

PDSC MEETING AGENDA

DATE: 12/6/2023
TIME: 3:30-5:00 PM
LOCATION: Zoom
RE: Planning and Development Subcommittee

PDSC Objectives:

- Support the implementation of the 2023-2024 Strategic Plan and the 2020 Airport Master Plan
- 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 – November 1, 2023 (5 min.)**
- 2) **Preparation for 12/14 Airport Commission Land Use and Leasing Policy Recommendation (65 min.)**
- 3) **Airport Commission Survey (15 min.)**
- 4) **Open Discussion (5 min.)**

Join Zoom Meeting

Wednesday, December 6, 2023 – 3:30 p.m.

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

Meeting ID: 970 1148 2750

Passcode: 465261

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DATE: 11/1/2023
TIME: 3:29 – 4:49 p.m.
RE: Planning and Development Subcommittee Meeting (PDSC)
ATTENDEES: Tom Fleming, Diane Jones, Scott Schorling, Rick Turley, Josh Birks, Aaron Ehle, Dave Ruppel, Kate Morgan, Cameron Singh

Begin Meeting Record 11/1/2023

Dave Ruppel, Interim Airport Director, provided an update on the RFP for the C Hangar repairs. The City received one proposal Iron Fly which is currently under review with the City’s engineering team. Civil Innovation will be providing contract administration and coordination for the project. The anticipated start date for work would be January of 2024 with work expected to be completed in two or three months. Staff will coordinate a meeting with the tenants and service providers once they are under contract.

The Pilot’s Association nominated Rick Turley to act as their representative on the PDSC so his appointment will be determined by the Airport Commission at a future meeting.

Agenda Item #1: Meeting Minutes from September 27, 2023

- All present Board Members voted unanimously to approve the minutes as presented.

Agenda Item #2: Strategic Plan Review & Regroup

- Members of the PDSC and Staff reviewed the Strategic Action Plan and discussed prioritizing the following projects.
 - ATC tower: Tower funding from the FAA requires a specific process and cannot be changed or reallocated to other projects. Any traditional tower would require grants for the specific tower construction type and must go through a site study and environmental assessment, which takes approximately two years, before any design could begin. The remote tower certification would also take approximately two years, which is why these two paths can be taken concurrently before a final decision is made on which type of tower to proceed with.
 - New terminal: Staff resources are being used to keep this project on track and ensure that all grant requirements are being met.
 - Runway 15-33 widening
 - Commercial air service development: An RFP was created and one proposal has been selected for contract negotiations to hire a consultant. This agency would provide market research and facilitate negotiations for successful commercial service once the terminal project is completed.
 - Hangar redevelopment: This is important to the Airport’s general aviation tenants and ties into the Land Use Plan.

- Staffing: The Governance Study report is being reviewed by both City Councils. All available staff positions are now filled. Revenue from new leases may be able to help fund multiple projects and/or new positions for staff members.
- Board Member Jones suggested providing informal updates and information to both City Councils to help build understanding and support for these projects.

Agenda Item #5: Open Discussion

- Board Member Fleming recommended having future discussions to improve airport safety.

End Meeting Record

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4900 Earhart Rd • Loveland, Colorado 80538

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ITEM NUMBER: 2

MEETING DATE: December 5, 2023

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist
Scott Schorling, City of Loveland Business Development Project
Manager

TITLE

Preparation for 12/14 Airport Commission Land Use and Leasing Policy
Recommendation

RECOMMENDED PDSC ACTION

Provide input on presentation information and recommendation for the Airport
Commission

SUMMARY

The information in the attached presentations will be updated and combined into a
single presentation that will be presented to the Airport Commission at their December
meeting. The purpose of this item is to prepare for that meeting.

ATTACHMENTS

Leasing and Land Use Background Presentation

Airport Leasing Strategy Presentation (previously reviewed by PDSC)

Airport Incentive Presentation (previously reviewed by PDSC)

Land Leasing Policy and Land Use Plan

FNL Planning & Development Subcommittee

December 6, 2023

Topics

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REGIONAL AIRPORT

- Purpose
- Role of the Cities
- Current Process
- Issues
- Proposed Improvements



- An updated land leasing policy and land use plan will guide Airport staff and the Commission in achieving the vision for the Airport
 - Sets clear expectations on property leasing that align with the vision and mission of the Airport
 - Does not get too granular as to act as a complete site development plan, allows demand to dictate outcomes but to a level of desired improvement
 - Preserves space for future needs
- A land use plan will serve as a guide for each development possibility and will help define the cost and lease type for each
- A leasing policy will provide a process in which different types of aviation and non-aviation development can be evaluated and supported
- Eliminate ambiguity on development process and bring fully vetted and intentional development proposals forward for consideration

Cities as the governing sponsors control and set the stage for Airport development

- **Achieve Mission:** Make smart development decisions to meet aviation user demand, safety, and the needs of the community.
- **Achieve Vision:** Through the adopted Strategic Plan and other tools such as the critical Airport Master Plan, an inclusive development plan and implementation program.
- **Maintain Regulatory Compliance:** Federal regulations and grant assurances, State and local laws and regulations, and the Cities' approved Airport guiding documents including minimum standards, lease agreements, and rules and regulations.
- **Sociopolitical Considerations:** Sustainability/environmental impacts, public health and safety, economic impacts, access, opportunity, etc.
- **Infrastructure & Staff Support:** The Cities need to define what level of investment they intend to dedicate to support development needs.

- Website advertises all available land for development
- Airport staff uses a 20-step development guide which outlines the process for review and recommendation of ~~unsolicited~~ development proposals to the Airport Commission.
- Airport Master Plan shows what types of development areas are available and how aeronautical demand can be accommodated
- Staff reference the FNL Development Guide
 - Provides developers with transparency and information as to the development processes
 - Provides understanding of responsibilities and expectations
- Standard Lease agreement terms are approved by both Cities
 - Leases that deviate substantially must be approved by both City Councils

Current Development Review Process

- Existing Plans and Policies
 - Master Plan – Airport Layout Plan
 - Zoning
 - Entire Airport is in “Developing Industrial” zone, which allows for a wide variety of land uses
 - Building and Fire Code
 - Administered by City of Loveland
 - Design Standards
 - Adopted by the Airport Commission in 2020
 - FAA rules and regulations
 - Airport rules and regulations
 - Strategic Plan

Updated 10/5/2020

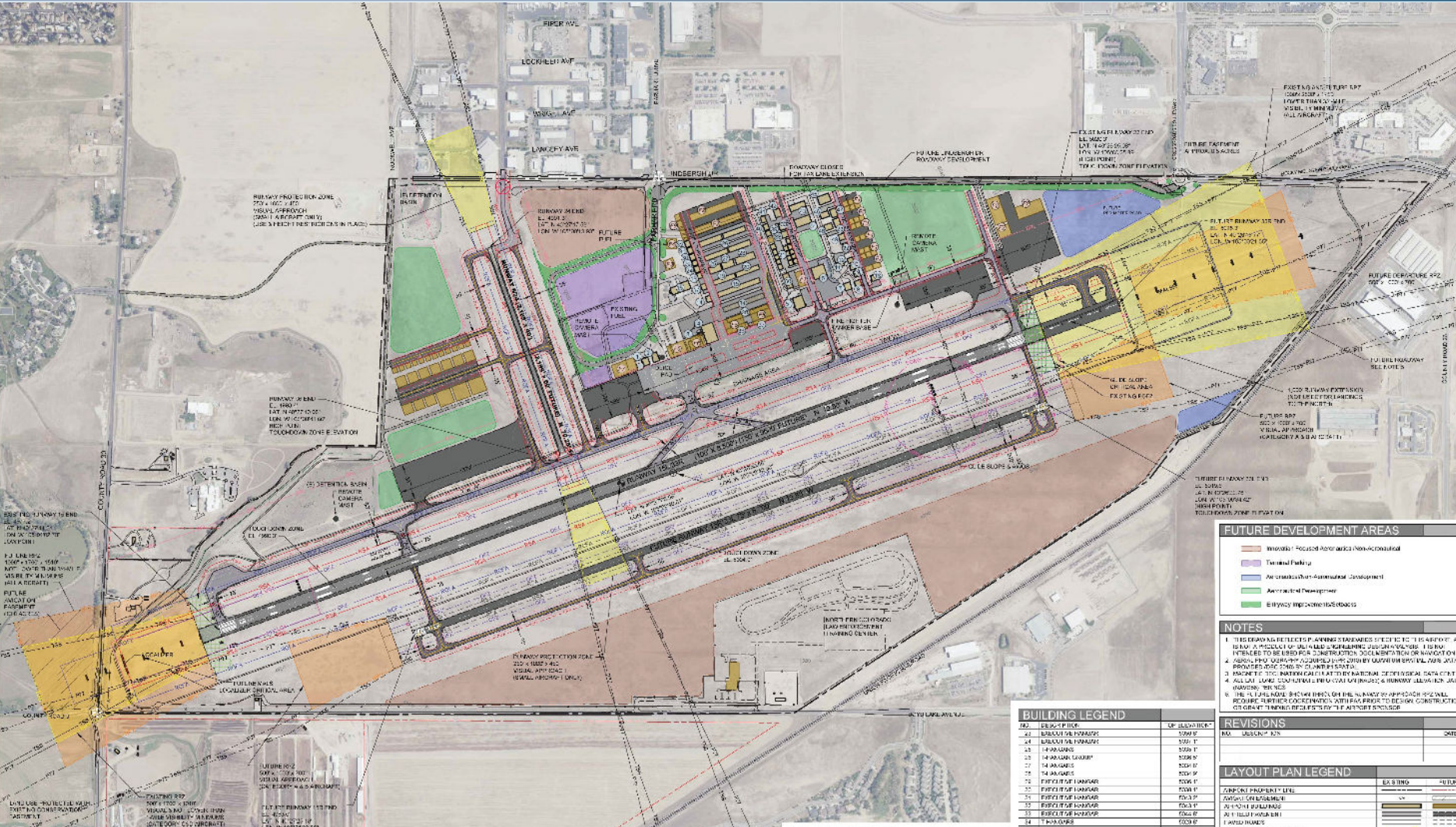
#	Item Description	Responsibility	Action
1	Discuss concept with Airport staff	Airport	Identify potential locations, building size and uses, type of aircraft to be housed, major utilities required, and special requirements such as parking, access, etc.
2	Provide potential locations with building diagrams	Applicant	Airport staff will work with developer on site location and dimensions will depend upon a variety of considerations, including alignment with Airport Land Use and Design Standards, Airport Master Plan, Utility Plan, FAA development standards, Airport Minimum Standards, existing infrastructure, and City of Loveland adopted codes.
3	Identify preferred building location	Applicant/Airport	Work with Airport staff to determine infrastructure needs, setbacks, construction type, layout, landscaping, etc. Applicant will prepare preliminary site plan, building elevations, and landscaping plan diagrams in accordance with Airport Design Standards.
4	Develop project proposal	Applicant/Airport	Enter into an agreement, and provide payment of \$1,000 or \$1,000 per acre (whichever is greater) to secure lot for up to 12 months to allow applicant to progress through steps 7-11. Deposit will be applied toward the land lease or the cost of the survey if land is not leased.
5	Airport staff review	Applicant/Airport	Airport will work with applicant to provide information to receive input from City of Loveland staff regarding permit requirements, utilities, transportation, stormwater, etc. Determine if architect and/or site plan review will be required.
6	Enter into an optional intent to lease agreement	Applicant/Airport	Incorporate feedback from City/Airport staff to refine project proposal. Present project proposal details to the Airport Commission and potential recommendations to the PDSC for feedback.
7	Schedule building consultation review (simple projects) or concept review (complex projects) with City of Loveland	Applicant/Airport	Applicant will schedule utility locate to the Airport Commission. Once the lot area is confirmed by the applicant, the Airport will order and pay for a basic site survey of the lot area to be leased (Note: The Airport will only pay for one survey per lot).
8	Attend building consultation or concept review meeting	Applicant/Airport	Incorporate feedback from PDSC to finalize project proposal.
9	Prepare project proposal for PDSC review	Applicant/Airport	The applicant will sign a land lease with the Airport based on the area defined by the site survey. Present site plan, elevations, and landscaping plan for Airport Commission review and feedback. If project is approved by the Commission, the lease will be executed.
10	Planning & Development Subcommittee (PDSC) Review	Applicant	
11	Perform utility locate	Applicant/Airport	
12	Perform basic site survey	Applicant	
13	Finalize project details and prepare for Airport Commission	Applicant	
14	Sign land lease	Applicant/Airport	
15	Airport Commission review and lease execution	Applicant/Airport	

FNL Development Guide

Current Development Review Process

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Airport Layout Plan

- Shows current and generalized future aeronautical facilities
- Broad land use categories
 - Aeronautical Development
 - Aeronautical / Non-aeronautical Development
 - Innovation Focused Aeronautical/ Non-Aeronautical
 - Terminal Parking
 - Entryway Improvements / Setbacks

- Land Lease Rates
 - Determined by rates and fees study conducted every 5 years
 - Existing rates and fees are compared to regional airports that are similar in size and amenities and adjusted accordingly
 - Last completed in 2021
 - Adjusted for inflation every year
 - Unimproved Property - \$0.327 per square foot
 - No or limited access to utilities, taxiways, roads, etc.
 - Improved Property - \$0.464 per square foot
 - Adequate access to utilities, taxiways, roads, etc.

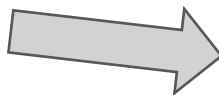
- Lease Discounts & Incentives:
 - Lower lease rates
 - Scaled/phased lease rates
 - Extended lease lengths
 - Standard lease length is 40 years. Maximum is 50 years.
- Factors that are considered
 - Large footprint leases (over 1 acre)
 - Exceptional levels of private investment
 - Catalyst projects that will likely attract additional activity/development
 - Construction of public improvements by developer
 - Auxiliary revenues from businesses

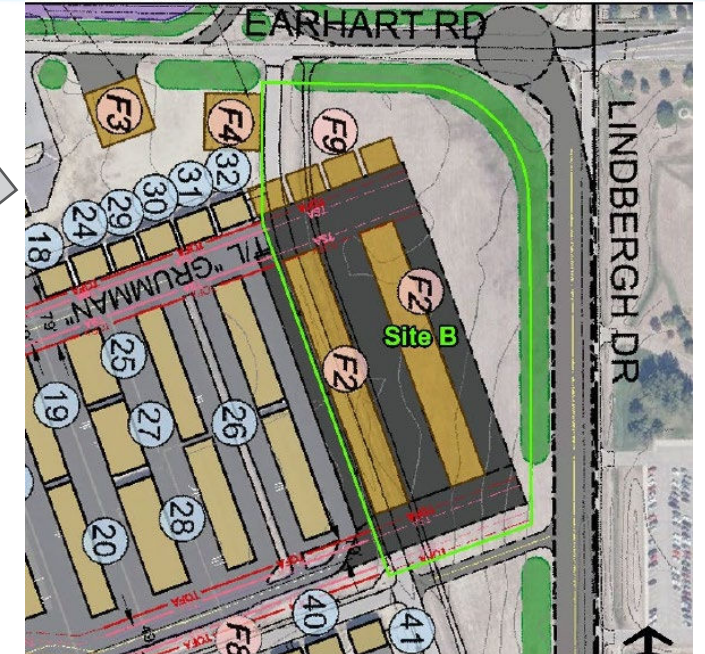
- The established process isn't sufficient for complex proposals
 - 2021 jetCenter Proposal
 - Involved redevelopment and displacement
 - Development opportunity was not widely known
 - RFP was issued in reaction to controversy and was not focused enough
 - Missing information/Lack of specificity in proposals made them difficult to evaluate and compare
 - Objectives of redevelopment and offset of T-hangar loss could not be achieved and RFP was closed without award
- Lack of shovel-ready property
 - Cities issued bonds in early 1980s to fund infrastructure in SE area of the Airport attract development
 - The areas supported by this infrastructure are now built out

Issues

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- Potential non-alignment with Airport Layout Plan
 - Site B (Triangle parcel between Lear and Lindbergh) 
- Backlog of demand for development
 - Several developers looking to build hangars on several sites
 - Developers are looking for clarity and a path forward
- Costs
 - Development costs have escalated sharply
 - There is no way to offset the loss of \$300 per month T-hangars.
 - New ones will be much more expensive.
- We need a more intentional and proactive development strategy



Proposed Improvements

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- Update and supplement documentation and combine into comprehensive packet
- Hire aviation real estate advisor to:
 - Help determine highest and best use and land use priorities
 - Provide Marketing and advisory services
 - Handle all inquiries, qualify proposals
 - Promote opportunities to local, national, and international contact lists
 - Work with the PDSC to present proposals and recommendations to the Commission.
- Introduce new incentives
 - Sales tax rebate for aviation businesses
 - Infrastructure fund for Airport

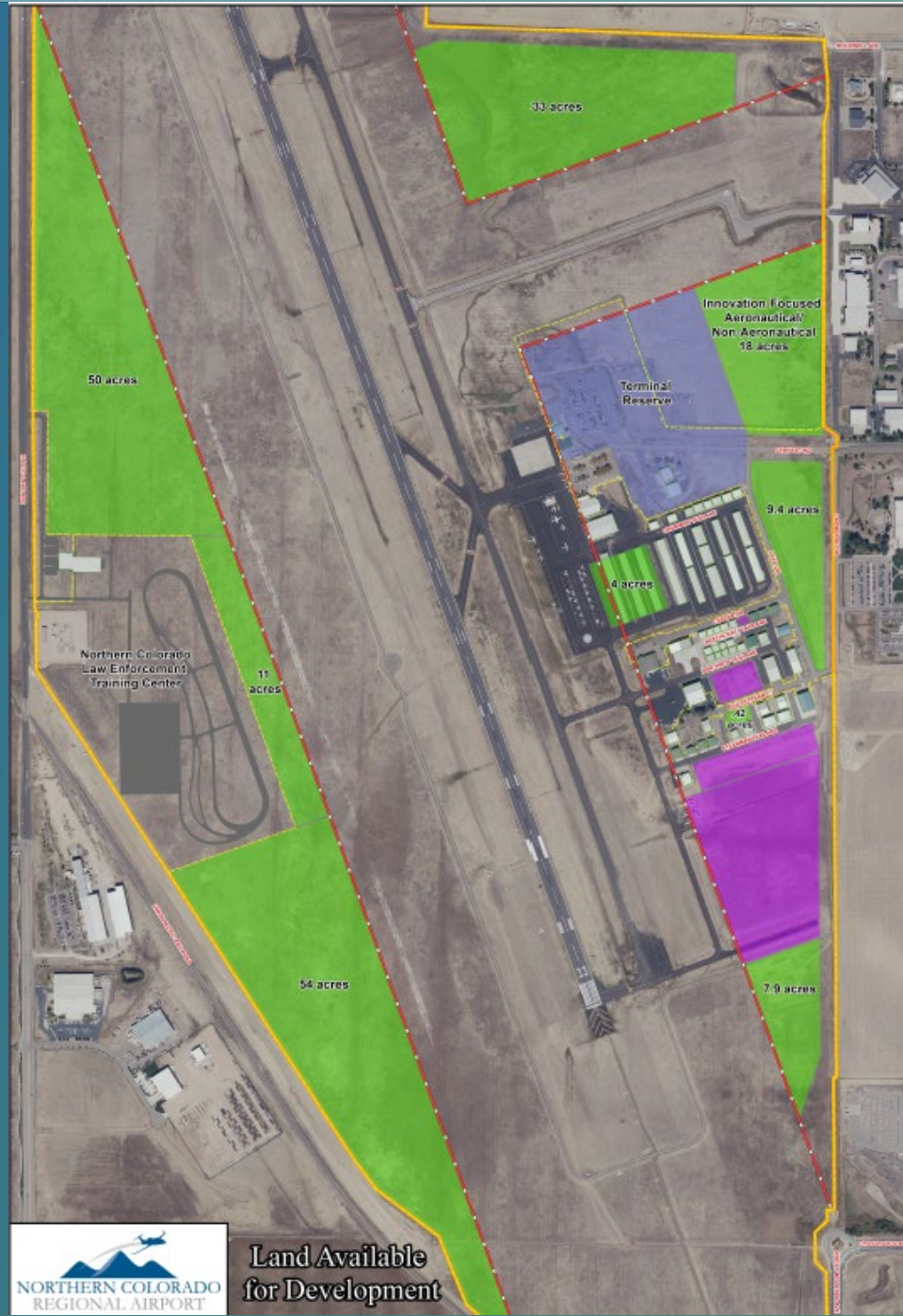
Private Leasing and Disposition Strategy








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

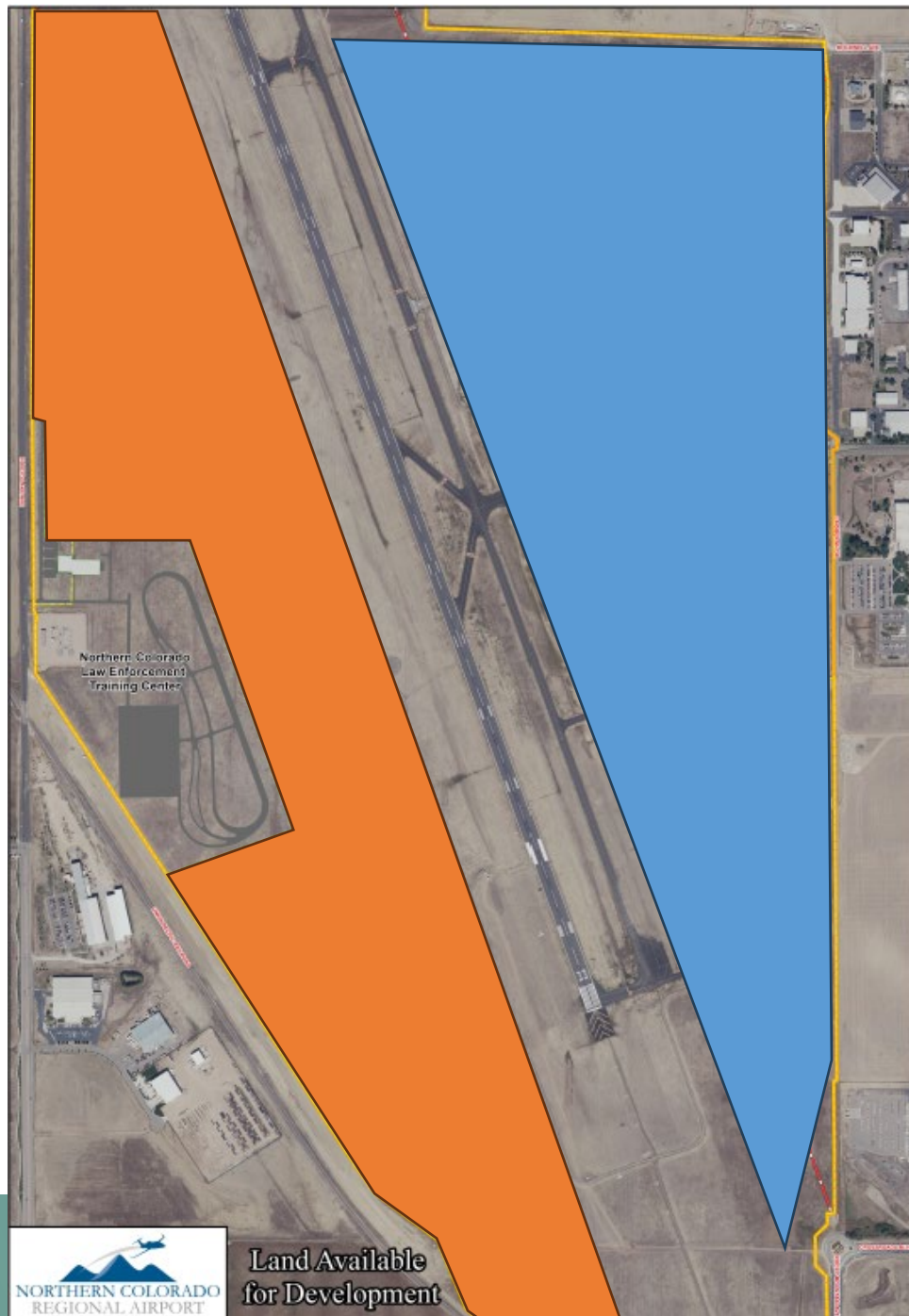
- Contract with an aviation real estate specialist to exclusively marketing for lease/ sale campaigns for a reasonable period (+-5 years).
- Property on the east side of the runway will only be sold/ leased through a public marketing campaign and request for offers.
- Property on the west side of the 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



Land Available
for Development

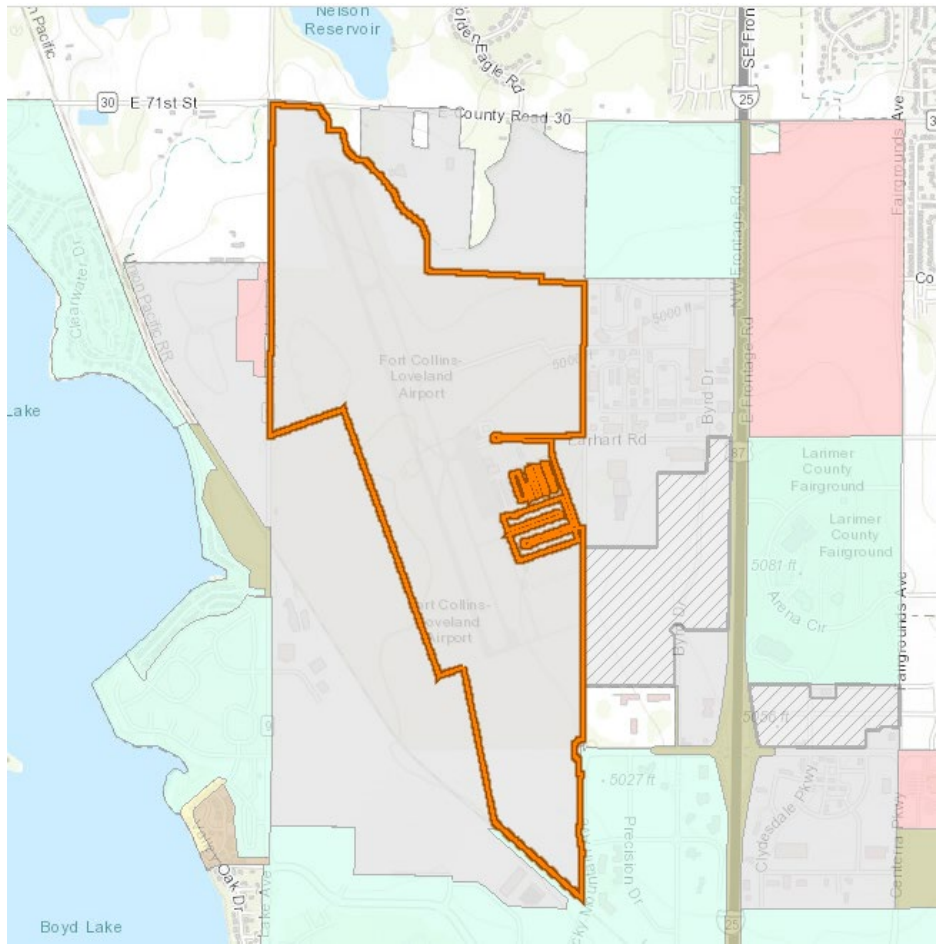


Airports Real Estate Service Providers



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

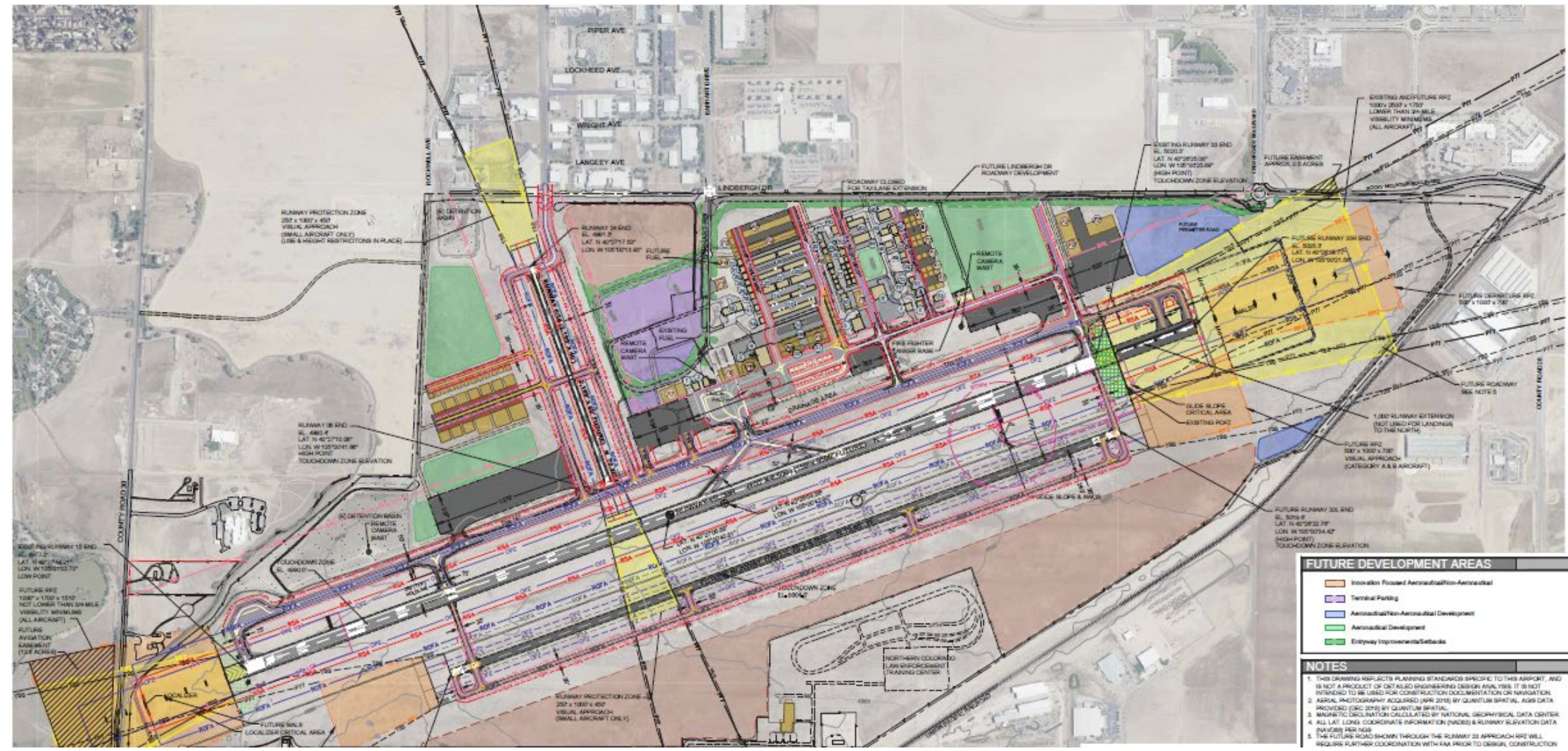
Land-use Discussion



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?



Airport Attraction Business Strategy



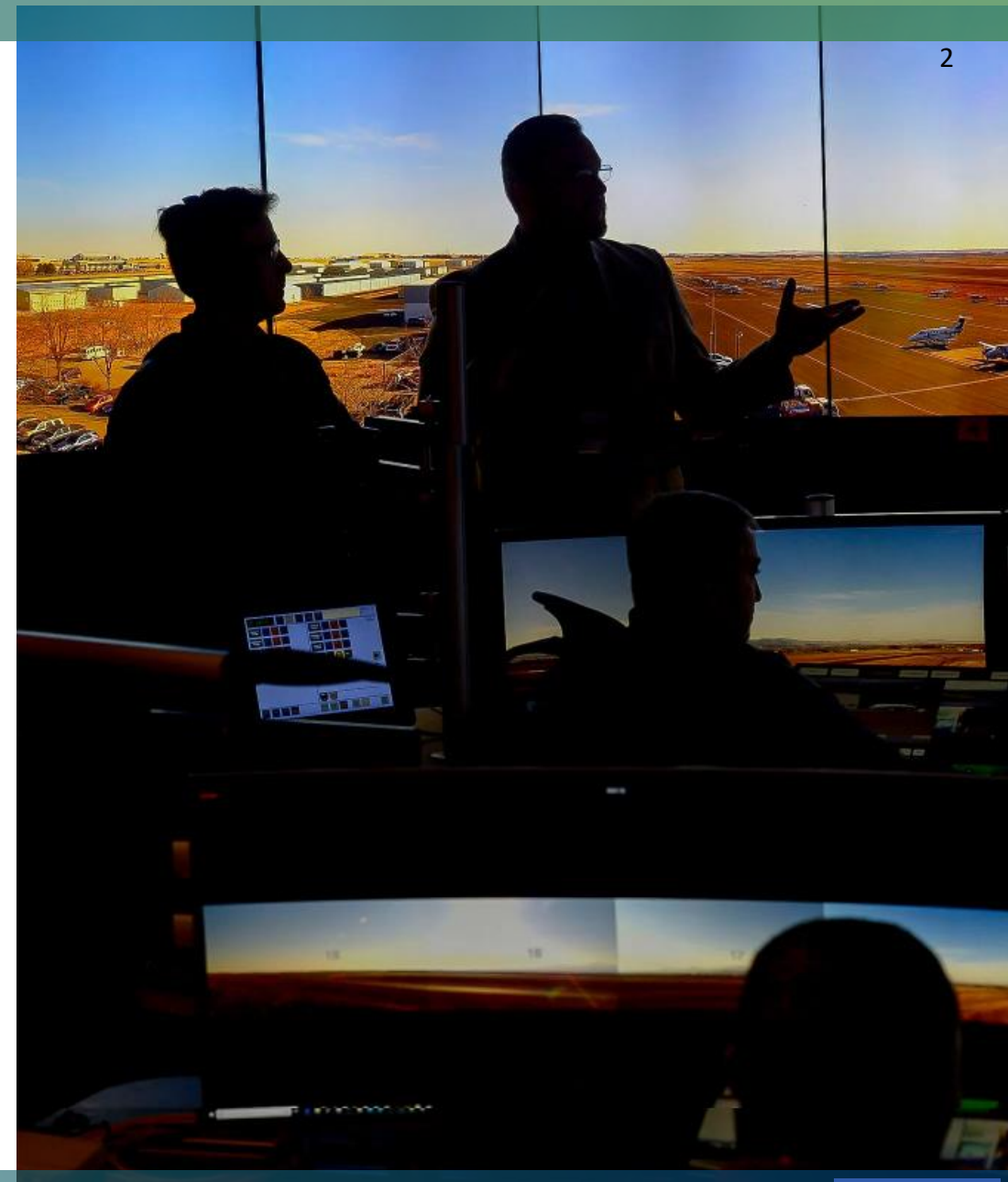
City Council Study Session
June 27, 2023

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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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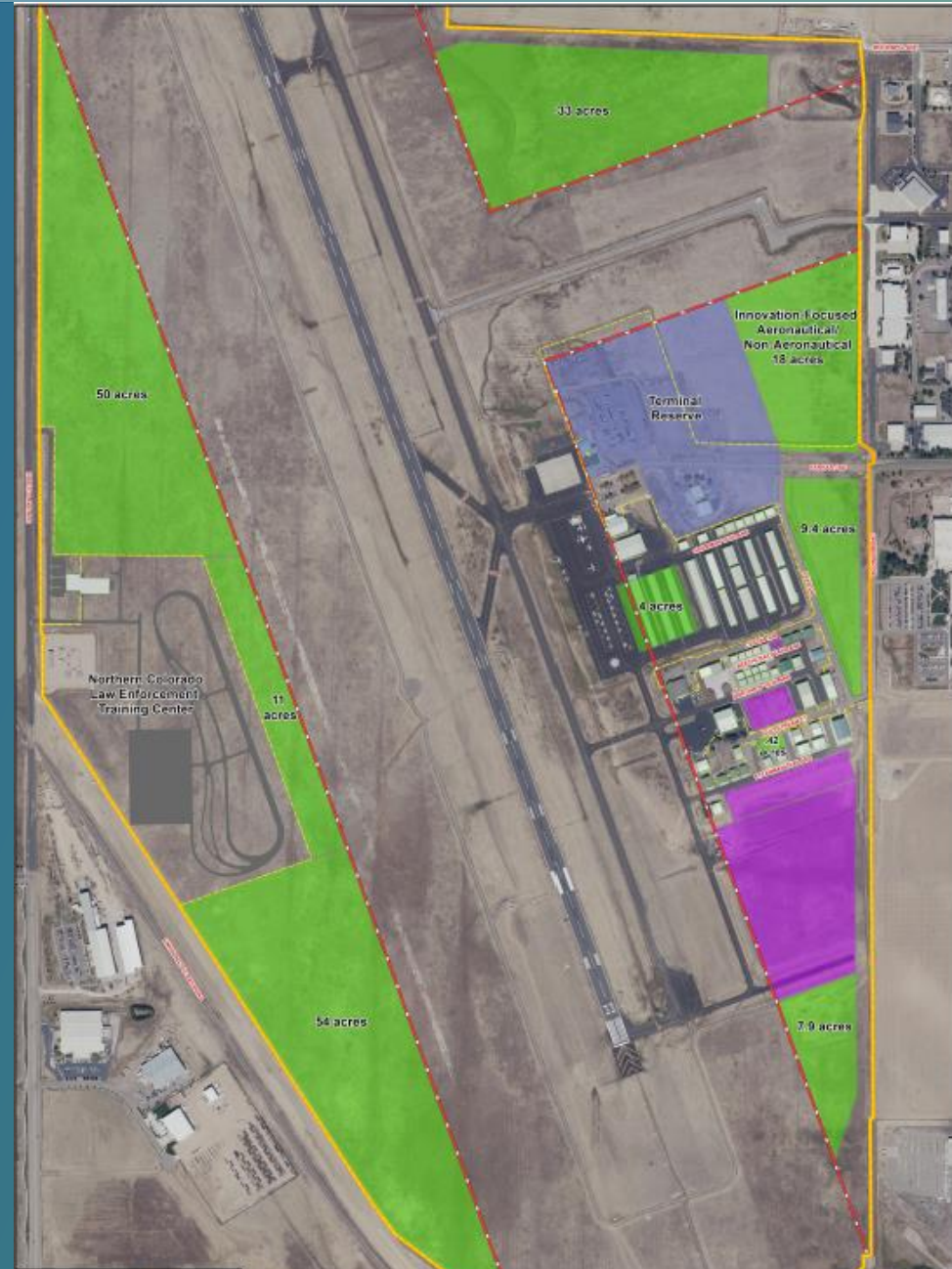
Needs Assessment – Aeronautical Business Attraction

- 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 incement 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 ⁹

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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?

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ITEM NUMBER: 3

MEETING DATE: December 5, 2023

PREPARED BY: Tom Fleming

TITLE

Airport Commission Survey

RECOMMENDED PDSC ACTION

Provide input on survey

SUMMARY

The last few years have been very eventful for the Airport and the composition of the Airport Commission has changed recently. The purpose of this survey is to better understand the priorities of the Commissioners and to help guide staff and the PDSC.

ATTACHMENTS

Draft Survey

Survey for Airport Commission (DRAFT)

1) Please review the current Airport Vision (below) – is this still what the commission wants?

- Vision: “Northern Colorado Regional Airport: sparking innovative transportation and leading edge economic development, training research, and education throughout the region.”

Do you agree with this statement (YES or NO): _____

If not, please briefly explain why: _____.

2) What do you see as the top 3 “keys to success” for the airport in the near and medium terms?

1. _____

2. _____

3. _____

3) Is the current airport budget adequate for what you see as achieving your top priorities?

YES or NO: _____

4) How crucial is commercial air service to the Northern Colorado community as a whole?

- A. Not crucial at all.
- B. “Nice to have,” but not overly important.
- C. Important, but not “crucial.”
- D. Yes, Commercial service is critical and extremely important to our community.

5) Is current airport staffing adequate and appropriate for the vision and objectives, and if not, how should we pay for any expansion?

Is staffing adequate? YES OR NO _____

If not, what is “best” near-term source of funds? _____

_____.

6) Is air traffic control at the airport “crucial”?

Is the Remote Tower project still viable? YES or NO: _____

Is it prudent to spend additional money on examining an alternative, i.e., a physical control tower?

YES or NO: _____

7) What level of detail should a “Land Use Plan” include?

- A. Broad with general descriptions only
- B. Specific indicating types of facilities/activities by location
- C. Something else (please explain)? _____