

## PDSC MEETING AGENDA

**DATE:** 4/26/2023  
**TIME:** 3:30-5:00 PM  
**LOCATION:** Zoom  
**RE:** Planning and Development Subcommittee

### PDSC Objectives:

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

### PDSC Agenda Items:

- 1) **Meeting Minutes – March 22, 2023**
- 2) **Airport Business Attraction Strategy (60 min)**
- 3) **T-Hangar Update (20 min)**
- 4) **Updates/Planning/Open Discussion (10 Min)**

### Unresolved/Pending Topics:

- Fort Collins – Loveland Water District Water Line Extension
- Cellular Data Tower
- West & Northeast Airport Area Planning
- Updated Leasing Policy
- Terminal Funding

Join Zoom Meeting

**Wednesday, April 26, 2023 – 3:30 p.m.**

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

Meeting ID: 970 1148 2750

Passcode: 465261

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## MEETING RECORD

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**DATE:** 3/22/2022  
**TIME:** 3:32 - 4:45 PM  
**RE:** Planning and Development Subcommittee Meeting (PDSC)  
**ATTENDEES:** Tom Fleming, Diane Jones, Jason Licon, Aaron Ehle, Scott Schorling, James Aden

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### **Begin Meeting Record 3/22/2023**

#### **Agenda Item #1: Meeting Minutes – February 22, 2023**

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

#### **Agenda Item #2: 5271 Beechcraft RFP**

- There is one infill lot located between Cessna Drive and Beechcraft Taxilane. In recent months, several people have expressed interest in building a hangar on the lot.
  - The Airport Commission has already approve the issuance of an RFP for the lot.
    - What should the criteria be?
      - Should the rent rate be open to bid?
        - Our published rent rate for improved land is \$0.464 per square foot annually.
          - Using this as the only or main deciding factor could result in the lease rate being out of line with other recent leases.
          - The lot is very small, so the financial benefit for the Airport from rent is limited
          - We could accept bids, but limit them to a certain range
      - Can we give preference to current T-hangar tenants?
        - No, our grant assurances will not allow this. It needs to be open to everyone.
      - Experience/capability
      - Timeline for construction
      - Building quality/level of investment
      - Potentially determine by lottery if multiple proposals are difficult to differentiate?
    - Due to the proximity of other hangars, the Loveland Development Review Team has stated that any hangar built on this lot will be required to have enhanced fire protection, including sprinklers.

#### **Agenda Item #2: Northeast Airport Development**

- The Commission has instructed staff and the PDSC to develop a plan to facilitate and encourage development in the northeast area of the Airport. By focusing on this area, which is likely to see development in the near-term, we can gain some clarity on what a more comprehensive land use plan looks like.
  - With the eventual decommissioning of the Airport-owned T hangars, people are looking for options. All of the existing hangars are full and we have a shortage of shovel-ready land for general aviation hangar development. What can we do to fast-track development?

- There have been recent improvements to the infrastructure in this area and more are planned.
  - Rockwell Ave and utility infrastructure has been extended.
  - FCLWD is planning a new water line along the boundary of this site and we are coordinating with them to benefit future development.
- Preliminary cost estimates for basic infrastructure based on conceptual 8-acre layout created by staff:
  - Environmental review ~ \$20k – budgeted for 2023
  - Common-use road and taxiway, site grading, utility extensions ~ \$800k
  - Common-use restroom (including water and sewer taps) ~ \$200k
- Long-term buildout needs to be considered when sizing utilities for near-term development.
- The Airport doesn't have the ability to issue debt as most airports do. We rely heavily on the FAA and CDOT to fund capital projects.
  - It is extremely unlikely that we'd be able to obtain grant funding for this kind of infrastructure project.
  - An infrastructure plan with no funding strategy is likely to fail.
  - We can incentivize private-sector infrastructure investment by discounting lease rates and/or extending lease terms.
  - Commercial air service has the potential to greatly increase the Airport's revenue and to support capital projects. Attracting and maintaining commercial is critical.
- We need to find a balance between being too general and too prescriptive.
  - There are many unknown variables that will impact long-term development at the Airport.
  - FNL is the only place in the county that is set aside for aeronautical development. What kinds of non-aeronautical development do we want and where do they make sense?
  - We need to be flexible and able to accommodate shifting market demands.

**Agenda Item #3: Updates/Planning/Open Discussion**

- Fort Collins Loveland Water District (FCLWD) Water Line Easement
  - FCLWD is designing the water line. An appraisal for the easement area has been completed and is being reviewed by staff.
- Northeast Airport Cell Tower
  - Survey has been completed and a site has been identified. A lease agreement is being negotiated.

- Terminal Funding
  - There was a publication error related to the March 7<sup>th</sup> Fort Collins Council meeting where the Council voted to contribute \$1 million towards the construction of the terminal. All action taken during the meeting will be invalidated, so the terminal funding vote will have to take place again at another meeting. The terminal design will move forward with the assumption that Fort Collins will make the contribution.
- Southwest Airport Solar Facility
  - Platte River Power Authority issued an RFP in 2022 for photovoltaic solar generation and battery storage projects. Multiple sites are being considered, including the southwest area of the Airport.
- Development Projects within the 55 DNL Noise Contours
  - The unified development code (UDC) contains restrictions on certain types of development in the 55 DNL noise contours, but it doesn't outline a process for approval. Airport and City Planning staff are working to develop an appropriate process.
- Strategic Plan
  - The strategic plan will be presented to the Airport Commission at the April 20 meeting
- Airport-owned T Hangars
  - Airport and City staff are working with the tenants to conduct a more thorough structural analysis of the C hangars to determine if they can be rehabilitated and used for a few more years.

**End Meeting Record**



# NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

**ITEM NUMBER:** 2

**MEETING DATE:** April 26, 2023

**PREPARED BY:** Aaron Ehle – Airport Planning & Development Specialist

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## **TITLE**

Airport Business Attraction Strategy

## **RECOMMENDED PDSC ACTION**

Discussion Item

## **SUMMARY**

While the Airport is jointly owned by Fort Collins and Loveland, it is located within Loveland city limits and Loveland collects the sales tax generated at the Airport. Scott Schorling, Business Development Project Manager for the City of Loveland, has created a draft presentation to share information on airport business attraction and to propose a sales tax rebate incentive for aviation/aerospace businesses. A Loveland City Council study session for this item is scheduled for June 27<sup>th</sup>.

Factors that influence business attraction at airports:

- Costs
  - o Rental rates
  - o Fees
  - o Taxes
  - o Labor and other operational costs
- Location, accessibility, and connectivity
  - o Local/regional economic factors
- Infrastructure
- Services and amenities
- Supportive policies
  - o Tax rebates/waivers
  - o Employment incentives
  - o Marketing
  - o Training and education programs
  - o Streamlined approval and permitting processes

## **ATTACHMENT**

Draft Airport Incentive Presentation

# Airport Attraction Business Strategy



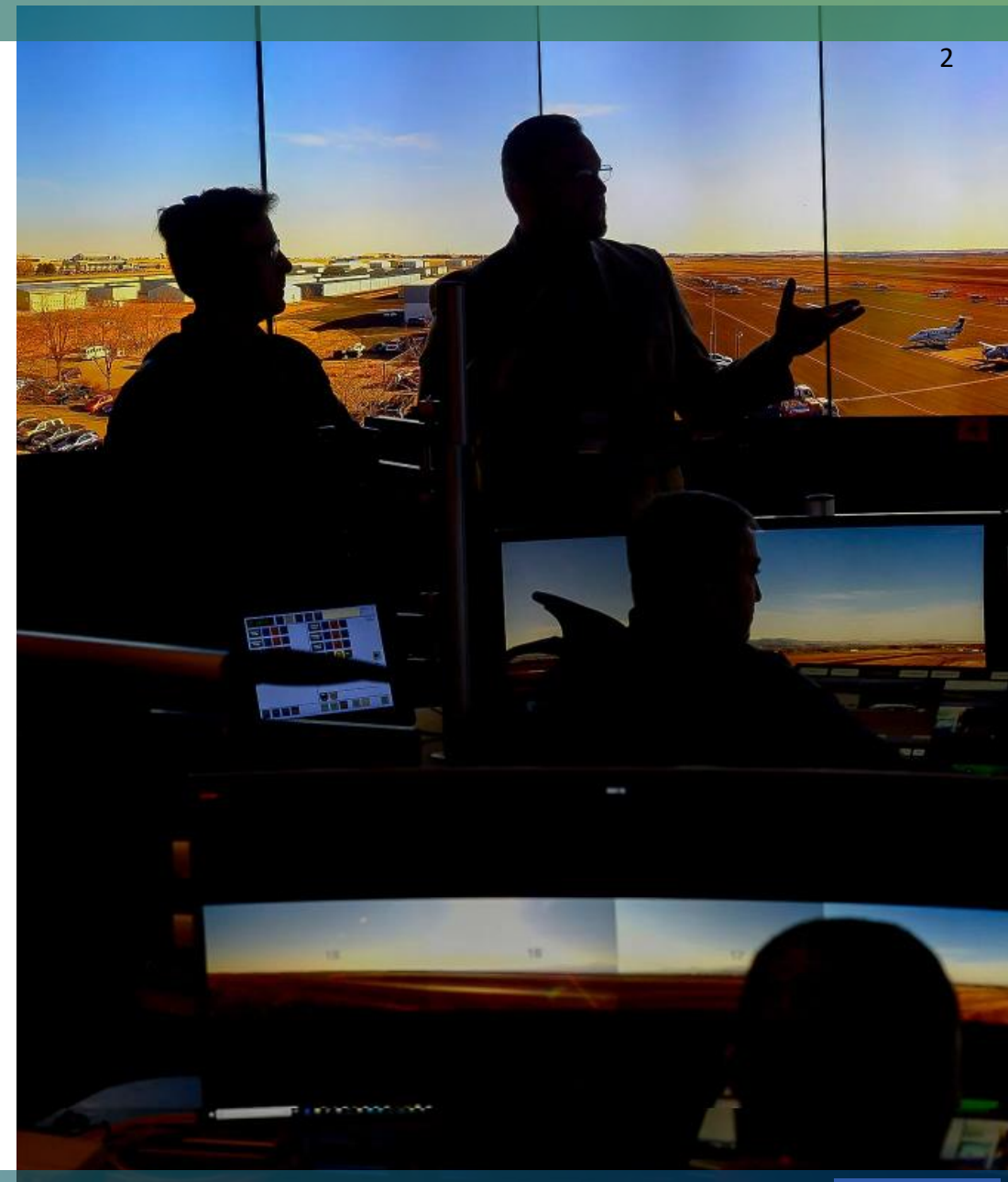
City Council Study Session  
June 27, 2023

**DRAFT**



# AGENDA

1. Why should we target aviation/aerospace businesses?
2. Comparative Analysis
3. Incentive Request
4. Case Study- Prospect/ Economic Impact Analysis
5. Next Steps
6. Questions



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# Needs Assessment – Aeronautical Business Attraction

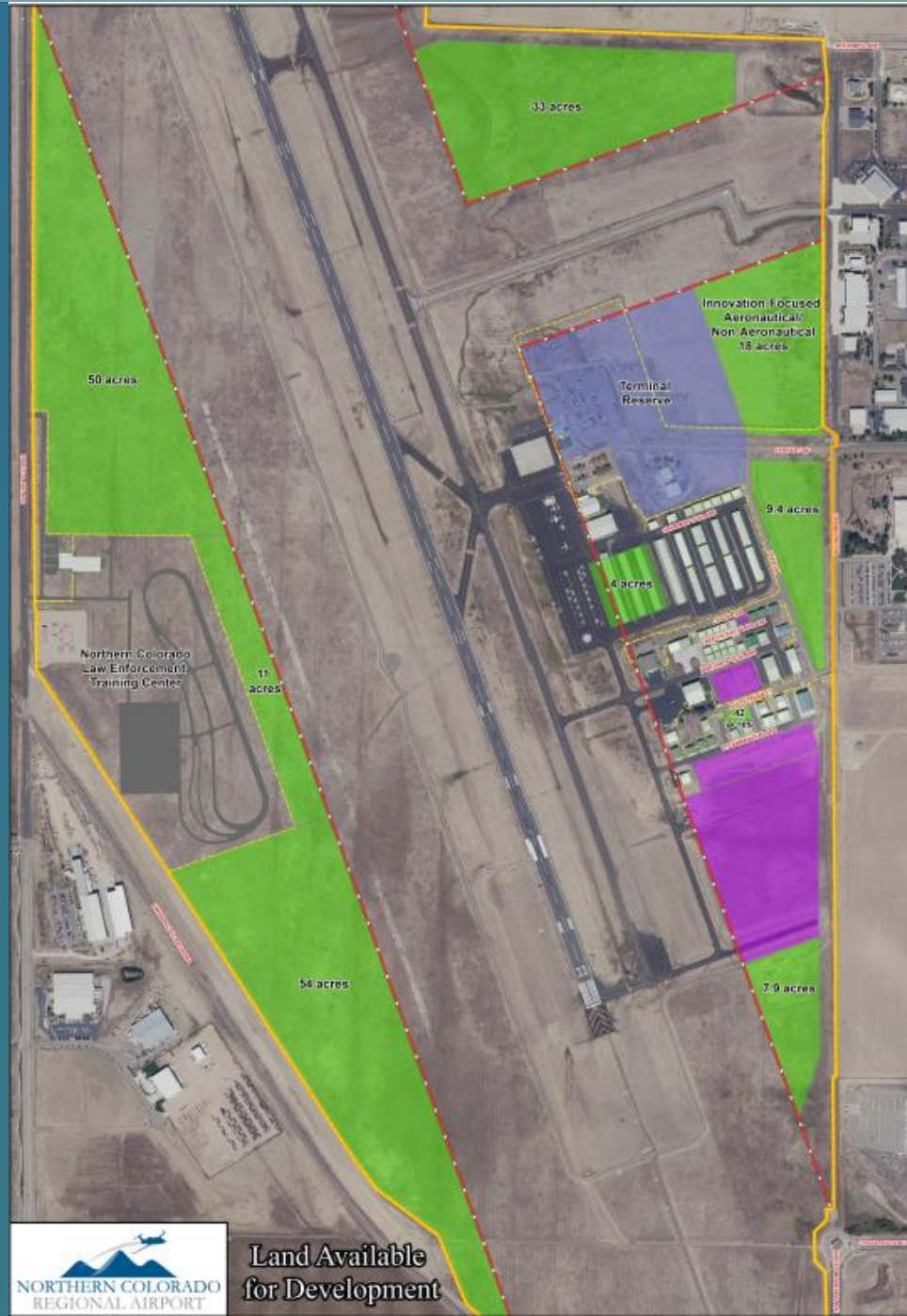
- Diversification of Economy – Aviation/ Aerospace Cluster
- The Colorado Aviation/Aerospace Industry has over 1,000 Companies, 27,600 Employees, GDP in 2019 is \$6.8 Billion
- The top performing businesses in the nation are increasingly using business aviation opportunities.
- A single business aircraft can bring an airport and its service community some \$2.5M in economic benefit.
- Aeronautical employers bring high paying jobs and exceptional economic impacts.
- The FNL Airport has over 180+ acres of developable land with a strategic focus on Aviation users.
- Dual Governance model of Airport is often clouded by the local sales tax benefit to only one of the partners. By Loveland making this investment the entire region benefits and “levels the playing field.”
- Local communities and airports fight to secure new or expanded businesses – Puts FNL in a competitive advantage.

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# Airport Land

- 187 Acres of developable land
- Only 22 acres of “shovel ready” ground.
- New T-hangers location requires \$1.5M in estimated infrastructure costs.



Land Available for Development

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Airport Boundary	Available Land
Aircraft Movement Area	Intent to Lease/Leased Land
Fence	Terminal Reserve Area

# Comparative Analysis – Front Range



The City of Colorado Springs abates the majority sales and use taxes for those specifically engaged in a variety of aeronautical activities. Annually, El Paso County will provide a credit back to eligible businesses within the Airport Commercial Aeronautical Zone for the County’s 1% general sales tax collected on the items below; for businesses in the CAZ not on the Airport, the credit will be for one half of that amount.



100% Personal Property Tax Waiver to qualified businesses



Authority can utilize property and sales tax increment financing for public improvements

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# Comparative Analysis – Out of State



Provides a 5- year, 80 percent tax abatement to eligible businesses engaged in manufacturing or other aviation support services.



Companies meeting requirements that include owning, operating, maintaining, servicing, testing, repairing, overhauling, or assembling an aircraft or any component of an aircraft may qualify for:  Personal Property Tax abatement of 50% of the tax due for 10 years  Potential Sales and Use tax Abatement to 2% on equipment and parts of an aircraft for 10 years - Requires the Governor’s Office of Economic Development Board to approve a reduction to 2% by a two-thirds vote. If this is not approved, the abatement will be reduced to 4.6%



provides multiple reduced business and operation tax rates and business and operation tax credits for businesses engaged in research, design, and engineering activities to develop an aerospace product, manufacturers of commercial aircraft and components, and certain repair and maintenance operations.

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- Aviation/Aerospace Sales Tax Rebate: 1.5 cents (of 3 cents) rebate to employers engaged in the manufacturing and sale of aircraft repair, remodeling or maintenance service on airport and “through the fence” adjacent property.
- Rebate could be transferred or granted to buyer
- 1.5 cents rebate not to exceed 10 years from issuance of sales tax license.
- Additional 0.5 cents rebate to Airport Infrastructure Development Fund.
- Does not include Fuel Sales.
- 100% Manufacturing Equipment Sales Tax Waiver

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# Prospect: Jet Sale – Economic Impact Analysis

- Example \$40M Purchase of Gulfstream G500



**2020 GULFSTREAM G500**  
 Jet Aircraft  
 Price: **USD \$40,950,000**  
 Payments as low as  
 CURRENCY: **USD \$261,670.50 / monthly\***  
 Aircraft Location:  
 Germany, Germany  
 Serial Number: 72041  
 Total Time: 453  
 Number of Seats: 13  
 Total Landings: 184

Tax	City of Loveland
Sales Tax	\$1,200,000
Annual Fuel Sales*	\$1,955,700

\*Based on 450 annual owner-operated hours and \$7.00 per gallon fuel cost

- Every owner/ purchaser of these jets have many options for where they will register.
- They will evaluate all costs in these location decisions and the primary drivers is use and sales tax.
- While it is not convenient to have a jet dispatched for each use, \$1.2M pays a significant amount towards repositioning.

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# Prospect Aviation Employer – Economic Impact Analysis <sup>9</sup>

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# Next Steps

- Formalize Incentive
- City Council Approval
- City staff (Airport and Economic Development) as well as airport partners (FBO's – Jet Center/ Discovery Air, AIMs, etc.) promote Incentive to Aeronautical Businesses

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# QUESTIONS?

**DRAFT**





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REGIONAL AIRPORT**

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**ITEM NUMBER:** 3

**MEETING DATE:** April 26, 2023

**PREPARED BY:** Aaron Ehle – Airport Planning & Development Specialist

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**TITLE**

T-Hangar Update

**RECOMMENDED PDSC ACTION**

Informational

**SUMMARY**

Airport Staff will provide an update on the recent facility condition assessment of the C hangars, April Airport Commission action, and next steps.

**ATTACHMENT**

Airport Press Release  
Reporter Herald Article

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## **Airport Commission votes to further evaluate T-hangar structural needs; extends C building hangar lease agreements**

**LOVELAND, Colo. – April 21, 2023** – The Northern Colorado Regional Airport Commission voted on several T-hangar related items yesterday to further understand structural repairs and cost estimates for hangars in buildings A, B and the two C units while providing some lease modifications while this work occurs.

During the April 20 commission meeting Loveland City Engineer Nicole Hahn, Loveland-based civil engineering contractor Civil Innovations and sub-contractor Knott Laboratory shared preliminary findings of a forensic engineering facility condition analysis on the C hangar buildings.

The findings concluded that the general health of the structures is satisfactory with no immediate life safety issues identified if specific maintenance of the structures begins immediately.

The commission voted to delay the decommissioning of C hangar buildings, extending tenant leases to Oct. 10; and directed staff to review the full C hangar buildings facility condition analysis including cost to complete necessary repairs and a review of code requirements during the July 20 meeting. The commission also took further action on T-Hangar leases for buildings A and B, directing staff to prioritize A and B tenant transitions into C hanger buildings and conducting a similar facility condition analysis on both A and B buildings.

In addition to commission-directed action, both cities will need to provide the new study to respective insurance carriers to ensure that the structures can remain insured prior to any decisions being made.

The City of Loveland initiated the facility condition analysis of C hangar buildings to provide a more in-depth review after a 2022 structural analysis for all three buildings, conducted as part of a larger economic impact assessment, concluded that the buildings can no longer be supported by the cities due to multiple factors related to age and deterioration.

The 2022 report also identified safety concerns in the buildings and was reviewed by the Cities' risk managers, legal counsel, and insurance providers. As a result, the Airport Commission made the difficult decision to decommission the buildings to protect tenants, airport employees, and property within.

The airport's hangar area has been identified as a location for commercial redevelopment, first introduced in the 2007 Airport Master Plan and reiterated in the 2020 Airport Master Plan, both of which involved significant public outreach and adoption by both City Councils. A gradual phase-out of these units was originally intended to ease the impact on tenants and allow for new hangar development to take place; however, safety issues have expedited the process.

"The Airport Master Plan identifies this area for larger hangars. There has been a significant misconception that this space would be dedicated to corporate jets, which is one of multiple possible uses for this area. It is more likely that this would serve the needs of the Airport's small businesses who provide services such as aircraft maintenance, avionics, or for flight schools. These locally owned small businesses are in significant need of more space and this location would be ideal for these types of uses. Until this time comes, it is our goal to find a path that allows the extended use of the hangars, and to allow for the creation of a new location that would better serve these demands into the future" said Airport Director Jason Licon.

The Airport intends to develop and implement an infrastructure plan to create shovel-ready property in the northeast area of the Airport to support the private-sector development of new general aviation hangars. A 23-unit hangar project is currently being constructed at the Airport, with completion anticipated in late 2023 or early 2024. Other projects are planned as well. This will help to alleviate the shortage of hangar space at FNL.

**Contact:**

City of Loveland Office of Communication & Engagement

[OCE@CityofLoveland.org](mailto:OCE@CityofLoveland.org) | 970-962-2302

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## LOCAL NEWS

# Airport delays decommissioning of hangars, but expresses desire for new, larger hangars

By **REPORTER-HERALD STAFF** |

PUBLISHED: April 22, 2023 at 2:55 p.m. | UPDATED: April 22, 2023 at 2:57 p.m.

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The city of Loveland issued a press release late Friday afternoon on behalf of the Northern Colorado Regional Airport confirming that findings of a forensic engineering facility condition analysis on the C hangar buildings at the airport “concluded that the general health of the structures is satisfactory with no immediate life safety issues identified if specific maintenance of the structures begins immediately.”

The release stated “... both cities will need to provide the new study to respective insurance carriers to ensure that the structures can remain insured prior to any decisions being made.”

The commission voted to delay the decommissioning of C hangar buildings, extending tenant leases to Oct. 10; and directed staff to review the full C hangar buildings facility condition analysis including cost to complete necessary repairs and a review of code requirements during the July 20 meeting, the release stated.

The commission also directed staff to prioritize A and B tenant transitions into C hangar buildings and conduct a similar facility condition analysis on both A and B buildings.

The airport’s hangar area has been identified in 2007 and 2020 airport master plans as a location for commercial redevelopment.

“A gradual phase-out of these units was originally intended to ease the impact on tenants and allow for new hangar development to take place; however, safety issues have expedited the process,” the release said.

“The Airport Master Plan identifies this area for larger hangars,” Airport Director Jason Licon said in the release.

”There has been a significant misconception that this space would be dedicated to corporate jets, which is one of multiple possible uses for this area,” he said. “It is more likely that this would serve the needs of the Airport’s small businesses who provide services such as aircraft maintenance, avionics, or for flight schools. These locally owned small businesses are in significant need of more space and this location would be ideal for these types of uses. Until this time comes, it is our goal to find a path that allows the extended use of the hangars, and to allow for the creation of a new location that would better serve these demands into the future.”

The airport press release also reiterated an intention to develop and implement an infrastructure plan to create shovel-ready property in the northeast area of the airport to support the private-sector development of new general aviation hangars.

“A 23-unit hangar project is currently being constructed at the airport, with completion anticipated in late 2023 or early 2024. Other projects are planned as well. This will help to alleviate the shortage of hangar space at FNL,” the release said.

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