofloveland.org)
2022-11-03 - 8:18:03 PM GMT- IP address: 129.19.3.7
-  Document emailed to sjohns555@hotmail.com for signature
2022-11-03 - 8:19:29 PM GMT
-  Email viewed by sjohns555@hotmail.com
2022-11-04 - 12:00:10 PM GMT- IP address: 104.47.66.126
-  Signer sjohns555@hotmail.com entered name at signing as Loren J Johnson
2022-11-04 - 12:01:01 PM GMT- IP address: 162.142.39.210
-  Document e-signed by Loren J Johnson (sjohns555@hotmail.com)
Signature Date: 2022-11-04 - 12:01:03 PM GMT - Time Source: server- IP address: 162.142.39.210
-  Agreement completed.
2022-11-04 - 12:01:03 PM GMT

Exhibit A

Condominium Map of the Gamebird Flyers Condominiums



Vicinity Map



Legal Description:

A portion of land located in the Northeast $\frac{1}{4}$ of Section 33, Township 6 North, Range 68 West of the 6th Principal Meridian, City of Loveland, County of Larimer, State of Colorado, being more particularly described as follows:

Considering the East Line of the Northeast $\frac{1}{4}$ of Section 33, Township 6 North, Range 68 West of the 6th Principal Meridian, City of Loveland, County of Larimer, State of Colorado, as bearing S 00°24'33" E with all bearings contained herein relative thereto.

COMMENCE at the Northeast corner of said Section 33;
thence S 00°24'33" E a distance of 1703.22 feet along the East line of the Northeast $\frac{1}{4}$ of said Section 33;
thence S 89°35'27" W a distance of 290.96 feet to the POINT OF BEGINNING;
thence S 70°51'03" W a distance of 204.00 feet;
thence S 19°08'57" E a distance of 85.00 feet;
thence N 70°51'03" E a distance of 204.00 feet;
thence N 19°08'57" W a distance of 85.00 feet to the POINT OF BEGINNING.

Containing 0.398 acres (17340 sq.ft.), more or less.

CERTIFICATION OF OWNERSHIP AND DEDICATION:

Know all men by these presents that, the undersigned, being all the owner(s) of the following, to wit:
Unit 5261, Gamebird Flyers Condominium Map, public records of Larimer County, State of Colorado.

Witness our hands and seals this ____ day of _____, 2022.

By: _____ By: _____
Loren Johnson Heidi Johnson
State of Colorado)
County of Larimer) SS

The foregoing dedication was acknowledged before me this ____ day of _____, 2022.

SEAL _____
Notary Public
My commission expires _____

CERTIFICATION OF OWNERSHIP AND DEDICATION:

Know all men by these presents that, the undersigned, being all the owner(s) of the following, to wit:
Unit 5263, Gamebird Flyers Condominium Map, public records of Larimer County, State of Colorado.

Witness our hands and seals this ____ day of _____, 2022.

By: _____
Authorized Representative for CO Fire Aviation Leasing
State of Colorado)
County of Larimer) SS

The foregoing dedication was acknowledged before me this ____ day of _____, 2022.

SEAL _____
Notary Public
My commission expires _____



SURVEYOR'S CERTIFICATE:

I, M. Bryan Short, a duly registered land surveyor in the State of Colorado, do hereby certify that this condominium map of Condominium Map of the Gamebird Flyers Condominium truly and correctly represents the results of a survey made by me or under my direct supervision.

M. Bryan Short /Seal
Colorado Licensed Professional Surveyor Registration No. 32444

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event, may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon.

P:\Project\2022\2041\Draw\2041.dwg August 16, 2022 - 10:11am

| | | | | | | | | | | | | | | | | | | | |
|-----------|----|-------------|--|-------------|-----------------|-----|--|--------|--------------|---|---|---|-------|---------------------------|--|--|-------------|-----------|---------------|
| REVISIONS | | | | Field Date | May 26, 2022 | ST | BAB | CLIENT | AOA Aviation |  | PLS Corporation 1205 Des Moines Ave, Loveland, Colorado 80537 Phone: 970.669.2100 - Info@plscorporation.com |  | TITLE | Condominium Map - Overall | | | PROJECT NO. | SHEET NO. | NO. OF SHEETS |
| Date | By | Description | | | | | BARNSTORM 2ND ADD | | | | | | | | | | | | |
| Date | By | Description | | | | | Section 36, Township 6 North, Range 68West, 6th P.M., Larimer County, Colorado | | | | | | | | | | | | |
| Date | By | Description | | | | | | | | | | | | | | | | | |
| | | | | Party Chief | DCB | PM | MBS | | | | | | | | | | | | |
| | | | | Print Date | August 16, 2022 | PLS | MBS | | | | | | | | | | | | |
| 22041.001 | | | | | | | | | | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | |



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: November 10, 2022

PREPARED BY: Aaron Ehle, Business Development Specialist

TITLE

Lease Assignment and Assumption for IC Loveland Investors LLC located at 5232, 5240, 5250, 5260, & 5270 Stearman Street

RECOMMENDED AIRPORT COMMISSION ACTION

Staff recommends acceptance of the assignment and assumption as presented

BUDGET IMPACT

Neutral, the lease rates will remain unchanged

SUMMARY

This is an administrative item. The existing leaseholder IC Loveland, LLC has updated their name to IC Loveland Investors, LLC. The transfer of ownership of privately-owned buildings is frequent on the Airport and requires the approval of the Airport Commission for a lease reassignment and assumption. In this case, the buildings have not been constructed, but the lease is requested to be transferred from the old name of IC Loveland, LLC to IC Loveland Investors, LLC. No other changes are requested with this change.



ATTACHMENT

Lease Assignment and Assumption: IC Loveland, LLC to IC Loveland Investors, LLC, 5232, 5240, 5250, 5260, & 5270 Stearman Street

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

5232, 5240, 5250, 5260, 5270 Stearman Street
Loveland, Colorado 80538

WHEREAS, the Cities of Fort Collins and Loveland, Colorado (the "Cities") acting by and through the Northern Colorado Regional Airport Commission ("NCRAC") are the Lessors under that Amended and Restated Lease Agreement dated August 22, 2022 as amended, a copy of which is attached hereto as **Attachment 1** and incorporated herein by this reference (the "Lease Agreement") to IC Loveland, LLC as Lessee ("Assignor") concerning that property at the Northern Colorado Regional Airport described in Exhibit A to the Lease Agreement (the "Leased Premises"); and

WHEREAS, the Cities are parties to an Amended and Restated Intergovernmental Agreement for the Joint Operation of the Northern Colorado Regional Airport signed on January 22, 2015 and paragraph 4.A. of said Agreement delegates to the NCRAC the authority to enter into lease agreements in a form generally approved by the Cities; and

WHEREAS, the form of this lease agreement has been previously generally approved by the Cities; and

WHEREAS, Commission Bylaws adopted on October 15, 2015 authorize the Commission Chair to sign such agreements on behalf of NCRAC; and

WHEREAS, Assignor desires to assign all of its lease rights and obligations for the Leased Premises, as well as all improvements located thereon, to IC Loveland Investors, LLC, ("Assignee"); and

WHEREAS, Article 13 of the Lease Agreement permits this assignment under the conditions as set forth therein; and

WHEREAS, Assignee intends to benefit the Cities by promising to perform all terms and conditions of the Lease Agreement with respect to the Leased Premises as Lessee under the Lease Agreement.

NOW, THEREFORE, in consideration of the Cities' approval, the mutual covenants and agreements expressed in the Lease Agreement, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Assignor, by its signature below, hereby assigns all of its right, title and interest in and to the Lease Agreement and the Leased Premises, to Assignee as of November 10, 2022 (the "Effective Date").

2. Assignee, by its signature below, hereby assumes and agrees to be bound by all obligations, responsibilities and terms of the Lease Agreement with respect to the Leased Premises and hereby becomes the Lessee of the Leased Premises under the Lease Agreement as of the Effective Date.

3. Assignee acknowledges and agrees that the annual rent payment for the Leased Premises under the Lease Agreement is \$51,530.08 per year, payable in monthly installments, which rental amount shall be adjusted on May 1, 2023 and on each anniversary thereafter pursuant to Article 4 of the Lease Agreement.

4. Assignee submits to the Cities herewith, the proof of insurance as required in Articles 8 and 9 of the Lease Agreement, attached hereto as **Attachment 2** and incorporated herein by this reference.

5. Assignee submits to the Cities the following notice address pursuant to Article 23 of the Lease Agreement:

IC Loveland Investors, LLC
8082 South Interport Boulevard, Ste 200
Englewood, CO 80112
gary.roffe@cypress16.com

6. The Cities designate the NCRAC and the Airport Manager as its representatives who shall make, within the scope of their authority, all necessary and proper decisions with reference to the Lease.

7. For purposes of this Agreement, there may be any number of counterparts, each of which shall be deemed as originals. Facsimile, scanned and other electronic signatures permitted by law, for purposes of this Agreement, shall be deemed as original signatures.

Dated this ____ day of _____, 20____.

[end of page 2]

Assignee:

IC Loveland Investors, LLC

8082 South Interport Boulevard, Ste 200

Englewood, CO 80112

By: 
Gary Roffe, Manager

State of Colorado)

)ss

County of ~~Larimer~~) Arapahoe

Subscribed and sworn to before me this 4th day of November, 2022 by
Gary Roffe, as manager of IC Loveland Investors, LLC

My commission expires 6-8-25. SEAL


Notary Public

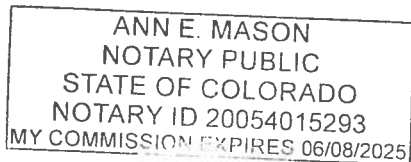
Assignor:

IC Loveland, LLC

8082 South Interport Boulevard, Ste 200

Englewood, CO 80112

By: 
Gary Roffe, Manager



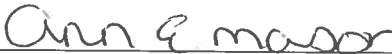
State of Colorado)

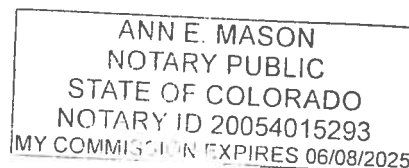
)ss

County of ~~Larimer~~) Arapahoe

Subscribed and sworn to before me this 4th day of November, 2022 by
Gary Roffe, as manager of IC Loveland, LLC

My commission expires 6-8-25. SEAL


Notary Public



The Northern Colorado Regional Airport Commission acting on behalf of the City of Loveland, Colorado and the City of Fort Collins, Colorado, hereby consents to the above-described assignment of all right, title, and interest as Lessee under the above-described Lease Agreement from Assignor to Assignee on the terms and conditions set forth above.

**Northern Colorado Regional Airport
Commission acting on behalf of the City of
Loveland, Colorado and the City of Fort Collins,
Colorado**

By: _____
Commission Chair

ATTEST:

Secretary

APPROVED AS TO FORM:

Laurie Wilson
Senior Assistant City Attorney



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: November 10, 2022

PREPARED BY: Jason Licon, Airport Director

TITLE

State Of Colorado Aeronautics Division Informational Update

RECOMMENDED AIRPORT COMMISSION ACTION

Informational Item

BUDGET IMPACT

Neutral

SUMMARY

David Ulane, Director of Aeronautics for the State of Colorado, will share an update on the aviation programs and projects that the CDOT Division of Aeronautics supports. The airport is supported directly by the many Aeronautics programs, projects, and initiatives which include:

- Airport Equipment Surplus Program (\$10,000 in 2022)
- Airfield Maintenance & Crack Sealant Program (\$9,000 in 2022)
- Automated Weather Observing System Program
- Aviation Weather Camera Program (\$25,000 in 2022)
- Colorado Remote Tower Project (\$125,000 in 2022)
- Discretionary Aviation Grant Program
- Colorado Aviation Education Grant Program
- Colorado Airport Sustainability Program
- SIB Loan Program
- Internship Program (\$20,000 in 2022)
- USDA Wildlife Hazard Mitigation Program (\$15,000 value in 2022)

ATTACHMENT

- CDOT Division of Aeronautics Annual Report 2021



January 1, 2021 - December 31, 2021

2021 Annual Report

Division of Aeronautics



Table of Contents

Message from the Director 4

Our Mission, Vision, and Values 5

Colorado Airport System 6

Tax Revenue Disbursements 7

Colorado Discretionary Aviation Grant Program..... 8

Statewide Aviation Initiatives 9-13

State Infrastructure Bank..... 12

Colorado Commercial Air Service..... 14

Airport Capital Improvement Program..... 14

Aviation Community Outreach & Engagement..... 15

Colorado Aeronautical Board..... 16

COVER: Bruce Bishop of Durango, Colorado flies his 1947 Republic RC-3 Seabee over the Rangely Airport (4V0) in Rangely, Colorado. Photography by Shahn G. Sederberg - CDOT Aeronautics Division

Message from the Director



As we take a look back at 2021 in our Division's Annual Report, all of us recognize that 2021 and most of 2020 were certainly the most challenging and dynamic periods our industry has ever faced. For our Division of Aeronautics, the COVID-19-induced impacts on air travel resulted in the most precipitous and sudden reductions in our revenues in our 30-year history. Despite those headwinds, the Division team adapted quickly and strategically to ensure our continued financial strength, while preserving our most critical programs. With Colorado's aviation industry and activity levels rebounding robustly, we are looking forward to 2022, and the opportunities this recovery will provide for the Division and our Industry

This past year, we made outstanding progress on our key initiatives, including the completion of an updated 2021 Division Strategic Plan, which will guide our efforts and focus for the next three years. Additionally, we continued our pioneering collaboration with the FAA's Alaska Weather Camera team to install aviation weather cameras at ten airports during 2021. Building upon our success in 2020 with the initial installation of cameras on our 13 mountain AWOS units, we now have cameras at 23 locations around the state, with 20 more airport installations programmed in 2022. By combining Division funds and FAA expertise, this innovative initiative, the first outside of Alaska, will have tremendous safety benefits for aviators statewide.

But as we look at what we've accomplished, we also continue to look to the future. In the next ten years, battery-electric, hybrid and hydrogen powered aircraft will be entering service, offering exciting opportunities for new regional air mobility and less expensive and quieter flight training activities, using Colorado's existing system of airports. These new technologies will lower the cost of air travel and make new intrastate markets more viable, while significantly reducing our industry's environmental impact. The CAB and our Division are poised to collaborate with industry, airports, policy makers and others to explore how we can leverage these new technologies here in Colorado. To that end, the CAB has firmly committed to ensuring Colorado's aviation leadership by programming funding for a study to evaluate what infrastructure investments, policy updates and other considerations will be necessary for our system to support this new generation of alternatively powered aircraft.

As always, this year's progress would not be possible without the sustained leadership and vision of the Colorado Aeronautical Board (CAB), and of course the engagement and support of our aviation system partners and stakeholders. But most notably, as the Division's Director, I am extremely privileged to work with a dedicated and passionate Aeronautics team, one which has a deep-rooted passion for customer service, efficiency and innovation. Collectively our team continues to commit ourselves to supporting Colorado's multi-modal transportation system by advancing a safe, efficient and effective statewide aviation system through collaboration, investment, and advocacy.

Sincerely,



David Ulane
Aeronautics Director

Our Mission

“The mission of the CDOT Division of Aeronautics is to support Colorado’s multi-modal transportation system by advancing a safe, efficient, and effective state-wide aviation system through collaboration, investment, and advocacy.”

Our Vision

“The vision of the CDOT Division of Aeronautics is to be the leading state aviation organization by enhancing the efficiency, economic benefit, and sustainability of Colorado’s aviation system through funding, innovation, education, and pioneering initiatives.”

Our Values

PASSION

We value the passion, enthusiasm, drive, and commitment each person contributes to fulfilling the Division’s Strategic Plan, engaging all interested stakeholders, and reaching their own personal goals. We celebrate victories and milestones!

INTEGRITY

We value doing the right thing - each and every time. We are transparent, honest, open, ethical, and genuine in all of our interactions.

INNOVATION

We value thoughtful and imaginative entrepreneurial spirit that anticipates change and strategically develops and implements pioneering ideas, systems, and programs.

RELATIONSHIPS

We value, build, and respect relationships with our colleagues, stakeholders, and families through collaboration, kindness, and empathy.

COMMITMENT

We are dedicated to the success of Colorado’s multi-modal transportation system, Air and Space System, the Division, the Colorado Aeronautical Board, and our colleagues and stakeholders through an unwavering commitment to these values.



Kenney Reservoir Seaplane Base (13R) located 3 miles east-northeast of Rangely Airport (4V0).

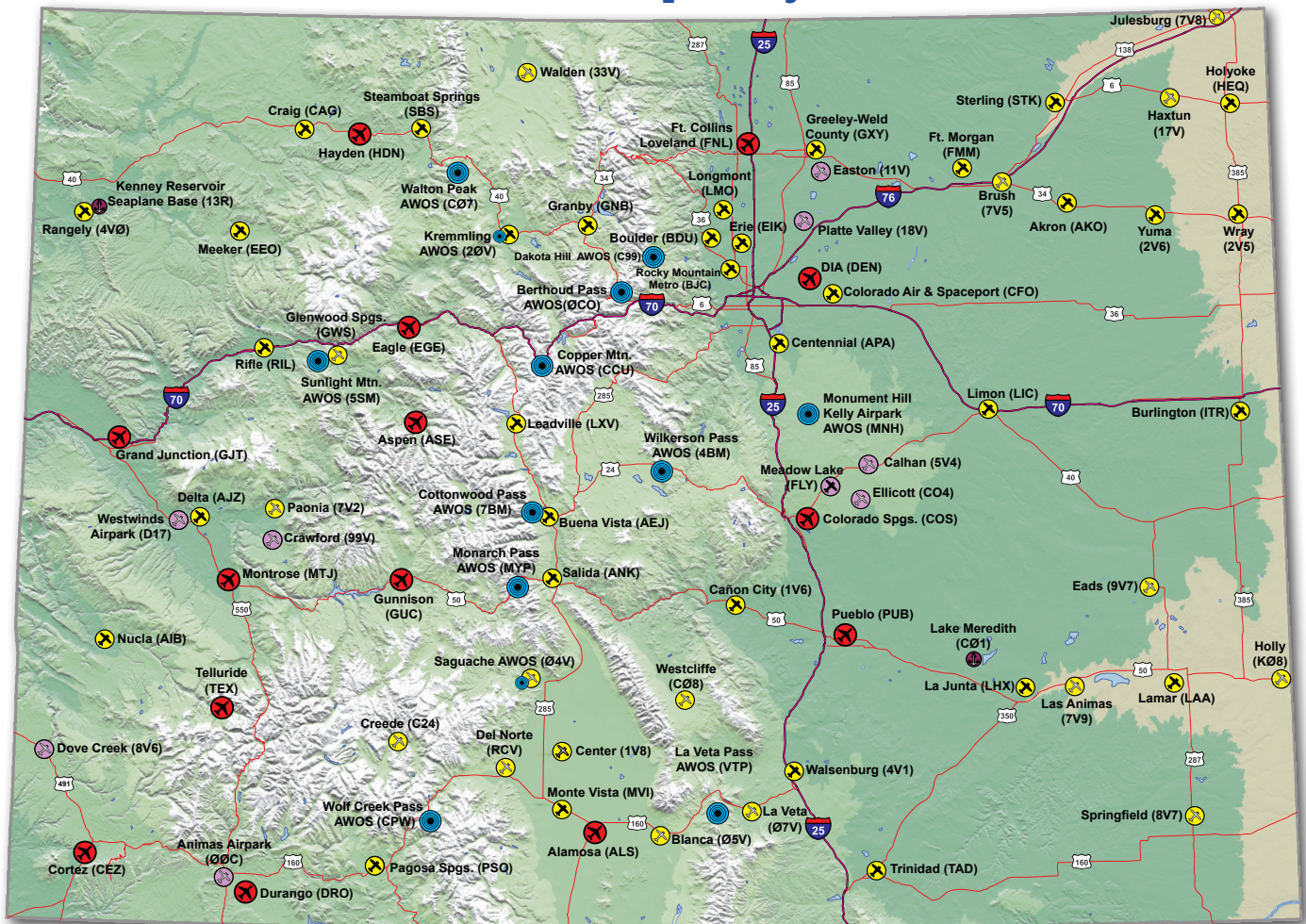
Colorado Airport System

Colorado's system of 76 public-use airports, including two seaplane bases, serve our state's local communities with a variety of services ranging from commercial air transportation, emergency medical evacuation, aerial fire fighting, flight training, and high-altitude flight testing.

In addition to providing the citizens and visitors of Colorado with critical air transportation services, Colorado's airport system is also essential to supporting a diverse business base. Airports in Colorado support the employment of over 345,000 people and are responsible for providing the state with a total of \$48.6 billion* in business revenue.


[*2020 Colorado Aviation Economic Impact Study](#)

Colorado Airport System



 **Commercial Service Airport (14)**

 **Publicly-Owned & Operated Airport (51)**

 **Privately-Owned Airport Open to the Public (9)**

 **Seaplane Base (2)**

 **Non-NPIAS Airport (26) (Not Federally Funded)**

 **Mountain Automated Weather Observing System (AWOS) (13)**

Tax Revenue Disbursements

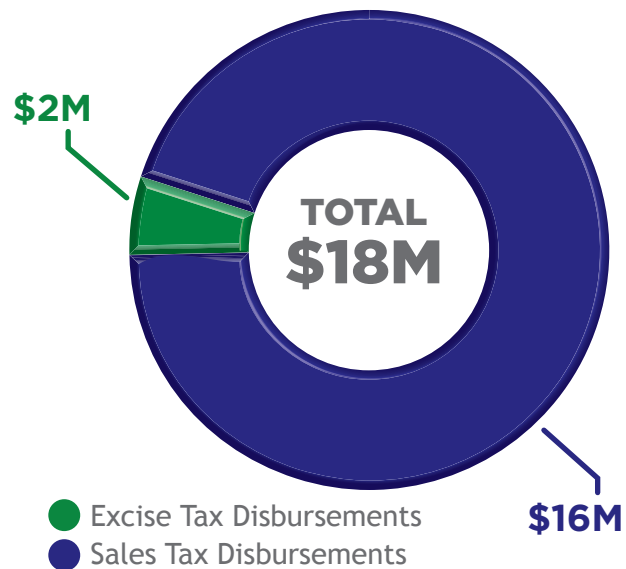
Eligible Colorado public-use airports are recipients of aviation fuel excise and sales tax disbursements for fuel sold at their airport. These disbursements equal \$.04 per gallon of the excise tax on general aviation fuel (AvGas), \$.04 per gallon on non-commercial jet fuel, and 65% of the 2.9% sales tax collected on the retail price of jet fuel. These monthly revenue disbursements must be used by airports solely for aviation purposes.

The remaining 35% of the sales tax and \$.02 per gallon excise tax on AvGas revenues are used to fund the Division's operations, the Colorado Discretionary Aviation Grant Program (CDAG), and numerous beneficial statewide aviation initiatives.

2021 Tax Revenue Disbursements

Excise Tax & Sales Tax on Aviation Fuel

*Preliminary unaudited results.



2021 Disbursements by Airport

Combined Excise & Sales Tax Disbursements January 1, 2021 - December 31, 2021

| | |
|---|-----------------|
| Akron-Colorado Plains Regional Airport | \$5,635.60 |
| Alamosa-San Luis Valley Regional Airport | \$18,320.60 |
| Aspen-Pitkin County Airport | \$777,240.95 |
| Boulder Municipal Airport | \$8,587.65 |
| Brush Municipal Airport | \$37.80 |
| Buena Vista-Central Colorado Regional Airport | \$8,241.54 |
| Burlington-Kit Carson County Airport | \$8,674.24 |
| Canon City-Fremont County Airport | \$6,298.82 |
| Center-Leach Field | \$58.35 |
| Colorado Springs Municipal Airport | \$565,066.41 |
| Cortez-Montezuma County Airport | \$18,157.85 |
| Craig-Moffat County Airport | \$4,183.94 |
| Creede - Mineral County Airport | \$1,389.39 |
| Del Norte - Astronaut Kent Rominger Airport | \$7,353.37 |
| Delta - Blake Field | \$4,184.06 |
| Denver International Airport | \$12,714,093.70 |
| Denver-Centennial Airport | \$1,406,671.31 |
| Denver-Colorado Air & Spaceport | \$25,544.19 |
| Denver-Rocky Mountain Metro Airport | \$417,511.67 |
| Durango-La Plata County Airport | \$121,164.12 |
| Eagle County Regional Airport | \$515,599.74 |
| Eads Municipal Airport | \$1,076.38 |
| Erie Municipal Airport | \$6,539.67 |
| Fort Morgan Municipal Airport | \$4,793.25 |
| Glenwood Springs Municipal Airport | \$984.60 |
| Granby-Grand County Airport | \$3,336.93 |
| Grand Junction Regional Airport | \$208,708.18 |
| Greeley-Weld County Airport | \$30,439.82 |
| Gunnison-Crested Butte Regional Airport | \$70,026.84 |

| | |
|---|--------------|
| Holyoke Municipal Airport | \$4,577.71 |
| Hayden-Yampa Valley Regional Airport | \$147,989.46 |
| Kremmling-McElroy Field | \$16,505.13 |
| La Junta Municipal Airport | \$3,880.19 |
| Lamar - Southeast Colorado Regional Airport | \$6,787.14 |
| Leadville-Lake County Airport | \$6,660.52 |
| Limon Municipal Airport | \$1,271.62 |
| Longmont-Vance Brand Airport | \$6,763.52 |
| Loveland - Northern Colorado Regional Airport | \$132,533.58 |
| Meadow Lake Airport | \$6,409.22 |
| Meeker Airport - Coulter Field | \$8,318.49 |
| Montrose Regional Airport | \$149,257.41 |
| Monte Vista Municipal Airport | \$1,065.75 |
| Nucla-Hopkins Field | \$6,389.72 |
| Pagosa Springs-Steven's Field | \$16,968.75 |
| Paonia - North Fork Valley Airport | \$154.77 |
| Pueblo Memorial Airport | \$98,245.74 |
| Rangely Airport | \$311.95 |
| Rifle-Garfield County Airport | \$178,281.54 |
| Salida-Harriet Alexander Field | \$6,368.77 |
| Springfield Municipal Airport | \$1,207.14 |
| Steamboat Springs Municipal Airport | \$5,503.24 |
| Sterling Municipal Airport | \$4,321.22 |
| Telluride Regional Airport | \$175,431.30 |
| Trinidad-Perry Stokes Airport | \$2,699.09 |
| Walsenburg-Spanish Peaks Field | \$1,050.57 |
| Wray Municipal Airport | \$4,968.34 |
| Yuma Municipal Airport | \$1,450.44 |

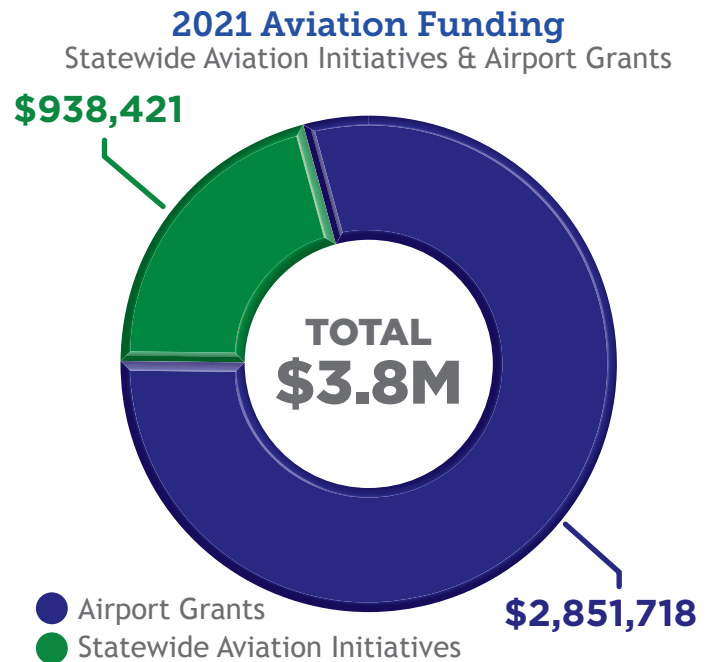
TOTAL \$17,955,281

Colorado Discretionary Aviation Grant Program (CDAG)

Each year, the Colorado Aeronautical Board (CAB) administers the distribution of the Colorado Aviation Fund through individual airport grants and statewide aviation system initiatives. A total of \$2.85 million in CDAG airport grants were awarded in 2021.

Normally the Division holds two grant hearings, a State and Local CDAG hearing in January and a Federal Match CDAG hearing in April. During 2021, the American Rescue Plan stimulus package was passed by Congress and signed into law by President Biden on March 11th. This \$1.9 trillion package included \$8 billion for airports, of which \$608 million was allocated to provide 100 percent federal share for FAA Airport Improvement Program (AIP) grants awarded in 2021.

This 100% federal funding provision eliminated the need for the Division's planned \$2M in federal matching CDAG funds. Instead of delaying the use of those funds for future year projects, as the Division did in 2020, Division staff worked with airports to select projects that had been delayed due to COVID-19 induced revenue reductions. This second round of State and Local CDAG funding (\$2M) along with the first round (\$861,718) brought the total CDAG program to \$2,851,718 for 2021.



Telluride Regional Airport (TEX) was awarded a \$250,000 Discretionary Aviation Grant for airfield pavement maintenance.

2021 Statewide Aviation Initiative Expenditures

| | |
|--|--------------------|
| Airport AWOS Program | \$58,801 |
| Aviation Weather Camera Program | \$165,240 |
| USDA - Wildlife Hazard Mitigation | \$74,846 |
| Remote Tower Project* | \$123,339 |
| Airport Inspections (PCI & 5010) | \$136,391 |
| Airfield Maintenance-Crack Sealant Program | \$49,403 |
| Communications/Outreach/Safety | \$49,927 |
| Mountain AWOS Program | \$240,784 |
| Internship Program | \$39,690 |
| Other Initiatives Approved by CAB* | \$151,823 |
| TOTAL | \$1,090,244 |

*Funding for these Statewide Aviation Initiative were approved by the Colorado Aeronautical Board (CAB) in a previous fiscal year.

2021 State Aviation Grants to Airports

| | |
|---|--------------------|
| Del Norte - Kent Rominger Airport | \$25,000 |
| Delta-Blake Field | \$125,000 |
| Burlington-Kit Carson County | \$250,000 |
| Denver-Centennial Airport | \$375,000 |
| Fort Morgan Municipal Airport | \$225,000 |
| Grand Junction Regional Airport | \$300,000 |
| Holyoke Municipal Airport | \$346,500 |
| Monte Vista Municipal Airport | \$350,000 |
| Rifle Garfield County Airport | \$40,000 |
| Lamar-Southeast Colorado Regional Airport | \$25,000 |
| Springfield Municipal Airport | \$400,000 |
| Pagosa Springs-Stevens Field | \$40,218 |
| Telluride Regional Airport | \$250,000 |
| Walden-Jackson County Airport | \$100,000 |
| TOTAL | \$2,851,718 |

Statewide Aviation Initiatives

In 2021, there was a total of \$1.1 million in expenditures that funded a number of statewide aviation initiatives administered directly by the Division of Aeronautics. These initiatives directly support specific aviation-related programs that benefit airport safety, airport pavement maintenance and communication outreach to the general aviation flying public.

USDA Wildlife Hazard Mitigation Program - \$74,846

This program funds efforts of the United States Department of Agriculture (USDA) to assist Colorado airports with effective and approved wildlife mitigation programs. This successful program has helped significantly to reduce wildlife aircraft strikes and damage to airport infrastructure at Colorado's Airports.

Remote Air Traffic Control Tower Program - \$123,339

In 2021, the Division's innovative Remote Air Traffic Control Tower (RATCT) initiative at the Northern Colorado Regional Airport (FNL) continued to move forward, albeit more slowly due to COVID-induced limitations on FAA travel for necessary system testing. The Division of Aeronautics is collaborating closely with FNL, the Federal Aviation Administration (FAA), Searidge Technologies and the National Air Traffic Controllers Association to implement a RATCT solution at FNL. This pioneering project will be the first in the world to integrate both ground-based video and aircraft track-based/radar components to provide necessary air traffic data to air traffic controllers working in a remote facility. This new air traffic concept will ultimately provide an enhanced level of efficiency and aviation

safety at capital and operational costs dramatically lower than that needed to construct and staff a traditional air traffic control tower.

During 2021, full class E control tower services continued at FNL by means of a mobile tower that was installed in March 2020. While FAA travel restrictions resulting from the ongoing COVID-19 pandemic precluded any new system testing during 2021, on-site air traffic controllers worked with Searidge to continue to refine the system. During 2021, controllers also further refined and improved local airport operating procedures in collaboration with local pilots and operators. It is expected that Phase I testing of the system will resume in January 2022, with FAA personnel using scripted situations to further develop controller procedures and the tower system's functionality and interfaces.

This CDOT Aeronautics Division-led initiative to test RATCT technology in Colorado has further solidified CDOT and the Colorado Division of Aeronautics as a national leader in airspace technology innovation, enhancing aviation safety, capacity and efficiency, while significantly reducing the overall capital and operating costs associated with a traditional air traffic control tower. The \$8.8 million in funding for the test phase of this monumental project has been provided by the Colorado Aviation Fund as unanimously approved by the Colorado Aeronautical Board (CAB).

The Division has created a project website at ColoradoRemoteTower.com, where frequent project updates, photos and videos are posted.

Airport Inspections (5010 & PCI) - \$136,391

This funding is allocated to conduct regular safety and Pavement Condition Index (PCI) inspections at Colorado airports. 5010 Safety Inspections are performed to update the Federal Aviation Administration (FAA) Master Record Form and Chart Supplement, giving pilots accurate airport data and safety information. PCI inspections are required for airports that are eligible for federal funding, and the results are used to develop comprehensive airport pavement maintenance plans.

The Division of Aeronautics is tasked with conducting Pavement Condition Index (PCI) Inspections once every three years as a requirement of the Federal Aviation Administration (FAA) for airports that receive federal funding. The final results of these inspections are utilized by the Division and the FAA to determine the priority of distribution of federal and state funds for pavement maintenance, capital improvement projects, and the development of airport pavement maintenance plans.

Airfield Maintenance & Crack Sealant Program - \$49,403

Funding for the crack sealant program directly benefits Colorado airports with a 90% reimbursement up to \$10,000 per state fiscal year for crack sealant materials purchased through approved statewide price agreements. Additionally, the Division will provide grants to select public use airports for the purchase of new crack fill machines and then reimburse 100% of maintenance expenditures on this equipment up to \$10,000 per state fiscal year. This program is designed to encourage Colorado airports to use preventive pavement maintenance practices proven to extend the lifespan of asphalt runways, taxiways and apron surfaces.

Communications, Pilot Outreach & Safety - \$49,927

This aviation program funds the production of the [Colorado Airport Directory and Colorado Aeronautical Chart](#) as well as safety information outreach to pilots who fly in Colorado. These publications give pilots the most current information in order to safely navigate through the skies of Colorado.

Automated Weather Observing System (AWOS) Program

The State of Colorado has a diverse landscape that ranges from the eastern plains to the towering Rocky Mountains. This vast difference in geography creates unique atmospheric challenges for pilots and history has shown that weather conditions are common factors in general aviation accidents in Colorado. The eastern plains struggle with ever-changing winds while Colorado's mountain regions require higher cruising altitudes, causing many smaller general aviation aircraft to operate near or above the limits of their performance capabilities. These factors, coupled with high density altitude and rapidly changing weather typically result in several accidents each year.

In order to better inform pilots and increase the overall safety of the flying public, a vast network of 62 automated weather observation systems has been developed throughout the State. This network consists of 44 Automated Weather Observing Systems (AWOS) and 20 Automated Surface Observing Systems (ASOS). Each AWOS is owned and operated by the Division (13 units - Mountain AWOS Program) or by an individual airport (31 units - Airport AWOS Program) while all of the ASOS units are owned and operated by the FAA.

Mountain AWOS Program - \$240,784

The Mountain AWOS program, made up of 13 state-owned units, was developed by the Division in 1999 to help reduce weather related accidents, and provide pilots operating in Colorado's mountainous regions with more accurate localized weather information. These sites were situated on several critical mountain passes along established flight routes, none of which had adequate weather information available prior to this program.

The Division is directly responsible for the installation and support for each of the 13 units and contracts annually with the State of Colorado's Office of Information Technology (OIT) to provide ongoing maintenance and certification for each site. To ensure this important service is performed in a timely manner, OIT has integrated a network of certified AWOS technicians at various locations in the State. AWOS repair and maintenance can be a daunting proposition since most sites are positioned atop remote mountain passes. To highlight these challenges to the public, the Division, in cooperation with OIT, developed a video detailing the arduous process to keep these secluded sites operational. To view this video please click on the link below.

[AWOS Maintenance Video](#)

The Division is also responsible for ensuring the weather information from each unit is disseminated through the National Database to the flying public. The Division contracts with DBT to perform this critical service for all 13 sites.

Airport AWOS Program - \$58,801

Beyond the Division's Mountain AWOS Program, 29 airports throughout Colorado own and operate AWOS units to provide accurate weather for the pilots operating in the vicinity of each of these airfields. These non-state owned AWOS units are indispensable to providing critical enroute weather information for overflying pilots and to the National Weather Service to develop regional forecasts. Individual airport sponsors are responsible for all costs associated with maintaining their systems; ongoing scheduled maintenance as well as unscheduled repairs to equipment malfunctions may exceed \$10,000 annually.

Since safety is a key aspect of the Division's mission statement, the Division allocates funding for the Airport AWOS program on an annual basis to ensure that this vital network continues to provide widely accessible weather data. Each airport that owns and operates an AWOS and has its weather information continuously disseminated to the National Weather Database is eligible for reimbursement of maintenance expenses not to exceed 90% of eligible costs up to \$10,000 of state funding annually. This reimbursement can be used to help offset the expenditures for most items associated with sustaining an AWOS. However, to ensure that funding for this program has the greatest benefit statewide, the Division expects to maintain Cooperative Purchasing Agreements with authorized vendors that provide AWOS maintenance services. These agreements are to include hourly rates along with prices for Tri-Annual Inspections and Unscheduled Service Visits for each airport-owned unit around the state along with an explanation of the service levels provided. Although encouraged, airports are not required to use a vendor with whom

the state has a Cooperative Purchasing Agreement to be eligible for reimbursement. However, they must perform a competitive bid process, as locally required, when selecting a vendor that is not party to such an agreement.

Aviation Weather Camera Program - \$165,240

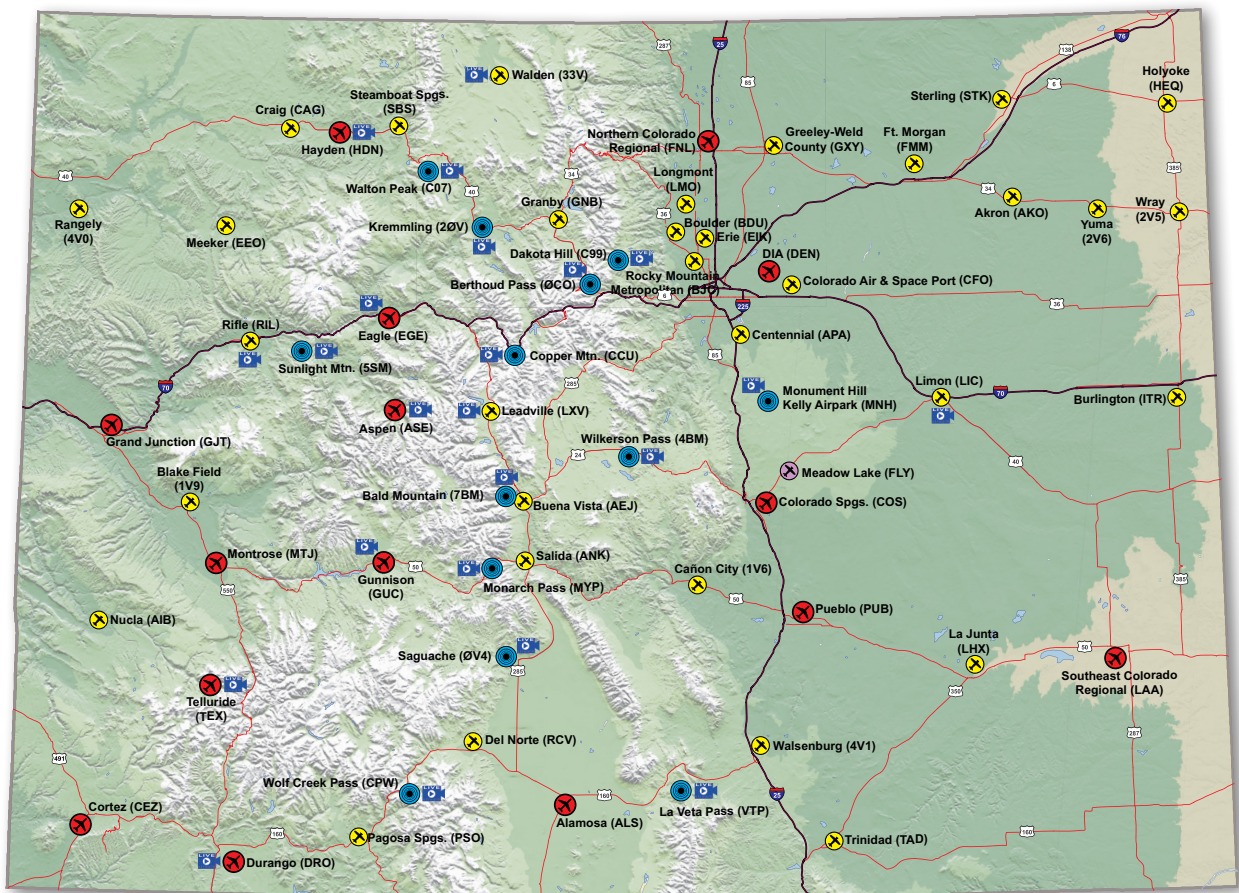
For decades, the FAA has operated a robust network of aviation weather cameras in Alaska, providing pilots with real time visual information about weather conditions and trends in that remote and challenging environment. When combined with other traditional weather observations and forecasting information, these cameras help aviators make smart pre-flight decisions, improving aviation safety and reducing weather-induced accidents.


Since 2000, the Division has operated a network of Mountain Automated Weather Observing systems located across Colorado's high country, and one of the most frequently requested improvements to that system was the addition of cameras. In 2020, the Division established a pioneering collaboration with the FAA's Alaska Weather Camera program to make Colorado the first state in the U.S. outside of Alaska with aviation weather cameras.

This initiative entailed the Division providing state aviation funds to FAA via a reimbursable agreement, under which FAA installs and configures the cameras, and hosts the images on the FAA's comprehensive aviation weather website at WeatherCams.faa.gov. In 2020, the FAA installed weather cameras at our

Colorado Automated Weather Observing Systems

As of December, 31, 2021



 Mountain AWOS Program

 GA Airport With AWOS

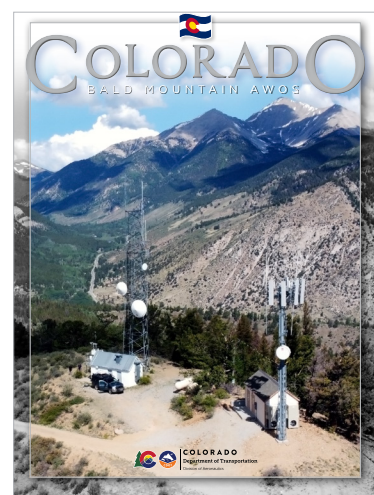
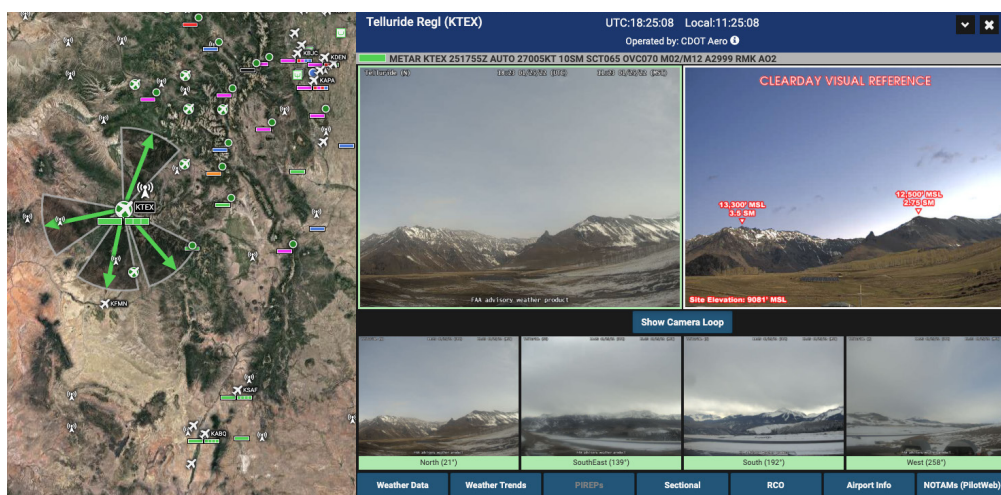
 Commercial Service Airport with AWOS

 FAA Weather Camera
WeatherCams.faa.gov

13 mountain AWOS sites, and in phase II in 2021, installed cameras at ten strategic airports, most in Colorado's high country. The Division is currently working with FAA on phase III of the program, which will see cameras installed at 20 additional airports across the state in 2022. In just three years, this will bring the total number of aviation weather camera sites in Colorado to 43, a truly remarkable accomplishment that will have profound positive impacts on aviation safety in Colorado.

Airport Internship Program - \$36,690

The Division of Aeronautics currently partners with eight Colorado airports to support internship education programs. Grants provided to participating airports cover up to 50% of a \$20 per hour internship salary. Airport management internships support aviation education as prescribed by the Division's enabling legislation C.R.S. 43-10.



Left: a screenshot of the Telluride Regional Airport (TEX - 9,050' MSL) weather camera from WeatherCams.faa.gov. Right: an aerial view of the Bald Mountain AWOS (7BM - 9,825' MSL) located below Cottonwood Pass (12,126' MSL) and Mt Yale (14,199' MSL).

State Infrastructure Bank

The Colorado Transportation Commission supports local operators of transportation facilities with funds available through a low-interest revolving loan program. This unique program was enacted by the Colorado Legislature in 1998 and adopted by CDOT in 1999. The Aviation Element of the Colorado State Infrastructure Bank (SIB) currently administers loans benefiting three Colorado communities, with \$21.6 million in outstanding loan balances as of December 31, 2021.

Loans awarded to airports from the SIB have been used for projects such as capital airport improvements; air traffic control towers, snow removal equipment, and pavement reconstruction. Loans have also been

utilized for land acquisitions protecting airports from incompatible adjacent land uses. As of December 31, 2021, the total value of the SIB revolving loan fund, including forecast accrued interest, was approximately \$26 million.

Airports with SIB Loan Balances

- Centennial Airport
- Colorado Springs Airport
- Rocky Mountain Metro Airport

**Current SIB loan interest rate 2%. Listing current as of December 31, 2021.*

Commercial Air Service

Commercial air service plays a critical role in the economic well-being of our State. The efficient movement of people and goods depends on improving aviation facilities that provide safe, timely, and economical delivery throughout Colorado.

Airline hub services through airports such as Denver International Airport serve several international markets. National and Regional carriers bring passengers and goods into statewide markets. Colorado's tourism industry relies heavily on Commercial air service to introduce new visitors and bring return visitors to Colorado's mountain destinations with point to point direct service from many of the nation's major cities.

Commercial Airline Passenger Activity CY 2020*

| | | |
|------------------------------------|-------------------|----------------|
| Denver International | 16,243,216 | ▼51.65% |
| City of Colorado Springs Municipal | 364,178 | ▼56.04% |
| Aspen-Pitkin County/Sardy Field | 183,883 | ▼40.33% |
| Grand Junction Regional | 139,140 | ▼44.35% |
| Durango-La Plata County | 99,445 | ▼49.06% |
| Eagle County Regional | 143,124 | ▼25.21% |
| Montrose Regional | 100,887 | ▼36.23% |
| Yampa Valley Regional | 87,902 | ▼17.08% |
| Gunnison-Crested Butte Regional | 28,862 | ▼20.23% |
| Pueblo Memorial | 5,384 | ▼55.98% |
| Cortez Municipal | 5,603 | ▼35.74% |
| Alamosa-San Luis Valley Regional | 4,742 | ▼52.79% |
| Northern Colorado Regional | 1,112 | ▼63.22% |
| Telluride Regional | 3,743 | ▼32.18% |
| TOTAL PASSENGERS | 17,227,338 | ▼48.39% |

[Data Provided by the Federal Aviation Administration.](#)

[*CY 2021 data will be available June 2022.](#)

Airport Capital Improvement Program

The Division develops and maintains a five-year Capital Improvement Plan for 48 of the 49 federally eligible (DEN manages their own CIP) and 18 non-federally eligible (but state-eligible) public-use airports throughout Colorado. Performing the capital improvement planning for these 66 public-use airports in Colorado enables the Division to create a plan that shows a statewide view of airport needs over the next five years.

The Division and the FAA work in concert with each of the airports and airport sponsors to select the highest priority projects that enhance the safety, security, capacity, and efficiency of the Colorado Airport System. Along with prioritizing the projects, costs must be continually compared to projected Federal, State, and local funding.

The current Capital Improvement Plan (2022-2026) includes nearly \$500 million in planned projects statewide and it is not likely that funds will be available to support all of the projects; this expected shortfall makes prioritizing projects extremely important.

*Excludes privately-owned public-use airports, except for Meadow Lake Airport (KFLY).



Burlington-Kit Carson County Airport (ITR) was awarded a \$250,000 Discretionary Aviation Grant for airfield pavement maintenance.

Aviation Community Outreach & Engagement

The Division of Aeronautics strives to be actively engaged in the aviation community by promoting the importance of general aviation in Colorado's local communities, as well as aviation education and career development, and flying safety.

In 2021, due to the COVID-19 pandemic, the Division of Aeronautics participated in a limited number of local aviation community events. In previous years, the Division has had a presence at the Glenwood Springs Airport Expo, Spartan College Aviation Day at Denver International Airport (DEN), Meet the Planes & Pilots of the Colorado Airport Directory, and Aerospace Day at the Colorado Capitol. During these events, the Division of Aeronautics directly

interacts with the aviation community and our stakeholders by distributing Colorado Airport Directories, Colorado Aeronautical Charts, Colorado Airport Economic Impact Studies, Colorado Aviation System Plans, and promoting the Colorado Airport Internship Program.

Additionally, the Division takes a proactive approach in distributing pertinent aviation information to its public and private stakeholders through a coordinated use of social media including Facebook, YouTube, Twitter the Division of Aeronautics web page, mass e-mail communication, and the Mountain Wave News Bulletin.



In 2021, the Division published the 2021 Colorado Airport Directory in electronic e-book and hard copy formats.



COLORADO

Aeronautical Board

The Colorado Aeronautical Board (CAB) is the policy-making body that oversees the operation of the Colorado Division of Aeronautics. The CAB is a seven-member Type 1 Board appointed by the Governor to serve three year terms as representative of defined constituencies in the aviation community.

2021 CAB Meetings

January 25, 2021

Virtual Meeting - State & Local Grant Hearings

[Video](#) | [Agenda/Packet](#)

April 14, 2021

Virtual Meeting - Centennial Airport

[video](#) | [Agenda/Packet](#)

June 10, 2021

Telluride, CO - CAO Spring Conference

[Video](#) | [Agenda/Packet](#)

August 24, 2021 - CAB Workshop

Joseph H. Thibodeau Room - Watkins, CO

[Workshop Agenda/Packet](#)

August 25, 2021

Joseph H. Thibodeau Room - Watkins, CO

[Video](#) | [Agenda/Packet](#)

October 21, 2021

CDOT Headquarters - Denver, CO

[Video](#) | [Agenda/Packet](#)

December 8, 2021

Virtual Meeting - Division Offices

[Video](#) | [Agenda/Packet](#)



COLORADO
Department of Transportation
Division of Aeronautics



5126 Front Range Parkway | Watkins, Colorado 80137
303.512.5250 | Colorado-Aeronautics.org



Kenneth Maenpa, Chair
Western Slope Governments
kenny.maenpa@state.co.us



Kent Holsinger, Vice Chair
Western Slope Governments
kent.holsinger@state.co.us



Chic Myers, Secretary
Eastern Slope Governments
chic.myers@state.co.us



Mark Van Tine
Aviation Interests-at-large
mark.vantine@state.co.us



Chaz Tedesco
Eastern Slope Governments
chaz.tedesco@state.co.us



George Merritt
Airport Management
george.merritt@state.co.us



Trimbi Szabo
Pilot Organizations
trimbi.szabo@state.co.us



David Ulane, A.A.E.
Aeronautics Director
303-512-5254
David.Ulane@state.co.us



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: November 10, 2022

PREPARED BY: Laurie Stirman, Assistant City Attorney

TITLE

Commission Roles and Responsibilities Training

RECOMMENDED AIRPORT COMMISSION ACTION

Informational

BUDGET IMPACT

Neutral

SUMMARY

This is an informational training that is conducted for all boards and commissions serving the Cities, with some Commission-specific information.

ATTACHMENT

Commission Roles and Responsibilities Presentation



Northern Colorado Regional Airport Commission

Roles and Responsibilities

Laurie Wilson, Senior Assistant City Attorney

November 10, 2022

Presentation Agenda

**Northern
Colorado
Regional
Airport
Commission**

**Open
Meetings**

**Ethics &
Conflicts of
Interest**

NCRA Commission History

- Formed by the Cities of Loveland and Fort Collins through an intergovernmental agreement (IGA) in 2015, as amended in 2016 and 2019
- Delegated certain authority by the Cities for Airport operations, with certain authority reserved to the two City Councils
- Comprised of seven Commission members
 - Two Loveland members (City Councilmembers or Loveland staff) and one Loveland-appointed citizen member
 - Two Fort Collins members (City Councilmembers or Fort Collins staff) and one Fort Collins-appointed citizen member
 - One jointly-appointed citizen member

Commission Authority

- Enter into Airport agreements (leases, contracts for goods and services)
 - Must be “in a form generally approved by the City Manager and City Attorney for each City”
 - Leases of Airport property must be for an aeronautical or general aviation use for a term not to exceed 50 years
- Authorize Airport activities
- Adopt or revise Airport Rules & Regulations and Minimum Standards
- Budget matters (adopt the Airport budget . . .)

Commission Authority *cont'd*

- Expending Airport funds
- Establishing Airport rates, fees and charges annually
- Establish Airport service levels
- Airport operating plan
- Direct the Airport Director
- Sign certain grant agreements if permitted by the grantor
 - Cannot exceed \$300,000 from appropriated funds
- Make recommendations to the City Councils regarding Airport policy issues

Authority Reserved to the Cities

Policy Matters

- Adoption of the Airport Master Plan
- Approval of all other grant agreements
- Approval and execution of grant assurances
- Purchase and sale of real property and structures
- Construction of certain capital projects
- Approval of Airport budget
- Approval of Cities' contributions and appropriation of Airport budget

Open Meetings

- Why must the Commission hold open meetings?
 - Commission Bylaws
 - C.R.S. 24-6-402(1) – “local public body”
- What is a “meeting?”
 - Any gathering of three or more Commissioners at which public business is discussed or at which any formal action may be taken (C.R.S. 24-6-402)
 - Includes gatherings in person, by telephone, electronically or by other means of communication
 - Includes meetings of subcommittees

Open Meetings Cont'd

- What is NOT a “meeting?”
 - Communications which do not relate to or discuss any public business (i.e. Commissioner’s vacation)
 - Chance meeting or social gathering of Commissioners at which discussion of public business is not the central purpose
- All “meetings,” except for those held in a legally convened executive session, must be open to the public
 - Held only after full and timely notice to the public, posted 24 hours in advance with agenda
- Commission decisions require the presence of a quorum (4 members) with one representative from each City present

Open Meetings *Cont'd*

Executive Sessions

- Executive sessions may be held:
 - Only at a regular or special meeting of the Commission
 - Only with a vote of 2/3 of the quorum present
 - Only to consider certain matters
- Process
 - Vote to go into executive session with announcement of the topic of executive session and citing legal authority for the executive session
 - Executive session held and recorded (except for attorney-client privileged portion)
 - Reconvene in open session for any decision

Open Meetings *Cont'd*

Executive Sessions

- In an executive session, the Commission may:
 - Receive legal advice and information, ask questions, generally discuss the matter being considered, and instruct negotiators
 - NOT decide any matter or take any formal action
- Consider the following matters:
 - Real estate purchases, sales or leases
 - To receive legal advice
 - Matters required to be kept confidential
 - Security arrangements or investigations
 - Matters subject to negotiation
 - Personnel matters
 - Discussion of documents protected by Colorado Open Records Act

Open Meetings *Cont'd*

Executive Sessions

- Decisions
 - If a decision needs to be made based on the discussion in executive session, the decision must be made in an open meeting with an explanation of the reasoning of the decision
 - Avoid liability
- Commissioners cannot disclose information gained from executive session

Ethics and Conflicts of Interest

- Commission Bylaws (Section 8) – “A Commission Member who has a **personal interest** in a matter before the Commission shall disqualify himself or herself from considering, discussing or voting on the matter . . .”
- State Statutes (C.R.S. 24-18-101 *et seq.*)
- City Charters, Codes and Regulations – City officials and employees may be subject to any ethics and conflicts of interest provisions of their respective cities

Ethics and Conflicts of Interest *Cont'd*

State Law

- C.R.S. § 24-18-108.5(2): "A member of a board, commission, council or committee who receives no compensation other than a per diem allowance or necessary and reasonable expenses shall not perform an official act which may have a direct economic benefit on a business or other undertaking in which such member has a direct or substantial financial interest."
- C.R.S. § 24-18-110: A member of the Commission "may, prior to acting in a manner which may impinge on his fiduciary duty and the public trust, disclose the nature of his private interest."
- **Commission Bylaws are stricter than state statute, and should be followed**



Questions?



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

ITEM NUMBER: 9

MEETING DATE: November 10, 2022

PREPARED BY: Aaron Ehle, Planning & Development Specialist

TITLE

Hangar Redevelopment RFP Update and Possible Executive Session Consistent with C.R.S. Sections 24-6-402(4)(e)(I), 4(a), and 4(b)

RECOMMENDED AIRPORT COMMISSION ACTION

Move to recess into executive session to discuss and consider options, and provide direction to staff regarding the Hangar Development RFP negotiations

BUDGET IMPACT

Unknown

SUMMARY

The Airport/Cities own 58 aging T-hangar units that are rented out on a month-to-month basis for basic light aircraft storage. In 2021, Fort Collins-Loveland jetCenter (FCLJC) presented an unsolicited proposal to redevelop the area in phases, replacing the T-hangars with larger hangars, in alignment with the Master Plan. Staff followed the typical development process and negotiated lease terms. The Planning & Development Subcommittee (PDSC) recommended approval of the lease. The negotiated lease agreement was presented for Airport Commission consideration. Following significant opposition from tenants of the T-hangars and developers who were unaware of the redevelopment opportunity, the Airport Commission opted to issue a request for proposals (RFP)

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 generated three responses. An evaluation committee consisting of PDSC members reviewed the proposals and conducted interviews with the respondents. The committee presented recommendations to the Airport Commission and was given the following direction:

- Engage in exclusive negotiations with FCLJC for redevelopment of all or a portion of Site A (T-hangars owned by the Airport/Cities).
- Develop and implement an infrastructure plan to create shovel-ready property for new hangar development on Site C (area north of runway 6/24).

For several months, the evaluation committee engaged in lease negotiations with FCLJC regarding the redevelopment of Site A and the development and implementation of a relocation strategy for displaced tenants. During this time, a third-party engineering consultant was hired to conduct a structural evaluation of the T-hangars and found that the buildings “have met or exceeded their service life and are not candidates for retrofit to meet current codes”. Details of the report will be shared in an upcoming Airport Commission meeting. In early November, FCLJC provided a best and final offer. The evaluation committee has reviewed the offer and recommends recessing into executive session to discuss it and provide recommendations.

ATTACHMENTS

None