

PDSC MEETING AGENDA

DATE: 9/27/2023
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 – August 30, 2023 (5 min.)**
- 2) **Development Review Follow-up (30 min.)**
- 3) **Leasing and Disposition Strategy (45 min.)**
- 4) **PDSC Charter Update (5 min.)**
- 5) **Open Discussion (5 min.)**

Unresolved/Pending Topics:

- Land Use Plan
- Updated Leasing Policy

Join Zoom Meeting

Wednesday, September 27, 2023 – 3:30 p.m.

<https://us06web.zoom.us/j/97011482750?pwd=V1pVVHdrMXZibzlyZ3RFanpRK2NlZz09>

Meeting ID: 970 1148 2750

Passcode: 465261

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MEETING RECORD

Page 1

DATE: 8/30/2023
TIME: 3:31 – 4:53 PM
RE: Planning and Development Subcommittee Meeting (PDSC)
ATTENDEES: Tom Fleming, Diane Jones, Troy Bliss, Scott Schorling, Aaron Ehle, Dave Ruppel, Kate Morgan, Rick Turley, Stephen Hayne. Josh Birks was absent.

Begin Meeting Record 8/30/2023

Agenda Item #1: Meeting Minutes from July 26, 2023

- Board Member Jones moved to approve the minutes. The motion, seconded by Board Member Fleming, passed unanimously.

Agenda Item #2: Airport Development Review Process

- There is currently a strong demand for hangars, and several developers are interested in building hangars. The Commission requested updates to the development process and leasing policy before reviewing proposals.
- Staff reviewed the existing documents which are provided to developers and recommended updating the Available Land Map with more distinction between aeronautical and non-aeronautical use development.
- Board Members spoke in favor of updating the documents and map with designated uses, design guidelines, and specific infrastructure requirements. Multiple options for funding infrastructure development were discussed, including lease incentives for private development or government funding, presenting the items to the Commission for further direction.
- Board members agreed to compile a development process proposal for the Commission. This would outline a more specific policy for land use, leasing, and project phasing. The development map would be updated to include specific land uses, availability, and high-demand areas.
- This policy could include leasing rates and help establish a fair market price for hangars after the costs of infrastructure and building are determined.
- While this process is under review, proposals will still be accepted for the available Greenfield sites, which constitute approximately 20 acres of airport land.

Agenda Item #3: Open Discussion

- Board Member Fleming suggested taking a more in-depth review of the budget over a 5- to 10-year period for capital improvement projects which shows two options (with and without commercial service) to help guide the planning process.
- No members of the Airport Commission have volunteered to sit on the PDSC.

End Meeting Record



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ITEM NUMBER: 2
MEETING DATE: September 27, 2023
PREPARED BY: Diane Jones, Tom Fleming

TITLE

Development Review Follow-up

RECOMMENDED PDSC ACTION

Review comments from Diane and Tom and advise on potential process changes.

SUMMARY

This item is a continuation of the discussion from the last meeting.

ATTACHMENTS

Comments From Diane and Tom

To: Dave and PDSC Members:

Tom and I met to work on our PDSC task from our last (August 30, 2023) meeting. Here are our thoughts about: (a) FNL Land Map; (b) Development Guide; and (c) Rates and Fees as well as food for thought on other elements that impact the future of the airport.

A) FNL LAND MAP

We took another look at the two maps of the airport land that were in our August 30 PDSC packet. Here are our suggestions:

Develop a Single Land Use “Base” Map

- The two maps in our packet seem a bit conflicting or at least confusing. For example, the area in the SE corner—one map shows all of the area beyond the existing hangars as “Development Area 2” which is for aviation businesses, FBOs, hangars and it looks like the entire area is available for future development. The other map shows two designations for the area: a portion that is leased (Discovery Air) and another 7.9 acres available for vertical development. This seems to contradict the other map with a portion of it in the process of being developed.
- Develop a “base” map that shows the current (planned) land use designations per the 2020 Master Plan. Then use overlays to show developing and current uses, such as temporary/short term leased land (e.g., the leased vehicle storage on the west side south of the Police/Fire Training Facility) as well as the more long-term leases (e.g., Discovery Air).
- It would be very beneficial to show more specifically where we intend to place all future hangars (t-hangars and business/jet hangars at build out):
 - a) include the location of new hangars from A, B and C that will be de-commissioned

- b) include future hangars—the number of hangars should be consistent with the Master Plan numbers projected for the Year 2038
 - c) this would enable staff and the Commission to target and phase development for specific locations; for example, we could say that Site C is the location for any new hangars for the foreseeable future.
 - d) we could then determine what infrastructure will be necessary to support new hangars and begin working on a plan for pay for and construct such infrastructure.
- Land use for commercial (whether aviation or non-aviation) should be shown on the base map
 - a) designate some areas along the major roadways— e.g., show a 75-foot or 100-foot strip along the major roadways (Earhart; Lindbergh, Boyd Lake) that would be targeted/reserved for retail, commercial, technological development.

Implications for infrastructure development

- Agreeing to and designating this level of land uses on a “base map” will facilitate and drive what infrastructure is needed to support the designated land uses (hangars; commercial businesses) planned for the future. We can then proceed to develop a plan for what infrastructure is to be constructed, by whom (airport; private developers; public/private partnerships) and how the needed infrastructure is financed. Some possible approaches include:
 - a) Developers pay a Public Improvement Fee (PIF) for future improvements. For example, a developer might pay a Street PIF for future widening and construction that includes curb, gutter and sidewalks.
 - b) A connection fee to hook to fiber, water, sewer, storm drainage facilities.
 - c) The airport sells bonds* and builds some of the major infrastructure; bonds repaid in part by PIFs or other revenue sources

*[Note: the current governance structure prohibits the airport from issuing bonds]

- d) The airport partners with its owner cities and submits budget requests to cover a portion of infrastructure needs as a component of the cities' Capital Improvement Programs
 - e) Monthly or quarterly fees to leesees to cover regular operation, maintenance and repair of system infrastructure
 - f) Grants—federal and/or state infrastructure grants
 - g) Sales tax and/or property tax share-back
- The T-Hangar issue is a driver to focus infrastructure development for a very specific area (Site C). The projected lifespan of the “Building C” t-hangars is three (3) years. If we are to meet this time frame, an infrastructure plan for construction and financing needs to be a priority—work needs to start now. It will also be an opportunity to drive all hangar development for the foreseeable future to Site C (and avoid haphazard development of hangars scattered around the airport).

B) DEVELOPMENT GUIDE

- A single-source document is needed to guide developers in a simple, straight forward fashion—*Development and Building Guide for the Northern Colorado Regional Airport*.
- At present, any development done on the airport land goes through the Development Review process for the City of Loveland; separate Design Standards were developed for the airport and any development on the airport must comply with these standards.
- There are some unique airport issues—e.g., whether or not each individual t-hangar developed must construct a bathroom; the Loveland planning staff has been able to apply some flexibility and in some cases approve a bathroom to be shared by a group of new t-hangars. It would be beneficial if this was addressed more directly in a set of development standards, options and requirements for building on airport property.

- Anyone interested in developing on airport property would greatly benefit from having all of the development and building standards, requirements, and regulations required by the City of Loveland and/or the FAA compiled and available in one document.
- This would be a collaborative project staffed by: FNL staff, City of Loveland, and perhaps a consultant to prepare a draft document.
- The importance of a Development Guide is not only to provide guidance and transparency to those desiring to develop at the airport, but could also clarify under what circumstances the airport might engage in a competitive process for development.

The less-than-satisfying experience to all involved with the unsolicited Jet Center proposal necessitates that we become clear as to when unsolicited proposals are to be considered (and the process for doing so) and when a competitive process (such as issuing a call for proposals or bids) is appropriate. We must learn from that experience so it is not repeated.

C) RATES AND FEES

- Land Lease Fees — at present, the airport has a standard lease fee/rate related to hangars. However, land leasing related to other uses (commercial and technological businesses) seems to be based on individual circumstance and negotiations. For example, a couple of potential land leases last year—one included a significant one-time payment plus a multi-year lease; another was a straight multi-year lease without a one-time payment.

Fees and rates need to be flexible enough to facilitate development in a fair and mutually beneficial manner. Work needs to be done to develop a clear and accurate understanding of comparable rates in the local area (defined) and/ or benchmark organizations. A guide for rates and other types of lease payment options would be helpful.

- Other Fees — in pursuit of the goal to be as financially independent and self-sustaining, the airport has the opportunity to consider a multitude of other fees. These might include: airport parking; shuttle operational fees (Groome and Landline); flight training schools; etc. Again, a project to take a comprehensive look at airport fees and develop a guide for the rates and how the fees are administered is recommended.

There are a couple of other elements that are key to the future progress and success of the airport that we thought worth mentioning.

AIRPORT BUDGET

A budget functions not only to manage revenues and expenditures but also signals and guides the underlying values and goals of the organization—in this case, the airport.

In the past, the airport budget has focused almost entirely on operations and aviation facilities—constructing and maintaining capital improvements primarily related to FAA supported facilities such as runways, taxiways, lighting, etc.

The terminal and remote tower projects represent unique excursions and opportunities—effective management opened the way to these opportunities with the infusion of additional state and federal resources.

The funding approach for customary airport projects at FNL, such as hangars, has been largely reactive: simply wait for development proposals or react to unsolicited proposals. This has also left in limbo a solid plan for providing needed infrastructure.

A starting point would be to better understand the current airport budget and begin to develop a reliable strategy for strengthening the O & M portions as well as a sound infrastructure and capital improvement program (aviation and non-aviation needs).

GOVERNANCE

Closely tied to the budget, is the emerging issue of governance. The airport seems to be at an inflection point with respect to ownership

support and interest. There appears to be very different perspectives between the two City Councils as to the importance and value of the airport as an economic driver and key transportation component to their respective communities and the region.

This divergence directly affects the willingness to invest any money or other resources to improve the airport and consequently constrains financing options. This is further restricted by the apparent legal prohibition on the airport to issue bonds.

Unless and until this tension is resolved, funding will be limited to self-generated and secured resources.

While the effort to examine governance options is in progress, in the meantime it will take some diligent commitment to examine the budget for ways in which resources can be redirected and to consider ways to generate more revenue.

Fleming/Jones Draft 9/14/23



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ITEM NUMBER: 3

MEETING DATE: September 27, 2023

PREPARED BY: Scott Schorling, Loveland Business Development Project Manager

TITLE

Leasing and Disposition Strategy

RECOMMENDED PDSC ACTION

Provide feedback on proposed strategy

SUMMARY

Scott Schorling has prepared a draft presentation that discusses potentially hiring an advisor that specializes in aviation real estate.

ATTACHMENTS

Leasing and Disposition Strategy Presentation

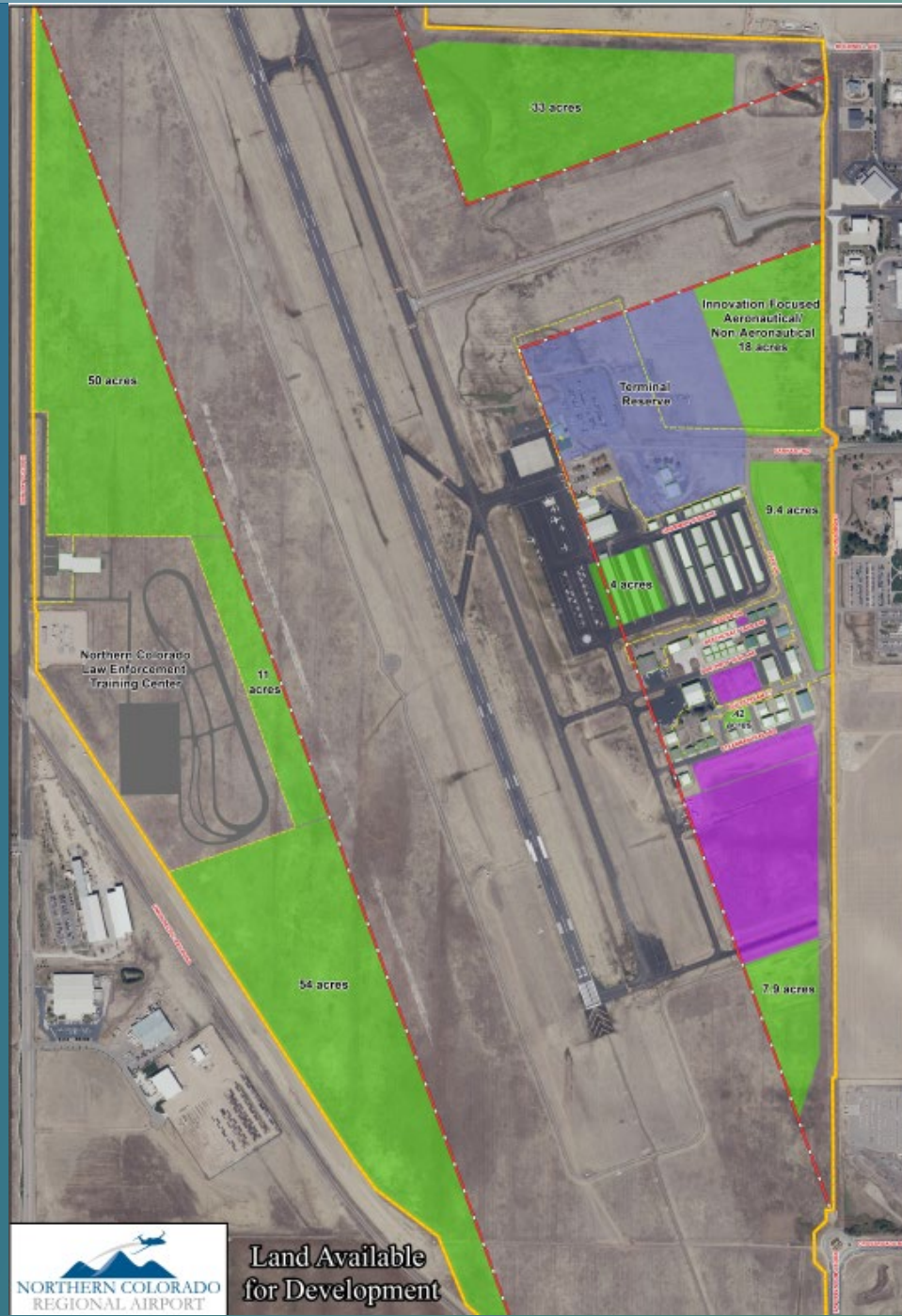
Private Leasing and Disposition Strategy



Planning & Development Sub-Committee
September 27, 2023

Airport Land Map

- 187 Acres of developable land
- Only 22 acres of “shovel ready” ground.
- Primary financing mechanism for airport infrastructure is through FAA grants, however these funds cannot be used for private enterprise.



Land Available for Development

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

Needs Assessment – Current lease/disposition process

- The FNL Airport has over 180+ acres of developable land
- Historically, private development projects at the airport have occurred through unsolicited proposals to airport staff.
- As development-friendly, high exposure sites become scarce, competitive interests have emerged.
- A clear policy and description of the disposition process has been requested by stakeholders and the Commission.
- The airport desires to attract the best development partners in the industry while managing existing relationships and assets.
- Currently there are zero/limited funds to deliver new shovel-ready sites for private investment.
- Financing the infrastructure for private development has largely occurred through negotiating reductions in the published lease rates.

Comparative Analysis – Front Range Airports



4 person in-house team dedicated to the development of adjacent land and includes consulting firms CBRE, commercial real estate broker, the architectural firms of Sasaki, BrightView Design Group, Shears Adkins Rockmore Architects (SAR), and Livable Cities, the engineering firms of Merrick, Stantec, and Matrix and the brand marketing firm Launch.

Recommended Airport Land Lease/Disposition Strategy

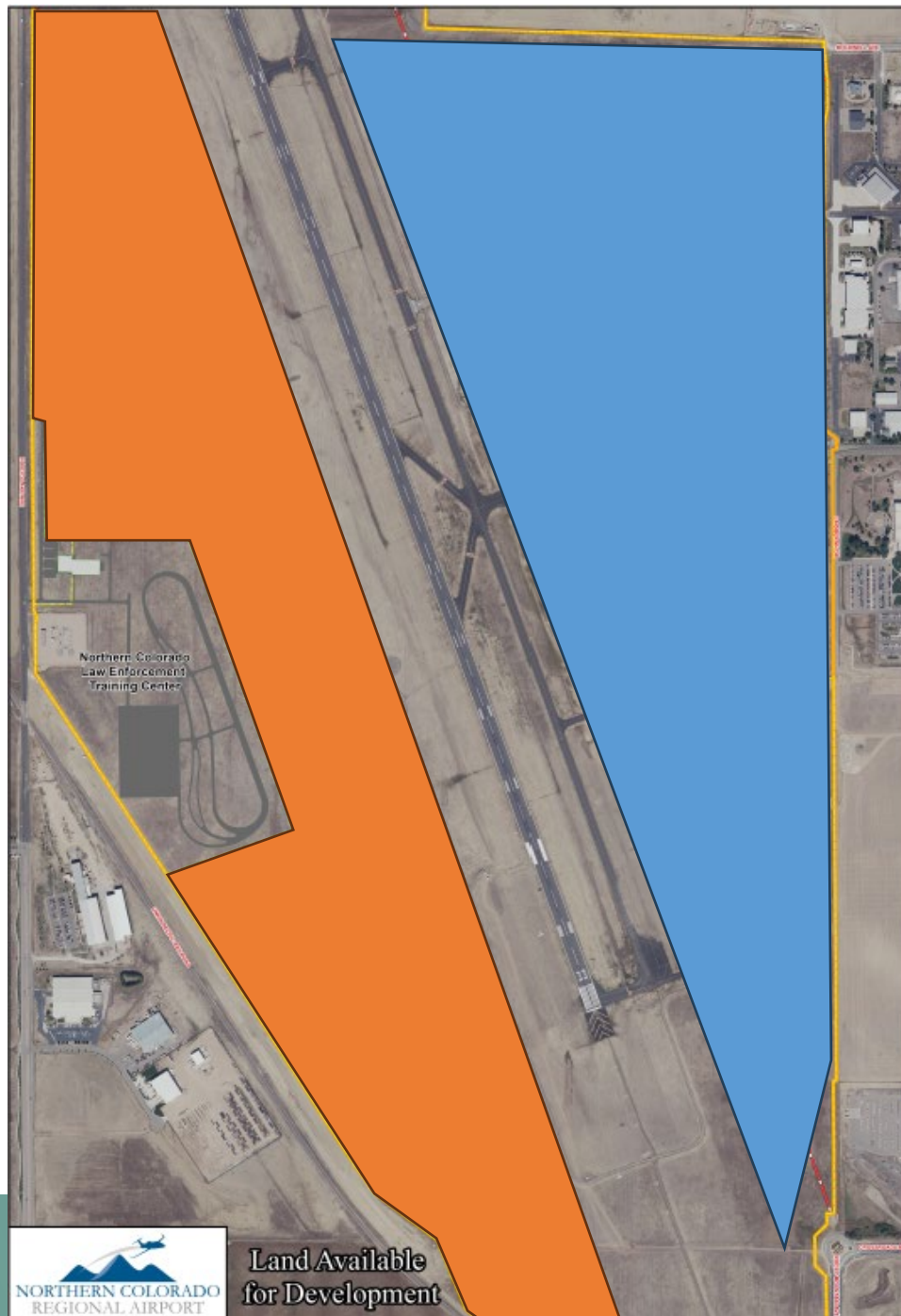
- Contract with an aviation real estate specialist to exclusively marketing for lease/ sale campaigns for a reasonable period (+-5 years).
- Property on the east side of the runway will only be sold/ leased through a public marketing campaign and request for offers.
- Property on the west side of the runway will be open to unsolicited offers to develop.
- Real Estate Advisor Scope of Services to include:
 - Real estate marketing and advisory services
 - Airport website
 - Handle all inquiries, qualify all bidders
 - Publicly promote opportunities to local, national and international contact lists
 - Work with the PDSC to present offers and recommendations to the Commission.
- This is a similar arrangement to what the City of Loveland uses to market and sell City-owned property.

Land Lease Strategy

The property will be presented to the marketplace under the following general guidelines:

- Competitive marketing effort
 - Publicly marketed
 - Ie. “call for offers”
 - Multiple bids likely
 - Higher property values

- Contract “at will.”
 - Interested parties may propose use and enter into agreements.
 - Ie. “unsolicited offers” will be considered

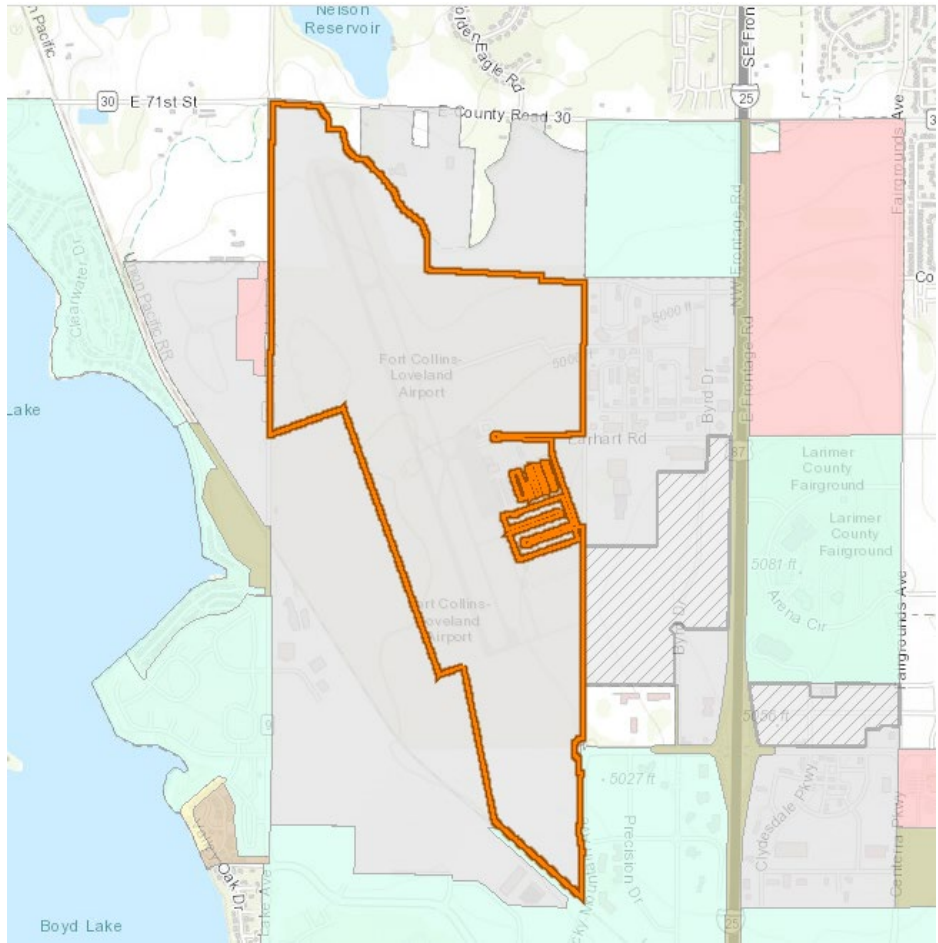


Airports Real Estate Service Providers



Cushman & Wakefield selected by Burrell Aviation, LLC to market national portfolio of on-airfield build-to-suit development sites

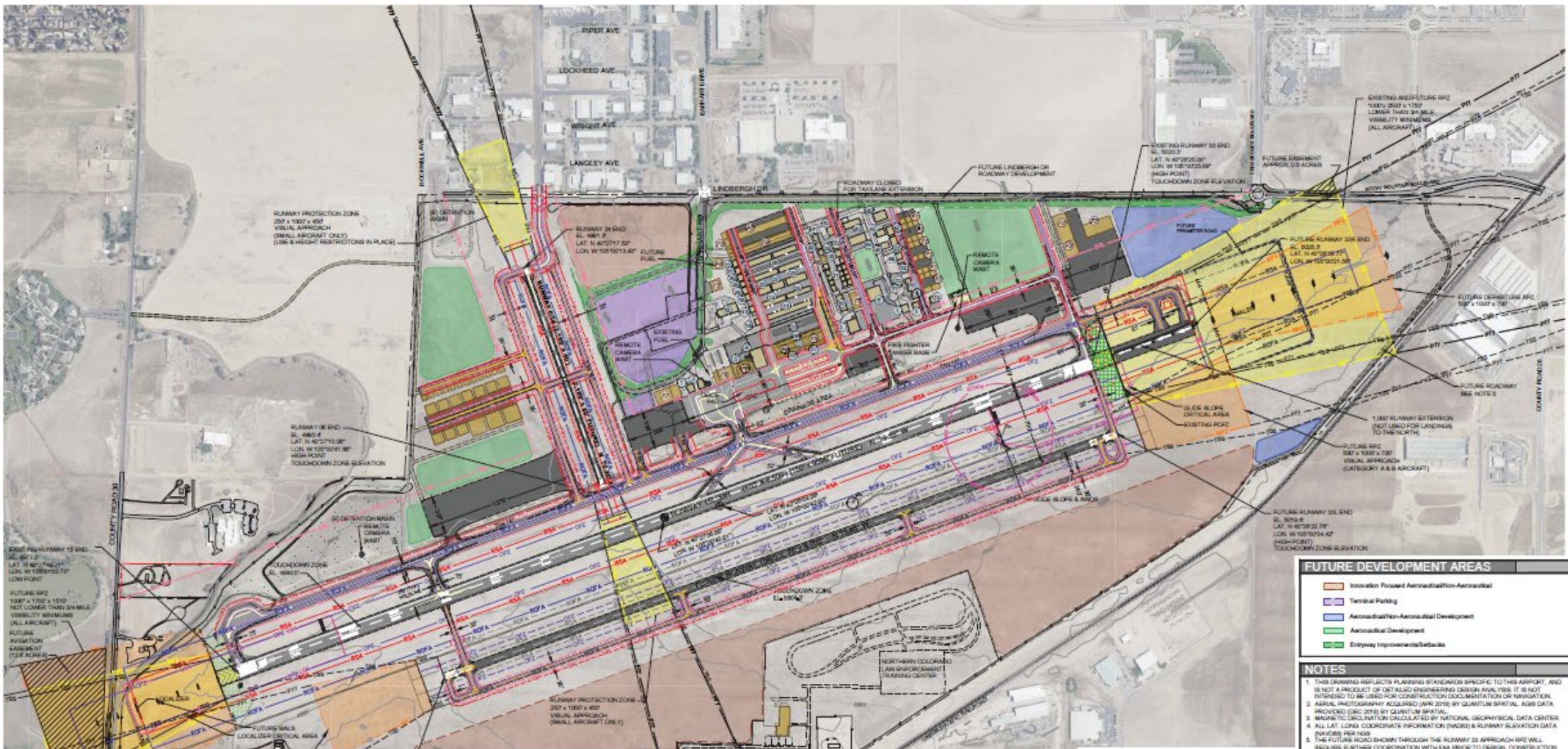
Land-use Discussion



District ZONING

 B : Developing Business

Land-use Discussion



Next Steps

- Seek PDSC & Commission feedback and requests for additional information
- Formalize RFP Criteria
 - Scope of Services
 - T-hanger redevelopment or Site “C” marketing scenario
- RFP Process
- Select Broker
- Initiate Marketing Plan

QUESTIONS?





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ITEM NUMBER: 4

MEETING DATE: September 27, 2023

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

PDSC Charter Update

RECOMMENDED PDSC ACTION

Provide feedback on updated charter

SUMMARY

The PDSC Charter has been updated at the request of the Commission.

ATTACHMENTS

Updated Charter

Northern Colorado Regional Airport
Planning and Development Subcommittee
Sub-committee Charter *Amended 9/21/2023*

I. Purpose

The Planning and Development Subcommittee (“PDSC”) was formed by the Northern Colorado Regional Airport Commission (“Airport Commission”) as a subcommittee pursuant to Section 12 of the Commission Bylaws to facilitate strategic planning for the Airport and its immediate surroundings. It includes the following major objectives:

- i. To support the development of an updated Strategic Plan and the 2020 Airport Master Plan;
- ii. to provide ongoing support and input on specific plans and proposals for the development of Airport land; and
- iii. to provide input on other business development efforts as appropriate.

II. Authority and Limitations

The PDSC serves only in an advisory role to the Airport Commission with respect to the objectives listed above and may provide recommendations to the Airport Commission as the PDSC deems appropriate or as requested by the Airport Commission. The PDSC has no authority to take any final action or to direct the expenditure of funds or resources.

III. Membership

Membership of the PDSC will consist of the following City of Loveland and City of Fort Collins representatives (“City Members”) and non-City representatives (“Citizen Members”):

City Members

- Airport Director (PDSC Chair)
- Airport Business Development Specialist
- City of Loveland Economic Development Manager
- City of Fort Collins Department of Economic Health Director

Citizen Members

- Representative of FNL Pilots Association
- Tom Fleming, Former Airport Commission Vice-Chair
- Diane Jones, The Formation Group

Membership may change over time, subject to approval by the Airport Commission as described in this Charter. Other individuals may be asked to take part in the PDSC from time to time in an ad-hoc, advisory role as needed, but shall not have any authority vote on any matter being considered by the PDSC.



Because of the breadth of the PDSC's charter, it may be necessary or appropriate to form other subcommittees from time to time to address related topics. If directly related to the purpose of the PDSC, then the PDSC may form the subcommittee and advise the Commission. If the scope is unrelated to or exceeds the PDSC's charter, then the PDSC will submit the proposal to the Commission for consideration and approval as appropriate.

IV. Member Terms

The length of a Citizen Member's term shall be four (4) years effective as of the date of Airport Commission's approval of such Citizen Member's appointment. For the Citizen Members listed in this Charter, the start date of their terms shall begin on the effective date of this Charter amendment. There shall be no term limits for either City Members or Citizen Members.

V. Changes in Membership

Airport Commission approval by motion or resolution to amend this Charter with respect to membership shall be required for the following membership changes:

- Removal of any City Member position or Citizen Member listed in this Charter;
- Addition of a City Member or Citizen Member to the PDSC membership; and
- Replacement of a Citizen Member who is removed or vacates their membership.

A new or replacement Citizen Member may be nominated and presented to the Airport Commission for consideration by any member of the PDSC or Airport Commissioner. The Airport Commission may, in its discretion, hold interviews by an interview committee of its choosing with no more than two Airport Commissioners.

VI. Meetings

In accordance with the Airport Commission Bylaws, PDSC meetings shall be held in accordance with the Colorado Open Meetings Law. The PDSC shall meet monthly on the fourth Wednesday of each month beginning at 3:30PM at the Airport Conference Room. A majority of the members of the PDSC constitutes a quorum. PDSC members may attend meetings either in-person or virtually.

VI. Duration

The duration of the PDSC will be determined by need for support on current and future Airport planning and development projects. However, the Airport Commission, at its sole direction, may dissolve or alter the focus of the PDSC to best serve the Airport's interests.