



NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

4900 EARHART ROAD • LOVELAND, CO 80538

MEETING AGENDA THURSDAY FEBRUARY 16, 2023 3:30PM – 5:00PM

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

CONSENT AGENDA

1. DECEMBER 15, 2022, MEETING MINUTES AND JANUARY 19, 2023 MEETING SUMMARY P. 2 AND 9
2. DECEMBER FINANCIAL STATEMENTS P. 11
3. DECEMBER & JANUARY AIRPORT DIRECTOR REPORTS P. 13 and 25
4. LEASE AMENDMENT – 5243 GULFSTREAM COURT P. 42

APPROVAL OF CONSENT AGENDA

AIRPORT DIRECTOR'S REPORT HIGHLIGHTS

REGULAR AGENDA

5. TERMINAL PROJECT 60% DESIGN UPDATE (30 MIN) P. 84
6. HANGAR LEASES DISCUSSION AND POSSIBLE EXECUTIVE SESSION CONSISTENT WITH C.R.S. 24-6-402(4)(a), C.R.S. 24-6-402(4)(b), and/or C.R.S. 24-6-402(4)(e)(I) (60 MIN) P. 105
7. BUSINESS FROM MEMBERS

PULLED CONSENT AGENDA ITEMS

ADJOURN

Meeting Planning Calendar

March 16

- Strategic Plan Adoption & 2023 Workplan Presentation
- Federal and State Grant Approvals Runway Project Design
- Land Use Plan & Leasing Policy Discussion

April 16

- Airport Commission Roles and Responsibilities Training
- Airport Staffing Support Presentation
- Runway Widening Project Design award

May 18

- Land Use Plan & Leasing Policy Draft Presentation
- Preliminary Budget Presentation
- Terminal Project Construction Contract

Next Planning & Development Subcommittee Meeting: February 22 @ 3:30pm.

Agenda and materials will be made available at www.flynoco.com/airport-commission/pdsc.



December 15, 2022 Meeting Minutes

Call to Order: Chair Overcash called the meeting to order at 3:32 p.m.

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

3:34 pm Commissioners Burgener and DiMartino arrived

Public Comments: Adam Woodward, Experimental Aviation Association (EAA): Thanked Airport Operations staff for their assistance with his aircraft incident on the runway and announced the food drive collection at Fort Collins-Loveland jetCenter in partnership with EAA.

Consent Agenda

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

Pulled Items None
Consent Follow up None

Monthly Report Follow-up:

- Staff applied and received a federal grant for \$450,000 towards the runway widening project
- STARS is finally installed in the Remote Tower
- Blue Angels Airshow 2024 application was denied
- The Airport is planning a joint Aviation Day event with Aims Community College for the public on August 12, 2023
- CSU is planning a drone show in October
- The Strategic Plan session is scheduled on January 19 in place of a regular Commission meeting

Public Comments: None

Regular Agenda

5. HANGAR RFP RECOMMENDATION

The Cities own four structures containing 58 small hangar units that were constructed between 1965 and 1977 and are rented to aircraft owners on a month-to-month basis for the storage of small aircraft. The buildings are in poor condition due to age and construction quality and have been identified in the Airport's Master Plan for future redevelopment. In 2021, Fort



Collins-Loveland jetCenter (FCLJC) presented a proposal to redevelop the area in phases, replacing the T-hangars with facilities that were able to best utilize the adjacent infrastructure that did not exist when the buildings were originally constructed. Since this proposal was in line with Airport policies and plans, staff followed the standard development process and negotiated lease terms with FCLJC. The proposed lease agreement was presented for Airport Commission consideration and following opposition from occupants of the Cities' hangars and a developer who was unaware of the redevelopment opportunity, the Airport Commission opted to issue a request for proposals (RFP). The Commission additionally convened an Evaluation Committee comprised of staff representatives from the Cities and Airport Commission Planning and Development Subcommittee (PDSC).

The objectives of the RFP were to:

- Allow for any interested party to submit a proposal for the redevelopment area.
- Replace the aging Airport-owned T-hangars with new facilities in alignment with the City Councils' adopted Airport Master Plan.
- Support the construction and operation of new hangars to provide options for tenants who might be displaced by redevelopment.

The RFP generated three responses which were evaluated and presented to the Airport Commission, who then directed staff to engage in exclusive negotiations with FCLJC, and as part of the negotiations, develop and implement a relocation strategy T-hangar tenants who would be displaced.

For several months, the Evaluation Committee engaged in lease negotiations with FCLJC regarding the redevelopment along with a relocation strategy for displaced tenants. The committee discussed the negotiations with the Commission in executive session on November 10, 2022.

Based on the information gained during this process, the Evaluation Committee recommends that the Airport Commission take the following action:



- Close the RFP without award. A future RFP for redevelopment of “Site A” can be issued when appropriate.
- Provide direction to staff and the PDSC to develop a plan for the existing T-hangars.
- Reaffirm direction to staff and the PDSC to continue the development of a plan for a new general aviation hangar development site located on the NE airport area.
- Provide direction to staff to execute a communications plan to keep stakeholders informed and engaged.

Public Comments: **Brad Conrad**, T-hangar tenant: Requested the Commission get more specific information on the conditions of the hangars as the third row that he is in differed drastically from those in the front row which are really struggling. Stated he felt safe staying in the third row for a long time. **Richard Brewster**, T-hangar tenant: Stated he is in the front row in the old blue hangars and that he agrees with the comments on safety but that just because he and the hangars are old doesn't mean they're not functional. Stated the newer yellow hangars have some concrete issues, but that it could be repaired and that the old hangars have withstood many many high winds **Adam Woodward**, EAA: Stated that the land lease agreements for future RFPs on developments should be amended to no longer require reversion. **Martin Lind**, Discovery Air: Stated they had a bid in the closed RFP. Stated interest rates were at 2.8% when the RFP was published and that deals live and die on that. Stated that the time to get RFPs out and the failure after failure of it was ridiculous. Said land use plans are great but would require the FAA to approve a new Master Plan. **Licon**: That is incorrect. The Commission is looking for a policy to evaluate proposals ensuring they are inline with the current Master Plan. **Martin Lind** continued: stated his submittal met all of the Commission's desires and didn't understand why his submission was not selected. Stated the Commissioners have a flawed process and flawed timing of their process. **Theo Barker**, T-hangar tenant: Requested the Commissioners re-read Adam Woodward's statement in last month's minutes. Asked what direction are we headed? Who uses this airport more than anyone? What are the number of operations? Is the focus of this organization appropriate? Stated that pilots are not actually making decisions here. Asked the Commission if they even knew what they were doing. Asked if the Commission understood the implication of how they are directing that money. Asked if the Commission understand the impact of how they're spending the money is having on the people in the community who actually use this facility. Asked if the Commission if they understand the impact of what their decisions are having on the environment. Stated he burned an extra three gallons because the airport has a horse trailer for a tower, which causes airplanes to stack up halfway across Fort Collins, lined up to land on a runway. Asked if we are really spending the money where we should be. Asked if we are really spending the time where we should.



Vice-Chair Fleming moved to close the Hangar Redevelopment RFP without award. The motion, seconded by Commissioner Adams carried with all the Commissioners present voting in favor thereof.

**6. REMOTE TOWER
PROJECT UPDATE**

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

This item will provide an update on progress being made on the project. State of Colorado's Remote Tower Project Manager Bill Payne will be in attendance to share the status of the project and next steps.

Public Comments: None

**7. TEMPORARY
LAND LEASE
AGREEMENT WITH
AERO FNL**

IC Loveland Investors, LLC is approaching the start of construction of Aero FNL, the five new hangar buildings on the south side of Stearman Taxilane. The 23 general aviation hangar units will add approximately 77,000 square feet of aircraft storage capacity to the Airport. Due to the confined nature of the project site, additional land is needed for the storage and staging of construction materials and equipment. IC Loveland Investors, LLC is requesting a temporary lease of four acres of Airport property for this purpose. Airport staff identified a suitable site between Lear Drive and Lindbergh Drive and is proposing a rent rate of 2.5¢ per square foot monthly, which is the published rent rate for unimproved land. Construction is anticipated to last 12-16 months.

Key terms:

- Lot size – 4 acres
- Rent – 2.5¢ per square foot monthly = \$1,089 per acre monthly
- The defined area can be rented for up to 20 months. The actual duration of the rental is expected to be less than that.
- Screening will be required in high-visibility areas
- AeroFNL will be required to keep the road between the construction lot and project site clean. Mud tracked on the road will be required to be cleaned up expeditiously.



- The lot will be restored to its original condition at the end of the lease.

Public Comments: None

Commissioner Adams moved to approve of the short-term land lease as presented. The motion, seconded by Commissioner DiMartino carried with all the Commissioners present voting in favor thereof.

**8. DRAFT 2023
MEETING SCHEDULE**

Staff has coordinated with Airport Commissioners to draft the 2023 meeting schedule for the upcoming year. The attached 2023 proposed schedule considers holidays and the coordination of calendars for City Officials. The proposed meeting schedule format remains like the previous year with monthly meetings on the third Thursday of each month. The month of March is the only meeting time that does follow the convention to accommodate scheduling conflicts. The PDSC meetings would remain on a monthly schedule and special meetings would be called based on a case-by-case basis as high priority approvals and business is needed.

Public Comments: None

Commissioner Adams moved to approve the draft 2023 meeting schedule with an adjustment to March 16 for the March meeting. The motion, seconded by Vice-Chair Fleming carried with all the Commissioners present voting in favor thereof.

**9. ELECTION OF
OFFICERS FOR 2023**

The Airport Commission's Bylaws in Section 6 state that an election or appointment process be held periodically for the Chair and Vice Chair positions on the Commission. The bylaws also require that the Airport Commission appoint a secretary. This process has been conducted on an annual basis in advance of the new year.

Public Comments: None

Commissioner Arndt nominated Don Overcash for Chair for 2023. The motion carried with all the Commissioners present voting in favor thereof.

Chair Overcash nominated Tom Fleming for Vice-Chair for 2023. The motion carried with one abstention.

Chair Overcash nominated Shawn Battmer for Secretary for 2023. The motion carried with all the Commissioners present voting in favor thereof.



9. BUSINESS FROM None
MEMBERS

Public Comments: None

Arndt: Requested staff research a uniform written policy for determining lease rates on the Airport

Adjournment: Meeting adjourned at 4:58 p.m.

Respectfully Submitted,

Vice-Chair, Tom Fleming

DRAFT

December 15, 2022 REGULAR MEETING SIGN IN SHEET

Please Print Your:

NAME _____

ORGANIZATION

[illegible]



NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

4900 EARHART ROAD • LOVELAND, CO 80538

JANUARY 19, 2023 MEETING SUMMARY

PUBLIC ATTENDANCE

IN ACCORDANCE WITH COLORADO'S OPEN MEETINGS ACT PUBLIC AUDIENCE MEMBERS MAY ATTEND AND OBSERVE WORK SESSIONS. NO ACTION WAS TAKEN THEREFORE PUBLIC COMMENT AND PARTICIPATION WAS NOT AVAILABLE.

Call to Order: Chair Overcash called the meeting to order at 2:05 p.m.

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

1. AIRPORT TERMINAL FUNDING DISCUSSION

The Director provided a review on the background of why the project was selected by the Commission and an informational update on the status of Terminal Funding. The PDSC recommended the project as a priority with \$2 million set aside for operations from the \$16.9M CARES grant in 2020. This was approved by the Airport Commission with one no vote by Commissioner Stooksbury at the May 21, 2020 meeting. The project was selected as it was the best option for providing the most positive impact for the entire region and benefit multiple user demographics. Further illustrated, this project lowers the barrier of use for the public, creates jobs, provides additional economic opportunities, allows for future sustainability for the Airport, and most importantly helps improve the recovery of the region from COVID impacts.

During the original design workshops the Commission selected a design with 26,600 sq ft. Once the design reached 60% completion, construction rates significantly increased due to inflation and supply chain demands, which raised the original project estimate from \$23.5 to \$31 million. Due to that change the Commission opted to restart the design process with a reduced scope for the terminal which is now 19,400 sq ft at an estimated cost of \$25 million. This still created a funding gap of \$2 million.

Staff have exhausted all grant funding opportunities available to the Airport and this gap would require coverage by the two owner Cities. The City of Loveland committed \$1 million from



NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

their general funds with the requirement that Fort Collins would need to match their funding in order to cover the gap. Fort Collins City Council Finance Subcommittee (FCCCFS) did not approve the \$1 million request as part of the Hughes Stadium site land purchase debt structure. FCCCFS requested additional criteria for contingent capital contribution and will reconvene on February 2nd to reassess the request. If funding is not secured by February 20 the design will require further reduction.

2. STRATEGIC PLANNING WORK SESSION

Strategic plans are a critical tool for policy makers to update and adopt on a regular basis. This plan set the goals and priorities to achieve the adopted Vision for the Airport and guides the Planning and Development Subcommittee (PDSC) and staff to create a detailed work plan. The work plan will be brought back to the Airport Commission in March to adopt.

The PDSC and staff updated the strategic plan to align with discussion and feedback from Airport Commissioners from the past regular meetings. The plan's goal is to assist the Airport Commission with an efficient format and identified strategic objectives which can be reviewed as the Airport Commission requires.

The Commission, PDSC, and staff further refined the plan and redefined the Focus Areas in to four (4) main categories:

- Safe, Secure, & Financially Sustainable Operations
- Multi-modal Transportation
- Economic Development & Impact
- Education, Training, and Innovation

The Focus Areas are then supported by 10 Strategic Objectives which will allow the the airport to realize the long term goals that the Commission has targeted for its future. These Strategic Objectives are then further broken down by the 11 prioritized Projects and Action Items that will help reach the realization of each Strategic Objective. PDSC and Staff intend to develop the two year work plan based on these priorities that were identified by the Commission during the StratOp Work Session.



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ITEM NUMBER: 2

MEETING DATE: February 16, 2023

PREPARED BY: Jason R. Licon, Airport Director

TITLE

Monthly Financial Statements

RECOMMENDED AIRPORT COMMISSION ACTION

Staff recommends acceptance of the preliminary financial statements as presented.

BUDGET IMPACT

Neutral

SUMMARY

The Airport finished on track for expenses and exceeded revenue budgets for 2022.

This is due to higher than anticipated fuel costs driving up fuel related revenues.

Despite the costs, fuel volumes for the year remained almost identical in comparison to last year. Highlights for the end of the year include:

- Cares Act Grant
 - Federal grant reimbursements of just under \$2.1 million were received in 2022, \$1.2 million of that balance comes from the CARES operations and maintenance grant which was earmarked for the terminal project. This is reflected as a capital contribution income source on the financial statements as part of the net position available for use.
 - Accurate Net Position available for use is \$3,611,370.49 since \$1,198,958.51 is budgeted for the terminal project.
- Fuel Sales were lower for the month of December but tracked nearly identical for the year end to the year prior.
 - Wholesale fuel volumes reported by jetCenter for the month were:
 - Jet-A: 72,000 gal (104,011 Dec 2021)
 - AvGas: 8,002 gal (15,992 Dec 2021)
 - Year-end totals:
 - Jet-A: 1,054,099 gal (1,045,663 2021)
 - AvGas: 231,504 gal (232,224 2021)

ATTACHMENT

Preliminary monthly financial statement for December 2022

January still under Finance review – will provide at meeting if possible



NORTHERN COLORADO
REGIONAL AIRPORT

Airport Statement of Revenues and Expenses
From 01/01/2022 to 12/31/2022

PRELIMINARY

	Y-T-D 2022 Actual	Y-T-D 2021 Actual	2022 Total Budget	% of Total Budget
OPERATING REVENUES				
Hangar Rental	240,022	247,095	225,000	107%
FBO Rent	94,172	92,713	96,287	98%
Gas and Oil Commissions	404,201	265,576	180,000	225%
Aviation Fuel Tax Reimbursement	193,644	127,754	140,000	138%
Land Lease	536,645	371,770	370,000	145%
Land Lease PD Training Ctr	381,601	366,791	379,900	100%
Terminal Lease and Landing Fees	20,928	7,160	14,500	144%
Parking	0	330	75,000	0%
Miscellaneous	105,383	123,371	20,500	514%
TOTAL OPERATING REVENUES	1,976,596	1,602,560	1,501,187	132%
OPERATING EXPENSES				
Personal Services	760,764	668,421	827,312	92%
Supplies	96,920	74,945	100,000	97%
Purchased Services	618,531	435,275	679,869	91%
TOTAL OPERATING EXPENSES	1,476,215	1,178,641	1,607,181	92%
OPERATING GAIN (LOSS)	500,381	423,918	(105,994)	
NONOPERATING REVENUES (EXPENSES)				
Passenger Facility Charge	0	0	0	
Interest Income	22,637	(61,294)	51,000	44%
Proceeds from sale of asset	12,150			
Capital Expenditures	(1,010,246)		(20,369,053)	5%
TOTAL NONOPERATING REVENUES (EXPENSES)	(975,459)	(61,294)	(20,318,053)	
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(475,078)	362,625	(20,424,047)	
Capital Contributions	1,226,160	4,356,144	16,581,373	7%
CHANGE IN NET POSITION	751,082	3,272,823	(3,842,674)	
NET POSITION, Beginning	19,864,422	16,591,599		
NET POSITION, Ending	20,615,504	19,864,422		
Investment in Capital Assets	15,805,175	15,805,175		
Net Position Available for use	4,810,329	4,059,247		



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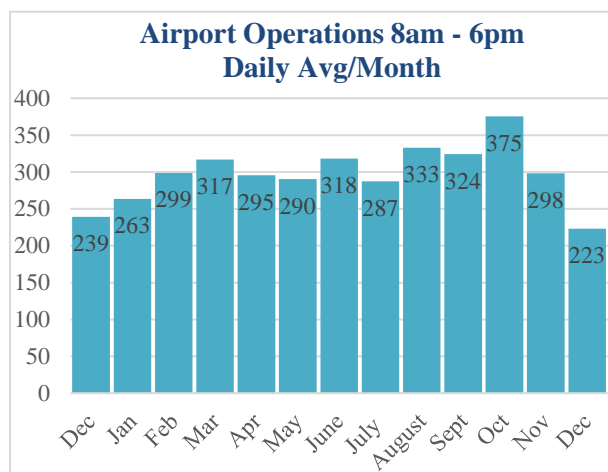
Date: January 9, 2023
To: Northern Colorado Regional Airport Commission
From: Jason R. Licon, Airport Director
Re: December Airport Report

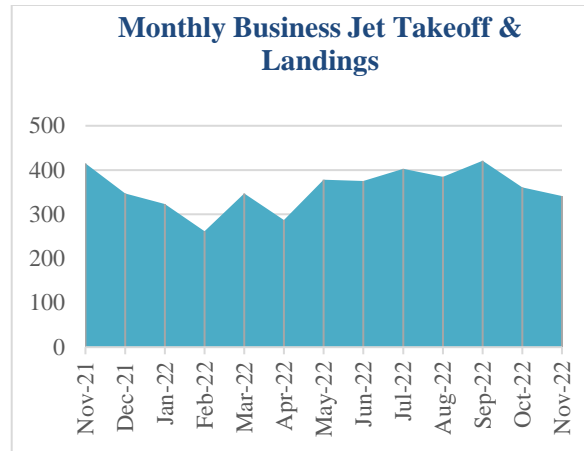
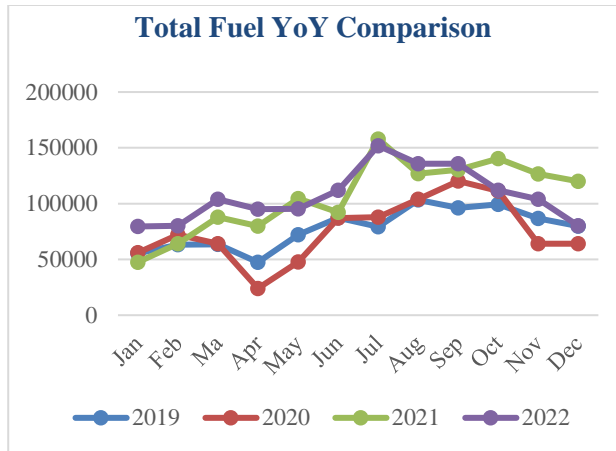
Report Highlights

- Fuel sales totals were slightly above those from last year, only by less than 1%. More information on how the fuel sales break down with different user groups can be found in the 2022 Fuel Report.
- Airport staff have been spending significantly more time this year managing the end of year grant reporting. Extra effort was required this year due to the highest number of grants that have been awarded- and some complexities that require unique reporting methods.
- The FAA approved right traffic operations for runway 15 to restart in mid-January.

December Airport Activity Dashboard

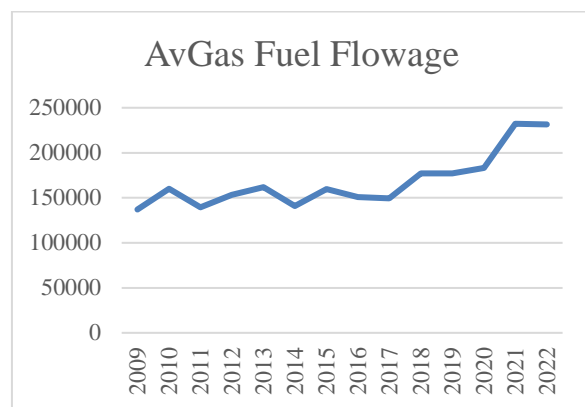
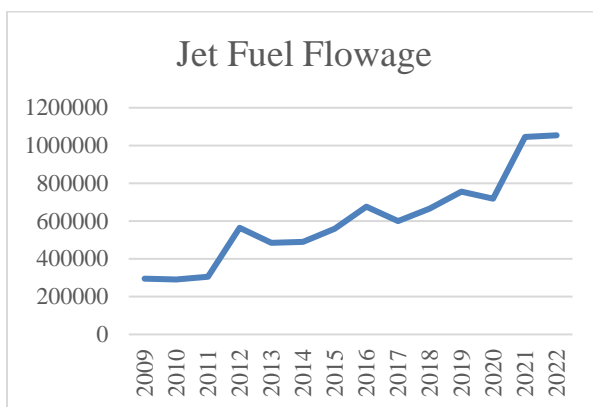
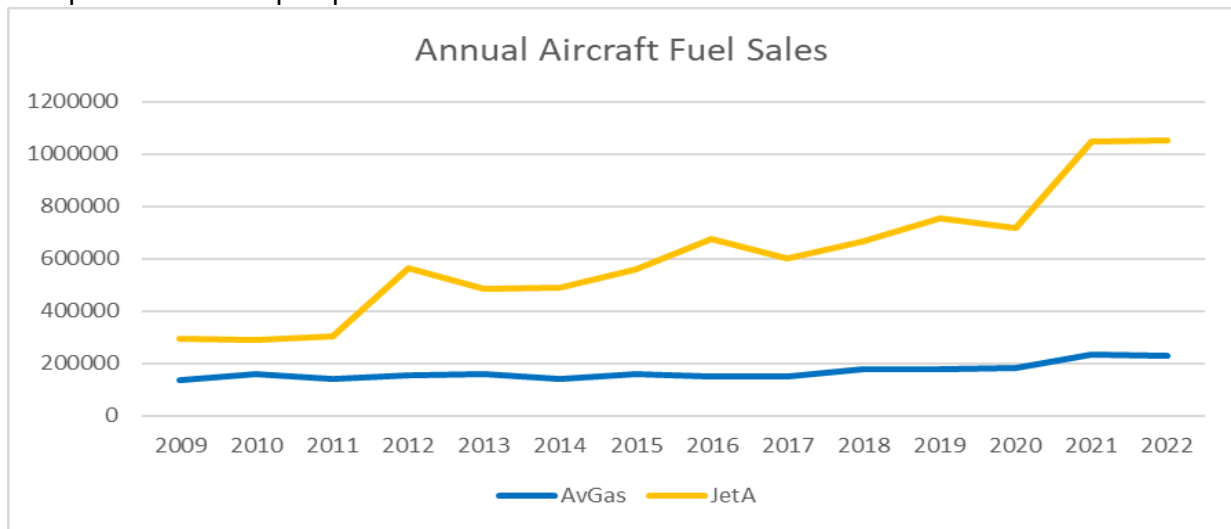
- Flight operations averaged 223 per day, and the twelve-month rolling average is 302. This is the lowest amount of air traffic recorded during a month since air traffic control services started in March of 2020.
- Wholesale fuel ordered by the jetCenter FBO for December was 80,000 gallons, a decrease of 1/3 compared to last year's 120,000 gallons.
- National airline passenger throughput for December remained at 94% (vs. 2019).
- Business jet activity for November compared to the same month last year decreased by 17.8% to 341 operations.
- DEN Airport throughput charts have been removed from the dashboard since they no longer show impacts from the pandemic.

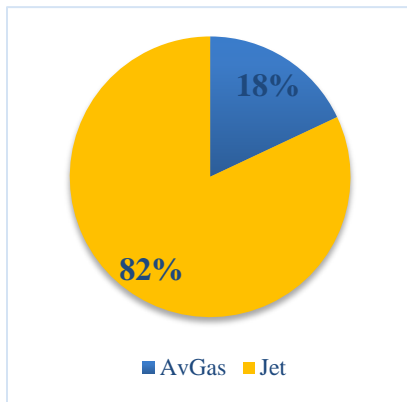




2022 Fuel Report

The fuel provider at the airport, the Fort Collins – Loveland JetCenter ended the year with a less than 1% increase over 2021. JetCenter provides two aviation fuel products, Jet fuel and Aviation Gasoline or AvGas. The historical fuel sales charts can be seen below in three charts, the first is the combination of both fuel types, with the second and third being each fuel type on a scale that provides better perspective on scale:





The total reported annual fuel sales by JetCenter was 1,285,603 gallons, or 1% more (7,716 gal) than fuel volumes reported last year. The two types of fuel amounted to 82% or 1,054,099 as Jet fuel and 18% or 231,504 as AvGas. AvGas sales break down further to 51% being for flight training schools or 118,000 gallons, 25% for based private aircraft or 58,000 gallons and 24% for transient aircraft or 55,000 gallons.

The historical fuel sales show interesting trends and statistics. AvGas fuel from 2009 to 2019 was relatively flat with a noticeable increase within the past two years. This increase is

tied to an upward trend in pilot training and flight school activities (Aims Flight Training Center beginning operations in late 2019). AvGas not associated with flight training schools or aircraft not based at the airport amounted to 4.5% of the total fuel sold, which is the opposite of based aircraft counts. The Airport has approximately 240 based aircraft, where 200 are single engine piston that use AvGas (25 are flight training aircraft), 14 are multi-engine that use both AvGas and Jet fuels (2 are AvGas powered flight training aircraft), 14 are helicopter, and 12 are jets.

Economic factors greatly influence Jet fuel volumes, as seen in the chart between 2009-2011, a result of the aftereffects of the great recession. Statistically Jet fuel statistics show a high demand coming from aircraft that are not based on the airport. Since Northern Colorado has many companies that operating satellite locations, their business aircraft are based in other locations and typically only visit and refuel. Over the past two years, the amount of Jet fuel flowage have not significantly changed which could be an indication of economic slowing due to inflation.

Remote Tower Project

Searidge Technologies is identifying potential modifications to the system to meet the Operational Visual Requirements (OVR) that were updated by the FAA in November. The updated requirements specify that a 360-degree fixed video wall of the airfield and airspace be used as the primary display. To meet the updated visual acuity requirements, camera adjustments will be made (or the cameras will be replaced with higher definition capable units), and the video wall will be moved closer to the controllers. This creates a conflict with the controller work positions (CWP), as the displays at the CWPs will block the view of the video wall if it is moved closer.

By requiring the video wall to be used as the primary display, it seems the FAA is attempting to simulate a legacy air traffic control tower, rather than embracing the capabilities of the newer technologies. This approach doesn't take full advantage of radar, distributed cameras, video stitching, and pannable displays – all of which are present at FNL and were previously approved by the FAA to increase the overall functionality to the system.

While the updated visual requirements present some challenges for the system at FNL, Searidge is working to find solutions without degrading functionality. If/when the visual acuity

requirements can be met, testing will resume and achieving Operational Viability Decision will be in sight. This decision will allow for the remote tower system to be used by air traffic controllers as the system technology continues to be certified by the FAA, which is the same status as the other remote tower project in Leesburg, Virginia. The achievement of these new requirements may require Searidge to install new cameras and displays that are higher resolution and are newer; however, this may create challenges to support the bandwidth and processing requirements for the stitched images. This will continue to evolve as we continue to move forward.

Airport Grants

Airport staff have been working to manage an unusually high number of grants. Typically, grant management workloads have been about half of what we have seen in 2022. Much of this has to do with the funding received from the Cares Act. Staff have also applied for numerous grants aligned with the achievement of projects within the approved Capital Improvement Plan. The information below includes the status of the various grants that are being managed by Airport staff:

Current Federal Grants

- CARES Act O&M (Cares Act funded- #AIP 39) \$2,000,000: Continue to draw down eligible reimbursement items, will be applying the funding toward the terminal project – and will temporarily be reflected in financial statement balances.
- Commercial Apron Expansion (FAA Entitlement & Discretionary- #AIP 40) \$2,491,837: Amendment approval closeout, awaiting FAA approval to execute final grant drawdowns.
- Terminal Design (Cares Act funded #AIP 41) \$10,602,404: Used for terminal design, \$1.4 million reimbursed so far for eligible project design costs.
- Commercial Apron Expansion Project (Cares Act funded- #AIP 42) \$492,662: Amendment approval adding eligible amounts, final drawdown conducted for remaining.

Current State of Colorado Grants

- Internship Grant (#22-FNL-I0) \$20,800: 50% funding for internship grant
- Surplus Equipment Grant (#22-FNL-S01) \$9,600: 80% funding for surplus equipment from DEN, closed out.

In addition to the grants that are being managed, applications are in process or have been made by Airport staff for the following grant resources:

- Federal Grants
 - Applied for and submitted a grant request to the FAA Bipartisan Infrastructure Law Terminal grant of \$6.9 million. Submitted by deadline of October 23, 2022 with award notices expected in late January or early February 2023.
 - Application in process for \$240,000 in FAA funding for costs associated with the design for the runway 15-33 widening and new lighting circuit project.

- State Grants
 - Applied for and will be seeking execution of \$450,000 in state federal match and overmatch funding to be applied toward the design for the runway 15-33 widening and new lighting circuit project. This grant has been reviewed by the Colorado Aeronautics Board and is expected to be formally approved at their January 31 meeting in Denver.

Landline/United Service Increase

In December, the Landline/United service changed their service frequencies from four to nine daily roundtrips. Airport terminal activity has noticeably increased and according to Landline their ridership is on a steady increase due to the change. Landline provides an integrated, seamless experience for United customers, but customers of other airlines can now use the service much like a traditional shuttle service.

Planning & Development Update

- **AeroFNL Hangars** - Construction of the new hangars has officially started. 77,000 square feet of new hangar space will be added to the Airport through this project which is comprised of 5 buildings and 23 individual hangar units. The hangars will be sized to support light aircraft from single and multi-engine piston aircraft up to small jets. Completion is expected in late 2023 or early 2024. Staff have coordinated with the project team, airport users, and businesses to proactively identify and mitigate any negative impacts that might arise during construction.
- **5240-5244 Gulfstream Court** – Construction is nearly complete on a 2-unit development with 9,000 square feet of combined hangar space.



- **Amazon Logistics Center** – Construction of the 3.87 million square foot robotic fulfillment center continues, with completion expected in late 2023 or early 2024.
- **Byrd Drive Industrial** – Construction is substantially complete on two industrial distribution buildings totaling 188,000 square feet on Byrd Drive near the entrance to the Airport.



- **Airpark North** – Construction is underway on a 36,000 square foot flex commercial building. Work on other projects in the area, including the Larimer County Fleet Campus, is expected to start in 2023.



- **Boyd Lake Commerce Center** – Located adjacent to the southwest area of the Airport, construction recently began on the 95-acre development featuring flexible design for assembly, R&D, manufacturing and warehouse distribution, outdoor yard, and regional connectivity.

2022 Highlights

The following is a reflection of key items accomplished during the past twelve months

- The Commercial Apron and Taxiway project was completed 4Q 2021 and an additional \$31,962.00 in additional funding was obtained from the FAA, for a total award of \$2,491,83.00. This project also won an award for Excellence in Concrete Paving from the American Concrete Pavement Association.
- An operating agreement was set up with Avis/Budget. This provides much-needed rental car options for airport users and helps provide additional revenue to the Airport.
- FNL was nominated for the Most Innovate Market Development Award with Cranky Flier.
- The Colorado Remote Tower Project completed phase 1 testing in April.
- The first conversion of a land lease to an association lease with a renegotiated lease was completed in April for 5010 Grumman.
- The Airport passed its annual Federal 139 certification in April.
- Despite Avelo Airlines suspending operations in May, the 10,000-enplanement threshold was exceeded, securing a minimum allocation of federal entitlement funding of \$1,555,000 for 2024.

- Fort Collins hosted their Regional Elected Official Meeting at the Airport on June 9th. Staff were able to share information about the new Airport terminal project.
- In July, the Larimer County Board of Commissioners authorized a \$1.5 Million commitment toward the proposed terminal and aviation technology innovation center concept.
- The Airport successfully hosted the Thunderbirds for the Cheyenne Frontier Days Airshow event for the second year in a row due to Cheyenne Regional's runway construction.
- Aims Community College and the Aims Women in Aviation International (WAI) Chapter hosted their annual Aviation Day event at FNL in August with over 2,500 attendees.
- A partnership between the Airport, CDOT Aeronautics, and the FAA introduced four real-time camera feeds of Airport property. This is an invaluable tool which will allow pilots and travelers to know the current weather conditions at the airport.
- The triennial emergency exercise was held in September. The exercise simulated a large-scale aircraft emergency with multiple agency partners in the Northern Colorado region.
- In October, Discovery Air was approved to host a U.S. Customs Reimbursable Services Program office. This will allow airport users to clear customs at FNL and will offer additional services for airport users and residents of the region.
- Landline expanded their offerings with a total of nine daily roundtrips to DEN. In addition to providing a seamless experience for United customers, passengers flying on other airlines can now utilize the service.
- EDF Renewables entered an intent to lease agreement with the Airport for the potential development of a solar energy generation project for Platte River Power Authority (PRPA).
- Fort Collins-Loveland Water District requested an easement for a 30-inch water line that will run along the northern and eastern boundary of the Airport. The water line will benefit the Airport by providing water infrastructure to areas of the Airport where aeronautical development is being considered.
- In November, the FAA released OVR2 (Operational Visibility Requirements) for the Remote Tower. This changes the standards for operation of Remote Towers.
- The STARS radar display was installed in the Remote Tower in December.
- Aims Community College Board of Trustees formally approved up to \$6 million in grant match funding for a Technology and Transportation Innovation Hub at the Airport. An American Rescue Plan Act (ARPA) grant application for the facility will be submitted in 2023.

Attachment

1. Remote Tower Project Report for December from WEPA



December 31, 2022

From: William E. Payne, P.E.

To: Colorado Division of Aeronautics

Section A – Remote Air Traffic Control Contract Progress Report #18

Re: Period: December 1 through December 31, 2022

Colorado Remote Tower Project Activity Status			
Activity	Status/Start Date (Projected)	Finish Date (Projected)	Remarks
Remote Tower Implementation			
STARS Operational at FNL	11/25/2022	12/15/2022	Local Adaption and Mapping Complete
Remote Tower System			
System Upgrade - Tech Refresh	In-Progress	TBD	Ongoing
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
OVR Ver 2.0	11/4/2022	11/25/2022	OVR Ver 2.0 Delivered to Vendor - 11/25/22
Vendor Response to OVR Ver 2.0	12/2/2022	12/22/2022	Vendor will Comply with OVR 2.0 and Provide SDA Documents
Implementation of 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:

In the latest version of the Operational Visual Requirements (OVR) 2.0, the FAA has defined the three types of displays to be used by the controllers.

“Primary Display: Fixed, continuous 360-degree view of the airfield and surrounding airspace.”

“Secondary Display: Fixed, partial view(s) of the airfield and/or surrounding airspace for the active runway(s). The secondary display for the active runway(s) must be presented to the user at all times. If used, the secondary display must be utilized in addition to the primary display.”

“Tertiary Display: Directional and aim-able partial view(s) of the airfield and/or surrounding airspace. The tertiary display may or may not always be presented to the user. If used, tertiary displays must be utilized in addition to the primary display or secondary display.”

The primary display, by definition, is the video wall. This approach has two major flaws: first, it fails to recognize the benefits from an operational and human factors standpoint of a set of displays (defined as secondary by the OVR) at the controller working positions (CWP). Secondly, requiring a single display as the primary video source limits remote tower development to simply attempt to reproduce legacy ATCT using video instead of direct human visibility out of a cab window, which is unattainable at this stage.

Specifying the video wall as the primary visual tool has some unfortunate implications for the Colorado Remote Tower System at the Northern Colorado Regional Airport (FNL):

1. To meet the visual acuity requirements in OVR 2.0, the video wall will by necessity need to be moved closer to the CWP. As the ceiling height is limited in the FNL facility, the CWP displays will block controller view of the video wall forcing removal of the CWP displays unless a controller is standing.
2. If the visual acuity requirements are met by the video wall, the need for the CWP displays is negated.
3. Meeting the visual requirements on long runways, as at FNL, from a single central camera mast becomes more and more difficult which is why a distributed camera system was employed at FNL.
4. There are two ways to display video from a distributed camera system such as at FNL:
 - a. Displays on the CWPs;
 - b. Picture-in-a-picture on the video wall, which will occlude part of the 360° view.

Note: Requiring the secondary display of the active runway(s) be presented to the controller at all times creates a quandary for the FNL system. How is the secondary display presented without blocking a portion of the video wall?

The distributed camera system with displays at each CWP was approved and even embraced by the FAA at FNL.

As has been stated previously and confirmed by testing, the picture from a video system does not faithfully reproduce the out-of-the-window view from a legacy ATCT for various technical human factor reasons. This is why additional functionalities were employed at FNL to compensate for this shortcoming.

Three of the visual requirements in version 1.0 have been removed as they were deemed to be redundant, resulting in a total of 89 visual requirements. In addition to the three deleted requirements, 19 were updated to reflect the use of secondary and tertiary displays.

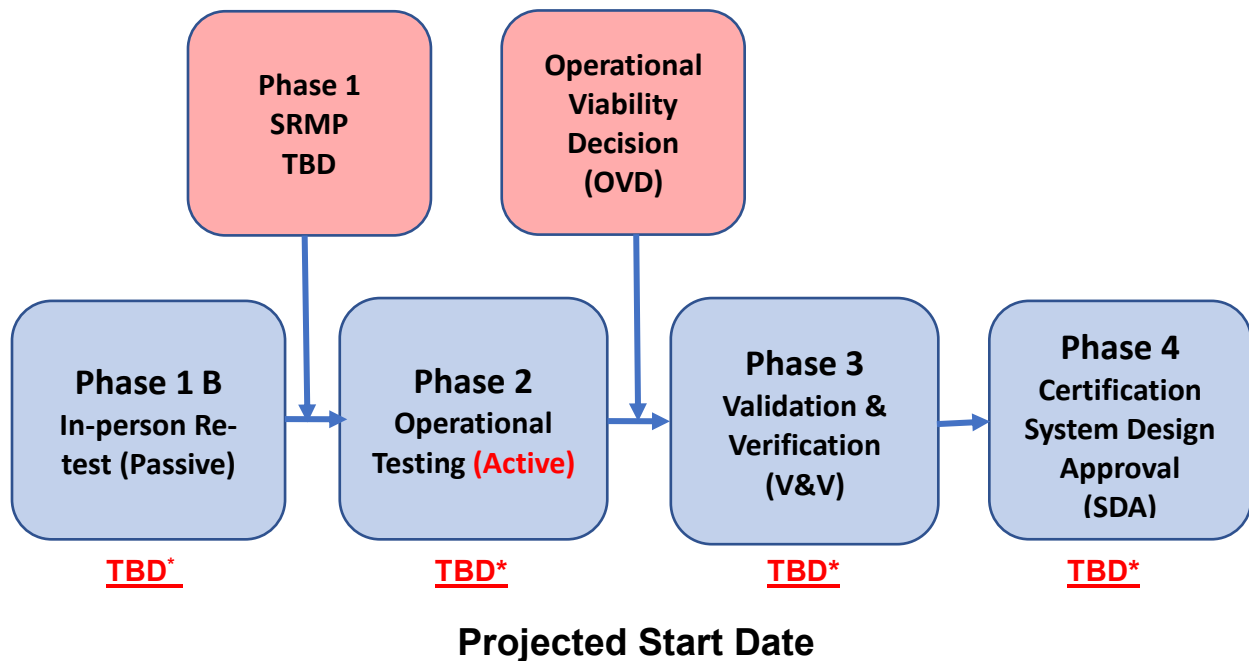
Version 2.0, as with Version 1.0, assumes that radar coverage is not available and fails to give any credit to the use of radar as a supporting situational awareness tool. This is a shortcoming that will, in the future, be understood and inevitably corrected. The argument made for not considering radar is that not all airports have radar and therefore should not be considered as a tool. The advent of ADS-B, the increasing coverage volume and the large percentage of equipped aircraft makes this argument difficult to maintain.

It is my firm belief that OVR must permit systems to take advantage of the technologies available or that will be available, such as radar, distributed cameras, video stitching, panable displays, etc. to allow remote towers to reach their full potential.

Searidge is working to find a solution to the visual acuity issue and produce the documents necessary to System Design Approval (SDA). Searidge should hopefully be able to meet the visual requirements without sacrificing some of the system's functionality. When visual acuity requirements are met, there should be a clear path to achieving Operational Viability Decision (OVD), as is the case with the system at the Leesburg Executive Airport (JYO).

Denver TechOps personnel have completed mapping and local adaption of the STARS. The system is now fully operational and ready for controller training.

Proposed Remote Tower Testing Phases:

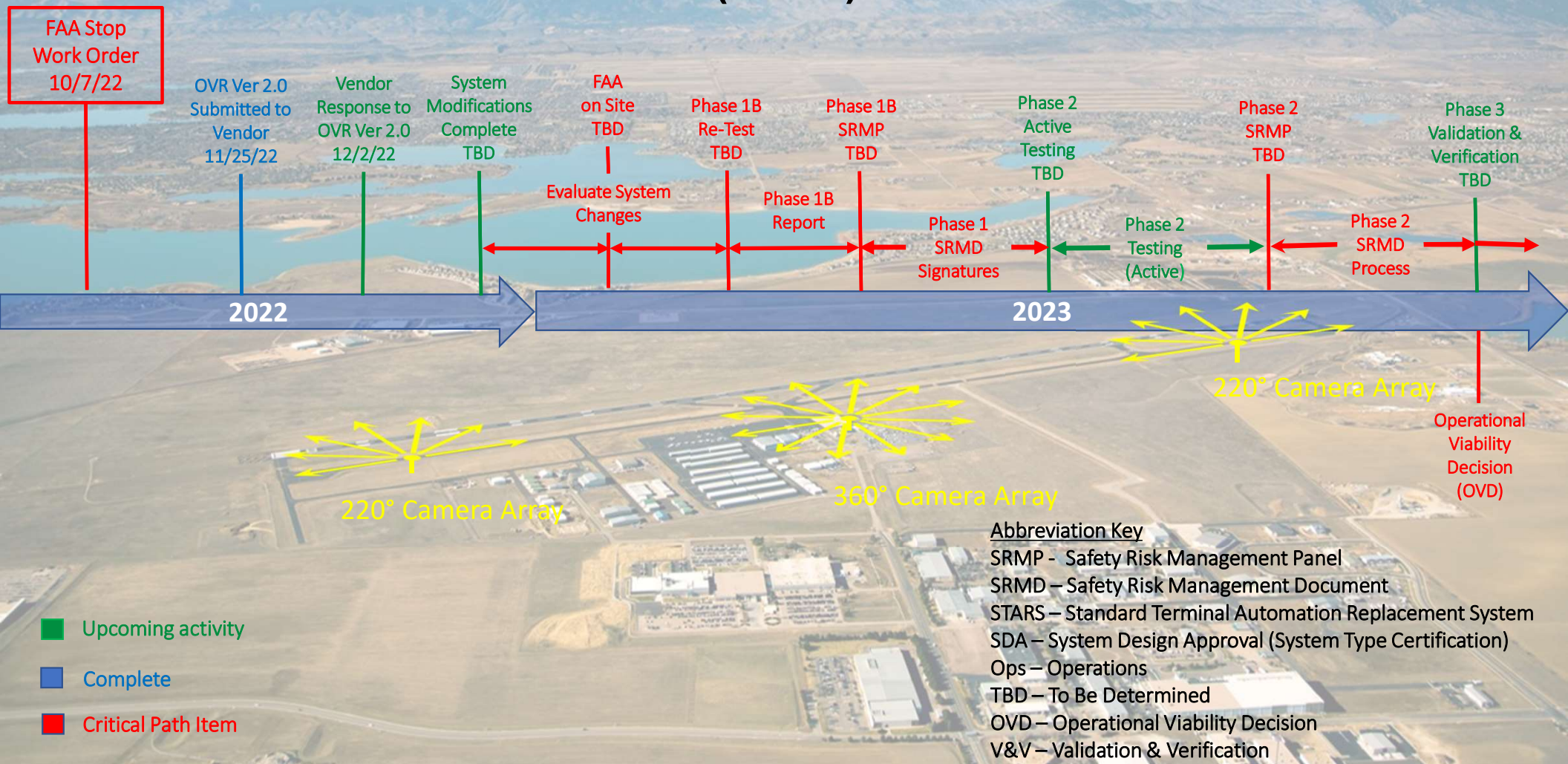


*Dependent on local resources' ability to travel to FNL and COVID status

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

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

Colorado Remote Tower Timeline (Draft)





NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

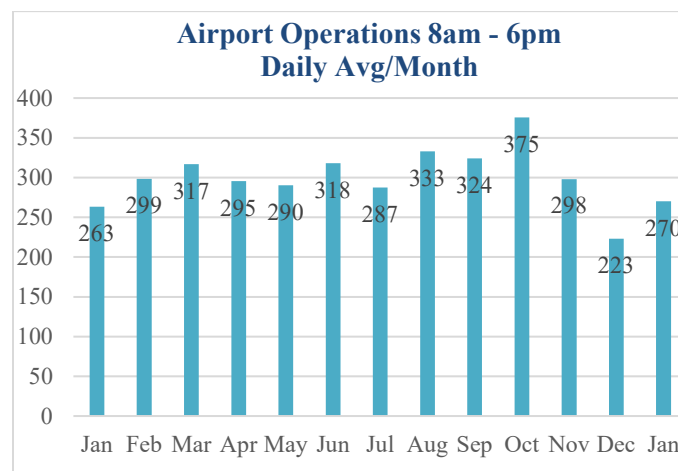
Date: February 9, 2023
To: Northern Colorado Regional Airport Commission
From: Jason R. Licon, Airport Director
Re: January Airport Report

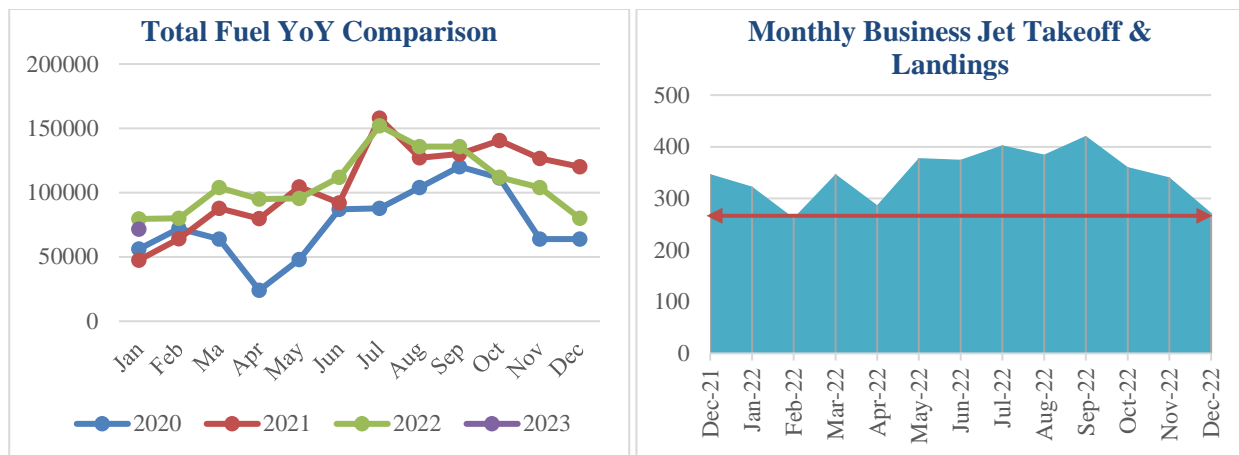
Report Highlights

- During the month of January, the airport experienced intense cold and above average snow amounts. Snow removal activities and the sustained arctic temperatures resulted in some equipment failures, which fortunately did not result in significant delays in snow removal or create safety concerns.
- Emergency services support that is provided by the Loveland Fire and Rescue Authority has been temporarily reduced onsite. LFRA ARFF engineer Gina Gonzales is backfilling other stations temporarily while a new fire academy program is conducted to obtain more staffing. ARFF engineer Gonzales will be on temporarily reassigned for approximately 15 weeks starting in late January/early February.
- Airport staff have received approval for \$688,000 in federal and state funding to be used for the Runway 15-33 widening project.
- Airport staff is working with the remote tower company hired by the FAA on finding solutions for upcoming testing of new upgraded camera systems to obtain approval from the FAA on the visual requirements revision after the current system was installed.

January Airport Activity Dashboard

- Flight operations averaged 270 per day, and the twelve-month rolling average is 303.
- Wholesale fuel ordered by the jetCenter FBO was 71,512 gallons, a decrease of 10% compared to last year's 79,528 gallons.
- Business jet activity for December compared to the same month last year decreased by 22% to 272 operations.





Airport Owned T-Hangars Update

The Airport Commission closed the hangar redevelopment RFP without award at their December meeting. During the negotiations process a structural engineering analysis was conducted, and the results indicated safety related risks due to age and deterioration. Staff were directed to complete further investigation with staff from both Cities and the structural engineering company. Joint meetings with both Cities Risk Departments were completed with the engineering company.

Aircraft Rescue & Fire Fighting (ARFF)

The Airport has a great partnership with the Loveland Fire and Rescue Authority (LFRA) providing critical emergency support services and assistance with the achievement of federal regulatory compliance standards. LFRA and the Airport have collaborated for decades and have worked together on the achievement of common goals. These goals include combining resources to construct and operate the fire station facility that houses airport administration, LFRA airport rescue and firefighting services, and other emergency response agencies in addition to partnering on obtaining specialized fire/rescue equipment.

The Airport relies upon LFRA for the achievement of certain airport certification requirements with the Federal Aviation Administration, specific to Airport Rescue and Fire Fighting or ARFF. LFRA supports the Airport by providing a dedicated ARFF engineer assigned to the role of keeping the Airport's emergency requirements met through required training, mutual aid coordination, FAA airport inspection requirements, and operational readiness of airport provided equipment. Gina Gonzales is currently the LFRA engineer that is serving in this role, and from early September to early December and now again at the end of January she had to be temporarily reassigned to regular shift duties. This change is due to LFRA personnel that are needed to support fire academy training for necessary staffing. This change will be for a four-month period, and she is expected to return to the ARFF role in late May/early June.

What this means for the Airport: There are no dedicated LFRA staff onsite unless federal regulations require support for air carrier activities, required training, and airport FAA certification inspections. The closest staffed LFRA fire station is #6, which has an eight-minute minimum response time to the Airport. LFRA leadership have assured that the Airport will be

able to meet all minimum requirements pertaining to federal regulations, and staff will be available while Engineer Gonzales is temporarily reassigned.

During the month of January ARFF engineer Gonzales completed mutual aid training for area agencies including Poudre Fire Authority and Windsor-Severance Fire. This crucial familiarization training is conducted periodically throughout the year, as these organizations have dynamic duties and station assignments from staff. Proper training provides staff the ability to respond to the right location on the Airport; which can help save precious minutes in a life-threatening emergency.



Runway Widening Project

The Airport has identified a critical need for a wider runway to support the aircraft types that it was designed to accommodate. Target aircraft are the Boeing 737 and Airbus A320 series. These aircraft continue to be widened and lengthened to allow for greater utility, and because of these modifications have entered into a larger class of aircraft for airports requiring a wider runway. The Airport's runway is currently 100' wide and will need to be widened to 150' to meet minimum operational requirements for many airline operators. Airport staff are working with the FAA and state of Colorado Aeronautics to obtain grant funding to support the design and construction of this growing need.

Staff has completed grant application requests for two grants to be applied toward the anticipated costs associated with the runway widening project. The FAA grant is for \$238,235 with a 10% local match split between the State and the Airport. Normally each match would be 5% or \$13,235 bringing the total to \$264,705. However, for this project the Airport was able to apply for an overmatch grant through Colorado Aeronautics for an additional \$450,000 in project funding. This increases the total State funding to \$463,235 requiring a local match of \$63,235, bringing the funding to a grand total of \$764,705. The State Aeronautics Board approved the overmatch grant on January 31st at the Colorado Airport Operators Association annual winter conference in Denver.

- Federal Grant
 - \$238,235: 90% federal funding
- State Grants
 - \$13,235: 5% federal funding match
 - \$450,000: 90% State grant
- Local Match

- \$13,235: 5% federal funding match
- \$50,000: 10% state funding match

Aims Community College



Aims Community College is pursuing state grant funding through the workforce development category, specifically through the recently released Opportunity Now funds that are a portion of the remaining funding received by the state from the

American Rescue Plan Act (ARPA). This new grant opportunity includes \$85 million and includes requirements that include the demonstration of a public-private partnership. Aims accompanied by Airport Staff met with Frontier Airlines last month to solicit private sector support and potential partnership on employment pathways which will further help support their aviation technology innovation center.

CSU Basketball

Another basketball season is upon us, and CSU is regularly utilizing the airport for their games. Preliminary schedules show that these flights will occur on a weekly basis through the peak that occurs during the playoffs in March.



Terminal

The design team and preconstruction contractor Hensel Phelps completed 60% design mid-January. The next phase in the project is to conduct another round of cost estimation, which will be completed at the end of February, when the project will start to finalize a contract with a guaranteed maximum price with Hensel Phelps and break ground in late spring.

Staff continues to work with Fort Collins on the City's contributions towards the project. The next presentation to Fort Collins will occur on February 2. Without contributions from the cities, then the square footage will need to be further reduced. This is estimated to be a loss of an additional 2,200 sf reducing the new terminal from two gates to one and the loss of LEED certification. Staff applied for \$6.9 million from the FAA BIL ATP which should have a result

sometime in February. However, competition for those funds is extremely fierce especially since the Airport has already received a considerable amount of federal funding.

Attachment

1. Remote Tower Project Report for December from WEPA
2. Loveland Fire and Rescue Authority ARFF monthly report
3. PDSC January 25 Draft Minutes
4. Airport expansion may shrink without \$2M from Fort Collins, Loveland
5. CDOT Announces \$9.5 Million Grant for Colorado Airports



January 31, 2023

From: William E. Payne, P.E.

To: Colorado Division of Aeronautics

Section A – Remote Air Traffic Control Contract Progress Report #19

Re: Period: January 1 through January 31, 2023

Colorado Remote Tower Project Activity Status			
Activity	Status/Start Date (Projected)	Finish Date (Projected)	Remarks
Remote Tower Implementation			
STARS Operational at FNL	11/25/2022	12/15/2022	Local Adaption and Mapping Complete
Remote Tower System			
System Upgrade - Tech Refresh	In-Progress	TBD	Ongoing
Remote Tower Testing			
FAA Stop Work Order	10/7/2022	11/11/2022	Vendor Addressing Deficiencies
OVR Ver 2.0	11/4/2022	11/25/2022	OVR Ver 2.0 Delivered to Vendor - 11/25/22
Vendor Response to OVR Ver 2.0	12/2/2022	12/22/2022	Vendor will Comply with OVR 2.0
Vendor Proposed Changes	12/21/2022	1/19/2023	Complete
Vendor Lab Testing System Upgrades	-	March 2023	Ongoing
Install Partial System Upgrades	March 2023	March 2023	Test for Compliance with OVR 2.0
Evaluate System Upgrades	March 2023	March 2023	FAA Decision Point
Install Full System Upgrades	June 2023	TBD	
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:

To meet the requirements of the latest Operational Visibility Requirements (OVR) 2.0, Searidge proposes to replace the 1080P HD cameras and HD displays with 4K equipment. They are in the process of evaluating this change in their laboratory in Ottawa and have scheduled a Preliminary Design Review (PDR) for the 4th week of February 2023. After this change is validated in the laboratory, they propose to install a limited number of 4K cameras (3-4) on the central mast and 4K displays in the remote tower facility at the Northern Colorado Regional Airport (FNL) the 3rd week of March 2023. These changes will be tested by the team and, if found to meet the OVR visual requirements, they will install a full set of 4K cameras and displays at FNL the 2nd week of June 2023. The delay is due to supply chain issues.

Because of the difference in the field-of-view of the 4K cameras versus the 1080P HD cameras, additional cameras and displays will be necessary. With the increased pixel density, the video wall will be moved closer to the controller working positions (CWP). This will create an issue with the displays located at the CWP as they will block a sizable portion of the video wall, necessitating removal of the CWP displays or redesigning the consoles.

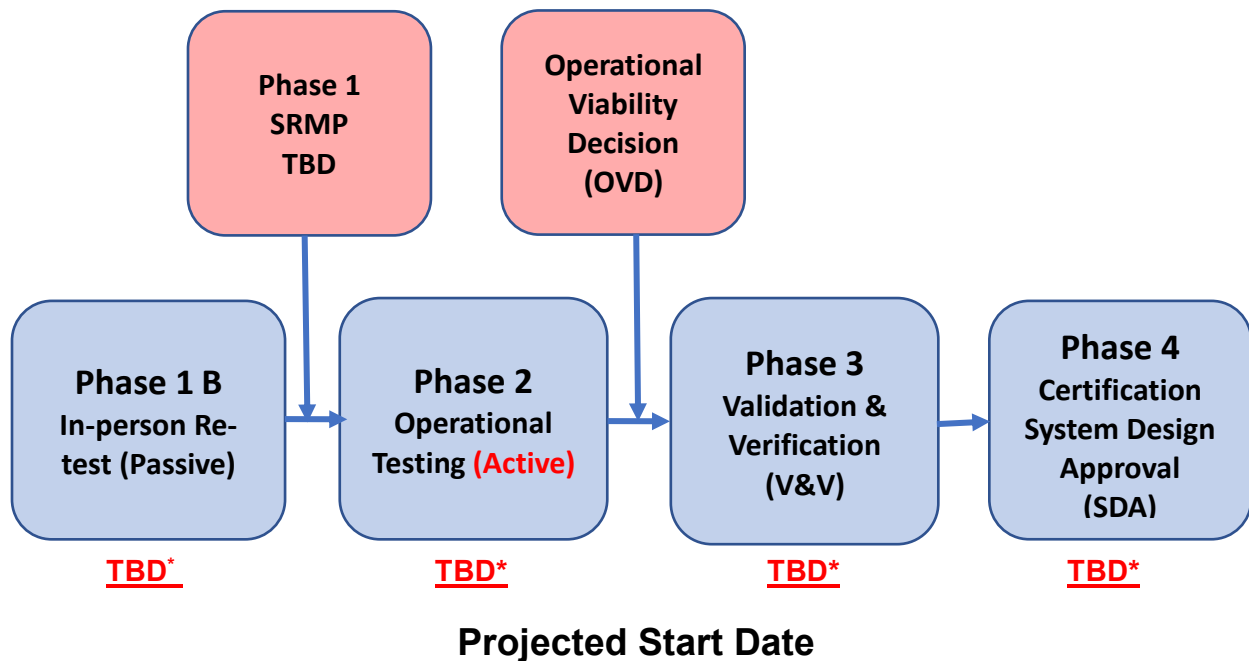
The CWP displays per OVR 2.0 are defined as secondary displays:

Secondary Display: “Fixed, partial view(s) of the airfield and/or surrounding airspace for the active runway(s). The secondary display for the active runway(s) must be presented to the user at all times. If used, the secondary display must be utilized in addition to the primary display.”

Requiring these displays to be “Fixed, partial views...”, completely negates the stitching technology which is a key component of the FNL system. This requirement constrains remote tower development in one direction to simply replicate the out-of-the-window view of a traditional airport traffic control tower (ATCT) without regard for supporting visibility and situational awareness tools. This, along with the requirement that “RT (remote tower) systems “be” operated without additional surveillance information provided (e.g., RADAR)” is an extremely short-sighted and limiting approach to remote tower development. OVR 2.0 states that this and other assumptions may be reevaluated in the future. Why this evaluation is postponed is a mystery.

Searidge has requested that the FAA extend the six-month period in the Stop Work Order dated October 7, 2022, based on redesign of the system. The FAA has indicated that they intend to withhold the extension until the new 4k option is evaluated and Searidge has made substantial progress in providing the System Design Approval (DA) documentation. Based on the Searidge timeline, we can expect an FAA decision after the installation and testing of the test 4K equipment during the 3rd week of March 2023.

Proposed Remote Tower Testing Phases:

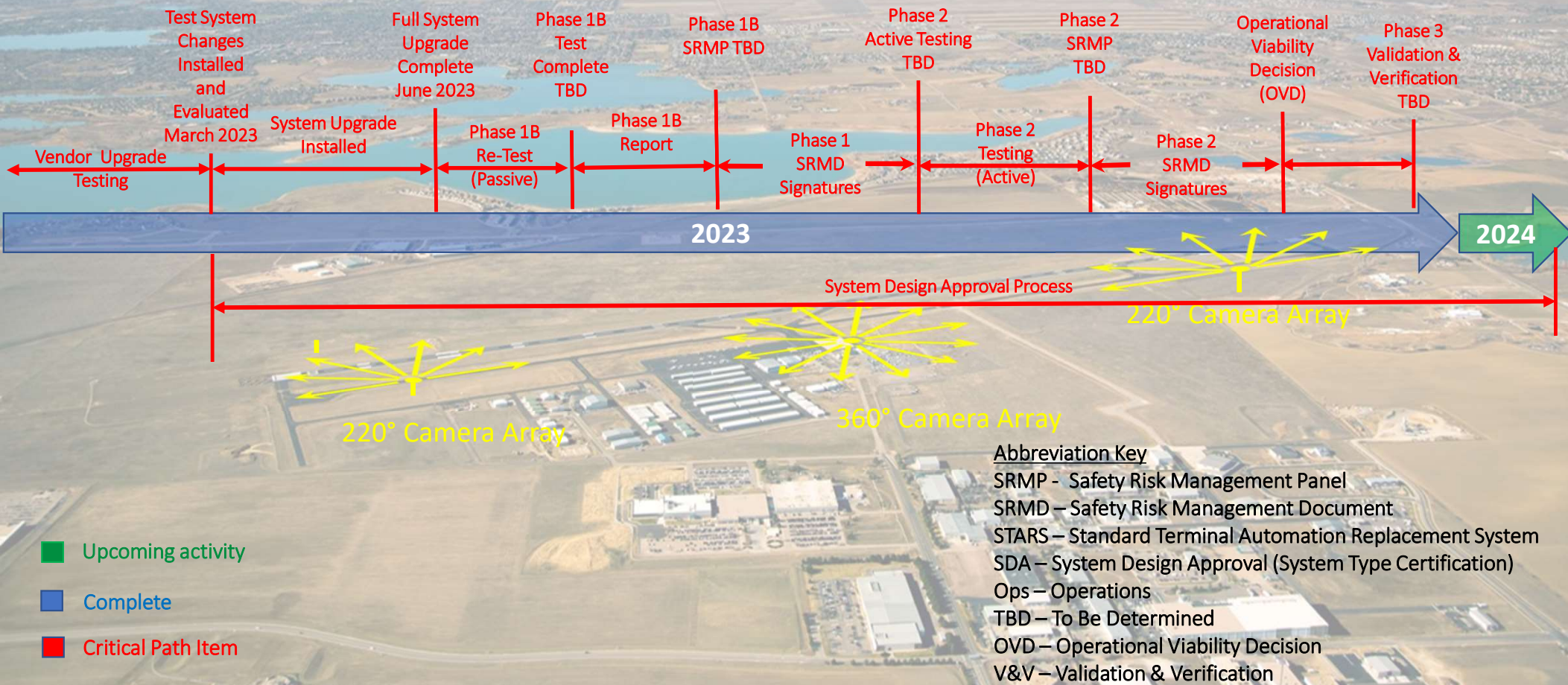


*Dependent on local resources' ability to travel to FNL and COVID status

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

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

Colorado Remote Tower Timeline (Draft)



Happy February,

ARFF:

Reminder: I will be on C-shift until mid-June. There will be no continuous ARFF stationed at the airport, except for scheduled flights.

January was our bi-annual ARFF training. Eight new ARFF members are in the process of getting their certifications this year. ARFF certifications are required by the FAA in order to cover the air-carrier standbys. ***Just as importantly is our first due crew training in any aircraft incident, as you will see in the below section on Aircraft Incidents.***

We want to send a genuine Thank You to our Airport partners who continuously dedicate their time and expertise to our fire departments!!!! Jason Kopp, Zulu, Danny McGinn, Scott Holst, and everyone in their circles... THANK YOU. And a personal Thank You to all of our first due crews and PFA and WSFR for your dedication to airport safety.

Aircraft Incidents:

In doing some investigation for accreditation, there have been some interesting discoveries with regards to statistics in aircraft incidents.

Air-carrier standbys are non-emergent responses for scheduled flights with greater than 30 passengers, and many standbys in 2022 were covering two or more flights in one standby, so the numbers recorded of actual flights are a little low. I will have actual standby flight numbers from the Airport for accreditation.

Emergent responses for aircraft incidents is the interesting statistic. The Air Traffic Control tower was implemented in March 2020, and flights themselves were decreased due to Covid. After that, incidents dramatically increased, mainly because the controllers are obligated to call in when a pilot states they have an issue. Before that, pilots wouldn't call in, similar to someone with car trouble.. just deal with it and think they can handle it. This mentality is troubling to us as first responders, as most people wait too long to call for help. Another interesting stat is that about half of the emergent responses were on days that I was working and on scene within a couple of minutes. And the other half were on dates there wasn't anyone at station 4 and first due was a range of 7-10 minutes response time. Only a couple of incidents were outside tower hours 8am-6pm every day.

	<u>Air-Carrier Standbys</u>	<u>Emergent Incidents</u>	<u>1st due ARFF40</u>	<u>1st due Other ARFF</u>
<u>crew</u>				
2018	38	4	3	1
(CAD only recorded from Sept 2018 - prior years were in ETI and missing)				
2019	61	6	5	1
2020	27	2		2
(ATC installed in March 2020 and Covid year of very limited travel)				
2021	77	19	11	8
2022	140	19	10	9

Airport:

- Airport Commission meeting will be held on February 16th, 3:30-5:00pm at the Fire Station conference room

- Please see the www.flynoco.com website for all airport commission updates involving the upcoming terminal construction!

Scheduled Air-Carrier Flights:

- Sun Country Casino flights:
 - February 19th
 - February 23rd

MEETING RECORD

Page 1

DATE: 1/25/2022
TIME: 3:32-5:10 PM
RE: Planning and Development Subcommittee Meeting (PDSC)
ATTENDEES: Tom Fleming, Diane Jones, Jason Licon, Aaron Ehle, Troy Bliss

Begin Meeting Record 1/25/2023

Agenda Item #1: Meeting Minutes – December 20, 2022

- Diane moved to approve the minutes. The motion, seconded by Tom, passed unanimously.

Agenda Item #2: Strategic Plan - Action Plan and Key Performance Indicators

- The Airport Commission and PDSC held a strategic planning session on January 19th. The Strategic Plan draft has been updated based on the feedback from that meeting.
 - Focus Areas – additions underlined
 - Safe, Secure & Financially Sustainable Operations
 - Strategic Objectives - additions underlined
 - The Airport is supported by a team of well-trained, highly motivated, and appropriately compensated employees who operate in an efficient and consistently exceptional manner.
 - The Airport is run efficiently and is financially self-sustaining for ongoing operations and maintenance. It is viewed as an asset and is appropriately supported by the FAA, State, County, owner Cities, and the public.
 - The Airport maintains a well-developed land use plan and leasing policy for a range of aviation activities and business opportunities, characterized by capital improvement projects that reflect the Airport vision.
 - Projects & Action Items
 - Added reference to “air traffic control” contingency planning under the Remote Tower item.
 - Added project – “Governance Study”
 - Changed “Public Relations” to “Community Engagement”
 - Changed “Local TSA Security Screening” to “Multimodal Links to Air Transportation Network”
- The goal of this meeting is to start developing a Strategic Action Plan. Staff has created a draft, but it is not comprehensive.
 - Identify tasks, assign tasks, establish timelines, identify resources needed, and develop key performance indicators. Many tasks will have sub-tasks, but we want to create a Gantt chart that tracks the major tasks.
 - Remote Tower

MEETING RECORD

Page 2

- Timeline and success are mostly dependent on the vendor and FAA, but we can play an important advocacy role.
- This project started before many of the Commissioners were appointed and there have been many delays. It may help to create educational materials about the history of the project and the path forward.
- New Terminal
 - Fort Collins' contribution is still in question. Further cuts may be necessary if they choose not to help fund the terminal. They are requesting that performance measures be linked to any contribution or loan.
 - This may also jeopardize Loveland's contribution, which is contingent on Fort Collins' participation.
 - Fort Collins' contribution will be reconsidered at the February 2nd Finance Committee meeting.
- Commercial Air Service
 - The Airport is eligible for a Small Community Air Service Development Grant (SCASD). This would be a good tool to help attract air service.
 - Funding for air service development is included in this year's budget.
 - Enplanements are extremely important in obtaining future funding from the FAA.
- Updated Land Use Plan and Leasing Policy
 - Form committee that includes planning staff from the Cities.
 - This will help staff communicate information to developers and market the Airport. It will also provide clear criteria for the Commission to evaluate proposals.
 - Include policy for non-aeronautical leases and revenue sharing
 - Determine infrastructure needs and potential funding sources.
 - Eventually create Airport Influence Area (AIA) plan. This may be further out than two years.
 - Address Through-the-Fence (TTF) operations
- Enhance/Increase Airport Staffing Support
 - The Airport has a lean staff. Additional support from new employees, City employees, volunteers, consultants, etc. will be needed to achieve the objectives of the plan.
 - How will this be funded?
 - Align staffing analysis with strategic plan objectives
- Runway 15-33 Widening Design & Construction
 - This will allow a wider range of aircraft to use the runway and make the Airport more marketable to airlines.

MEETING RECORD

Page 3

- Governance Study
 - CFOs from both Cites are assisting with this.
- Multimodal Links to Air Transportation Network
 - Bus service to new terminal will be included in Loveland's plan when demand warrants.
 - Support Landline success and expansion
 - Advocate for bus trips to count as enplanements or partial enplanements.
 - Don't treat Denver International Airport as a competitor. Provide better options to get people there.
- Community Engagement
 - Educate communities and decision makers on the benefits and potential of the Airport.
- Technology and Innovation Center
 - This will likely be driven by Aims Community College, with the Airport playing a supporting role.
 - The currently identified location will only support small-mid size aircraft. We may want to place it in a location that can support larger aircraft.
- Hangar Redevelopment
 - Staff have been working on this and the item will be discussed at the February 16 Airport Commission meeting.
- The draft Action Plan will be sent out by email. If you have written feedback, please provide it.

Updates/Planning/Open Discussion

- An update on the unresolved/pending topics will be provided at the February PDSC meeting.

End Meeting Record

NEWS

Airport terminal expansion may shrink without \$2 million from Fort Collins, Loveland

Pat Ferrier and Molly Bohannon Fort Collins Coloradoan

Published 5:55 a.m. MT Jan. 23, 2023

LOVELAND — A proposed \$25 million terminal expansion at Northern Colorado Regional Airport will have to be scaled back if the municipal governments of Loveland and Fort Collins don't pony up \$1 million each to fill a funding shortfall.

Airport Director Jason Licon told the Airport Advisory Commission on Thursday that reducing the size of the building is the only way to cut costs if the cities are not able to cover a gap in federal and airport funds available for the project. The 19,000-square-foot terminal would likely be reduced to about 17,200 square feet, cutting the number of gates from two to one.

Other items on the wish list such as a loop road, parking lot and other features have already been cut, Licon said.

The project, which would replace a 17-year-old temporary facility, has been scaled back once already from its original \$31 million price tag. The new terminal is being funded primarily through \$16.5 million from federal CARES Act money — which the airport must use by July 2024 — airport reserve funds and Federal Aviation Administration grants, leaving a \$2 million gap.

The federal deadline means the 15-month construction project needs to start soon. But it can't move forward until funding is secured.

Loveland's City Council has already pledged \$1 million if Fort Collins does the same. Therein lies the problem.

The Fort Collins Finance Committee, made up of City Council members Julie Pignataro, Kelly Ohlson and Emily Francis — and alternate Shirley Peel — balked at the contribution and questioned the benefits of the airport it owns with Loveland. Citing what they called the airport's lack of past success, the committee did not recommend including a \$1 million loan with upcoming bonds for the purchase of the Hughes Stadium land.

"I just don't see how the airport has shown that they have been successful in this area enough for the city to award \$1 million and then incur a million dollars in expenses," Francis said.

The finance committee wants to tie the funding to certain performance benchmarks, which have yet to be determined, said City Manager Kelly DiMartino, who sits on the Airport Advisory Commission with Mayor Jeni Arndt and Loveland city officials.

Council finance was concerned "about lack of commercial air service ... and does this have any guarantee of commercial air service?" DiMartino said.

Fort Collins Chief Financial Officer Travis Storin told the Coloradoan "there's not really a practical bonding solution since the Hughes offering will need to move forward imminently, and is at a stage of its due diligence where we'd essentially need to know now whether or not airport was included." So, if the city decides to give the airport the \$1 million in the form of a loan, it would come from the city's general fund, Storin said.

Licon told the commission he is talking with Fort Collins finance officials, including Storin, about funding and coming up with "metrics and ideas that we hope would resonate with council." They plan to take those ideas to council finance on Feb. 2 and to council Feb. 7.

The airport has also applied for an additional \$6.9 million FAA grant, which would solve the problem. But the grant "is highly competitive" and not typically awarded to airports the size of Northern Colorado Regional, Licon said.

Securing reliable and consistent air service at the airport has been an elusive goal for years.

Commercial air service has been sporadic since the airport opened in the mid-1960s as Fort Collins-Loveland Municipal Airport. Over the years it has been served off-and-on by United Express, Continental Express, Allegiant, Elite Airways and, most recently, Avelo.

In 2021, United Airlines partnered with Landline for a "wingless flight" bus service connecting passengers at Loveland to Denver International Airport. It was followed by Avelo Airlines' first flights from Northern Colorado to Los Angeles in October and later to Las Vegas. Avelo abruptly stopped its service last May.

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Governor Polis, CDOT announce \$9.5 million grant for regional Colorado airports

CBS NEWS COLORADO

BY BEN WARWICK
UPDATED ON: FEBRUARY 3, 2023 / 1:02 PM / CBS COLORADO

Gov. Jared Polis and CDOT Executive Director Shoshana Lew announced Friday that 17 regional airports all across the state will receive money for infrastructure and improvement plans.

Northern Colorado Regional Airport in Loveland, Greeley-Weld County Airport in Greeley, Steamboat Springs Municipal Airport, and Glenwood Springs Municipal Airport in Glenwood Springs are among the recipients.

Grand Junction Regional Airport in Grand Junction will get \$4 million to fully rehabilitate a runway at the airport.


The full list of grant recipients is below:

- Astronaut Kent Rominger Airport - Del Norte
- Blake Field - Delta
- Craig-Moffat Airport- Craig
- Fort Morgan Municipal Airport
- Fremont County Airport - Canon City
- Glenwood Springs Municipal Airport
- Granby-Grand County Airport
- Grand Junction Regional Airport
- Greeley-Weld County Airport
- Haxtun Municipal
- McElroy Field - Kremmling
- Mineral County Memorial Airport - Creede
- Northern Colorado Regional Airport- Loveland
- Rifle Garfield County Airport
- Silver West Airport - Westcliffe
- Southeast Colorado Regional Airport - Lamar
- Steamboat Springs Municipal Airport

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NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

ITEM NUMBER: 4

MEETING DATE: February 16, 2023

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

Lease Amendment - 5243 Gulfstream Court

RECOMMENDED AIRPORT COMMISSION ACTION

Make a motion to approve the amended lease

BUDGET IMPACT

Neutral – the terms of the amended lease will be the same as the original lease.

SUMMARY

This is an administrative item. Airport land lease amendments require Airport Commission Approval. The lease at issue is 5243 Gulfstream Ct, where a 185 X 60 ft. three-plex hangar building has recently been constructed. The lease is held by Latched Kowell, LLC, owned by John Howell. Mr. Howell is requesting that the existing lease, which does not allow for condominiumization and the sale of individual units, be amended to allow for such activities. The lease terms will not change.

Location



ATTACHMENT

Amended and Restated Hangar Ground Lease Agreement – 5243 Gulfstream Court
Memorandum of Ground Lease

**AMENDED AND RESTATED
HANGAR GROUND LEASE AGREEMENT
5243 GULFSTREAM COURT**

**CITIES OF LOVELAND AND FORT COLLINS, COLORADO,
acting by and through the
NORTHERN COLORADO REGIONAL AIRPORT COMMISSION
AND
LATCHED KOWELL, LLC**

DATED

_____, 2023

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Exhibit “A” – Description of Leased Premises

**AMENDED AND RESTATED HANGAR GROUND LEASE AGREEMENT –
LEASEHOLD CONDOMINIUM**

THIS AMENDED AND RESTATED HANGAR GROUND LEASE AGREEMENT – LEASEHOLD CONDOMINIUM (this “**Agreement**”), made and entered into _____, 2023, 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 Latched Kowell, LLC, hereinafter called “**Lessee**.”

WITNESSETH:

WHEREAS, Lessee and the Cities, acting by and through the Commission, are parties to a Lease Agreement dated December 17, 2020 (the “**Original Lease**”); and

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 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 (the “**Condominium Declaration**”) converting its leasehold interest as lessee in the Original Lease to a leasehold condominium ownership pursuant to the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.* (the “**Act**”), and desires to develop, own and sell 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 condominiumization of an existing hangar building, without cost to the Cities;

WHEREAS, the Cities and Lessee desire to amend, restate, supersede and replace the Original Lease by entering into this Agreement; and

WHEREAS, the Commission is authorized on behalf of the Cities to enter into this Agreement pursuant to the Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Municipal Airport dated January 22, 2015 (the “**IGA**”), as amended by the First Amendment to IGA dated June 7, 2016 and Second Amendment to IGA dated June 10, 2019, each entered by and between the Cities.

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 the terms and conditions set forth below.

ARTICLE 1: TERM; OPTIONS; RIGHT OF FIRST REFUSAL

1.1 The initial lease term under this Agreement commenced at 12:01 a.m. on January 1, 2021 and expires at 11:59 p.m. on December 31, 2045, a duration of twenty-five (25) years, 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 three (3) 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 having a lease duration and being 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 the 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 the 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 condominium units or the sale of leasehold condominiums, 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 During the term of this Agreement, Lessee and/or the 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 The Cities acknowledge Lessee owes no past due rent as of the date of this Agreement. Lessee agrees to pay to the Cities during the Initial Term an annual rent of \$0.455 per square foot for the 24,002 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 \$10,920.91 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 Arbitrator 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 subpart (a) of the second sentence of this Section 4.1. The parties will each pay fifty percent (50%) of the mediator cost.

4.2 Commencing on May 1st next occurring after the date of the Original Lease, and on May 1st in each year thereafter during the remainder of the Initial Term, the annual rent has been and 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 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 the Unit Owners’ fixtures, equipment and personal property which are located on any part of the Leased

Premises. Lessee and the 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 the 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 the 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 the 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 the 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.

Form Approved by Loveland City Attorney [Laurie Wilson, Sr. Asst. City Attorney, LW, [12/28/22]]

Form Approved by Fort Collins City Attorney [Ryan Malarky, Asst. City Attorney, RM, [12/28/22]]

118421818.8 Form Approved in accordance with Section 4.A of Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-

051 Loveland Airport dated January 22, 2015 (the "IGA"), as amended

6.8 Lessee and the 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 the 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 the 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 the Unit Owners, and the limitations of federal law. In addition, Lessee and the 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 the 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 the 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 association established pursuant to the Condominium Declaration (the "**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 the 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

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Form Approved by Fort Collins City Attorney [Ryan Malarky, Asst. City Attorney, RM, [12/28/22]]

1184218188 in accordance with Section 4.A of Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-

052 Loveland Airport dated January 22, 2015 (the "IGA"), as amended

between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. Lessee and the 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 the 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 the 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 23 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 acquisition, development, conversion to condominium ownership, or sale of the Hangars or Condominium Units contemplated by this Agreement.

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

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Form Approved by Fort Collins City Attorney [Ryan Malarky, Asst. City Attorney, RM, [12/28/22]]

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 the 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 develop 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 transfer or conveyance Latched Kowell, LLC (“**Initial Lessee**”) of (i) an individual Condominium Unit to a first subsequent Unit Owner of such Unit (as used in this Agreement, the terms “**Condominium Unit**” and “**Unit**” have the same meaning given the term “Condominium Unit” in the Condominium Declaration); (ii) an interest in the leasehold of the Leased Premises to the Condominium Association as contemplated by the Condominium Declaration; or (iii) assignment of this Agreement to the Condominium Association after the Cities’ approval of the Condominium Declaration. 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 the 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, the 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, the 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 compliance herewith.

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 the 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 the Unit Owners hereby waives any claim against the Cities for damages as a result therefrom, 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 given 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 is 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 the 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, the 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 the 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 therefrom.

20.1.1 Said obligations of the Cities relevant to the maintenance of public roads and taxiways shall extend to the point wherein 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 wherein 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 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

Fort Collins City Attorney's Office
P.O. Box 580
300 LaPorte Avenue
Fort Collins, CO 80522

To Lessee: Latched Kowell, LLC
 3803 Oak Shadow Way
 Fort Collins, CO 80528
 Email Address: jawhowell@gmail.com

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 or a memorandum thereof 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 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 this Agreement.

25.8 The parties further acknowledge and agree that this Agreement replaces and supersedes the Original Lease as of the date of this Agreement.

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 or the Unit Owners.

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:

29.1.1 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.

29.1.2 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.

29.1.3 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:

29.1.3.1 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

29.1.3.2 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 the condominiumization of the Leased Premises by the Condominium Declarant and/or assignment of this Agreement to the Condominium Association pursuant to Article 31. The foregoing right of first refusal shall not apply to the transfer or conveyance by Initial Lessee of (i) an individual Condominium Unit to a first subsequent Unit Owner of such Unit; (ii) an interest in the leasehold of the Leased Premises to the Condominium Association as contemplated by the Condominium Declaration; or (iii) assignment of this Agreement to the Condominium Association as agent and attorney-in-fact for the Unit Owners after the Cities' approval of the Condominium Declaration. The provisions of this Article 30 do not apply to a foreclosure of a Leasehold Mortgage or to a deed in lieu of foreclosure with respect to a Leasehold Mortgage.

ARTICLE 31: REQUIREMENTS FOR CONDOMINIUMIZATION

31.1 Prior to the sale of any 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 Colorado Common Interest Ownership Act (the "Act"), C.R.S. §§ 38-33.3-101, *et seq.* 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

Form Approved by Loveland City Attorney [Laurie Wilson, Sr. Asst. City Attorney, LW, [12/28/22]]

Form Approved by Fort Collins City Attorney [Ryan Malarky, Asst. City Attorney, RM, [12/28/22]]

1184218188 in accordance with Section 4.A of Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-

073 Loveland Airport dated January 22, 2015 (the "IGA"), as amended

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 Condominium 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.

[Signature page(s) follow]

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:

Latched Kowell, LLC

John Howell, Managing Member

2/10/23

Date

EXHIBIT A

PROPERTY DESCRIPTION

A parcel of land being part of Lot 1, Block 1 of Amended Plat of Lots 1 Through 15, Barnstorm Second Addition recorded June 28, 2004 as Reception No. 20040062364 of the Records of Larimer County, located in the Northeast Quarter (NE1/4) of Section Thirty-three (33), Township Six North (T.6N.), Range Sixty-eight West (R.68W.) of the Sixth Principal Meridian (6th P.M.), City of Loveland, County of Larimer, State of Colorado and being more particularly described as follows:

COMMENCING at the Northeast corner of said Section 33 and assuming the East line of said NE1/4 as bearing South 00°24'38" East being a Grid Bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2011, a distance of 2599.42 feet with all other bearings contained herein relative thereto;

THENCE South 00°24'38" East along the East line of said NE1/4 a distance of 1641.06 feet;
THENCE South 89°35'22" West a distance of 631.79 feet to the Southerly line of said Lot 1 and to the Northerly Right of Way line of Gulfstream Court and to the **POINT OF BEGINNING**;

THENCE South 70°08'06" West along the North Right of Way line of said Gulfstream Court a distance of 115.00 feet;

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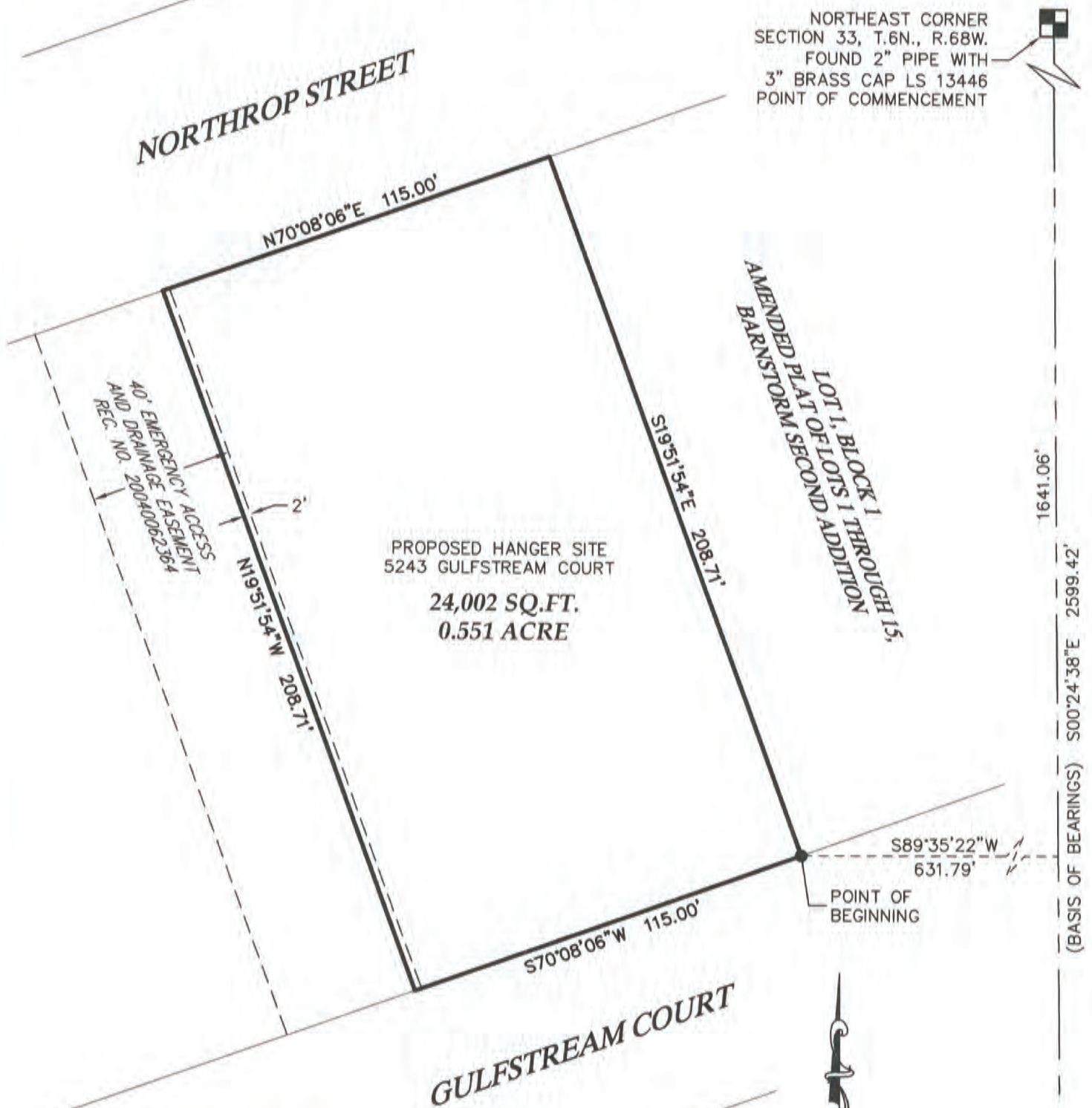
SURVEYORS STATEMENT

I, Christopher A. DePaulis, a Colorado Licensed Professional Land Surveyor do hereby state that this Parcel Description was prepared under my personal supervision and checking and that it is true and correct to the best of my knowledge and belief.

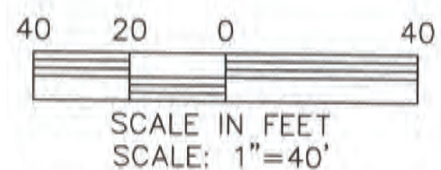


Christopher A. DePaulis- On Behalf Of King Surveyors
Colorado Licensed Professional
Land Surveyor #38105

KING SURVEYORS
650 East Garden Drive
Windsor, Colorado 80550
(970) 686-5011



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Colorado Licensed Professional
Land Surveyor #38105



NOTE: This exhibit drawing is not intended to be a monumented land survey. Its sole purpose is as a graphic representation to aid in the visualization of the written property description which it accompanies. The written property description supersedes the exhibit drawing.

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. (13-80-105 C.R.S. 2012)



KING SURVEYORS

650 E. Garden Drive | Windsor, Colorado 80550

phone: (970) 686-5011 | fax: (970) 686-5821

email: contact@KingSurveyors.com

PROJECT NO: 20190175-C

DATE: 11/6/2020

CLIENT: NCO REGIONAL AIRPORT

DWG: 20190175C-EXH

DRAWN: CSK CHECKED: CAD

Upon recordation return to:

Emily Charlesworth, Esq.
Lewis Roca Rothgerber Christie LLP
1601 19th Street, Suite 1000
Denver Colorado 80202

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (this “Memorandum”) is made _____, 2023, by and between the Cities of Fort Collins and Loveland, Colorado (collectively the “Cities”) acting by and through the Northern Colorado Regional Airport Commission (the “Landlord”) and Latched Kowell, LLC (“Tenant”). Landlord and Tenant are sometimes referred to herein collectively as the “Parties” and each as a “Party.”

RECITALS

A. Pursuant to that certain Amended and Restated Hangar Ground Lease Agreement dated the date hereof (the “Lease”), by and between Landlord and Tenant, Landlord leases to Tenant and Tenant leases from Landlord the land and all appurtenances thereto described on Exhibit A attached hereto and made a part hereof (the “Premises”).

B. Landlord and Tenant desire to place of record notice of their respective interests under the Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the Lease and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Landlord and Tenant agree as follows:

1. Premises. Landlord and Tenant are parties to the Lease pursuant to which the Premises are leased and demised. The Lease amends, restates and supersedes the Hangar Ground Lease Agreement between the Parties recorded March 3, 2021 with the Clerk & Recorder, Larimer County, Colorado at Reception #20210021969. The Premises are described on the attached Exhibit A and incorporated herein by this reference.

2. Term. As used herein, the term “Term” shall mean the term of the Lease, which commenced on 12:01 a.m. on January 1, 2021 and expires at 11:59 p.m. on December 31, 2045, a duration of twenty-five (25) years, unless terminated sooner in accordance with its terms.

3. Option to Extend. Landlord has granted to Tenant, subject to the terms and conditions set forth in the Lease, three (3) successive five-year (5-year) options (each, an “Option”) to extend the Lease, which Options shall be exercised upon written notice given by Tenant not more than eighteen (18) months, nor less than six (6) months prior to the expiration of the then-current term.

4. Exclusive Use. Subject to the terms and conditions of the Lease, Landlord has granted Tenant the exclusive use of the Premises for any use permitted by the Lease during the Term and each Option, as applicable.

5. Memorandum. This Memorandum has been executed and delivered by the Parties for the purpose of recording and giving notice that a contractual relationship for the leasing of the Premises and for the rights set forth herein have been created between Landlord and Tenant in accordance with the terms, covenants and conditions of the Lease.

6. Incorporation by Reference. The terms, covenants and conditions of the Lease are incorporated by reference into this Memorandum as if set forth fully herein. In the event of any conflict between the Lease and this Memorandum, the Lease shall control.

7. Counterparts. This Memorandum may be executed in counterparts and, when counterparts of this Memorandum have been executed and delivered by the Parties, this Memorandum shall be fully binding and effective, just as if all of the Parties had executed and delivered a single counterpart hereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the day and year first above written.

LANDLORD:

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

By: _____
Don Overcash, Chair

STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on or about this ____ day of _____ 2023, by Don Overcash, as Chair of the Northern Colorado Regional Airport Commission on behalf of the Cities of Fort Collins and Loveland, Colorado.

Witness my hand and seal.

My commission expires: _____

NOTARY PUBLIC

(Tenant signature page follows)

SHAWN BATTMER
Notary Public
State of Colorado
Notary ID # 20074042324
My Commission Expires 02-17-2024

By: [Signature]
Name: John Howell
Title: Managing Member

081

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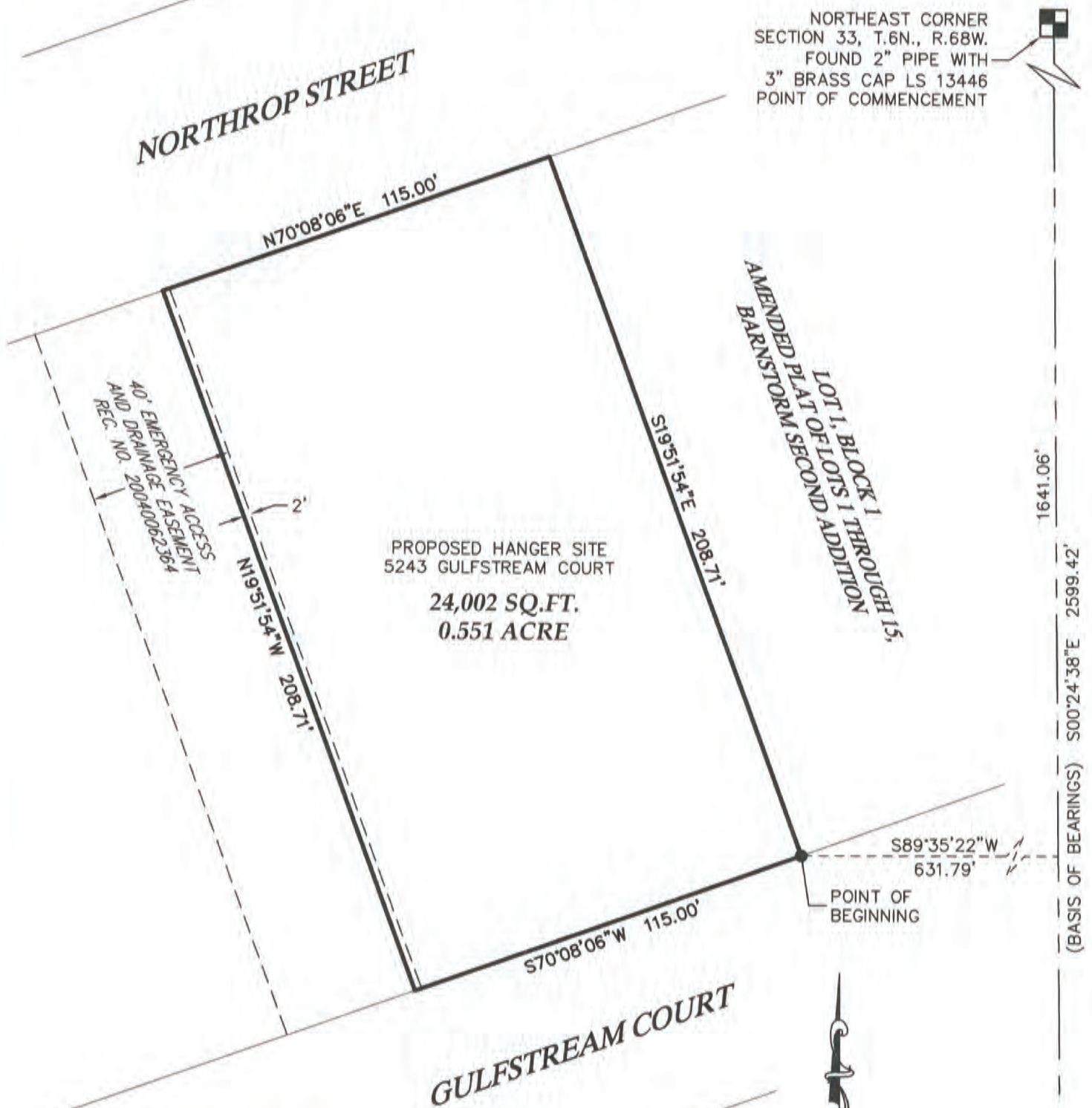
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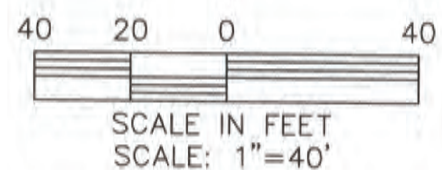


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PROJECT NO: 20190175-C

DATE: 11/6/2020

CLIENT: NCO REGIONAL AIRPORT

DWG: 20190175C-EXH

DRAWN: CSK CHECKED: CAD



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: February 16, 2023

PREPARED BY: Jason R. Licon, Airport Director

TITLE

New Terminal Project 60% Level 4 Design Completion Update

RECOMMENDED AIRPORT COMMISSION ACTION

Informational

BUDGET IMPACT

Negative

SUMMARY

The Airport Commission in June of 2020 directed staff to begin working on the creation of a new terminal facility. This decision was based on an analysis of the airport's needs and strategic plan at the time conducted by the Commission's Planning and Development Subcommittee. It was also as a direct result of receiving a federal funding award of \$16.9 million. The recommendation was based on the following criteria:

- Allows for greater direct utilization of the Airport by the public
- Highest economic impact & job creation potential
- Is aligned with Strategic Plan, Master Plan and policies
- Can be accomplished within funding use guidelines & four- year time constraint
- Generates new revenue streams, enhancing financial sustainability
- Creates solutions for safety, capacity, and functionality issues with existing facilities

The terminal project reached another milestone this past month, reaching the 60% design level. At this point the project is undergoing another round of cost estimation, which will conclude at the end of February. At this point it is critical that the project budget be set in order for staff to begin negotiating the guaranteed maximum price with the selected construction firm Hensel Phelps. This item will provide an update on the status of the project to include timelines and schedules, budget review, and current progress being made to fill the estimated funding gap.

ATTACHMENTS

Terminal Project Design Update Presentation

Detailed Project Schedule

Terminal Project Design Update

February 16, 2023

Project Goals

- Create a new terminal facility
 - “Once in a lifetime” CARES Act funding
 - Replace the inadequate, temporary facilities used for airline activities
 - Improve transportation access and connectivity for the region
- Utilize funding most effectively and create positive impacts for the region
 - Counteract negative economic impacts created by the pandemic
 - Creates jobs, economic opportunity, and sustainability
 - Enables more of the community to directly benefit from the airport
- Demand for air service is known, proven, and is growing
 - 3,500 people travel daily to and from the region to DEN, which continues to increase with population growth

Terminal Selection Review

- Airport Commission Approved in June 2020 based on following:
 - Allows for greater direct utilization of the Airport by the public
 - Highest economic impact & job creation potential
 - Is aligned with Strategic Plan, Master Plan and policies
 - Can be accomplished within funding use guidelines & four- year time constraint
 - Generates new revenue streams, enhancing financial sustainability
 - Creates solutions for safety, capacity, and functionality issues with existing facilities

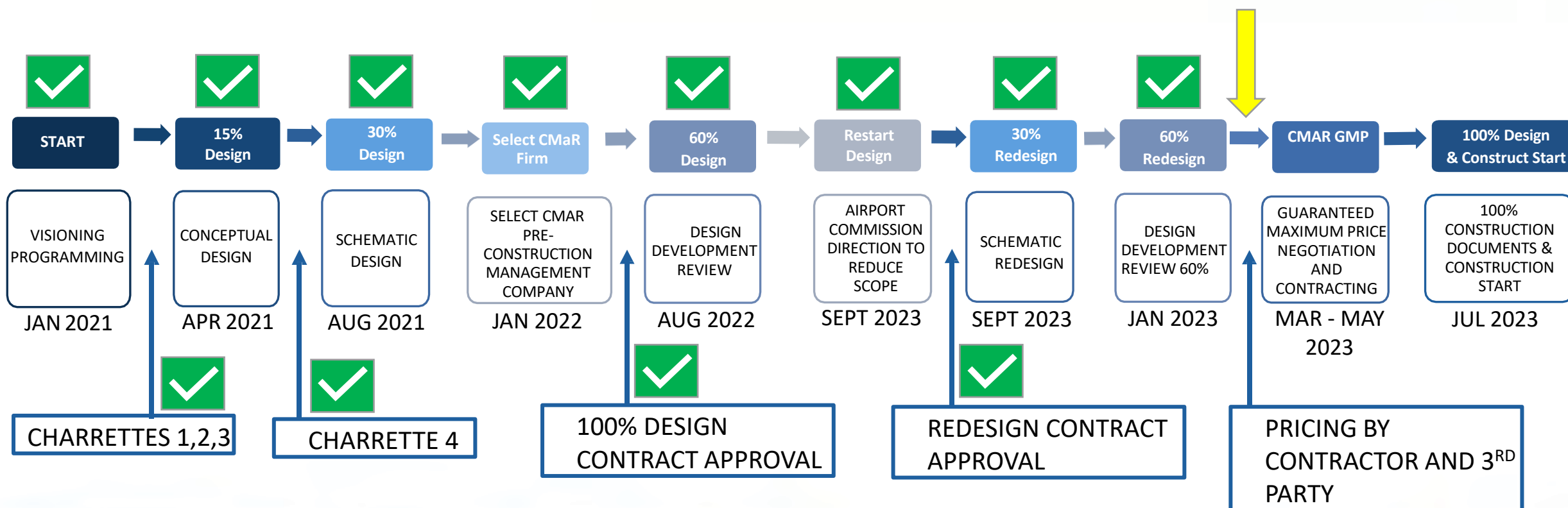
- Design Development phase complete: 60%
 - Design is based on the Airport Commission selected option chosen during schematic design charrettes and reaffirmed at the 30% design milestone
- Pricing exercise
 - A third-party cost estimator Rider Levett Bucknall (RLB) is conducting a review of the design and will be providing updated estimates
 - CMAR contractor Hensel Phelps is providing cost analysis and trends for material costs and value engineering options
 - This will be complete on March 6
- Project budget needs to be finalized by the week of February 20 if further cost reductions need to be incorporated into design

Design Schedule

NORTHERN COLORADO
REGIONAL AIRPORT

Still on track to utilize CARES Act funding by July 2024 deadline

WE ARE HERE



Budget Schedule

- \$21 million in federal funding, \$5.3 million spent
 - \$2.5 million FAA AIP spent on Aircraft Parking Apron, completed 2021
 - \$16.9 million of Cares Act funding to be applied toward project
 - \$2.8 million spent to date on Aircraft Parking Apron Construction and design and preconstruction services
 - \$1.6 million will be ready for application and execution January 2024
 - Local funds will bridge the gap for budgetary purposes and will be used toward the project end in September of 2024
- \$2 million airport contribution
- \$1 million Loveland - committed
- \$1 million Fort Collins – still in process (continued next slide)

Fort Collins Contribution

- January 5: Presented option to include in the Hughes Stadium Land purchase debt package to Finance Subcommittee, which was not approved
- February 2: Presented request for general fund support with conditions as requested, and was not approved- instead, referred to full City Council
- February 21: Presenting request to the full City Council for consideration
 - Performance measures are still being drafted to be included in the meeting materials that post on the same day as the Commission meeting (Feb. 16)

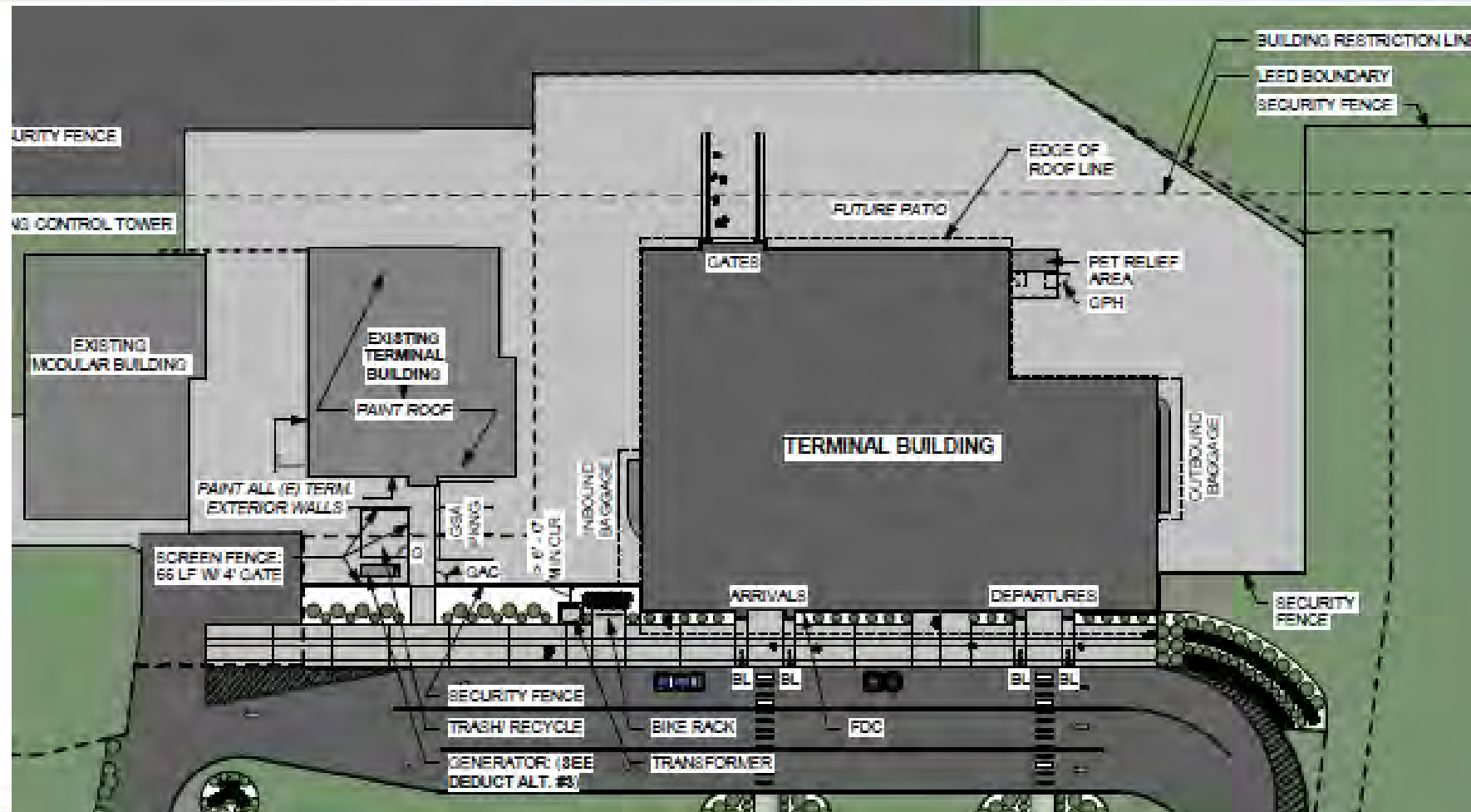
DRAFT Performance Measures

Conditions/Performance Indicators	Baseline / Current State	Target State	Timeline
1) Cities' annual operations/maintenance contributions	0% (since 2019*)	0%	Continued through YE 2027
2) Leadership in Energy and Environmental Design (LEED) Silver building certification	N/A	Yes	3Q 2024
3) Public art commitment at 1% of non-federal contributions	None	Yes	3Q 2024
4) Carbon Footprint of Building	236 MTCO ₂ e	198 MTCO ₂ e	3Q 2024
5) Number of annual outbound passengers served (bus and air)	18,000	33,000	YE 2027
6) Enhanced accessibility	Partial	Fully	3Q 2024

- Scenario 1: Fort Collins funding is not approved, and the Loveland contribution is also withheld
 - Options to reduce budget by \$2 million
 - Leadership in Energy and Environmental Design
 - Silver to Certified building certification \$467K
 - Completely remove LEED as a requirement \$932K
 - Eliminate baggage conveyance systems \$800K
 - Further reduce square footage by up to 2,200 SF \$1.8 million
- Scenario 2: Fort Collins funding is not approved, and the Loveland contribution moves forward
 - Options to reduce budget by \$1 million
 - LEED Certified building certification \$467K
 - Eliminate portion of baggage systems \$500K
- Scenario 3: All funding secured, and facility moves forward as planned

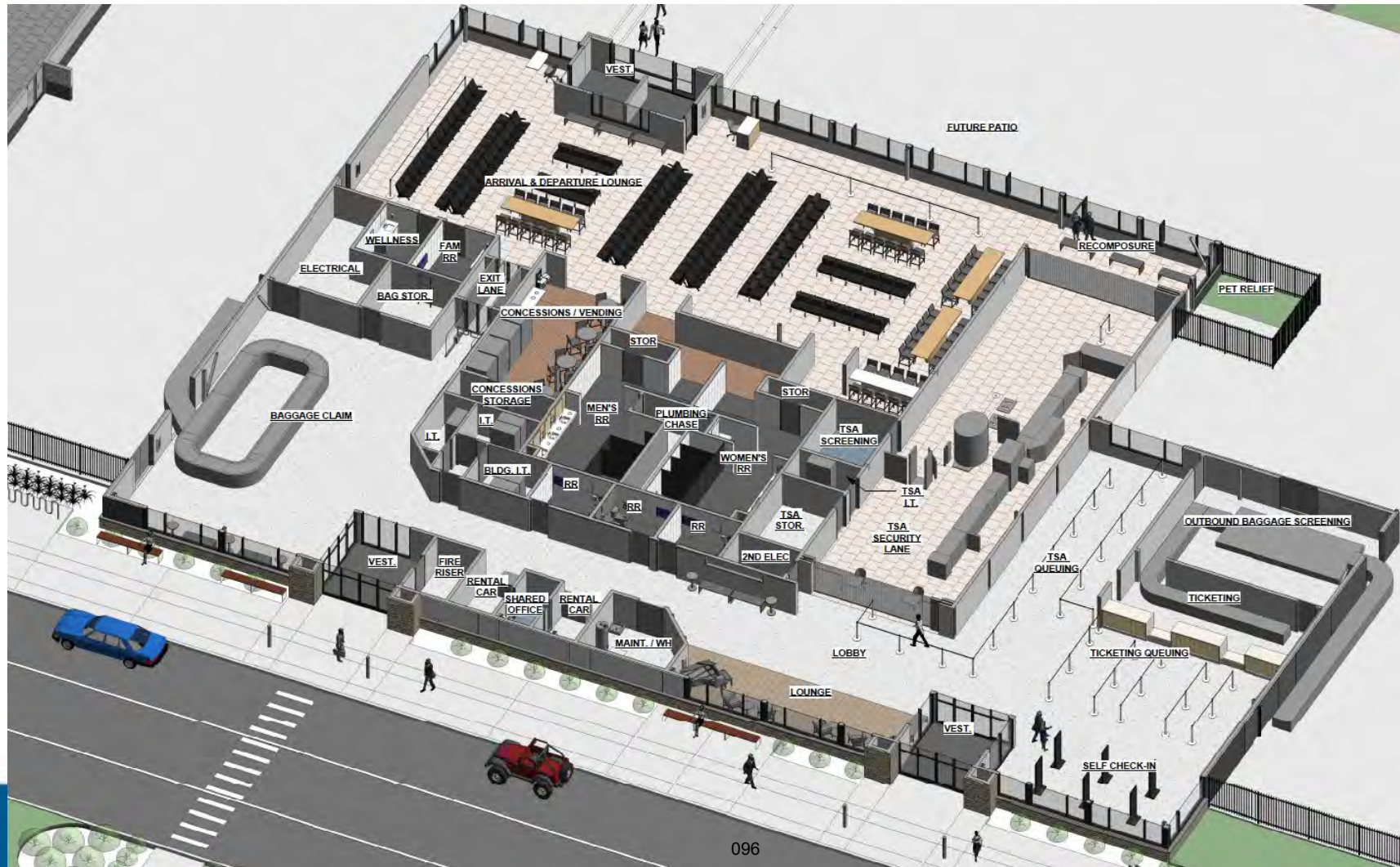
Site Plan

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3D Floorplan

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Renderings

NORTHERN COLORADO
REGIONAL AIRPORT



Renderings



Renderings

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Renderings

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Renderings



Renderings





Strength in **design**. Strength in **partnership**. Strength in **community**.

FNL Terminal Building - Draft

Estimated Schedule as of 01-10-23

- September 15, 2022 Airport Commission Meeting – Confirm Add Service for Redesign to Level 4
- Sept. 19 Start Schematic Design Phase (6 weeks)
- **Oct. 28** **(30% Set)** SD Phase Set Compiled and Completed
- Oct. 31 Start DD Phase (10 weeks+ 2 weeks at Holidays)
- **January 13, 2023** **(60% Set)** DD Set Completed and Compiled
- Jan. 16 – Feb. 3 RLB to create DD cost estimate (3 weeks)
- Jan. 16 – Feb. 17 Hensel Phelps to provide updated DD pricing (5 weeks)
- Feb. 20 – Mar. 3 Reconcile cost estimates with RLB and Hensel Phelps (2 weeks)
- March 6 Start CD Phase (8 weeks)
- March 6 – March 20 HP and FNL to work through IGMP contract items
- Month of April HP and FNL to present to city council
- April 26 Engineering Drawings to VFLA to compile CD Set
- **April 28** **(95% CD Set)** Complete CD Phase – **Moved up 2 weeks**
- May 3 Submit to Building Department (6 weeks)
- May – June GMP confirmation process based on 95% CD Set
- June 14 Receive Building and Fire Permit Comments
- Two weeks Respond to Comments
- **June 28** **(100% CD IFC Set)** Pull Building Permit – **Moved up 2 weeks**
- July 10, 2023 (Pending) Start Construction
- July -Sept. 2024 (Pending) 14 Month Construction Duration

Planning Department Schedule

- January 27 Receive comments from Planning Department (Round 1)
- February 17 Submit response to Planning Department comments (Round 2)

VAUGHT FRYE LARSON ARONSON architects

419 Canyon Ave, Suite 200 ■ Fort Collins, CO ■ 970.224.1191

www.vfla.com

- March 31 Receive comments from Planning Department (Round 2)



NORTHERN COLORADO REGIONAL AIRPORT

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

ITEM NUMBER: 6

MEETING DATE: February 16, 2023

PREPARED BY: Aaron Ehle, Planning & Development Specialist
Claire Goodwin, Fort Collins Risk Manager
Jason Smitherman, Loveland Risk Manager

TITLE

Hangar Leases Discussion 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 the status of hangar leases, lease negotiation options, and provide direction to staff regarding the leases of hangars owned by the Cities.

BUDGET IMPACT

Unknown

SUMMARY

The Airport/Cities own 58 T-hangar units that are rented out on a month-to-month basis for basic light aircraft storage. The Master Plan has identified this area for redevelopment since 2006 which was reiterated with the latest Master Plan update in 2020. Additionally in 2020, the hangars in these units all reverted to the ownership of the Cities, where 1/3 had been privately owned since constructed in the late 1970's. In 2021, the Airport Commission issued a request for proposals (RFP) in response to Fort Collins-Loveland jetCenter (FCLJC) unsolicited proposal to redevelop the area. This RFP was closed with no award in 2022. However, during the RFP negotiation process a structural analysis was completed by a third-party engineering consultant bringing the focus onto concerns needing evaluation by the Cities risk departments.

The Commission directed staff to complete additional investigation with possible solutions to address the status of existing leases to be provided to the Commission at a future meeting.

ATTACHMENTS

None