



NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

4900 EARHART ROAD • LOVELAND, CO 80538

MEETING AGENDA THURSDAY, JANUARY 18, 2024 3:30PM – 5:00PM

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

CONSENT AGENDA

1. DECEMBER 14, 2023 MEETING MINUTES – P. 2
2. DECEMBER FINANCIAL STATEMENT – P. 7
3. DECEMBER AIRPORT DIRECTOR'S REPORT – P. 9
4. LEASE ASSIGNMENT AND ASSUMPTION – 5247 NORTHROP – P. 30
5. TERMINAL WATER TAP FEE AND WATER/SEWER EASEMENTS – P.74

APPROVAL OF CONSENT AGENDA

AIRPORT DIRECTOR'S REPORT HIGHLIGHTS

REGULAR AGENDA

6. NON-BINDING LETTER-OF-INTENT FOR DISCUSSIONS REGARDING DIGITAL TOWER SYSTEM – P. 78
7. STRATEGIC PLANNING MEETING COORDINATION – P. 80
8. AIRPORT COMMISSION MEETING REMOTE PARTICIPATION – P. 82
9. PLANNING & DEVELOPMENT SUBCOMMITTEE (PDSC) MEMBERSHIP AND CHARTER UPDATE – P. 84
10. AIRPORT LAND USE & LEASING POLICY STRATEGY – P. 88
11. COMMISSION ROLES AND RESPONSIBILITIES TRAINING FOR 2024 – P. 106
12. BUSINESS FROM MEMBERS

PULLED CONSENT AGENDA ITEMS

ADJOURN

Meeting Planning Calendar

<u>February 15</u>	<u>March 21</u>	<u>April 18</u>
•Strategic Planning Session	•Terminal Construction Update •Air Service Development Update	•Airport Director Search Update •Land Use & Leasing Policy Implementation Update

December 14, 2023 REGULAR MEETING SIGN IN SHEET

Please Print Your:

NAME

ORGANIZATION

[illegible]



Meeting Minutes for December 14, 2023

CALL TO ORDER	Chair Arndt called the meeting to order at 3:32 p.m.
ROLL CALL	Chair Arndt and Commissioners Stooksbury, DiMartino, Williams, Krenning, Marsh, and Burgener were all present.
RECOGNITION OF PREVIOUS COMMISSIONERS' SERVICE	The Commission and Staff recognized Don Overcash, Steve Adams, and Tom Fleming for their time spent serving on the Airport Commission.
INTRODUCTION OF NEW COMMISSIONERS	The Commission welcomed Jacki Marsh and Troy Krenning as newly appointed members of the Airport Commission. All members of the Airport Commission introduced themselves.
PUBLIC COMMENT	<p>Martin Lind provided a brief presentation of the Discovery Air lease and requested a response from Staff regarding the contract negotiations for Discovery Air. Mr. Lind identified the issues needing to be resolved as reimbursables for the ramp area, fuel farm, parking lot rent, stormwater, and Lear Drive/Lindburgh Drive connection to Crossroads Boulevard. Mr. Lind expressed that the minimum standards required in Discovery Air's agreement are causing financial hardship, are not being fulfilled by the competing FBO (jetCenter), and feels that the current agreement is unfair. Mr. Lind requested to have a Board Member attend Discover Air's meetings with Staff to act as liaison for the Commission.</p> <p>Rick Turley provided a brief history of the engineering review process for A, B, and C hangars, commended the Hangar C Repair Plan presented to tenants on December 12, 2023, and requested that planning stages begin for replacement hangars. Tenants have provided a proposal for new hangars which has not yet been approved. Mr. Turley would like plans to be approved for new hangars on shovel-ready ground years prior to the Hangar C building being decommissioned.</p> <p>Commissioner Krenning asked Staff what was holding up a response to Mr. Lind.</p> <p>Laurie Wilson, Senior Assistant City Attorney for Loveland, explained that Staff provided a response to Mr. Lind's attorney regarding the last proposal that the Cities received. A follow-up meeting was canceled when it was communicated to Staff that Mr. Lind did not feel the meeting would be beneficial.</p>



Commissioner Krenning requested that City attorneys continue working with Mr. Lind and his legal representative to resolve any miscommunication.

Commissioner DiMartino stated that she has been involved in conversations on this matter with Discovery Air and understood that the Cities provided a response to Mr. Lind and the meeting was canceled since it would not be beneficial. Staff has been waiting for follow-up communication since then.

Commissioner Stooksbury questioned whether the issue of parody is a City or Commission matter.

Ms. Wilson stated that, because the lease agreement was approved by the two City Councils, only the two Councils would be able to amend the lease. An expert in Airport law has been assisting in the process of negotiations and the Cities are open to continuing conversations.

Chair Arndt suggested holding an executive session to discuss the Discovery Air issue in more detail. Ms. Wilson agreed to work with the Airport legal expert and Dave Ruppel to schedule a special meeting.

CONSENT AGENDA

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

Pulled Items: None
Consent Follow up: None
Public Comments: None

AIRPORT DIRECTOR'S REPORT HIGHLIGHTS

C-hangar repairs are moving forward. A meeting was held on December 12, 2023 for C-hangar tenants regarding the repair process for their units. The environmental review for A and B hangars. Once the results of the environmental review are complete, the formal bid process can begin for demolition.

The FAA has designated the Raytheon/Frequentis team as the follow-on vendor for the Digital Tower project. The Federal Contract Tower option will allow the Airport to proceed with a siting study for a traditional tower while still perusing a digital tower option at the same time.

Terminal construction is on track and on budget with the majority of the concrete slab now cured and steel erection expected to begin in January.



Patch repairs to Northrop and the parking area have been completed successfully.

REGULAR AGENDA

5. Election of Officers for 2024

Kate Morgan, Airport Executive Assistant, presented this item in accordance with the staff report.

Commissioner Marsh nominated Commissioner Arndt for the 2024 Chair position. The motion carried with all the Commissioners present voting in favor thereof.

Commissioner Marsh nominated Commissioner Stooksbury for the 2024 Vice Chair position. The motion carried with all the Commissioners present voting in favor thereof.

6. Commission Meeting Dates for 2024

Dave Ruppel, Interim Airport Director, presented this item in accordance with the staff report. The proposed meeting schedule remains the same as the previous years with meetings held on the third Thursday of every month, with the exception of June to avoid conflict with the Colorado Municipal League Conference.

Commissioner Williams recommended scheduling the June meeting for the second Thursday (June 13, 2024).

Commissioner Williams moved to approve the meeting schedule as recommended with an adjustment to June 13th for the June meeting date. The motion, seconded by Commissioner DiMartino, carried with all Commissioners present voting in favor thereof.

7. Commission Roles and Responsibilities Training for 2024

At the request of staff, the item was tabled for the next Commission meeting in January.

8. Federal Contract Tower Program Agreement

Francis Robbins, Airport Operations and Maintenance Manager, presented the item in accordance with the staff report and requested that the Commission recommend approval of the Federal Contract Tower (FCT) Program Agreement to both City Councils. Bill Payne, Program Manager for the Remote Tower Project, also stood for questions.

Acceptance into the FCT program would allow the traditional tower and digital tower options to be pursued concurrently while Airport funds are used to cover the monthly equipment rental expenses (estimated at \$170,000 annually) for the Mobile Tower facility to continue operating.

Remote Tower Pilot Program funding ends December 31, 2023. If the agreement is not approved by the January 1, 2024 deadline,



FCT funding would be pulled and the Mobile Tower operations could be compromised. There is no penalty for pulling out of the FCT program at any time and federal funds would not need to be repaid.

Commissioner Stooksbury moved to recommend approval of the FCT Program Agreement. The motion, seconded by Commissioner Williams, carried with all Commissioners present voting in favor thereof.

Commissioner Williams moved to grant the City of Loveland City Manager the authority to maintain Mobile Tower equipment (estimated at \$136,332) and negotiate with Aegis ATC, LLC. The motion, seconded by Commissioner DiMartino, carried with all Commissioners present voting in favor thereof.

Commissioner DiMartino moved to grant the City of Loveland City Manager the authority to purchase existing Remote Tower equipment (estimated at \$120,000) from Searidge. The motion, seconded by Commissioner Marsh, carried with all Commissioners present voting in favor thereof.

9. Airport Land Use and Leasing Policy Strategy

At the request of the Commission, the item was tabled for the next Commission meeting in January.

10. Business from Members

Chair Arndt requested that staff prepare a special meeting in January to hold an executive session as well as an extended afternoon session to review the Strategic Plan. Chair Arndt and Vice Chair Stooksbury will collaborate to form an agenda.

ADJOURNMENT

Chair Arndt adjourned the meeting at 5:04 p.m.

Respectfully Submitted,

Commission Chair, Jeni Arndt



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: December 19, 2023

PREPARED BY: Francis Robbins, Operations & Maintenance Manager

TITLE

December Financial Statement

RECOMMENDED AIRPORT COMMISSION ACTION

Staff recommend acceptance of the preliminary financial statement as presented.

BUDGET IMPACT

Neutral

SUMMARY

Financial highlights for the month of December include:

- The monthly statement indicates just over \$5.76 million within the net position available for use.
- This statement includes a 'Contributed Asset' value for the first time. The \$350,000 is for the broom truck donated by Friedman Memorial Airport.

ATTACHMENT

Preliminary monthly financial statement for December.



NORTHERN COLORADO REGIONAL AIRPORT

Airport Statement of Revenues and Expenses From 01/01/2023 - 12/31/2023

PRELIMINARY

	Y-T-D 2023 Actual	Y-T-D 2022 Actual	Y-T-D 2023 Budget	2023 Total Budget	% of Total Budget
OPERATING REVENUES					
Hangar Rental	207,083	219,138	233,750	255,000	81%
FBO Rent	94,172	86,324	86,293	94,134	100%
Gas and Oil Commissions	299,503	373,488	174,163	190,000	158%
Aviation Fuel Tax Reimbursement	250,454	179,576	152,625	166,500	150%
State Aircraft Fuel Tax	199,867	148,016	123,750	135,000	148%
County Aircraft Fuel Tax	50,587	31,560	28,875	31,500	161%
Land Lease	628,609	490,103	458,337	500,000	126%
Land Lease PD Training Ctr	412,171	285,114	358,974	391,600	105%
Terminal Lease and Landing Fees	45,278	17,754	11,374	12,400	365%
Terminal Lease and Landing Fees	11,146	6,914	5,236	5,700	196%
Concessions	34,132	10,840	6,138	6,700	509%
Parking	0	0	0	0	0%
Miscellaneous	85,070	103,523	132,825	144,900	59%
TOTAL OPERATING REVENUES	2,022,341	1,755,020	1,608,341	1,754,534	115%
OPERATING EXPENSES					
Personal Services	798,554	698,670.11	998,745.00	1,089,540	73%
Supplies	105,949	93,194.83	115,298.00	124,900	85%
Purchased Services	654,947	436,459.01	1,371,326.37	1,496,860	44%
TOTAL OPERATING EXPENSES	1,559,450	1,228,324	2,485,369	2,711,300	58%
OPERATING GAIN (LOSS)	462,891	526,696	(877,028)	(956,766)	
NONOPERATING REVENUES (EXPENSES)					
City Contributions	2,000,000	0	2,000,000	2,000,000	100%
Passenger Facility Charge	0	0	0	0	
Interest Income	66,272	22,637	38,250	51,000	130%
Contributed Asset	350,000	0	0	0	
Capital Expenditures	(5,581,953)	(831,319)	(23,168,754)	(30,891,667)	18%
TOTAL NONOPERATING REVENUES (EXPENSES)	(3,165,681)	(808,682)	(21,130,504)	(28,840,667)	
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(2,702,790)	(281,986)	(22,007,532)	(29,797,433)	
Capital Contributions	2,665,910	1,226,160	23,436,000	31,248,000	9%
CHANGE IN NET POSITION	(36,880)	956,324	1,587,927	1,450,567	
NET POSITION, Beginning	21,237,480	19,864,422			
NET POSITION, Ending	21,200,600	20,820,746			
Investment in Capital Assets	15,440,026	15,805,175			
Net Position Available for use	5,760,574	5,015,571			



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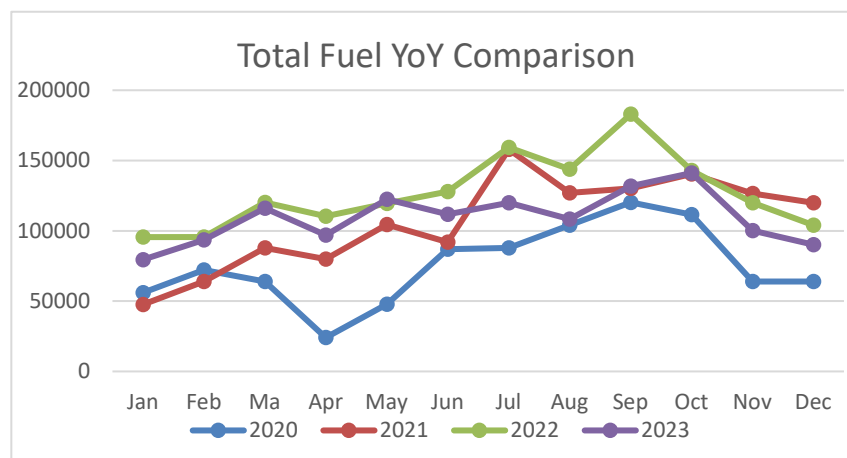
Date: January 18, 2024
To: Northern Colorado Regional Airport Commission
From: David Ruppel, Airport Director
Re: Airport Report for December 2023

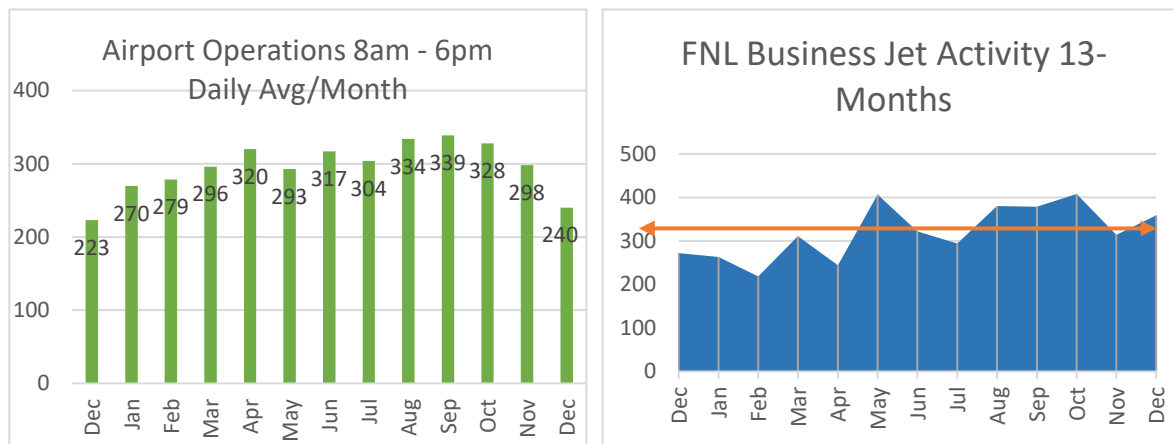
Report Highlights

- The C-Hangar repair was started on January 12th. The empty hangars will be repaired first so that they will be available for temporary storage while the occupied hangars are being repaired. The repairs are expected to take about a month to complete.
- Environmental review of the A and B Hangar demolition is completed with only normally occurring hazardous material levels identified. The RFP for the demolition project will be released later this month once the environmental abatement is completed.
- The new Digital Tower vendor, Raytheon/Frequentis, began their work at the FAA Tech Center in Atlantic City this month. The Raytheon/Frequentis Team expects to begin development work at FNL as soon as their system receives hardware approval in early summer of 2024. Airport staff is seeking approval of a Letter of Intent with Raytheon/Frequentis to allow Raytheon and FNL to begin formal discussions regarding the future Digital Tower System and how it could be incorporated at FNL.
- Hensel Phelps started steel erection, on schedule on January 2nd.
- Operations updates—Taxiway B & D and GA Taxilane Rehabilitation update

Airport Activity Dashboard

- Flight operations for the month of December averaged 240 per day, and the thirteen-month rolling average is 295.
- Wholesale fuel ordered by the jetCenter FBO was 90,044 gallons for the month of December, a decrease of 13% compared to the previous December at 104,007 gallons.
 - Total year to date fuel for jetCenter is down 14% year over year.
 - Total fuel flowage through December is 1,311,717 gallons compared to 1,522,167 gallons in 2022.
- Business jet activity for December compared to the same month in 2022 was up 24%, going from 272 to 359 operations.





Airport Owned T-Hangars Update

Iron Fly Steel Fabrication started the repair work on the C-Hangars on January 12th and plans to complete the repairs on the empty hangars first to allow room for temporary storage while the occupied hangars are being repaired. We are estimating less than a month for all of the repairs to be completed.

The process will vary depending on the type of structural repairs needed and the level of visual accessibility during previous inspections. Hangars have been identified as needing minor repairs or intensive repairs and a separate designation which can be applied to either situation of additional inspection access needed. Units needing minor repairs where the inspecting points are visible and accessible: the repairs are expected to take less than a full day with the aircraft out of the hangar unit, the aircraft can be moved to the ramp. Units needing more intensive work or where the inspection points are not visible/accessible: it is anticipated that aircraft will need to be out of the unit for more than one day and alternate hangar accommodation will be provided in the C hangars. To assist in aircraft relocation, FNL contracted with jetCenter of Colorado to move aircraft at no expense to hangar tenants. Additional updates will be sent in the coming weeks to the group or individual renters as appropriate for coordination. As always, we value your input and patience while we work to improve the safety and structural integrity of these hangars.

Digital Tower

Raytheon/Frequentis, also known as Collins/Frequesntis, began their work at the FAA Tech Center in Atlantic City this month and expects to begin development work at FNL as soon as their system receives hardware approval in early summer of 2024. The FAA is open to this, and it would significantly accelerate the certification process for the Collins Team.

FNL is requesting that the Commission approve a non-binding Letter of Intent to allow Collins and FNL to begin formal discussions regarding the future Digital Tower System and how I could be incorporated at FNL.

Collins believes that the System Design approval process at the Tech Center will require about 18 months to two years and will be followed by the on airport evaluation of the system at FNL. Once the system is able to achieve operational viability at FNL we expect to have the option of either purchasing or leasing the system as an FAA approved acceptable alternative to the traditional tower systems.

Federal Contract Tower (FCT)

The FAA invited FNL to participate in the FCT Program which is normally reserved for airports with operating towers. FNL is eligible due to an exception created for the Leesburg, TN airport. This allowed airports that have an operating, fully certified Mobile Air Traffic Control Tower (MATCT) to be eligible for the program. FNL was able to complete the FCT Program agreement prior to the end of the year and is working with Aegis, the MATCT provider, to establish a lease for the equipment. The FCT program provides funding for the Air Traffic Controllers contracted from Serco to operate the MATCT.

FNL has verified the Minimum Equipment List (MEL) for the tower with Searidge who owns the MEL and established an agreement to purchase the MEL. FNL expects to purchase a maintenance agreement separately for the MEL items.

Also, as part of the FCT agreement the Cities agreed to meet certain milestones toward establishment of a traditional tower within a 60-month period. The first requirement is to complete the Tower Siting Study through the FAA Vista Program which takes about two years. FNL is working with the FAA to establish the required agreement to begin this work and expects to have it in place this month.

Terminal

Steel erection began on January 2nd and is currently running ahead of schedule in spite of bad weather conditions. The next major milestones will be the exterior wall framing and roof installation.

The DiTesco construction summary is attached.

Mobile Tower Line-of-Sight

FNL has been working with the FAA concerning continuation of the NOTAM closure of Runway 6/24 during Tower operation hours, but a final determination has not been reached. The airport is continuing to push for a response from the FAA for a final determination by the ATO to resolve this issue.

FNL is also working with the FAA and the Digital Tower Project Team to get approval for a STARS repeater display in the Mobile ATCT. CDOT Aeronautics sent a letter recently to the FAA Administrator to request his help in moving the repeater and FNL will send a similar letter from the two Cities as well. The controllers and Air Traffic are in favor of this proposal since it will support better situational awareness and a safer operating environment at FNL. Installation of a STARS display in a Mobile ATCT is considered a non-standard configuration and must be approved by ATO. STARS is the Airport Radar system installed with the Digital Tower System.

Governance Study

City Council representatives have been selected from both the Cities of Fort Collins and Loveland for the Governance Study Board which is expected to meet this month to begin evaluation of the Governance Study. The study is available on the FNL website at, [2023-12-26-Airport-Governance.pdf \(flynoco.com\)](https://www.flynoco.com/2023-12-26-Airport-Governance.pdf).

Runway Widening Project

Design work on this project is approaching the 30% phase and FNL is scheduled to meet with the FAA and our engineers to evaluate pricing, project costs, and design requirements on January 19th.

Operations Updates

Core sampling for Taxiway B and D and GA Taxilanes Rehabilitation will begin on Thursday January 18th and Tenants and Stakeholders have been notified. The core holes will be refilled with quick a quick setting plug. This work will result in rolling closures coordinated with Air Traffic Control and pilots via NOTAMS. A coordination email was sent last week with updates including the planned sampling sequence. The area affected by rolling closures is identified in orange below.



Airport Scheduled Events

- None

Attachments

1. Northern Colorado Regional Airport Terminal Construction Report
2. Loveland Fire and Rescue Authority ARFF monthly report
3. Remote Air Traffic Control Contract Progress Report #30
4. Article— Instructor Shortage Complicates MRO Workforce Woes

Northern Colorado Regional Airport Terminal



Completed building slab



Crane mobilization



Terminal overall progress

MAJOR MILESTONES

- Building slab on grade concrete placement is complete.
- Under slab utility installation is complete.
- Foundation backfill is complete.

WORK UPCOMING

- Building steel frame erection.
- Exterior wall framing.
- Roof installation.



EXPENDITURE TO DATE

\$3,837,464

CONTRACT VALUE: \$15,036,433

CHANGE ORDER PERCENTAGE

1%

DAYS CHARGED TO DATE

167

ORIGINAL CONTRACT: 422 DAYS

LOOK AHEAD SCHEDULE

	DECEMBER	JANUARY	FEBRUARY	MARCH
Under slab utility installation				
Building slab concrete placement				
Foundation backfill				
Building steel frame erection				
Exterior wall framing				
Roof installation				

Weekly Report - FNL Airport Terminal 01/12/24

Tasks completed/underway 01/08/24 - 01/12/24: Steel column, beam, and joist Installation completed from gridline D to gridline E. Work scheduled for 01/15/24 - 01/19/24: Remaining steel frame installation. Detail frame reinforcing and connection welding. Metal decking layout and installation.

Photos

Weekly Report

Taken On
01/12/2024

Description
Building steel
framing erection
progress.



Weekly Report

Taken On
01/12/2024

Description
Completed steel joist
installation.



Happy New Year!

ARFF:

- I am back at the airport Monday - Friday, 08:00-16:00
- Statistics - In 2023, we had-
 - **18 Alert incidents**
 - **10 Diversion flights from DIA due to weather**
 - **60 Scheduled air-carrier flights**
- January is ARFF training month.
 - All certified ARFF members will be taking all of their FAA required topic trainings on Vector Solutions, and doing driver training on airport operations area on 1/8, 1/10, 1/12/24
 - Mutual aid training for PFA and WSFR will be held in the fire station training room on those dates as well in the afternoons.

Scheduled Air-Carrier Flights for January:

- We currently have just the one basketball flight for CSU who arrived yesterday, and will leave tonight after the game at midnight.

Airport:

- Get connected to Denver flights through Landline! You can search your favorite travel site (ie. [Priceline](#), [Expedia](#)) and enter Loveland/Fort Collins (FNL) as your departure airport.
 - Kids ride free and parking at NoCo Regional is free! There are over 8 trips a day to Denver International!
 - <https://landline.com/>
- Airport Commission meeting will be held on [January 18th, 3:30-5:00pm](#) at the Fire Station conference room
- Airport terminal construction is on schedule and well underway! Please see the www.flynoco.com website for all airport commission updates involving the terminal construction!

Wishing you all the best for 2024!!

Gina Gonzales

ARFF Engineer

Loveland Fire Rescue Authority

LFRA Fire Station 4, Northern Colorado Regional Airport



970-568-6026 – business cell – for messages as well

gina.gonzales@lfra.org - email

www.lfra.org



www.flynoco.com

*****Like the flight attendant says, "First put the oxygen mask on yourself... only then can you help someone else with theirs"***



December 31, 2023

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

Section A – Digital Air Traffic Control Contract Progress Report #30

Re: Period: December 1 through December 31, 2023

**Colorado Digital Tower Project
Activity Status**

Activity	Status/Start Date (Projected)	Finish Date (Projected)	Remarks
Digital Tower Implementation			
STARS Operational at FNL	11/25/2022	12/15/2022	Complete
Move STARS Slave Display to Mobile ATCT	8/2/2023		FAA withholds approval
Digital Tower System			
On Hold Pending Successor Vendor			
Digital Tower Testing			
Meeting with sucesor vendor - Site Survey	11/14/2023	12/13/2023	Complete
FCT Tower Operating Agreement (TOA)	11/14/2023	12/19/2023	Cities Executed TOA awaiting FAA
ORI of the Mobile ATCT	11/28/2023	11/28/2023	Preliminary inspection final in December
NextGen Equipment Inventory and final ORI	12/11/2023	12/14/2023	Complete
Searidge Transfer MEL to FNL	12/14/2023	1/15/2024	Estimated completion date
FNL Executes Agreement with Aegis for Mobile ATCT	12/15/2023	1/15/2024	Estimated completion date
Raytheon-Frequentis Completes System Design Approval	2/1/2024	TBD	
Raytheon-Frequentis to FNL	TBD	TBD	
Functional Acceptance Decision	TBD	TBD	

Digital Tower Project Narrative:

The Raytheon-Frequentis team is on track to install equipment and begin passive testing at the Tech Center to receive System Design Approval. After receiving System Design Approval, they will be required to take their system to an airport for active testing and Operational Viability Evaluation. In anticipation of completing Operational Viability Evaluation and receiving Functional Acceptance Decision at FNL, Raytheon-Frequentis have indicated that they will model the airport based on the existing camera configuration. I have provided them with siting information for the three camera arrays in support of developing the model.

The FAA was at FNL the week of December 11, 2023 to complete the operational readiness inspection prior to FNL being included in the Federal Contract Tower Program and to do an equipment inventory. The FAA team indicated that they do not intend to reclaim any of the equipment paid for under the Digital Tower Program, leaving it for a successor vendor.

The FAA agreed to allow FNL to be a fully funded participant in the Federal Contract Tower (FCT) Program based on FNL being the site for the Colorado Digital Tower Project funded in part by the State of Colorado Division of Aeronautics.

On November 12, 2023, the Federal Contract Tower Program Office sent a draft Tower Operating Agreement. (TOA) to FNL. The FAA indicated that the TOA had to be executed by both the Cities of Fort Collins and Loveland, as co-owners of the airport, no later than the end of the year or lose their eligibility to be in the Federal Contract Tower Program. The TOA indicated that FNL had to “commission” what they termed a “brick and mortar” tower within five years. The term “brick and mortar” is a colloquial expression not included in any FAA Order or design standard. I made five suggested changes to the TOA the two most import being:

1. The requirement to commission a brick and mortar tower be changed to read a suitable alternative approved by the FAA. This was done in order to leave the door open to a digital tower solution.
2. That a STARS slave display be moved to the mobile ATCT to improve the controller’s situational awareness.

Note: A paper in support of relocation of the STARS display to the mobile ATCT is attached.

In the end, the FAA would not agree to any of these changes.

The FAA had no understanding or sympathy for the fact that the agreement had to be ratified by both Loveland and Fort Collins before it could be executed. On December 19, 2023, following much activity, both cities voted unanimously to sign the Tower Operating Agreement.

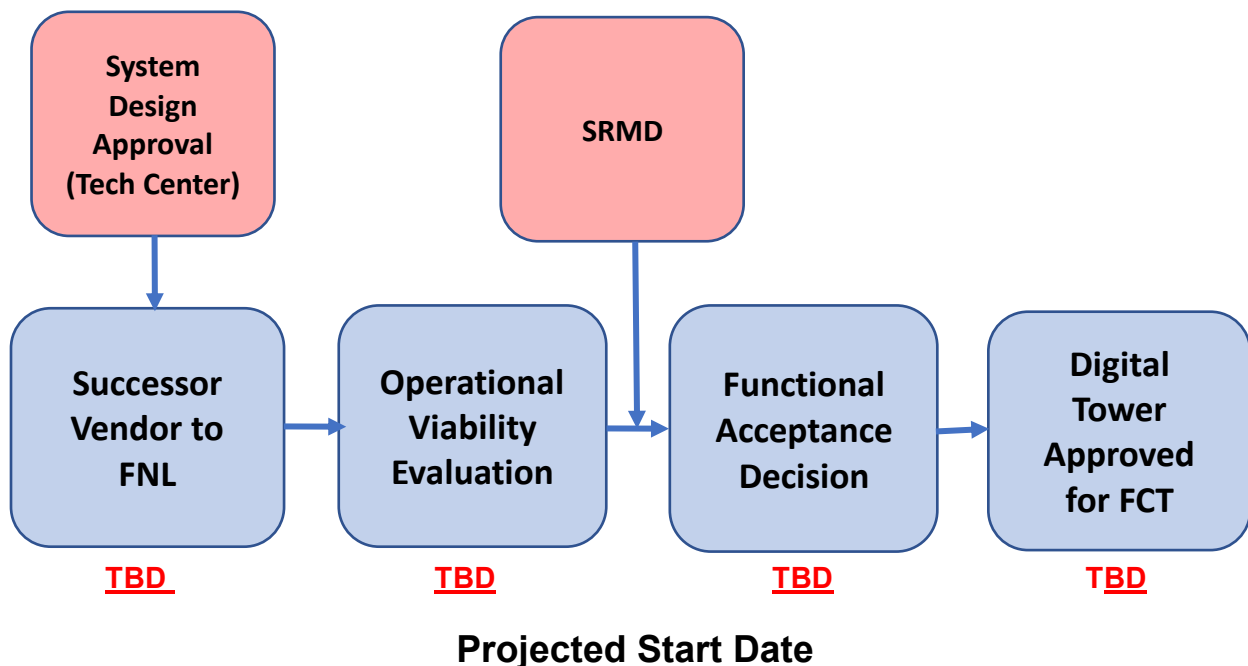
Searidge provided a list of equipment they purchased under the Digital Tower Other Transaction Agreement (OTA) with the FAA. This primarily included the items on the Minimum Equipment List (MEL) required to support ATCT operation. Following review of

the list of equipment, it was decided that FNL would purchase everything. We were able to negotiate the price and FNL will finalize the purchase after the first of the year.

Aegis ATC, LLC, the vendor supplying the mobile ATCT, sent a five-year proposal to FNL to supply and maintain the mobile ATCT. On behalf of FNL, I looked into other vendors to ensure that the airport was getting a tower at a reasonable price. FNL has elected to accept the Aegis proposal and is working to prepare a lease agreement.

I have been asked to propose some Digital Tower language to the Senate/House Reauthorization bills and will be putting some suggestions together over the next several days.

Proposed Digital Tower Process Moving Forward:



Schedule Note: This status is based on the latest proposed schedule and is dependent upon System Design Approval at the Tech Center

DIGITAL TOWER PROJECT PROGRAM MANAGEMENT

Program Description/Background

The Program Manager for this project, William E. Payne, will serve as a technical subject matter expert to represent the Division's investment and interest in the Digital Tower and facilitate the project's forward progress to FAA certification and deployment. The Program Manager will participate in and assist with the development of all evaluation, testing, and certification activities, as well as attend

all project meetings, and will serve as the technical representative for the Division of Aeronautics during all phases of the project as enumerated below.

Tasks:

1. Provide Technical Representation and Oversight of the Project

Effort this Period: Completed.

2. Participate in Development of the FAA's Operational Safety Assessment (OSA) Basis for Evaluation of Non-Federal Digital Tower Equipment

Effort this Period: The OSA is still in draft form and is continuing to be developed as the project proceeds toward System Design Approval.

3. Participate in Development of the Operational Visual Requirements (OVR)

Effort this Period: The OVR Version 2.1 has been issued.

4. Participate in Development of the Requirements/Specifications for Non-Federal Tower Equipment

Effort this Period: Participated in the FAA TechOps review and commented on the Digital Tower Requirements Document and prepared comments on OVR 2.1. Completed.

5. Assist with Development of System Configuration

Effort this Period: The system configuration will be modified based on lessons learned 4K cameras and displays for demonstration on March 27, 2023.

6. Modify System Configuration Based on Testing Phase Comments

Effort this Period: Completed by Searidge.

7. Run Periodic Tests of the Digital Air Traffic Control Tower System During Periods of Evaluation/Testing Inactivity

Effort this Period: Complete.

8. Attend System FAA Technical Interchange Meetings (TIM)

Effort this Period: Provided SME representation in the recent FAA discussion of OVR 2.1. Completed.

9. Participate in FAA Configuration Review Board (CRB) Activities

Effort this Period: NextGen has yet to establish the CRB. This effort may be rolled into development of the Digital Tower AC.

10. Evaluate an Air Situation Display in Preparation for Testing Against Standard Terminal Automation Replacement System Radar Equipment (STARS).

Effort this Period: Complete.

11. Collaborate with FAA on Alternate Phase 1 Virtual/Digital Testing

Effort this Period: Complete

12. Work with FAA to develop and Implement Phase 1 Passive Digital Tower Testing

Effort this Period: Complete

13. Work with FAA to Develop and Implement Phase 2 Active Digital Tower Testing

Effort this Period: There has been no activity on this task this period.

14. Work with FAA and FNL on Phase 3 Industry-Led Initial Operational Capability (IOC)

Effort this Period: This task has been renamed Validation & Verification (V&V.) There has been no activity on this task this period. Phase 3 Active Digital Tower Testing will begin after Phase 2 Active Digital Tower testing is complete and the SRMD has been signed.

15. Work with FAA on Phase 4 Digital Tower System Certification and Commissioning

Effort this Period: There has been no activity on this task this period. Phase 4 System Design Approval and Commissioning will begin after the conclusion of Phase 3 V&V and the SRMD has been signed.

16. Participate in Development of the FAA's Advisory Circular (AC) for Digital Tower Systems for Non-Federal Applications

Effort this Period: Continue participation in the FAA TechOps TIM to review and comment on the Digital Tower Advisory Circular.

17. Provision of Regular Written Reports, Presentations and Updates on the Project's Progress to Internal and External Stakeholders

Effort this Period: Preparation of the monthly Program status report.

18.Travel as Needed (In-State and Out of State) for Meetings with FAA, Airport and Division Personnel

Effort this Period: Travel to FNL for meetings with Airport Board and the Cities of Fort Collins and Loveland.

DEVELOPMENT OF POTENTIAL ENHANCED SITUATIONAL AWARENESS TOOLS FOR NON-TOWERED AIRPORTS

Tasks:

- 1. Explore the Potential Development of a System Consisting of Existing and New Surveillance Sources that can be Deployed, Owned and Operated by Non-Towered Airports to Provide Airport Staff with Improved Visibility into the Local Airspace and on the Airport Surface, with the Ultimate Goal of Improving Aviation Safety and System Efficiency.**

Effort this Period: No activity this period.

- 2. Prepare System Requirements to be Used by Airports and/or the Division when Seeking Vendor Proposals to Implement a Situational Awareness System.**

Effort this Period: No activity this period.

Glossary of Project Technical Acronyms

ADS-B	Automatic Dependent Surveillance – Broadcast
AGL	Above Ground Level
ARTCC	Air Route Traffic Control Center
ASDE-X	Airport Surface Detection Equipment – Model X
ASOS	Automatic Surface Observation System
ASR-9	Airport Surveillance Radar – Model 9
AWOS	Automatic Weather Observation System
ATC	Air Traffic Control
ATIS	Automatic Terminal Information System
AJT	Air Traffic Services
AJI	Safety Technical Training Services
AJV	Mission Support Policies and Procedures
CTAF	Common Traffic Advisory Frequency
ERAM	En Route Automation Modernization
FAA	Federal Aviation Administration
FAT	Factory Acceptance Test (alternately - First Article Test)
FDIO	Flight Data Input/Output
FTI	Federal Communications Infrastructure (Harris Corp.)
GA	General Aviation
HITL	Human In the Loop
HMI	Human Machine Interface
ILS	Instrument Landing System
IOC	Initial Operating Capability
IMC	Instrument Meteorological Condition
LOA	Letter of Agreement
MLAT	Multilateration
MSL	Mean Sea Level (above)
NAS	National Air Space
NATCA	National Air Traffic Controllers Association
NESG	NAS Enterprise Security Gateway
NextGen	Next Generation Air Transportation System
NORDO	No Radio
OSA	Operational Safety Assessment
OTW	Out of the Window
OVD	Operational Viability Decision
RSA	Runway Safety Area
SAT	Site Acceptance Test
SDA	System Design Approval
SMR	Surface Movement Radar
SMS	Safety Management System
SRA	Safety Risk Assessment
SRMD	Safety Risk Management Document
SRMDM	Safety Risk Management Document Memorandum
SRMP	Safety Risk Management Panel
SHA	System Hazard Analysis
SSHA	Sub-System Hazard Analysis
STARS	Standard Terminal Automation Replacement System
SWIM	System Wide Information Management
TAMR	Terminal Automation Modernization and Replacement
TRACON	Terminal Radar Control Facility
UHF	Ultra High Frequency
VFR	Visual Flight Rules
VHF	Very High Frequency
VMC	Visual Meteorological Condition

ATTACHMENTS

1. FNL “Draft Graphic Digital Tower Timeline” as of December 31, 2023.
2. Case for STARS Display at FNL.

The Case for Radar Display in the Mobile ATCT at the Northern Colorado Regional Airport (FNL)

Background:

In March 2020 the mobile airport traffic control tower (ATCT) began operating as the safety mitigator for remote tower testing at FNL. The cab eye height of 11.5' \pm agl presents visual challenges which do not exist for a traditional “sticks and bricks” tower that are required to meet the ATCT visual requirements set forth in FAA Order 6480.4A “Airport Traffic Control Tower Siting Process”.

As a key element of the Colorado Remote Tower Project, a joint effort between the State of Colorado and the FAA, a Standard Terminal Automation Replacement System (STARS - surveillance system) was installed at FNL. Surveillance is a key technological enhancement to traditional ATCT, as well as remote/digital towers by providing air traffic controllers with enhanced situational awareness. The STARS installation was funded by the Remote Tower Project. The STARS site survey, completed in 2019, determined that the facility and communications would accommodate the STARS installation in the remote tower facility with final installation, adaptation and testing occurring in November 2022.

The STARS equipment rack was installed in the remote tower equipment room along with the Flight Data Input/Output (FDIO), both of which are connected via a Federal Telecommunications Infrastructure (FTI) communication line to the Denver Tracon (D01). The display configuration consists of 2 displays, a primary with STARS controls and a slave.

The NextGen program team investigated moving the STARS slave display to the mobile ATCT to provide the controllers much needed situational awareness. At that time the STARS version installed at FNL required copper communications lines to be used if the slave display were moved to the mobile ATCT. As the distance to the mobile ATCT was greater than 500', it was determined that the distance was too great for copper communication lines. The STARS has since been upgraded to a version that would support fiber communications. The mobile ATCT was provided with single mode fiber which will allow relocation of the slave display to the mobile ATCT.

Needs:

FNL experiences a high level of annual traffic from the three on-airport flight schools, medical flights, based and transient GA, corporate turbojet and transient military. The interspersed VFR training aircraft with high performance turboprop and turbojet IFR aircraft presents a challenge to the controllers. A radar display will greatly enhance safety and efficiency.

Numerous mandatory occurrence reports (MOR) due to the inability of controllers in the mobile ATCT visually acquire IFR handoffs from Denver Tracon (D01) into the Class G airspace. This situation is further complicated when the arriving IFR aircraft are handed off early or late, causing the tower controller to be forced to sequence them into the flow. In addition to the MORs, there have been near midair collisions (NMAC) in the airspace that would not have occurred or could

have been avoided if the controllers had the situational awareness afforded by a radar display. Having a STARS display in the mobile ATCT will provide the controllers with much needed situational awareness of arriving aircraft before they enter the airspace.

Supporting Information:

During the Senate Commerce Subcommittee on Aviation “**Addressing Close Calls to Improve Aviation Safety**” hearing on November 11, 2023, Captain Jason Ambrosi President, Air Line Pilots Association, International made the following comment in his statement to the subcommittee as one of four “notable provisions” included in the Committee’s bipartisan FAA 2023 FAA Reauthorization Act:

“STARS Remote Surveillance Displays (Sec. 406). By adding a remote surveillance display as a minimum level of equipment to all air traffic control towers, including FAA contract towers, safety will be improved”.

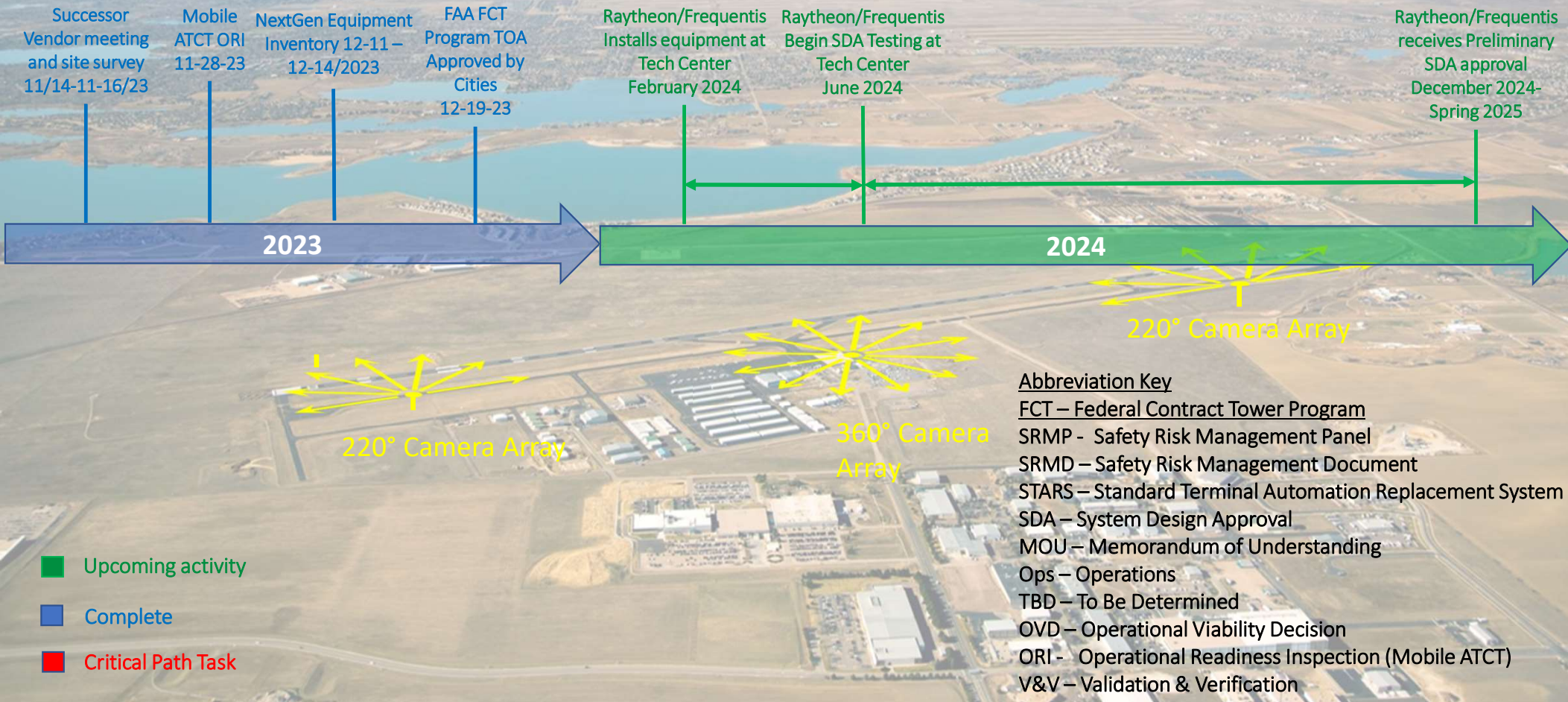
Denver Tracon D01 and Serco, the Federal Contract Tower Program contractor, fully support providing the controllers with this very important and much needed situational awareness tool. The airspace west and northwest of DEN is complicated by multiple airports that support training and glider operations, as well as the north-south VFR corridor around the Class B airspace. The much-used BRNKO TWO RNAV arrivals serving Rocky Mountain Metropolitan Airport (BJC), Centennial Airport (APA) as well as FNL further complicate the airspace surrounding FNL. Having a radar display in the ATCT at FNL will greatly enhance not only safety but efficiency in the west and northwest Denver airspace.

Local Technical Operation (AJW) technicians have indicated that it would be fairly simple to move the slave STARS display from the remote tower control room to the mobile ATCT.

In light of the above, were a Safety Risk Management Panel to be convened to evaluate the risks and hazards associated with moving the slave display to the mobile ATCT, the outcome would unequivocally support the proposal.

It seems inconceivable to not allow this most valuable tool which is already operational and adapted at FNL to be used by the controllers responsible for providing a safe airport traffic environment.

Colorado Digital Tower Timeline (Draft)



Instructor Shortage Complicates MRO Workforce Woes

Lindsay Bjerregaard January 05, 2024



Credit: Antony Souter/Alamy Stock Photo

The aviation industry has launched plenty of initiatives in recent years to boost the pipeline of future aviation maintenance technicians, but even if these efforts succeed in growing the number of students pursuing their airframe and powerplant certificates, another hurdle remains: finding enough qualified instructors to train them.

According to the Aviation Technician Education Council (ATEC), the results of its recent member surveys show that one of the largest barriers Part 147 schools in the U.S. face is availability of instructors.

“It’s been a known problem for a long time. The industry doesn’t really have a good pipeline of instructors,” says ATEC President James Hall. He notes that most instructors at airframe and powerplant (A&P) schools come from industry first but struggle to translate that experience to the classroom.

“We want to bridge the gap between people coming from industry into education,” says Hall. “They have a ton of knowledge, but learning how to share that knowledge under tried-and-true education methods is a bit of a different idea. It’s sort of like a military Skillbridge program, going from one type of career to another.”

To tackle the issue, ATEC is launching a new ATEC Academy initiative, through which professionals transitioning from the aviation industry to A&P schools will receive training in areas such as active teaching strategies, lesson planning, student behavior management, assessment and evaluation methods. The training also will include a focus on teaching technology and trends in higher education.

The inaugural three-month course will be a hybrid model, beginning with in-person training in conjunction with the ATEC Annual Conference in March, before transitioning to a virtual environment.

According to Crystal Maguire, executive director of ATEC, participants will learn from master instructors with decades of teaching experience. She adds that the inaugural class will serve as a pilot to gauge industry demand and success.

Maguire also notes that interest in ATEC Academy goes beyond people looking to transition to roles at A&P schools. She says staff in charge of internal training programs at MRO companies also have registered for the course.

This interest may not be surprising considering recent workforce and training trends. According to AAR's 2023 Mid Skills Gap Report, major airlines have become the fastest growing employer of new mechanics. The report says major airlines are beginning to hire and train mechanics right out of school rather than following the typical progression in which new A&P graduates first work at a repair station to hone their skills before moving on to airlines.

Meanwhile, industry experts have recently highlighted significant issues with retention after companies invest time, effort and resources in training new hires. Jonas Murby, a principal at consultancy AeroDynamic Advisory, [says one European airline told him they lose 80% of their technicians in training](#). HAECO Americas President Bill Collins reported at MRO Americas last year that [attrition in staff with less than a year of experience was "exceptionally high,"](#) estimating it had grown by 40% compared to the attrition rate in 2022. "It's a huge expense to recruit people and then provide the training all the way through A&P or working certificate," he stressed.



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: January 18, 2024

PREPARED BY: Kate Morgan, Airport Executive Assistant

TITLE

Lease Assignment and Assumption – 5247 Northrop Street

RECOMMENDED AIRPORT COMMISSION ACTION

Make a motion to approve the lease assignment and assumption as presented

BUDGET IMPACT

Neutral, the lease rates will remain unchanged

SUMMARY

This is an administrative item. The transfer of ownership of privately owned buildings is frequent on the Airport and requires the approval of the Airport Commission for a lease assignment and assumption. In this case, the lease is being transferred from the current owner, Griff Malleck to Red Willow Aviation & Spraying Inc. Staff have reviewed the request and found the associated account to be in good standing.



ATTACHMENT

5247 Northrop Street Lease Assignment and Assumption

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

5247 Northrop Street
Loveland, Colorado 80538

WHEREAS, the Cities of Fort Collins and Loveland, Colorado (the “Cities”) acting by and through the Northern Colorado Regional Airport Commission (“NCRAC”) are the Lessors under that Lease Agreement dated September 1, 1993, a copy of which is attached hereto as **Attachment 1** and incorporated herein by this reference (the “Lease Agreement”) to Griff H. Malleck as Lessee (“Assignor”) concerning that property at the Northern Colorado Regional Airport described in Exhibit A to the Lease Agreement (the “Leased Premises”); and

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

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

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

WHEREAS, Assignor desires to assign all of its lease rights and obligations for the Leased Premises, as well as all improvements located thereon, to Red Willow Aviation & Spraying Inc., (“Assignee”); and

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

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

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

1. Assignor, by its signature below, hereby assigns all of its right, title and interest in and to the Lease Agreement and the Leased Premises, to Assignee as of December 21, 2023 (the “Effective Date”).

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

3. Assignee acknowledges and agrees that the annual rent payment for the Leased Premises under the Lease Agreement is \$712.43 per year, payable in monthly installments, which rental amount shall be adjusted on September 1, 2028 and on each anniversary thereafter pursuant to Article 4 of the Lease Agreement.

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

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

**Red Willow Aviation & Spraying Inc.
308 Airport Road
P.O. Box 444
McCook, NE 69001
308-345-3635**

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

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

Dated this ____ day of _____, 20____.

[end of page 2]

Assignee:
Red Willow Aviation & Spraying Inc.
308 Airport Road
P.O. Box 444
McCook, NE 69001

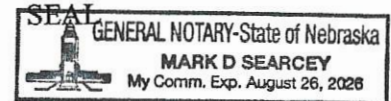
By: [Signature]
Cleo Spencer, CEO

State of Colorado)
)ss
County of Larimer)

Subscribed and sworn to before me this 4 day of Jan, 202024 by
Cleo Spencer, as CEO of RW Aviation.

My commission expires August 26, 2026.

Mark D. Searcy
Notary Public



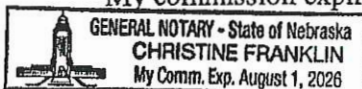
Assignor:
Griff H. Malleck
1309 West 2nd Street
McCook, Nebraska 69001

By: [Signature]
Griff H. Malleck, Member

State of Nebraska)
)ss
County of Douglas)

Subscribed and sworn to before me this 28th day of December, 2023 by
Griff H. Malleck, as _____ of _____

My commission expires August 1, 2026.



Christine Franklin
Notary Public

SEAL

The Northern Colorado Regional Airport Commission acting on behalf of the City of
Loveland, Colorado and the City of Fort Collins, Colorado, hereby consents to the above-
described assignment of all right, title, and interest as Lessee under the above-described Lease

Agreement from Assignor to Assignee on the terms and conditions set forth above.

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

By: _____
Commission Chair

ATTEST:

Secretary

APPROVED AS TO FORM:



Senior Assistant City Attorney

ATTACHMENT 1

(Lease Agreement, including all prior amendments and assignments)

ASSUMPTION OF LEASE AGREEMENT
5247 Northrop Street

Whereas, Keith Griffith is the Lessee and the Cities of Fort Collins and Loveland, Colorado are the Lessors pursuant to the provisions of that Lease Agreement dated September 1st, 1993 ("Lease Agreement"), concerning that property at the Fort Collins-Loveland Municipal Airport described in the attached Exhibit A, incorporated herein by this reference ("Leased Premises"); and

Whereas, Keith Griffith desires to assign all of his lease rights and obligations for the Leased Premises described in the attached Exhibit "A" Lot 10 and now also known as 5247 Northrop Street, as well as all improvements located thereon, to Griff H. Malleck; and

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

Whereas, Griff H. Malleck intends to benefit the Cities by promising to perform all terms and conditions of the Lease Agreement.

Now, therefore, in consideration of the Cities' approval and other mutual covenants and agreements expressed in the Lease Agreement, Griff H. Malleck does hereby covenant and agree to assume all obligations, responsibilities and terms of the Lease Agreement and hereby becomes the Lessee under the Lease Agreement for Lot 10 of the Leased Premises.

Further, Griff H. Malleck acknowledges and agrees that the annual rent payment as set forth in Article 4 of the Lease Agreement shall be in the amount of \$437.16, which amount shall be adjusted on September 1 of 2008, and on each fifth anniversary thereafter pursuant to section 4.2 of the Lease Agreement.

Further, Griff H. Malleck submits to the Cities herewith, the proof of insurance as required in Articles 8 and 9 of the Lease Agreement.

Further, Griff H. Malleck submits to the Cities the following notice address pursuant to Article 23 of the Lease Agreement:

Griff H. Malleck
1309 West 2nd Street
McCook, Nebraska 69001

Dated this 15th day of November, 2006.

Griff H Malleck

Griff H. Malleck, LESSEE

State of Colorado)

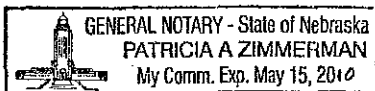
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County of Larimer)

Subscribed and sworn to before me this 15 day of NOVEMBER, 2006 by Griff H. Malleck.

My commission expires MAY 15, 2010.

SEAL



Patricia A. Zimmerman Notary Public

Keith Griffith, the current Lessee, hereby requests the assignment of the above described Lease from himself to Griff H. Malleck, with respect to Lot 10 of the Leased Premises, pursuant to the provisions of Article 13 of the Lease Agreement.

Dated this 3rd day of NOVEMBER, 2006.

Keith Griffith
Keith Griffith

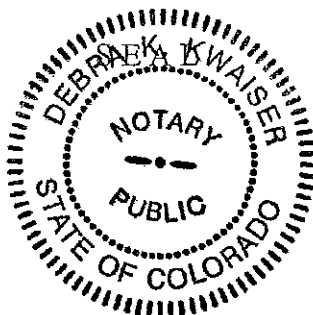
State of Colorado)

)ss

County of Larimer)

Subscribed and sworn to before me this 3rd day of November, 2006 by Keith Griffith.

My commission expires 3/1/09



Debra Kwaizer Notary Public

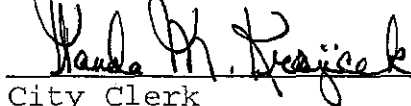
The Cities of Fort Collins and Loveland, Colorado, hereby consent to the above described assignment from Keith Griffith to Griff H. Malleck, of the Lease of Lot 10 of the Leased Premises.

CITY OF FORT COLLINS, COLORADO


City Manager

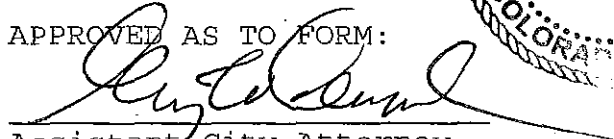
11/30/06
Date

ATTEST:


City Clerk



APPROVED AS TO FORM:


Assistant City Attorney




CITY OF LOVELAND, COLORADO


City Manager

11-30-06
Date

ATTEST:


City Clerk

APPROVED AS TO FORM:


Assistant City Attorney

Exhibit A

6-3-93

LEASE AGREEMENT

**CITIES OF LOVELAND AND FORT COLLINS,
COLORADO, AND KEITH GRIFFITH**

DATED September 1, 1993

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LEASE AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of September, 1993, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation and the CITY OF FORT COLLINS, COLORADO, a municipal corporation, hereinafter called "Cities," and Keith Griffith, hereinafter called "Lessee."

WITNESSETH:

WHEREAS, the Cities own and operate an airport known as the Fort Collins-Loveland Municipal Airport located in Larimer County, Colorado, hereinafter called the "Airport"; and

WHEREAS, the Cities and the Lessee are mutually desirous of entering into a Lease Agreement (hereinafter, 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 the Lessee desires to be assured of the Airport's continued availability as a base for aircraft.

WHEREAS, The Cities and the Lessee have reached an understanding in principle, which envisions the Lessee's construction of a personal use hangar, without cost to the Cities.

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and conditions herein contained, the Cities do hereby lease to the Lessee the area of the Airport described in Article 2 hereof, hereinafter referred to as the "Leased Premises," during the term hereof pursuant to the conditions hereinafter set forth.

ARTICLE 1

TERM

1.1 The term of this Agreement shall commence on September 1, 1993, and expire on September 1, 2018, unless sooner terminated in accordance with the provisions hereof. KTG

1.2 The Lessee shall have the option to extend the term of this Agreement for three additional periods of five (5) years each, hereinafter the "Extended Term," 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 such option. In the event Lessee exercises an option, it shall do so not later than three (3) months prior to the expiration of the Initial Term or the then current Extended Term. The terms and conditions during the Extended Term shall be the same. The rent escalation shall continue throughout the Initial Term and Extended Terms as provided in Article 4 hereof.

ARTICLE 2

LEASED PREMISES

2.1 The Leased Premises consist of the parcel of land described ~~XXXXXXXXXXXX~~ in Exhibit "A" attached hereto and made a part hereof. KTG 10/12/93

ARTICLE 3

USE OF LEASED PREMISES

3.1 The Lessee 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 construction, installation, maintenance and operation of a hangar to be used for the parking, storage, servicing, repair, maintenance, modification, and construction of aircraft owned or operated by the Lessee, its subsidiaries or subtenants, providing such uses are of a non-commercial nature, and providing such uses are consistent with the City of Loveland, Colorado building, use and zoning regulations and requirements applicable to the Leased Premises. Lessee warrants that all such aircraft based at the Leased Premises shall 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.

3.1.2 For any purpose for which Cities grant a commercial use permit for the leased premises.

ARTICLE 4

RENT

10/12/93 126
4.1 The Lessee agrees to pay to the Cities during the term hereof an annual rent of Four Thousand Seven Hundred Five Dollars and 20/100 (\$ 4,705.20), subject to adjustment pursuant to Section 4.2 below.

4.2 Commencing five years from the beginning of the term hereof, and on each fifth anniversary thereafter during the remainder of the term of this Agreement, the annual rent shall be adjusted by multiplying the annual rent payable in the next preceding year by a fraction, the numerator of which shall be the C.P.I., as hereinafter defined, published for the last month for which the C.P.I. is available and the denominator of which shall be the C.P.I. published for the 60th month prior thereto. In no event shall the annual rent be reduced.

4.2.1 The term "C.P.I." as used herein shall mean the Consumer Price Index for all Urban Consumers, all items, Selected Large Cities, for the Denver/Boulder Area 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 use the C.P.I., an equivalent or comparable economic index will be used.

4.3 The annual rent payable hereunder 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.

4.4 The Lessee, as additional rent, shall pay to Cities a fuel flowage fee for all fuel delivered into aircraft of Lessee, other than fuel sold by an existing FBO or other approved vendor who pays a fuel flowage fee to the Cities. The amount of such fee shall be the highest rate paid by any FBO or other approved vendor, including any percentage paid as a percentage of gross revenues, plus three percentage points, or ten percent (10%) of the wholesale cost of the fuel delivered to the airport, whichever is greater. Such fee shall be paid with the monthly rent for the prior month's fueling. For example, if the wholesale cost of the fuel delivered

to the Airport is \$1.00, the amount of such fee, based on the wholesale cost, would be an additional .10 or a total cost of \$1.10. If the highest rate paid by any FBO is \$1.06, Lessee would pay an additional .03 for a total cost of \$1.09. In this example, the cost to the Lessee would be the greater of the two: \$1.10.

4.5 The Lessee, as an additional rent, shall pay to Cities one percent (1%) of the gross revenues derived from any sub-lessee. Such fee shall be paid with the monthly rent for the prior month's revenues. Said additional rent shall not be subject to escalation as otherwise specified in paragraph 4.2.

4.6 The Lessee, as additional rent, shall construct one hangar on the Leased Premises as approved by the Cities. The hangar shall be at least 1,764 square feet in size and shall have a concrete floor, at least one man door, and at least one aircraft access door sized to accommodate an average private aircraft. Lessee shall use its best efforts and all due diligence to complete construction of such improvements within eighteen (18) months of the Cities' approval thereof or within two years from the date of this agreement. Failure of the Lessee to construct such improvements in accordance with the provisions of this section shall be deemed a default under this Agreement except if the failure to construct is caused by force majeure or action of the Cities. Title to these improvements shall vest in the Cities at the expiration or earlier termination of this Agreement.

4.7 The Lessee, as additional rent, shall construct and maintain a paved aircraft ramp area extending out from the hangar as specified and depicted in Exhibit A. This area shall be constructed pursuant to specifications established by the Cities and shall be built so as to connect onto any adjacent ramp in order that a continuous and safe pavement section results. It is the responsibility of the Lessee to maintain the entire ramp area 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. The Lessee shall be responsible for snow removal on the ramp area. Lessee grants to users of the Airport the right to use this aircraft ramp area from time to time for passage of aircraft on the adjacent taxiway moving through this area of the airport. The construction time and default provisions of subsection 4.6 shall be applicable to the improvements set forth in this subsection. Title to these improvements shall vest in the Cities at the expiration or earlier termination of this Agreement.

4.8 At the option of the Lessee and notwithstanding the last sentence of paragraphs 4.6 and 4.7, Lessee may transfer title and ownership to the improvements set forth in paragraphs 4.6 and 4.7 to the Cities prior to expiration or termination of this Agreement, subject to acceptance by the Airport Manager. Such transfer of title and ownership shall not relieve the Lessee of any obligation of this Agreement, including the obligations of insurance, rent payment, care and maintenance of the improvements.

4.9 Prior to occupancy of the Leased Premises, Lessee shall construct to the Cities' specifications and dedicate to the Cities a New Public Taxiway and Emergency Access Road as depicted and specified on Exhibit A. Upon acceptance of the dedication, the Cities shall be responsible for maintenance of said Taxiway and Road.

ARTICLE 5

ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

5.1 In reliance upon the representations of the Cities set forth in this Section 5.1, Lessee warrants it has inspected the Leased Premises 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 Fort Collins-Loveland Municipal Airport, as set forth in Exhibit B attached hereto, and by ordinances of the Cities, admits its suitability and sufficiency for the uses permitted hereunder. The Cities represent to the Lessee that, to their knowledge, the Leased Premises are free of any adverse environmental conditions and no part of the Leased Premises lie in a flood hazard area or constitutes a fresh water wetland, nor is any part of the Leased Premises within 100 feet of a fresh water wetland. The Cities represent to the Lessee that, to their knowledge, the Leased Premises can be used for the purposes set forth in Article 3, above. 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.

5.1.1 In the event the representations made in Section 5.1 above are not accurate or hazardous material is found on or under the Leased Premises, such hazardous material existed at the date hereof, and such material renders the site unusable for its intended purpose, the Cities will, at their expense, perform or cause to be performed, any and all testing, clean-up efforts and monitoring required by all applicable Federal, State and local laws, rules or regulations.

5.1.2 Alternatively, the Cities may offer to Lessee an alternate comparable site for the facilities, if one is available.

5.1.3 In the event the Cities elect to not perform the necessary clean-up efforts, or if an alternative site is not agreeable to Lessee, then this Agreement shall be terminable upon written notice by either party to the other. In the event of such termination, Cities will compensate Lessee forthwith for all expenses incurred by Lessee in placing approved improvements upon the Leased Premises. If termination pursuant to this Section 5.1.3 occurs prior to the construction of the improvements, then the Cities shall refund those rental payments made by Lessee to the date of said termination.

5.1.4 The Lessee's obligation to construct the improvements under this Agreement is contingent upon Lessee's ability to obtain all necessary permits and approvals for the improvements to be used for the purposes authorized in Article 3, provided that Lessee pursues the obtaining of said permits and approvals with all due diligence. In the event Lessee is unsuccessful in acquiring said permits and approvals for all authorized improvements, then and in that event, this Lease shall terminate.

5.2 The 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, the 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 the Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises. Lessee shall not park or leave, or allow to be parked or left, aircraft on the taxiways, ramps or pavement adjacent to the hangar in a manner which unduly interferes with or obstructs access to other hangars.

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, 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 the 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. Lessee acknowledges that a discharge or spill of a hazardous substance caused by its employees, agents, licensee, invitees, or guests shall be the responsibility of the Lessee. The Cities acknowledge that a discharge or spill of a hazardous substance caused by its employees, agents, licensees, invitees, or guests shall be the responsibility of the Cities.

5.3 Plans and specifications for all hangars and all repairs (other than emergency repairs), construction, alterations, modifications, additions or replacements, hereinafter referred to as "Improvements" to be constructed or placed by the Lessee on the Leased Premises shall be submitted to the Cities for approval, which approval shall not be denied providing the plans and specifications comply with the provisions of this agreement, as well as all applicable building, use and zoning regulations.

5.4 The Lessee expressly agrees in making all Improvements that, except with the prior written consent of the Cities, it will not allow, give nor grant, nor purport to give or grant any lien upon the Leased Premises or upon any Improvements thereon, and the Lessee will within sixty (60) days after notice of filing thereof either discharge the lien or contest the validity of the lien and provide a bond securing its payment until it is discharged, subject however, to the provisions of Article 10 hereunder.

ARTICLE 6

ADDITIONAL OBLIGATIONS OF LESSEE

6.1 The Lessee shall conduct its operations hereunder and cause subtenants to conduct their operations hereunder 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, the 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 The Lessee shall comply and require subtenants to comply with all federal, state and municipal laws, ordinances, rules, regulations and requirements, and the terms of this agreement, applicable to the Leased Premises and the improvements thereon and its operations at the Airport hereunder.

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

6.5 The Lessee 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 The Lessee shall take measures to insure security in compliance with Federal Aviation Administration Regulations and the Airport Security Plan.

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

6.8 The Lessee 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 a commercial use permit for that activity is obtained from the Cities.

6.9 Except for uses permitted under Article 3 hereof to be performed by the Lessee, the Lessee 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 a valid Commercial Operating Permit from the Cities.

6.10 The Lessee will conduct its operations in such a manner and require subtenants 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 the Lessee. In addition, the Lessee and its subtenants will employ the maximum amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of the operations of the Lessee, but in no event less than those devices required by

federal, state or local law. In its use of the Leased Premises, the Lessee and its subtenants shall take all possible care, exercise caution and use its best efforts to minimize prop or jet blast interference 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 the Lessee or any of its subtenants has not curbed the prop or jet blast interference, the Lessee hereby covenants and agrees to erect and maintain at its own 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.

ARTICLE 7 INGRESS AND EGRESS

7.1 The Lessee shall have the right of ingress and egress between the Leased Premises and the public landing areas at the Airport by means of connecting taxiways; and between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. Lessee 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 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, improvements deemed necessary by Lessee shall be made at the sole expense of Lessee, in accordance with construction specifications and design criteria established for all of the properties by the Airport Engineer. There shall be no consideration made on the part of the Cities for the cost of these improvements.

7.2 The use of any such roadway or taxiway 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. The Lessee hereby releases and discharges the Cities, 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 the Lessee or its 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 as to those closed remain available to Lessee without cost to Lessee, unless otherwise mandated by emergency safety considerations or lawful exercise of the police power. The 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 To safeguard the interest and property of the Cities, the 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 thirty (30) days notice of cancellation or material change, by registered mail, to the Cities, Attention: Airport Manager.

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

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

8.1.3 The 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 structure. Upon the failure of the Lessee to maintain such insurance as above provided, the Cities, at their option, may take out such insurance and charge the cost thereof to the Lessee, which shall be payable on demand, or may give notice of default hereunder pursuant to Article 18 hereof.

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 the Lessee for the purposes for which they were used prior to such damage, or same are destroyed, the 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 existing at the time of repairing or rebuilding. If the aforesaid damage or destruction occurs in the last five years of the term of this Agreement, the Lessee may elect not to repair and reconstruct the Improvements, subject to the following terms and conditions:

8.2.1 The 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.

8.2.2 The Lessee shall 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.

8.2.3 The Cities shall retain all insurance coverage and proceeds as described in Section 8.1, hereof.

8.2.4 Upon Lessee's notice under Section 8.2.1 hereof and Lessee's compliance with the provisions of Sections 8.2.2 and 8.2.3 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, or permit to be violated, any of the conditions of any of the said policies; the Lessee 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 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 the Lessee, its agents, servants and employees and its sublessees or tenants, or their guests or invitees.

9.2 The Lessee agrees to indemnify, save and hold harmless, the Cities, 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, sublessees or tenants. Upon the filing with the Cities by anyone of a claim for damages arising out of incidents for which the Lessee herein agrees to indemnify and hold the Cities harmless, the Cities shall notify the Lessee of such claim and in the event that the Lessee does not settle or compromise such claim, then the Lessee shall undertake the legal defense of such claim on behalf of both the 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 the Lessee is liable hereunder shall be conclusive against the Lessee as to liability and amount upon the expiration of the time for appeal.

9.3 The Lessee shall procure and keep in force during the term of the Lease policies of Comprehensive General Liability insurance insuring the Lessee and the Cities against any liability for personal injury, bodily injury, death, or property damage arising out of the subject of this Lease 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 thirty days prior written notice to the Cities. The policies shall be for the mutual and joint benefit and protection of the 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 the Lessee. The 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 The 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 anyway connected with this Agreement. The 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 the Lessee under or in anyway connected with this Agreement.

ARTICLE 10 LEASEHOLD MORTGAGES

10.1 (a) If Lessee shall, on one or more occasions, mortgage Lessee's leasehold estate to an Institutional Investor, and if the holder of such Leasehold Mortgage or any sub-assignee shall provide the Cities with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee, the Cities and Lessee agree that, following receipt of such notice by the Cities, the provisions of this Article 10 shall apply in respect to each such Leasehold Mortgage; provided that the provisions of this Article shall not be binding on the Cities, unless and until such notice shall have been given and such copy delivered to the Cities, notwithstanding any other form of notice, actual or constructive.

(b) The Cities shall, upon receipt of notice provided for by Section 10.1, promptly acknowledge the receipt of such communication, as constituting the notice provided for by Section 10.1 or in the alternative, notify the Lessee and Leasehold Mortgagee of the rejection of such communication as not conforming with the provisions of Section 10.1(a) and specify the specific basis of such rejection.

10.2 (a) The terms "Institutional Investor" and "Institution" as used in this Agreement shall refer to a savings bank, savings and loan association, commercial bank or trust company (whether for its own account or as fiduciary), credit union, a pension fund, welfare or retirement fund, an eleemosynary institution, or any combination of the foregoing.

(b) The term "Leasehold Mortgage" as used in this Agreement shall include 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.

10.3 The Cities, upon providing Lessee any notice of

(a) default under this Agreement; or

(b) a termination of this Agreement; or

(c) a matter on which the Cities may predicate or claim a default, shall at the same time provide a copy of such notice to every Leasehold Mortgagee. No such notice by Cities to Lessee

shall be deemed to have been duly given unless and until copy thereof has been so provided to every Leasehold Mortgagee by certified mail at the address specified in the notice given pursuant to Section 10.1. From and after the date such notice has been given to a Leasehold Mortgagee, such Leasehold Mortgagee shall have the additional periods of time specified in Sections 10.5 and 10.6 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 (a) 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 Cities shall notify every Leasehold Mortgagee of the Cities' intent to so terminate ("Termination Notice") at least thirty (30) days in advance of the proposed effective date of such termination if such default is capable of being cured by the payment of money, and at least forty-five (45) days in advance of the proposed effective date of such termination if such default is not capable of being cured by the payment of money. The provisions of Section 10.6 below shall apply if, during such thirty (30) or forty-five (45) day Termination Notice period, any Leasehold Mortgagee shall:

(i) notify the Cities of such Leasehold Mortgagee's desire to defeat such Termination Notice, and

(ii) 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

(iii) comply with due diligence and continuity, or in good faith commence to comply with all non-monetary requirements of this Agreement then in default.

(b) If the Cities shall elect to terminate this Agreement by reason of any default of Lessee, and a Leasehold Mortgagee shall have proceeded in the manner provided for by Section 10.4, the specified date for termination of this Agreement as fixed by the Cities in its Termination Notice shall be deemed extended and this Agreement shall not be terminated without the consent of such Leasehold Mortgagee provided that such Leasehold Mortgagee shall, during such extended period:

(i) pay or cause to be paid the rent, additional rent, and other monetary obligations of Lessee under this Agreement as the same become due, and continue with due diligence to perform all of Lessee's other obligations under this Agreement, which Leasehold Mortgagee can perform without having first obtained possession of the Lessee's interest in this Agreement; and

(ii) within three (3) months from receipt of the Termination Notice, take steps to acquire or sell Lessee's interest in this Agreement by foreclosure of the Leasehold Mortgagee or other appropriate means and prosecute the same to completion with due diligence; provided, however, that if the Leasehold Mortgagee is otherwise complying with this Section 10.4 and is enjoined or

stayed from taking steps to acquire or sell Lessee's interest in this Agreement, this Agreement shall not terminate and the time for completion by such Leasehold Mortgagee of its proceedings shall continue so long as such Leasehold Mortgagee is enjoined or stayed and, thereafter, for so long as such Leasehold Mortgagee proceeds to complete steps to acquire or sell Lessee's interest in this Agreement by foreclosure of the Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity. If the default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Agreement shall continue in full force and effect as if Lessee had not defaulted under this Agreement.

(c) If the Leasehold Mortgagee is complying with Section 10.4(a)(i) and is enjoined or stayed from taking steps to acquire or sell Lessee's interest in this Agreement, this Agreement shall not then terminate and the time for completion by such Leasehold Mortgagee of its proceedings shall continue so long as such Leasehold Mortgagee is enjoined or stayed and thereafter for so long as such Leasehold Mortgagee proceeds to complete steps to acquire or sell Lessee's interest in this Agreement by foreclosure of the Leasehold Mortgagee or by other appropriate means with due diligence and continuity.

(d) Nothing in this Section 10.4 shall be construed to extend this Agreement beyond the original term hereof as set forth in Article 1, nor to require a Leasehold Mortgagee to continue such foreclosure proceedings after the default has been cured. If the default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Agreement shall continue in full force and effect as if Lessee had not defaulted under this Agreement.

(e) If a Leasehold Mortgagee is complying with Section 10.4(a)(i), upon the acquisition of Lessee's estate herein by such Leasehold Mortgagee or its designee or any other purchaser at a foreclosure sale or otherwise and the discharge by foreclosure or otherwise of any lien, charge or encumbrance against the Lessee's interest in this Agreement or the Leased Premises which is junior in priority to the lien of the Leasehold Mortgagee held by such Leasehold Mortgagee and which Lessee is obligated to satisfy and discharge by the terms of this Agreement, this Agreement shall continue in full force and effect as if Lessee had not defaulted under this Agreement.

(f) 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 any 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 on the part of this Agreement of the leasehold estate hereby created in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignee or transferee of this Agreement and of the leasehold estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, subject to the provisions of Section 10.11, and shall be deemed to have

agreed to perform all of the terms, covenants and conditions on the part of the 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 buildings 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.

(g) Any Leasehold Mortgagee or other acquirer of the leasehold estate of Lessee pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings may, upon acquiring Lessee's leasehold estate, without further consent of the Cities, sell and assign the leasehold estate on such terms and to such person and organizations as are acceptable to such Mortgagee or acquirer and thereafter be relieved of all obligations under this Agreement; provided that such assignee has delivered to the Cities its written agreement to be bound thereafter by all of the provisions of this Agreement.

(h) Notwithstanding any other provisions of this Agreement, any sale of this Agreement and of the leasehold estate hereby created in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignment or transfer of this Agreement and of the leasehold estate hereby created in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be a permitted sale, transfer or assignment of this Agreement and of the leasehold estate hereby created.

10.5 In the event of the termination of this Agreement as a result of Lessee's default, the Cities shall, in addition to providing the notices of default and termination as required by Sections 10.1 and 10.3, provide each Leasehold Mortgagee with written notice that the Agreement has been terminated, together with a statement of all sums which would at that time be due under this Agreement but for such termination, and for all other defaults, if any, then known to the Cities ("the Cities' Notice of Termination"). The Cities agree to enter into a new Agreement ("New Agreement") of the Leased Premises with the first Leasehold Mortgagee or its designee for the remainder of the term of this Agreement, effective as of the date of termination, at the rent and additional rent, and upon the terms, covenants, and conditions (including all options to renew but excluding requirements which are not applicable or which have already been fulfilled) of this Agreement provided:

(a) Such Leasehold Mortgagee shall make written request to the Cities for such New Agreement within forty-five (45) days after the date such Leasehold Mortgagee receives the Cities' Notice of Termination of this Agreement given pursuant to this Section 10.5; and

(b) Such Leasehold Mortgagee or its designee shall pay or cause to be paid to the Cities at the time of execution and delivery of such New Agreement, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Agreement but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorney's fees, which

the Cities shall have incurred by reason of such termination and the execution and delivery of the New Agreement and which have not otherwise been received by the Cities from Lessee or other party in interest under Lessee. In the event of a controversy as to the amount to be paid to the Cities pursuant to this Section 10.5(b), the payment obligation shall be satisfied if the Cities shall be paid the amount not in controversy, and the Leasehold Mortgagee or its designee shall agree to pay any additional sum ultimately determined to be due plus interest at the existing prime rate as established by Bank One-Loveland, N.A., or its successor, and if none, a major Fort Collins-Loveland Metropolitan Area lending institution, plus two (2) percentage points; and

(c) Such Leasehold Mortgagee or its designee shall agree to remedy any of Lessee's actual defaults of which said Leasehold Mortgagee was notified by the Cities' Notice of Termination.

(d) Any new Agreement made pursuant to this Section 10.5 shall be prior in lien to any mortgage or other lien, charge, or encumbrance on the fee of the Leased Premises and the Lessee under such New Agreement shall have the same right, title and interest in and to the Leased Premises and the building and improvements thereon as Lessee had under this Agreement.

10.6 If more than one Leasehold Mortgagee shall request a New Agreement pursuant to Section 10.5, the Cities shall enter into such New Agreement with the Leasehold Mortgagee whose mortgage is prior in lien, or with the designee of such Leasehold Mortgagee, and thereupon the requests for a New Agreement of each holder of a Leasehold Mortgage junior in lien shall be and be deemed to be void and of no force or effect. The Cities, without liability to Lessee or any Leasehold Mortgagee with an adverse claim, may rely upon a mortgage title insurance policy issued by a title insurance company licensed to do business within the State of Colorado and selected by the Cities as a basis for determining the appropriate Leasehold Mortgagee who is entitled to such New Agreement.

10.7 (a) Nothing herein contained shall require any Leasehold Mortgagee or its designee as a condition to its exercise of right hereunder to cure any default of Lessee not reasonably susceptible of being cured by such Leasehold Mortgagee or its designee, in order to comply with the provisions of Section 10.4 and 10.5, or as a condition of entering into the New Agreement provided for by Section 10.5.

(b) If the Cities shall elect to terminate this Agreement by reason of any default of Lessee not reasonably susceptible of being cured by a Leasehold Mortgagee, and a Leasehold Mortgagee shall have proceeded in the manner provided for by Section 10.4(a), the specified date for the termination of this Agreement as fixed by the Cities in its termination notice shall be extended as provided for in Section 10.5, provided that such Leasehold Mortgagee shall proceed in the manner provided for in Section 10.6.

10.8 The Cities shall give each Leasehold Mortgagee prompt written notice of any legal proceedings between the Cities and Lessee involving obligations under this Agreement. Each Leasehold Mortgagee shall have the right to intervene in any such proceedings and be made a party to such proceedings, and the parties hereto do hereby consent to such intervention. In the event that any

Leasehold Mortgagee shall not elect to intervene or become a party to any such proceedings, the Cities shall give the Leasehold Mortgagee notice of, and a copy of any award of decision made in any such proceedings, which shall be binding upon all Leasehold Mortgagees not intervening after receipt of notice thereof.

10.9 In the event, on any occasion hereafter, Lessee seeks to mortgage its leasehold estate under this Agreement or any portion hereof under any subsequent individual lease, the Cities agree to amend this Agreement from time to time to the extent reasonably requested by a Leasehold Mortgagee proposing to make Lessee a loan secured by a first lien upon Lessee's leasehold estate, provided that such proposed amendments do not materially and adversely affect the rights of the Cities or their interest in the Leased Premises. All reasonable expenses incurred by the Cities in connection with any such amendment shall be paid by Lessee.

10.10 The Cities shall, without charge, at any time and from time to time hereafter, but not more frequently than twice in any one year period (or more frequently if such request is made in connection with any sale or mortgaging of Lessee's leasehold interest or permitted subletting by Lessee), within thirty (30) days after written request of Lessee to do so, certify by written instrument duly executed and acknowledged to any Leasehold Mortgagee or purchaser, or proposed Leasehold Mortgagee or proposed purchaser, or any other person, firm or corporation specified in such request:

(a) As to whether this Agreement has been supplemented or amended and, if so, the substance and manner of such supplement or amendment;

(b) As to the validity and force and effect of this Agreement, in accordance with its tenor;

(c) As to the existence of any default hereunder;

(d) As to the existence of any offsets, counterclaims, or defenses hereto on the part of the Lessee;

(e) As to the commencement and expiration dates of the term of this Agreement; and

(f) As to any other matters as may be reasonably so requested. Any such certificate may be relied upon by the Lessee and any other person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the Cities.

ARTICLE 11

RULES AND REGULATIONS

11.1 Cities may enforce rules and regulations with respect to the occupancy and use of the Airport, as such rules and regulations exist on the date of this Lease Agreement and as set forth in Exhibit B, attached hereto. The Lessee agrees 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 Exhibit B (Airport Rules and Regulations) and this Lease, the provisions of this Lease shall control. This provision will include compliance with the Airport's Noise Abatement Plan as promulgated. 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.

ARTICLE 12

SIGNS

12.1 The 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. No sign will be allowed that may be confusing to aircraft pilots or automobile drivers or other traffic.

ARTICLE 13

ASSIGNMENT AND SUBLEASE

13.1 The prior written consent of the Cities shall be required for any sale, transfer or assignment of this Agreement and of the leasehold estate hereby created. Consent may be withheld by the Cities in the event the Lessee is in default of any of the terms or conditions of this Agreement, in the event the transferee or assignee does not deliver to the Cities its written agreement to be bound by all of the provisions of this Agreement, or in the event the proposed transferee or assignee does not submit proof of insurance as required at Articles 8 and 9, herein. Consent shall not be otherwise unreasonably withheld. Upon the granting of written consent by the Cities and actual transfer or assignment, the Lessee shall be released by the Cities from its obligations under this Lease.

13.2 Lessee does have the right and option to sublease part or parts of the Leased Premises without the prior consent of the Cities, providing that any subtenant shall be required to comply with all terms and conditions of this Agreement. In the event of sublease, both the Lessee and the subtenant shall be jointly and severally responsible for compliance with the terms and conditions of this Agreement. Upon sublease, Lessee shall provide Cities with a complete copy of the sublease agreement fully identifying the parties and terms.

13.3 Lessee does not have the right to subdivide the Leased Premises.

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), the proceeds, if any, from such taking or sale shall be allocated between the Cities and Lessee in accordance with the applicable condemnation law. 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 hereof, then this Lease shall terminate

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 Lessee owned improvements 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 improvement 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. 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 upon thirty (30) days prior written notice to 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 The Lessee, for it, its heirs, personal representatives, 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, the 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 The Lessee, for itself, its personal representatives, 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:

(1) no person on the grounds of race, color, disability or national origin shall be excluded from participating in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises;

(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, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination,

(3) that the 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 of any alleged violation. This provision is to be considered as a covenant on the part of the 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 The Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than the Lessee, operates any facility at the Leased Premises providing service to the public and shall include thereon 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, the Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure 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. The 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. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action program and that they will require assurances

from their suborganizations, to the extent required by 14 CFR Part 152, Subpart E, to the same effect.

ARTICLE 16

GOVERNMENTAL REQUIREMENTS

16.1 The Lessee shall attempt to procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Lessee's operations at the Leased Premises which may be necessary for the Lessee's operations thereat.

16.2 The 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 the Lessee therefrom, and shall make all applications, reports and returns required in connection therewith.

16.3 Lessee shall pay all water, sewer and other use taxes and fees, together with any Payment in Lieu of Taxes if found to be applicable.

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 for any and all purposes not inconsistent with this Agreement, provided such action by the Cities, their officers, employees, agents, representatives and contractors does not unreasonably interfere with the Lessee'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 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 the 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 the Lessee, all such utilities to be placed within existing easements, except as provided in Article 14, hereof. 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 repair 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 the Lessee 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, the 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 the Lessee 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 the Lessee 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 the Lessee in the payment of rents, the Cities shall give written notice to the Lessee of such default, and demand the cancellation of this Agreement, or the correction thereof. If, within thirty (30) days after the date the Cities give such notice, the Lessee has not corrected said default and paid the delinquent amount in full, the Cities may by written notice to the Lessee terminate this Agreement and all rights and privileges granted hereby in and to the Leased Premises.

18.2 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 the Lessee upon the happening of any one or more of the following events:

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

18.2.2 Any institution of proceedings in bankruptcy against the Lessee; provided, however, that the 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 the 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 the Lessee's assets by a court of competent jurisdiction, which if the request is not made by the 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 the Lessee's assets by a voluntary agreement with the Lessee's creditors.

18.2.5 Notwithstanding sections 18.2.1 through 18.2.4, the Cities shall not have the right to terminate this Lease because of the commencement or maintenance by Lessee of a proceeding for reorganization or arrangement under Chapters X or XI of the Federal Bankruptcy Act (or any equivalent or comparable proceeding under federal bankruptcy law, as it may be amended from time to time), provided that Lessee continues to comply with all other provisions of this Lease.

18.3 Upon the default by the Lessee in the performance of any covenant or conditions required to be performed by the Lessee, and the failure of the Lessee to remedy such default for a period of forty-five (45) days after mailing by the Cities of written notice to remedy the same, unless more extensive notice is otherwise provided for in this agreement, except default in the timely payment of any money due the Cities, in which case, within thirty (30) days after expiration of notice, the Cities shall have the right to cancel this Agreement for such cause by notice to the Lessee.

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 Upon the cancellation or termination of this Agreement for any reason, all rights of the Lessee, 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. Upon said cancellation or termination of this Agreement for any reason, the Leased Premises, except for Lessee's equipment, fixtures and other personal property which may be removed from said Leased Premises as provided elsewhere herein, shall be free and clear of all encumbrances and all claims of the Lessee, its tenants, creditors, trustees, assigns and all others and the Cities shall have immediate right of possession to the Leased Premises.

18.6 Failure by the Cities or Lessee to take any authorized action upon default by the Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by the 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 the Lessee. Acceptance of rentals by the Cities from the Lessee, or performance by the Cities under the terms hereof, for any period or periods after a default by the Lessee of any of the terms, covenants and conditions herein required to be performed, kept and observed by the 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 the Lessee to so

perform, keep or observe any of said terms, covenants or conditions.

18.7 Cities will endeavor to give not less than fourteen (14) days' prior written notice to Lessee of any anticipated temporary Airport closure.

18.8 This lease will terminate at the option of Lessee

(i) 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 90 or more consecutive days;

(ii) 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 90 consecutive days; and

(iii) 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 the Lessee of written notice to remedy the same, or default in the timely payment of any money due the Lessee and failure to cure such default within thirty (30) 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).

18.9 If the Lessee ceases to conduct its authorized Airport activities at the Airport for a period of twelve (12) consecutive months, the Cities may terminate this Agreement by written notice to the Lessee given at any time while such cessation continues.

ARTICLE 19

SURRENDER AND RIGHT OF RE-ENTRY

19.1 Upon the expiration, cancellation or termination of this Agreement pursuant to any terms hereof, the Lessee agrees peaceably to surrender up the Leased Premises to the Cities in the same condition as they are at the time of the commencement of the term hereof, and as they may hereafter be repaired and improved by the Lessee; save and except

(a) such normal wear and tear thereof as could not have been prevented by ordinary and usual repairs and maintenance,

(b) obsolescence in spite of repair, and

(c) damage to or destruction of the leasehold improvements for which insurance proceeds are received by the Cities.

Upon such 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. Furthermore, upon such cancellation or termination, and for a reasonable time thereafter, not exceeding sixty (60) days after such cancellation or termination, and for which period the Lessee will pay to the cities current lease rental, or during the term of this Agreement, if the Lessee is not in default in rentals or any other charges or financial obligations due the Cities, the Lessee shall have the right to remove its personal property, fixtures and trade equipment which it may have on the Leased Premises, provided that the Lessee repairs all damages that might be occasioned to the remaining Leased Premises

by such removal, and restore the remaining Leased Premises to the condition above required.

ARTICLE 20
SERVICES TO LESSEE

20.1 The Cities covenant and agree that during the term of this Agreement it will 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 operation of the Airport or necessary to serve the civil aviation needs of the public. The Cities further agree to use their best efforts to maintain the runways and taxiways in good repair, including the removal of snow. The cities agree to keep in good repair hard-surfaced public roads for access to the Leased Premises and remove snow therefrom. Said obligations of the cities relevant to the maintenance and snow removal of and from public roads and taxi-ways shall extend to the point wherein such roads, streets and taxi-ways reach the property line of the Leased Premises.

ARTICLE 21
SURVIVAL OF THE OBLIGATIONS OF THE 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 hereof, all of the obligations of the 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 the 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 paragraph 19.1 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 the 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 hereunder. The Cities will use their best efforts to minimize damages to Lessee under this Article.

ARTICLE 22

USE SUBSEQUENT TO CANCELLATION OR TERMINATION

22.1 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 the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder, provided that any structural changes shall not be at Lessee's expense.

ARTICLE 23

NOTICES

23.1 All notices, consents and approvals required or desired to be given by the parties hereto shall be sent in writing, and shall be deemed given when received at the recipient's notice address except that notice that must be given by a certain time to be effective and is sent registered or certified mail, postage prepaid, return receipt requested, addressed to the recipient's address shall be deemed given when posted. Notice that starts the running of a time period and is delivered on a non-business day shall be deemed delivered on the next business day, if left at the notice address, or the next business day on which it is redelivered if it is not left at the notice address.

23.2 The notice addresses of the parties are as follows:

To the Cities: Airport Manager
 Loveland-Fort Collins Airport
 4900 Earhart Drive
 Loveland, CO 80538

and

City Manager
City of Loveland
500 E. Third St.
Loveland, CO 80537

and

City Manager
City of Fort Collins
300 LaPorte Ave.
Fort Collins, CO 80521

To the Lessee: Keith Griffith
 The Hangar Gang
 7796 Nikau Drive
 Longmont, Co. 80503

Such addresses shall be subject to change from time to time to such other addresses as may have been specified in written notice given by the intended recipient to the sender.

ARTICLE 24

INVALID PROVISIONS

24.1 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 and provided that the invalidity of any provision, article, paragraph, portions or clauses of this Agreement shall not result in substantial detriment to a party hereto.

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 the 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-Waiver of Rights. The failure by either party to exercise any right, or rights accruing to it by virtue of the breach of any covenant, condition or agreement herein by the other party shall not operate as a waiver of the exercise of such right or rights in the event of any subsequent breach by such other party, nor shall such other party be relieved thereby from its obligations under the terms hereof.

25.3 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.

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

- (i) the documents that then comprise this Agreement,
- (ii) that this Agreement is in full force and effect,
- (iii) the then current annual amount of rent and the date through which it has been paid,
- (iv) the expiration date of this Agreement,
- (v) that no amounts are then owed by the Lessee to the Cities (or, if amounts are owed, specifying the same)
- (vi) to the knowledge of the Cities, there are not defaults by the 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
- (vii) remaining rights to renew the term of this lease to the extent not theretofore exercised.

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

25.5 Short Form of Lease. This Agreement shall not be recorded, but at the request of either party, the other shall execute a memorandum or short form of lease for recording.

25.6 General Provisions.

25.6.1 This Agreement shall be performable and enforceable in Larimer County, Colorado, and shall be construed in accordance with the laws of the State of Colorado.

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

25.6.3 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.

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

25.6.5 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.

25.6.6 Nothing herein contained shall create, or be construed to create, a co-partnership between the Cities and the Lessee or to constitute the Lessee an agent of the Cities or vice versa. The Cities and the Lessee each expressly disclaim the existence of such a relationship between them.

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 the Lessee, and without interference or hindrance by or on behalf of the Lessee, provided the 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. In the event the said access shall terminate or the quality of said access shall be impaired as aforesaid, and in the event of failure to relocate the Lessee to a different leased premises at least as acceptable to Lessee as the Leased Premises at no resulting cost or expense to Lessee, Lessee shall have the right and option to terminate this Lease upon thirty (30) days prior written notice to Cities according to Article 23.

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 the Lessee's use of the Leased Premises.

26.1.5 Except to the extent required for the performance of any obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the 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

27.1 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.

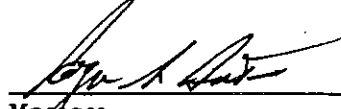
27.2 Cities will not impose limitations or otherwise exercise the governmental powers, rights and privileges in a manner of greater detriment or burden to Lessee than would have occurred had governmental entities not been the landlord. The performance of the terms and conditions of this agreement shall be performed on an "arms-length" basis with Lessee as though governmental entities were not landlords. In the event Lessee establishes through final judicial determination or other final arbitration or proceeding, that the Cities failed to make such determinations based on an "arms length" relationship, Lessee shall be granted damages and all costs and legal expenses incurred by the Lessee in the premises. In the event the Lessee's allegation of a breach of this subsection is not established in such proceeding, Cities shall be granted damages and all costs and legal expenses incurred by the Cities in the premises.

ARTICLE 28 ENTIRE AGREEMENT

28.1 This Agreement constitutes the entire agreement of the parties hereto and may not be changed, modified, discharged or extended except by written instrument duly executed by the Cities and the Lessee. The parties agree that no representations or warranties shall be binding upon the Cities or the Lessee unless expressed in writing in this Agreement of Lease.

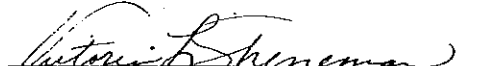
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

CITY OF LOVELAND, COLORADO




Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



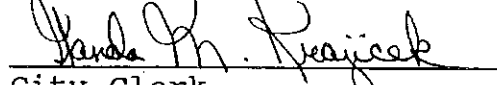
City Attorney, Deputy

CITY OF FORT COLLINS, COLORADO



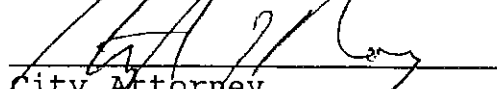
Mayor

ATTEST:




City Clerk

APPROVED AS TO FORM:

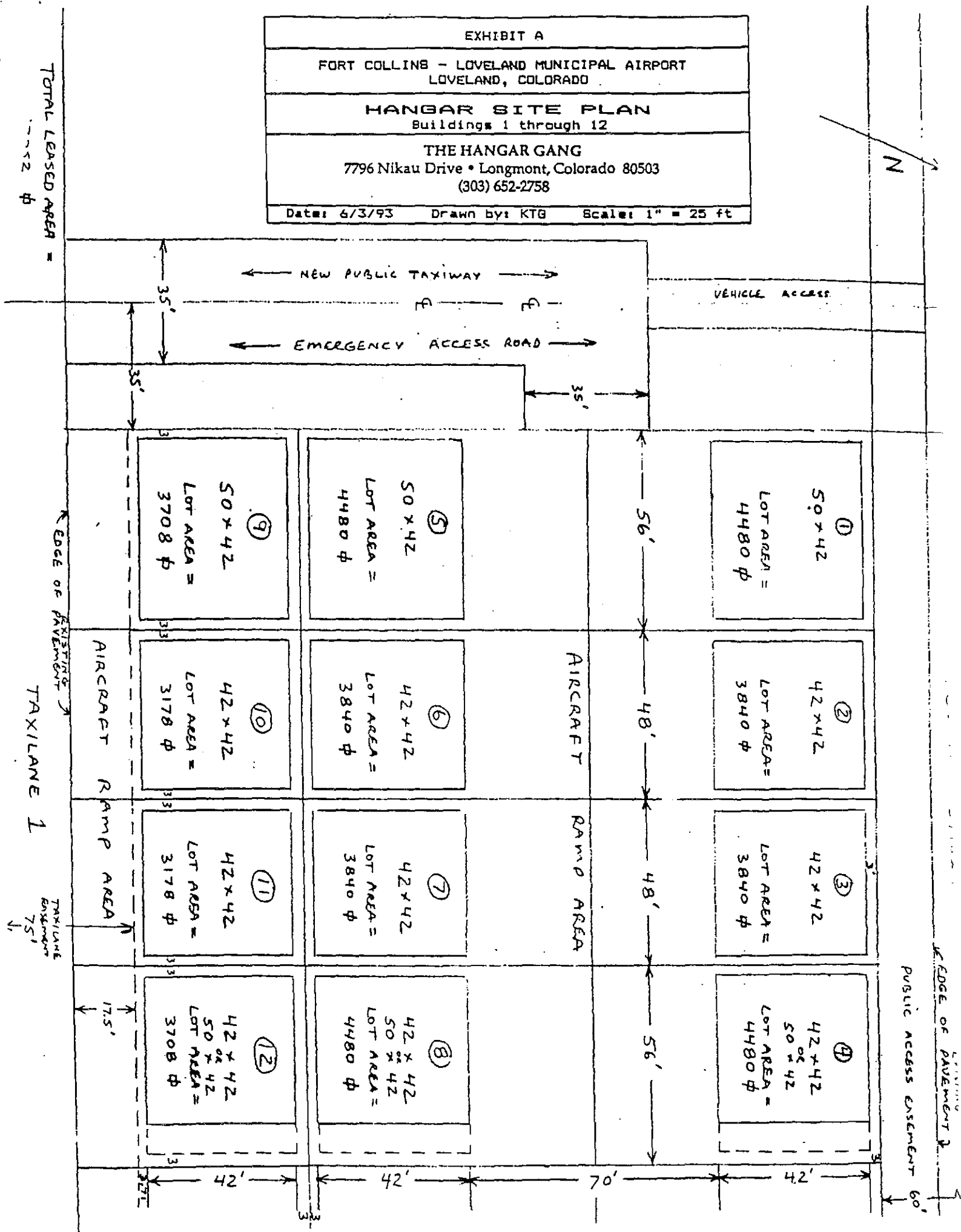


City Attorney



Keith Griffith, LESSEE

EXHIBIT A		
FORT COLLINS - LOVELAND MUNICIPAL AIRPORT LOVELAND, COLORADO		
HANGAR SITE PLAN Buildings 1 through 12		
THE HANGAR GANG 7796 Nikau Drive • Longmont, Colorado 80503 (303) 652-2758		
Date: 6/3/93	Drawn by: KTG	Scale: 1" = 25 ft



ATTACHMENT 2

(Certificate of Insurance)



CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
07/24/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

PRODUCER National Hangar Insurance Program 1300 S. Main Street Tulsa, OK 74119	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED Red Willow Aviation, Inc P.O. Box 444, Airport Road McCook, NE 69001	E-MAIL ADDRESS:	
	PRODUCER CUSTOMER ID:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Travelers Indemnity Company (IND)	
	INSURER B:	
	INSURER C:	
INSURER D:		
INSURER E:		
INSURER F:		
NAIC #		

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

(1/1) Fort Collins-Loveland Municipal Airport, 5247 Northrop Street, Loveland, CO 80538

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
	<input checked="" type="checkbox"/> PROPERTY	5660C641	09/26/2023	09/26/2024	<input checked="" type="checkbox"/> BUILDING	\$ 112,896
	CAUSES OF LOSS				<input type="checkbox"/> PERSONAL PROPERTY	\$
	<input type="checkbox"/> BASIC				<input type="checkbox"/> BUSINESS INCOME	\$
	<input type="checkbox"/> BROAD				<input type="checkbox"/> EXTRA EXPENSE	\$
	<input checked="" type="checkbox"/> SPECIAL				<input type="checkbox"/> RENTAL VALUE	\$
	<input type="checkbox"/> EARTHQUAKE				<input type="checkbox"/> BLANKET BUILDING	\$
	<input type="checkbox"/> WIND				<input type="checkbox"/> BLANKET PERS PROP	\$
	<input type="checkbox"/> FLOOD				<input type="checkbox"/> BLANKET BLDG & PP	\$
						\$
						\$
	<input type="checkbox"/> INLAND MARINE	TYPE OF POLICY				\$
	CAUSES OF LOSS					\$
	<input type="checkbox"/> NAMED PERILS	POLICY NUMBER				\$
						\$
	<input type="checkbox"/> CRIME					\$
	TYPE OF POLICY					\$
						\$
	<input type="checkbox"/> BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
						\$
						\$
						\$

SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, If more space is required)

RE: Additional Insured, DX T3 71 11 12.

Certificate Holder is added as LP as evidence by the form listed above.

CERTIFICATE HOLDER Cities of Fort Collins & Loveland 4900 Earhart Road Loveland, CO 80534 Additional Insured	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Hal Hunt</i>
-------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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Named Insured:

Red Willow Aviation Spraying, Inc.
308 Airport Rd, Po Box 444
Mccook, NE 69001-9747

is at this date insured with National Union Fire Ins. Co. of Pittsburgh, PA through AIG Aerospace Insurance Services Inc for the Limits of Coverage stated below:

Policy Number(s):

AP 038257816-05

Effective Dates:

03/10/2023 thru 03/10/2024

With respect only to:

AIRPORT LIABILITY:

COVERAGE	LIMIT	DEDUCTIBLES
General Liability	\$1,000,000 Per Occurrence	

Certificate Holder:

City of Fort Collins City of Loveland
4900 Earhart Rd
Loveland, CO 80538

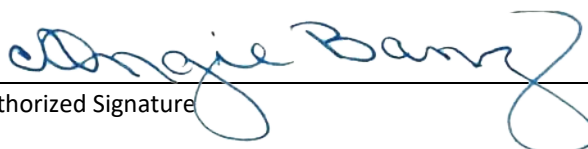
This certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage and/or limits afforded by the policies listed herein. Notwithstanding any requirement, term or condition of any contract or other document, with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all terms, exclusions and conditions of such policies.

In the event of cancellation of any policy described above, the insurer will attempt to mail 30 days written notice to the certificate holder prior to the effective date of cancellation. However, failure to do so will not impose duty or liability upon the insurer, its agents or representatives, nor will it delay cancellation.

Issued by:

AssuredPartners Aerospace
9860 E 21 N
Wichita, KS 67212

Date Issued: November 20, 2023


Authorized Signature



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: January 18, 2024

prepared by: Aaron Ehle – Airport Planning & Development Specialist

TITLE

Terminal Water Tap Fee and Water/Sewer Easements

RECOMMENDED AIRPORT COMMISSION ACTION

Make a motion to recommend approval of the \$586,088 water tap fee by the Loveland City Council.

Make a motion to recommend that both City Councils approve the water and sewer easements that are required for the new terminal project.

BUDGET IMPACT

Negative, the cost of the water tap is \$586,088. This expense has been budgeted for as part of the terminal project.

SUMMARY

Water Tap Fee:

The water tap fee for the airport terminal is \$586,088. City of Loveland procurement regulations (AR-00001) require expenditures over \$500,000 to be approved by the City Council.

The tap is not required until later this year but if the Airport is able to pay the fee by January 25, we will qualify for the 2023 tap fee rates. The tap fee will go up to \$616,088 under the 2024 rates – an increase of \$30,000.

Water/Sewer Easements:

In 2015, the Cities entered into an intergovernmental agreement (“IGA”) that formed the Northern Colorado Regional Airport Commission, which delegated certain powers and authority to operate and maintain the Airport. However, only the Cities Councils have the authority to grant easements as permanent property rights at the Airport.

Fort Collins-Loveland Water District and South Fort Collins will require updated easements for the water and sewer service associated with the terminal.

ATTACHMENTS

Fort Collins-Loveland Water District Memorandum of Agreement for Purchase of Water
Tap

Terminal Water and Sewer Easement Exhibit

**FORT COLLINS-LOVELAND WATER DISTRICT
MEMORANDUM OF AGREEMENT FOR PURCHASE OF WATER TAP**

THIS AGREEMENT is made and entered into between the FORT COLLINS-LOVELAND WATER DISTRICT (hereinafter “District”) by its Board of Directors through its designated manager, and **Northern Colorado Regional Airport** (hereinafter “Purchaser”).

IN CONSIDERATION OF THE COVENANTS, PROMISES, TERMS AND CONDITIONS HEREINAFTER STATED, THE PARTIES AGREE AS FOLLOWS:

- 1. Purchaser agrees to purchase and pay for one water tap from District. Purchaser agrees to pay the sum of **\$586,088.00** for said tap, payable concurrently with the execution of this Agreement. Under no circumstances will any services be provided by the District until full payment is made, nor shall any of the tap fees paid be refunded to the Purchaser. This tap cannot be transferred from one lot to another, unless the transfer is made within the same District-approved subdivision for which it was originally purchased.
- 2. Purchaser agrees to pay all real property tax levies, assessments and service charges as may be established and modified by the District from time to time. In the event the purchaser fails to pay such levies, assessments and charges upon demand, the District shall then immediately terminate service, assess penalties, and assert its lien rights and any other remedies available to it pursuant to its Rules and Regulations and to the laws of the State of Colorado.
- 3. In the event that the above described real property is conveyed or transferred to an individual or entity by the Customer, such water tap shall be deemed transferred with the real property whether such conveyance or transfer is the result of a voluntary or involuntary transfer, including judicial order or decree, public trustee’s sale, sheriff’s sale, treasurer’s sale, or otherwise. Upon any such transfer of the real property, the District may recognize such transferee as the “owner of said water tap” without having first obtained an assignment of water tap executed by the Customer to the new owner. In no event may the Customer retain ownership of said tap upon the voluntary or involuntary transfer of the property.
- 4. The legal description for the real property for which this tap is being purchased is as follows: (Attach separate exhibit for description if necessary).

N/A - 25081 Barnstorm

Street Address: **4831 Earhart Road**

- 5. Purchaser agrees to execute and deliver such easement or Easement Agreements as are needed by the District for the purpose of constructing and maintaining water lines across any of the real property of the Purchaser. Such easements shall be at the sole expense of Purchaser, and such expenses shall include, but not be limited to, survey expenses, legal fees, and recording expenses.
- 6. Pursuant to the terms of this Agreement, Purchaser shall have the right to tap into the District’s line at a point designated by the District. Tapping procedures shall be in accordance with the District’s specifications, and shall be under the control and supervision of the District or its representative. The costs of tapping, including the connection, the tap and service line, and all other expenses thereof, shall be paid by Purchaser. Purchaser agrees to pay all expenses for any line extension (s) from the District’s main line to the connection of the premises of the Purchaser.
- 7. Purchaser agrees to pay to the District a monthly service charge for the use of the District’s treatment and distribution system. The District expressly reserves the right to increase or decrease the monthly rate assessed at any time upon reasonable notice to its users.
- 8. The District reserves the right, through its representatives, to inspect and approve all lines connecting Purchaser’s premises to the District’s system. The Purchaser shall comply with the District’s Rules and Regulations, as modified from time to time, and with District’s construction specifications before and after Purchaser’s connection to the District’s system. In the event the District incurs expenses for labor or materials for repair and maintenance of Purchaser’s line and connection with District’s water system, Purchaser shall be liable for payment for costs incurred by the District for such labor and/or materials, provided such repair and maintenance is required through no fault of the District.
- 9. The Purchaser hereby agrees to give District the first right of refusal to purchase any irrigation water on the property, at the current market price, and to execute all necessary documents to connection therewith, including documents for the transfer of any such irrigation water.

Signed this _____ day of _____ 20 _____

Purchaser:

FORT COLLINS-LOVELAND WATER DISTRICT

x _____

By: _____

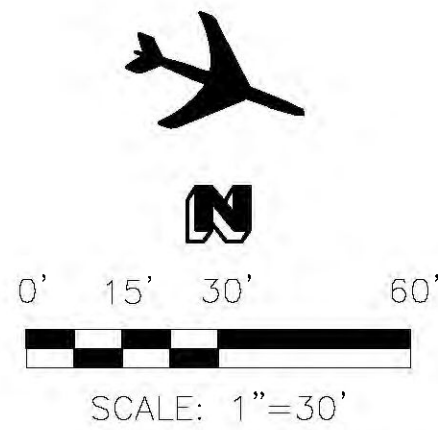
x **David Ruppel**

Controller **Amanda Proctor**

Mailing address:

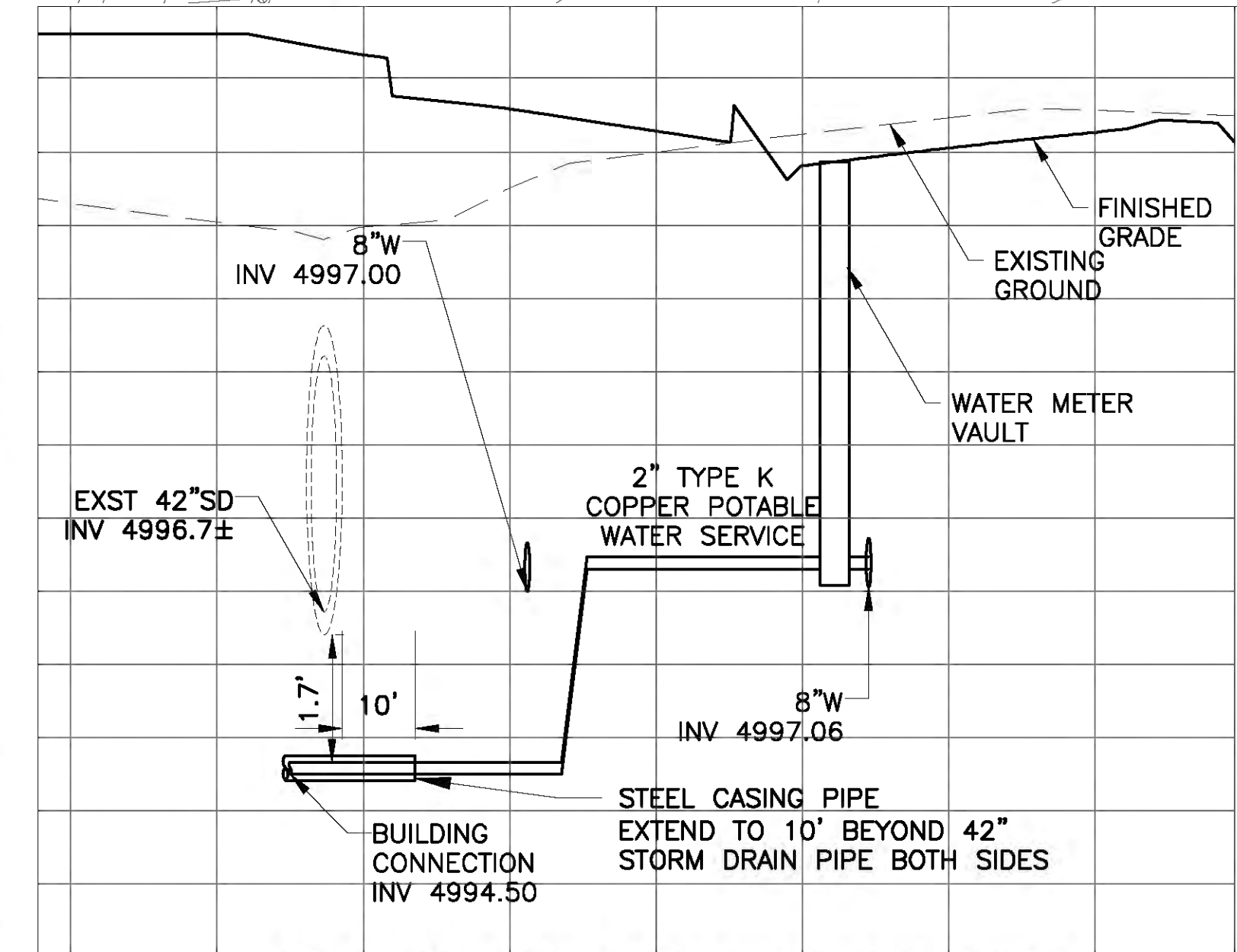
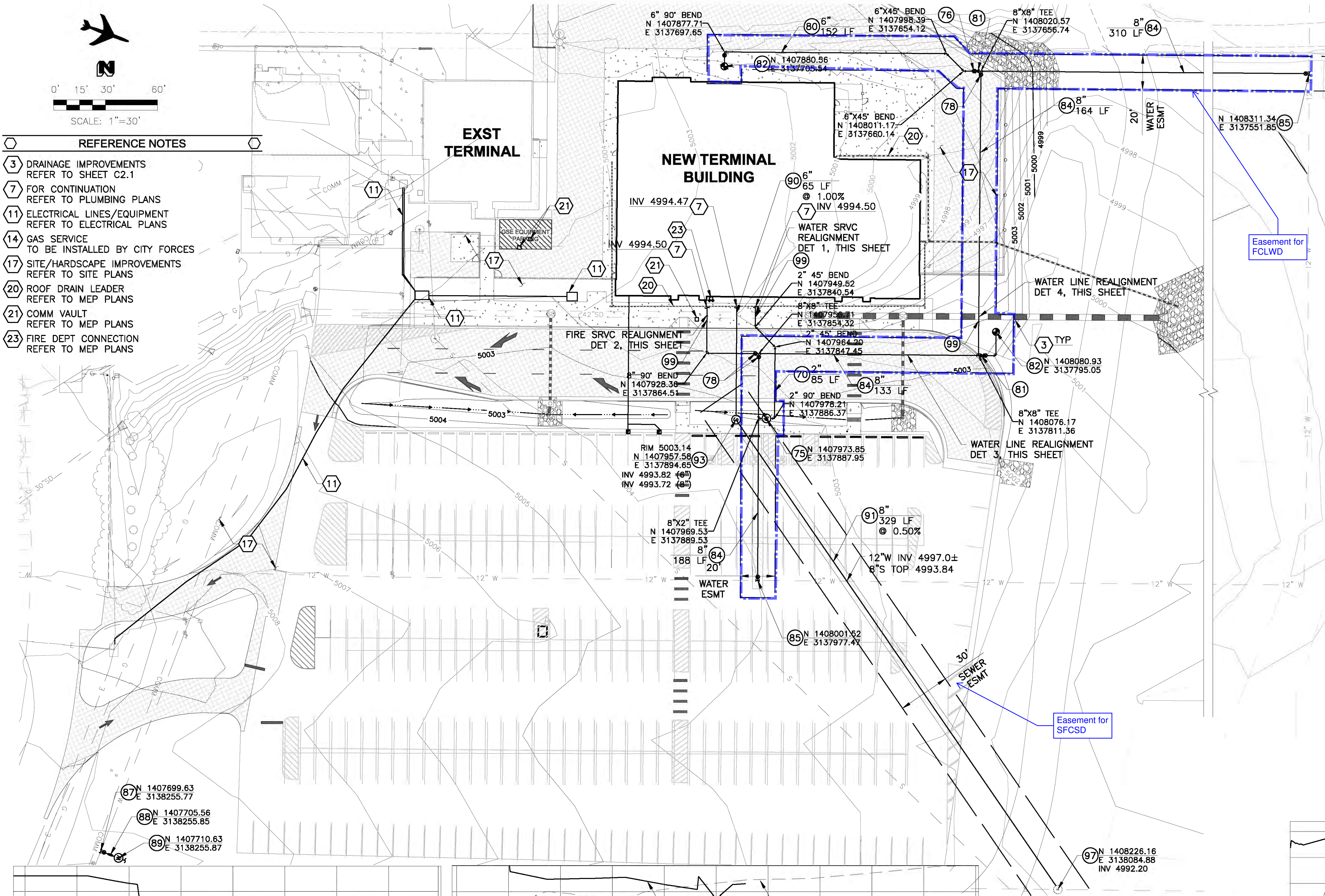
4900 Earhart Road
Loveland, CO 80538

Payment **\$586,088.00**

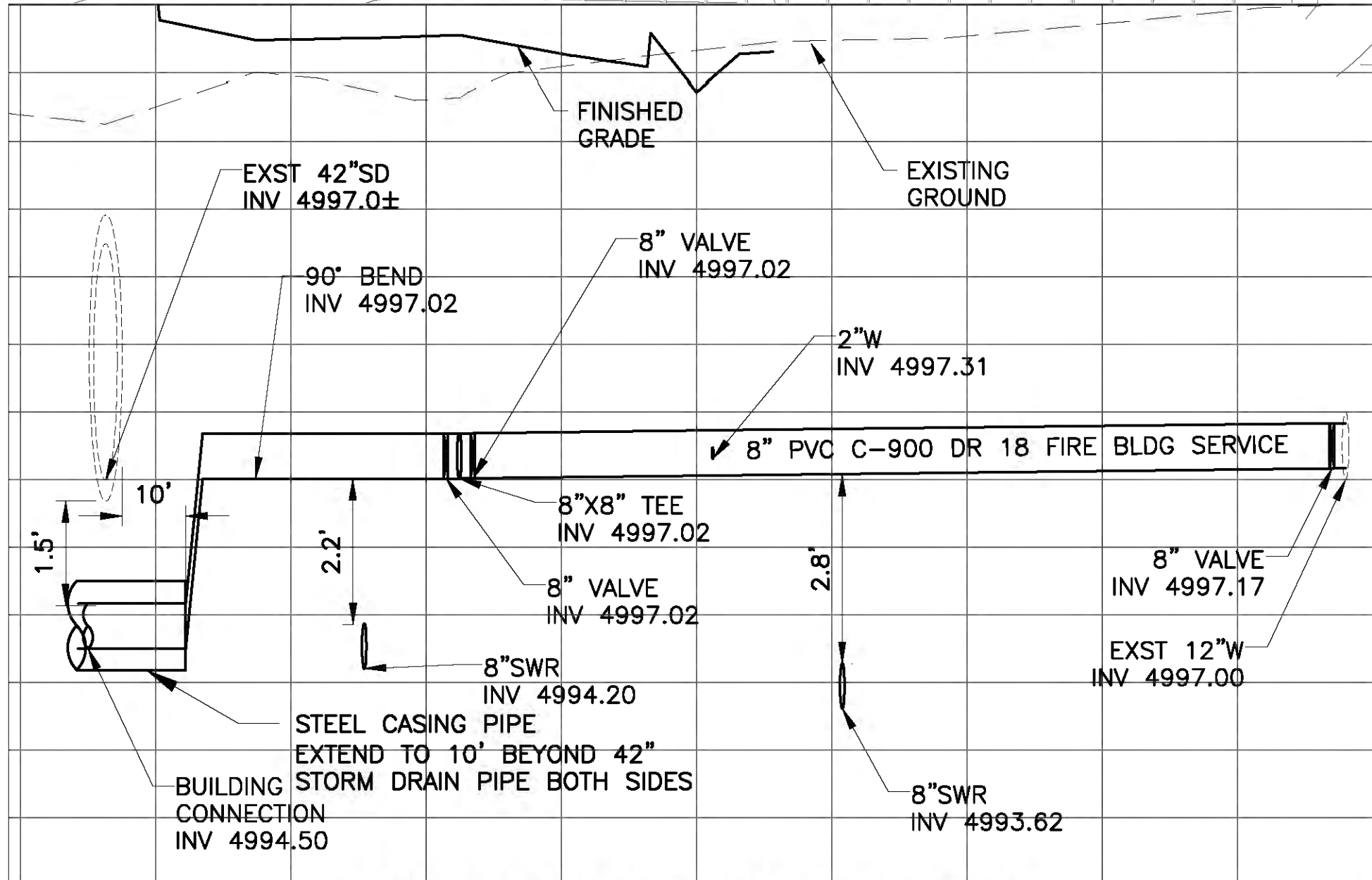


REFERENCE NOTES

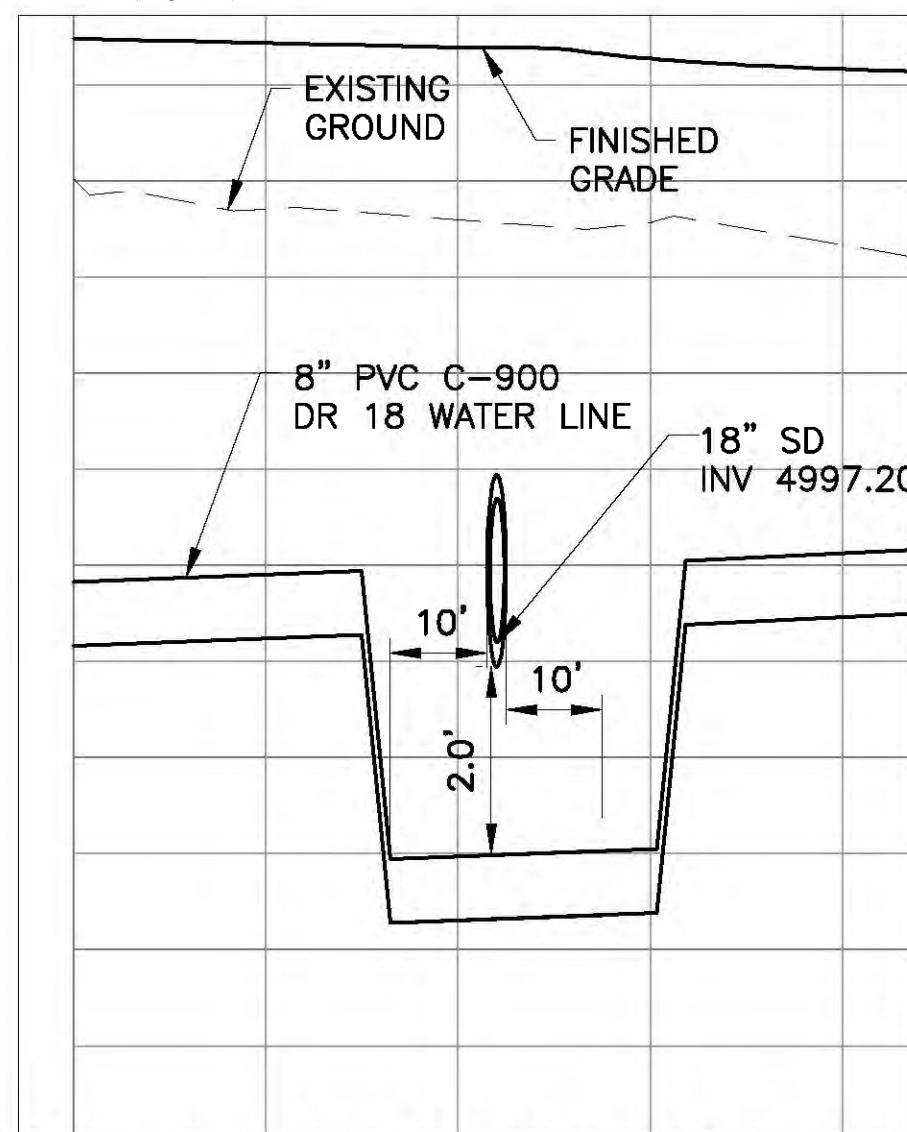
- 3 DRAINAGE IMPROVEMENTS
REFER TO SHEET C2.1
- 7 FOR CONTINUATION
REFER TO PLUMBING PLANS
- 11 ELECTRICAL LINES/EQUIPMENT
REFER TO ELECTRICAL PLANS
- 14 GAS SERVICE
TO BE INSTALLED BY CITY FORCES
- 17 SITE/HARDSCAPE IMPROVEMENTS
REFER TO SITE PLANS
- 20 ROOF DRAIN LEADER
REFER TO MEP PLANS
- 21 COMM VAULT
REFER TO MEP PLANS
- 23 FIRE DEPT CONNECTION
REFER TO MEP PLANS



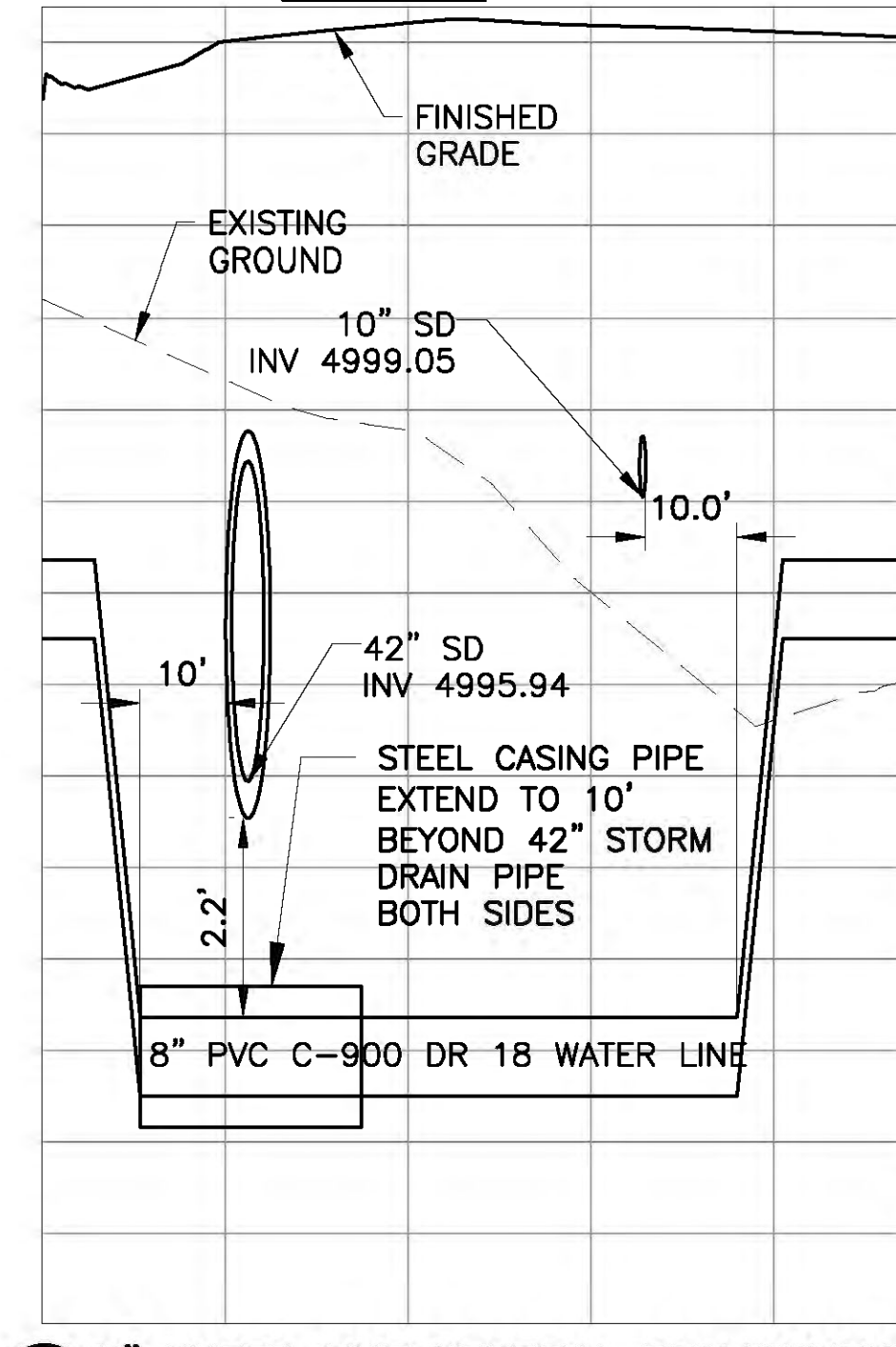
1 2" WATER SERVICE VERTICAL REALIGNMENT
1"=20' (H) 1"=2' (V)



2 8" FIRE SERVICE VERTICAL REALIGNMENT
1"=20' (H) 1"=2' (V)



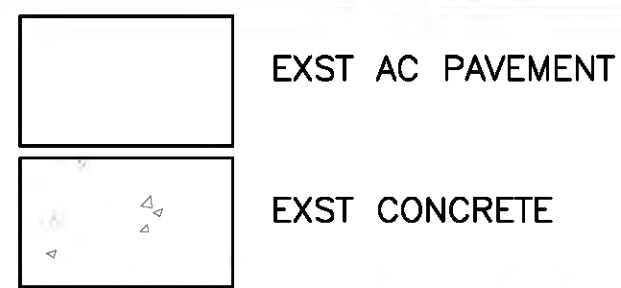
3 8" WATER LINE VERTICAL REALIGNMENT
1"=20' (H) 1"=2' (V)



4 8" WATER LINE VERTICAL REALIGNMENT
1"=20' (H) 1"=2' (V)

CONSTRUCTION NOTES		
70	2" POTABLE WATER LINE W/FITTINGS TYPE K COPPER TRENCH & BEDDING PER DET 5, SHT C6.6	85 LF
75	2" WATER METER & 48" DIA CONCRETE PRECAST MANHOLE VAULT FCLWD SPEC SECT 02646-1.5B DET 3, SHT C6.1	1 EA
76	6" GATE VALVE W/BOX & COVER FCLWD TYP GATE VALVE INSTALLATION, DET 2, SHT C6.1	1 EA
78	8" GATE VALVE W/BOX & COVER FCLWD TYP GATE VALVE INSTALLATION, DET 2, SHT C6.1	3 EA
80	6" WATER LINE W/FITTINGS & MECHANICAL JOINT RESTRAINTS PER FCLWD'S JOINT RESTRAINT CHART, PVC C-900, DR18 TRENCH & BEDDING PER DTL 5, SHT C6.6	152 LF
81	8"x6" REDUCER	NPI
82	FIRE HYDRANT ASSEMBLY FCLWD TYP FIRE HYDRANT INSTALLATION, DET 4, SHT C6.1	2 EA
84	8" WATER LINE W/FITTINGS & MECHANICAL JOINT RESTRAINTS PER FCLWD'S JOINT RESTRAINT CHART, PVC C-900, DR18 TRENCH & BEDDING PER DTL 5, SHT C6.6	796 LF
85	12"x8" TAPPING SLEEVE & VALVE FCLWD SPEC SECT 02641-2.3	2 EA
87	12"x1-1/2" TAPPING SLEEVE & VALVE FCLWD SPEC SECT 02641-2.3	1 EA
88	1-1/2" REDUCED PRESSURE BACKFLOW PREVENTER CITY OF LOVELAND SPEC SECT 4.4.10	1 EA
89	1-1/2" IRRIGATION METER & CONCRETE METER VAULT FCLWD TYP INSTALLATION FOR METERS, DET 4, SHT C6.8	1 EA
90	6" SEWER SERVICE LINE, PVC SDR 35 TRENCH & BEDDING PER DET 5, SHT C6.6	65 LF
91	8" SEWER LINE, PVC SDR 35 TRENCH & BEDDING PER DET 5, SHT C6.6	329 LF
93	CONCRETE SEWER MANHOLE SFCSD TYPICAL MANHOLE DET DET 1, SHT C6.3	1 EA
97	CONNECT NEW SEWER MAIN TO EXST MANHOLE VERIFY EXST MANHOLE INVERTS IN THE FIELD & PROVIDE MINIMUM 0.2' OF DROP	1 EA
99	STEEL CASING PIPE FCLWD SPEC SECT 02224 PART 2&3	74 LF

LEGEND



PROJECT NUMBER: 2019-129

NORTHERN
COLORADO
REGIONAL
AIRPORT NEW
TERMINAL

4825 EARHART RD,
LOVELAND, CO 80538

DIBBLE

VFLA
ARCHITECTURE + INTERIORS

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108 East Lincolnway, Cheyenne, WY 82001 | 307.636.6710
www.VFLA.com



IN ASSOCIATION WITH:

STRUCTURAL ENGINEER:
KL&A

MECHANICAL, PLUMBING AND ELECTRICAL
ENGINEERS:
SWANSON RINK

CIVIL ENGINEER:
DIBBLE

LANDSCAPE ARCHITECT & PLANNING:
RIPLEY DESIGN

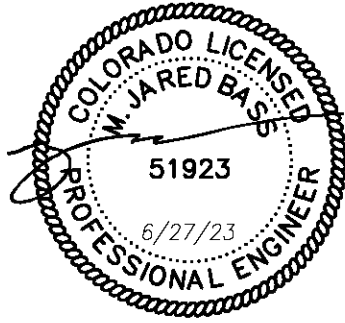
SUSTAINABILITY CONSULTANT:
MEAD & HUNT

ISSUE FOR PERMIT SET

SHEET ISSUANCES

DESCRIPTION	DATE
30% SCHEMATIC DESIGN	10-28-2022
60% DESIGN DEVELOPMENT	01-13-2023
ISSUE FOR PERMIT	05-04-2023

REAL:



UTILITY PLAN

DRAWING NUMBER:

C4.1

LEVEL 4 PACKAGE



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

ITEM NUMBER: 6

MEETING DATE: January 18, 2024

PREPARED BY: Dave Ruppel, Interim Airport Director

TITLE

Non-Binding Letter-of-Intent for Discussions Regarding Digital Tower System

RECOMMENDED AIRPORT COMMISSION ACTION

Approve the draft letter for the Chair's signature.

BUDGET IMPACT

Neutral

SUMMARY

Collins Aerospace, a subsidiary of [RTX Corporation](#) (formerly Raytheon Technologies), has partnered with Frequentis US, a company that provides solutions for air traffic management, airports, airlines, defense, public safety, maritime and public transport markets, to develop and license a Digital Tower system. Collins/Frequentis has been accepted by the FAA Next Gen Office as the sole vendor in the Digital Tower program. Collins/ Frequentis began their work at the FAA Tech Center in Atlantic City this month and expects to begin development work at FNL as soon as their system receives hardware approval in early summer of 2024. Collins/Frequentis has asked for this Non-binding Letter of Intent to allow them to enter into more formal discussions including a Rough Order of Magnitude estimate of system costs and an estimated schedule in support of establishing a Digital Tower system at FNL.

ATTACHMENT

Draft Non-Binding Letter-of-Intent



NORTHERN COLORADO REGIONAL
AIRPORT COMMISSION

4900 Earhart Road • Loveland, Colorado 80538
(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

January 18, 2024

Attention: Mr. Christopher Rogers
christopher.rogers@raytheon.com
Ms. Rachel Jackson
rachel.a.jackson@raytheon.com
Collins Aerospace

Subject: Non-Binding Letter-of-Intent for Discussions Regarding Digital Tower System

Dear Mr. Rogers and Ms. Jackson:

I would like to thank Collins for the recent site visit to the Northern Colorado Regional Airport (FNL) and for your attendance at the Airport Commission meeting to discuss various options for implementing a Digital Tower System solution at FNL.

We understand that the Collins/Frequentis team's Digital Tower System solution is capable of meeting the needs of an operational airport of FNL's complexity, with scheduled service, high-end general aviation traffic an existing Mobile Tower, and future growth needs. We understand that the Collins team is a service provider with National Airspace System (NAS) management, technical, certification, operational, and transition expertise.

We are also aware that the Collins team has expertise in all Air Traffic Control domains, including communication, navigation, surveillance, automation, weather, terminal, and en-route operational knowledge and will bring the same skill and expertise that has successfully completed numerous terminal and en-route radars, safety-of-life navigation systems, voice switches, weather systems, and over 900 terminal automation sites and will be able to bring FNL's Digital Tower system through to operational viability in an efficient and effective manner.

We understand that there will be no cost to FNL until the system achieves operational viability and subsequent to that achievement will be provided as an FAA acceptable alternative to the traditional tower systems. We would like to enter into more formal discussions with the Collins/Frequentis team to discuss a Rough Order of Magnitude estimate of system costs and an estimated schedule in support of establishing a Digital Tower system at FNL.

Please don't hesitate to contact me at (970)962-2852 with any questions. We look forward to your response.

Sincerely,

Jeni Arndt
Northern Colorado Regional Airport Commission
Chair

CC: Ms. Rachel Jackson
Ms. Mariya Kan



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

ITEM NUMBER: 7

MEETING DATE: January 18, 2024

PREPARED BY: Kate Morgan, Airport Executive Assistant

TITLE

Strategic Planning Meeting Coordination

RECOMMENDED AIRPORT COMMISSION ACTION

Motion to schedule a work session to review 2024 Strategic Plan.

BUDGET IMPACT

Neutral

SUMMARY

During the December 2023 meeting, the Airport Commission directed staff to begin coordinating a half-day work session to develop the 2024 Strategic Plan. Strategic plans are a critical tool for policy makers to update and adopt on a regular basis. Setting aside time to develop this plan will help determine the goals and priorities of the Airport Commission and the Planning and Development Subcommittee for 2024 onward. The Commission Chair and Vice Chair will collaborate with staff to develop an agenda for the work session. City of Fort Collins and City of Loveland Council meetings, staff schedules, and holidays were taken into consideration when determining possible dates.

Possible meeting dates include:

Thursday, January 25, 2024

Friday, January 26, 2024

Monday, January 29, 2024

Thursday, February 1, 2024

Friday, February 2, 2024

Monday, February 5, 2024

Thursday, February 8, 2024

Monday, February 12, 2024

Thursday, February 15, 2024 prior to regular meeting

HISTORY

The Airport Commission has held annual work sessions in the past to create a Strategic Work Plan. Past meetings were typically held during normal business hours and lasted approximately three hours.

ATTACHMENT

None



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

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

ITEM NUMBER: 8

MEETING DATE: January 18, 2024

PREPARED BY: Francis Robbins, Operations & Maintenance Manager

TITLE

Airport Commission Meeting Remote Participation

RECOMMENDED AIRPORT COMMISSION ACTION

A motion to adopt the remote participation option desired for Public, Presenters, and Commissioners.

BUDGET IMPACT

Neutral – The remote participation options indicated have no direct additional costs to implement.

SUMMARY

In the November Commission meeting Airport staff were directed to investigate remote participation capabilities for Airport Commission meetings. Staff have evaluated several options including those leveraged by other commissions, advisory boards, and councils. The Cities of Fort Collins and Loveland both value transparency and public participation. Based on all information gathered and existing capabilities, Staff present the three below options as able to be implemented as soon as the next commission meeting.

- In-person participation only - As currently
- Teleconference participation on the Zoom platform - Audio only
- Webinar-style participation on the Zoom platform – Audio and Presentation Slides

HISTORY

In 2020, Airport Commission meetings were held 100% virtual when large gatherings were avoided for health and safety concerns. Initially, a conference call system for the City of Loveland was used. However, this was set aside due to limitations and the Zoom platform was obtained for May 21, 2020. The Zoom platform was utilized up to and including the January 21, 2021 meeting. Since that time, all public participation was accommodated in person only.

After direction from the Airport Commission in November 2023, Staff reviewed existing capabilities of the Airport, the conference room facility used for commission meetings, investigated participation of other public meetings in both cities, and evaluated which options were sustainable to implement. The following 3 options have been identified as possible to implement by the next Commission meeting:

- In person participation is possible to continue regardless of access to remote participation.
- Teleconference participation has been used in the past for presenter and commissioner participation. Existing telephone infrastructure is insufficient to host a Commission Meeting with the number of attendees that typically at commission meetings. The Zoom platform is capable of hosting large meetings, allows participants to join via a phone, computer, or mobile device. It also provides a large level of capabilities for the host entity. The airport already has a Zoom account capable of hosting these meetings and the conference room phone will be utilized for in person audio.
- Webinar participation is possible on the zoom platform sharing visual materials in the conference room and virtual participants. It allows for many participants via computer and mobile device and still allows teleconference participation via phone call in number. All host capabilities are still available in the webinar mode. The airport already has a Zoom account capable of hosting these meetings and the conference room phone will be utilized for in-person audio.

ATTACHMENT

None



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ITEM NUMBER: 9

MEETING DATE: January 18, 2023

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

Planning & Development Subcommittee (PDSC) Membership and Charter Update

RECOMMENDED AIRPORT COMMISSION ACTION

Make a motion to adopt the updated charter as presented.

Make a motion to appoint Rick Turley as the FNL Pilot Association's PDSC representative.

Make a motion to appoint an Airport Commission liaison to the PDSC

BUDGET IMPACT

Neutral

SUMMARY

According to the Northern Colorado Regional Airport Commission bylaws:

The Commission may establish both subcommittees comprised of Commission members and work groups comprised of individuals who are not Commission members to provide research assistance or recommendations to the Commission; provided that any work group established by the Commission shall have a Commission member assigned as a liaison. Subcommittees and work groups established by the Commission shall be subject to the Colorado Open Meetings Law, C.R.S. §24-6-402.

The Planning & Development Subcommittee (PDSC), which is technically a work group according to the bylaws, serves in an advisory role to the Airport Commission. The group currently consists of Airport staff members, City staff members, and citizen members.

At the July and August Airport Commission Meetings, changes to the PDSC charter were discussed. Based on feedback from those meetings and recommendations from the PDSC, the charter has been updated.

The updated charter proposes two liaisons to the PDSC – an Airport Commission member and an Airport staff member. Since Tom Fleming was replaced on the Airport Commission in August of 2023, the PDSC has been without a Commission liaison.

James Hays, a citizen member and former president of the FNL Pilots Association submitted his resignation from the PDSC on in September. The current president of the Pilots Association, Bill Snodgrass, has requested that Rick Turley be appointed to the PDSC.

ATTACHMENT

Updated PDSC Charter

Northern Colorado Regional Airport Commission Planning and Development Subcommittee Charter

Amended 1/18/2024

I. Purpose

The Planning and Development Subcommittee (“PDSC”) was formed by the Northern Colorado Regional Airport Commission (“Airport Commission”) pursuant to Section 12 of the Commission Bylaws to facilitate strategic planning for the Airport and its immediate surroundings. It pursues 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)
- Representative from the City of Loveland Economic Development Department
- Representative from the City of Fort Collins Department of Economic Health
- Representative from the City of Loveland Current Planning Division

Citizen Members

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

The Airport will select an Airport staff member to participate as staff liaison to the PDSC. The Airport Commission will assign an Airport Commission liaison to the PDSC. 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 work groups from time to time to address related topics. If directly related to the purpose of the PDSC, then the PDSC may form the work group 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.



NORTHERN COLORADO REGIONAL AIRPORT

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ITEM NUMBER: 10

MEETING DATE: January 18, 2023

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

Scott Schorling, Loveland Business Development Project Manager

TITLE

Airport Land Use & Leasing Policy Strategy

RECOMMENDED AIRPORT COMMISSION ACTION

Provide feedback to staff on recommended strategy

BUDGET IMPACT

Unknown

SUMMARY

Northern Colorado Regional Airport has recently seen significant hangar development. This has led to a shortage of shovel-ready property for new development. There is considerable demand for additional aeronautical development, but funding for new infrastructure to support private development is limited. As competing interests have emerged, shortcomings in the existing development review process have been identified. The Airport Commission has tasked staff with identifying ways to improve the Airport's land use strategy and leasing policy to address these challenges.

Airport and City staff have created a presentation to share information about existing plans and policies, issues that need to be addressed, and recommendations for marketing Airport property and enhancing the development review process.

Links to existing guiding documents related to development can be accessed at:

<https://www.flynoco.com/airport-development/>

ATTACHMENTS

Airport Land Use & Leasing Policy Presentation

FNL Development Guide

Airport Land Use & Leasing Policy Strategy



FNL Airport Commission
January 18, 2024



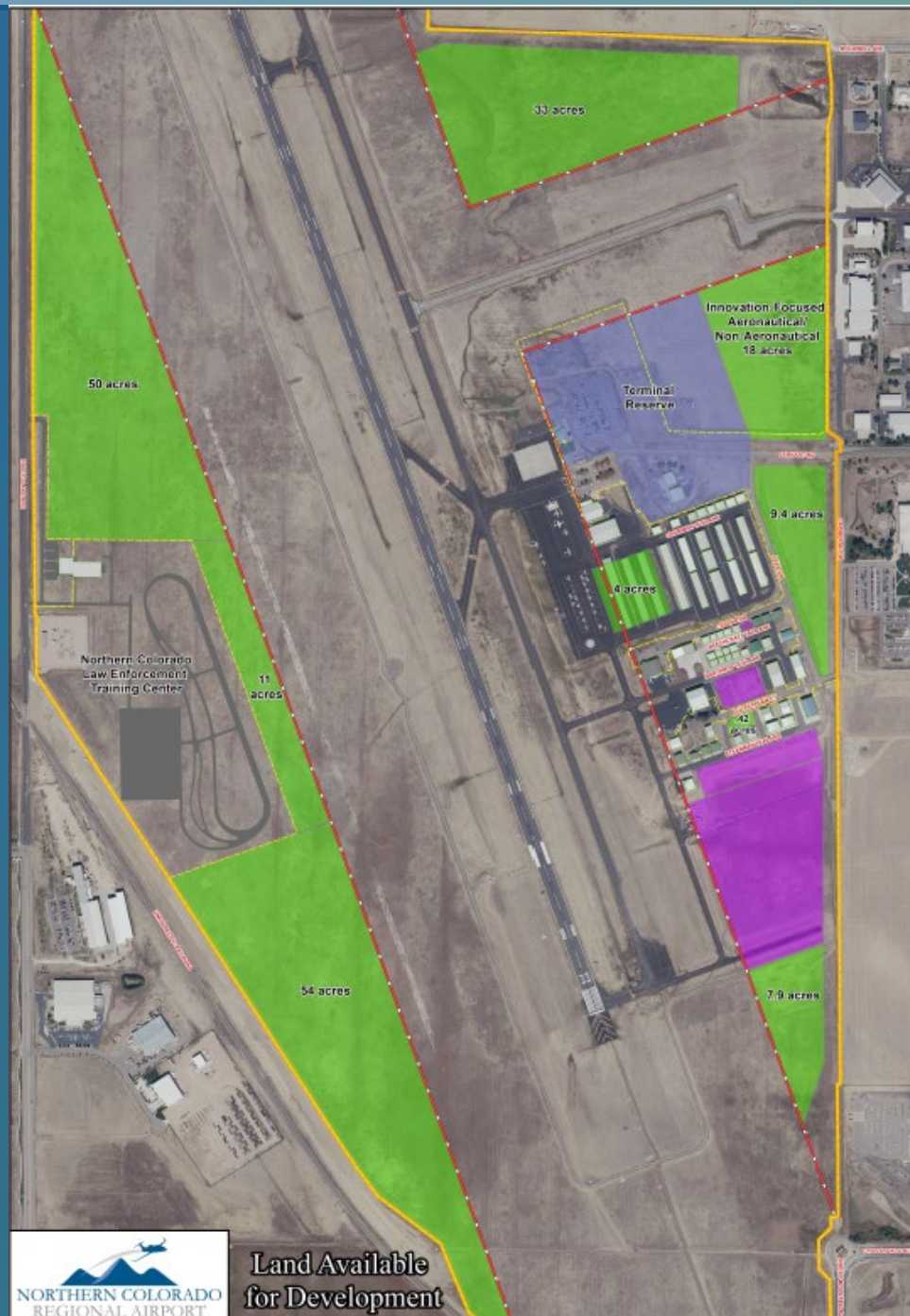
Agenda

- Overview
- Guiding Documents
- Current Leasing Process
- Assessment and Recommendations
- Next Steps
- Questions and Feedback

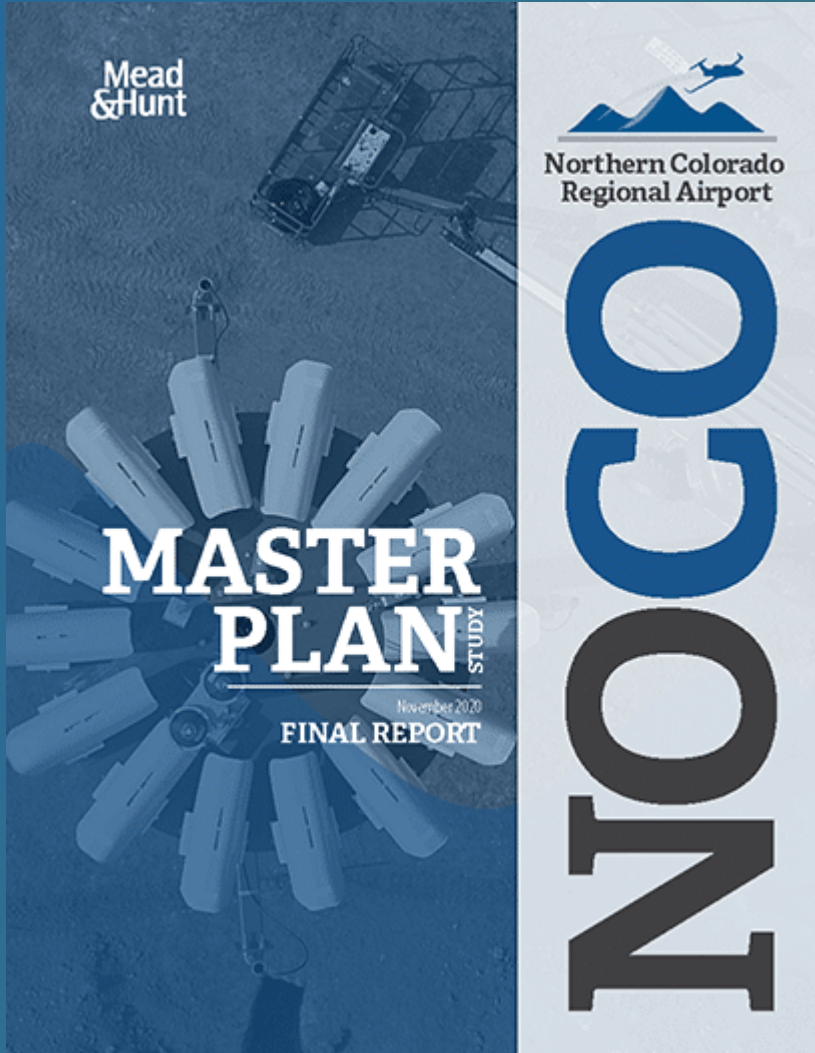


Overview

- Approximately 180 Acres of developable land
- Little to no “shovel ready” property
- Primary financing mechanism for Airport infrastructure is FAA grants
 - These funds cannot be used for private development.
- Must balance public and private development interests
- Need to efficiently and equitably address inquiries and development proposals
 - Eliminate ambiguity on development process and bring fully vetted and intentional development proposals forward for consideration



Guiding Documents – Airport Master Plan



- Adopted in 2020
- 2-year planning process in excess of \$500k
- Comprehensive, long-range study of every physical aspect of the Airport
- Roadmap for orderly development of future Airport facilities
- Elements
 - Inventory of Existing Conditions
 - Aviation Activity Forecasts
 - Future Land Use Demand and Planning Considerations
 - Utilities/Environment
 - Conceptual Development Plan
 - Development Program and Needs Assessment
 - Financial Analysis



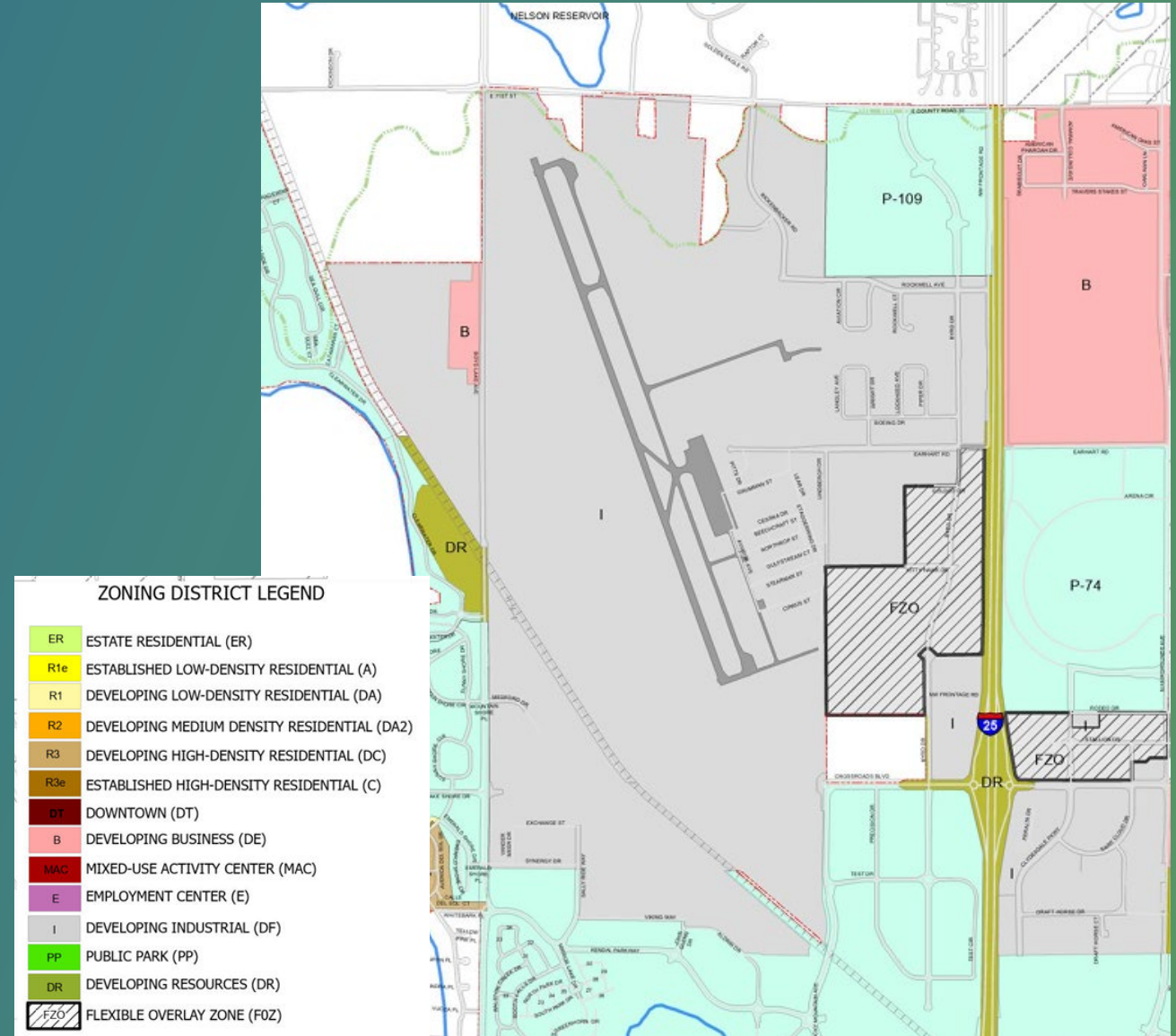
Other Existing Plans and Policies

Airport

- Design Standards
 - Adopted by the Airport Commission in 2020
- FAA rules and regulations
- Airport rules and regulations
- Strategic Plan
- Minimum Standards

City of Loveland

- Zoning and Land Use Policy
 - Entire Airport is in “Developing Industrial” zone, which allows for a wide variety of land uses
- Building and Fire Code
- Airport Influence Area



Current Development Review Process

Northern Colorado Regional Airport Development Guide

Updated 10/5/2020



The following outline provides a general guide of the Airport development process:

#	Item Description	Responsibility	Action
1 <input type="checkbox"/>	Discuss concept with Airport staff	Airport/Applicant	Identify potential locations, building size and use(s), type of aircraft to be housed, major utilities required, and special requirements such as parking, access, etc.
2 <input type="checkbox"/>	Provide potential locations with building diagrams	Airport	Airport staff will work with developer on site location diagrams in accordance with the applicant's needs. 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 <input type="checkbox"/>	Identify preferred building location	Applicant	Identify the most suitable location for the development
4 <input type="checkbox"/>	Develop project proposal	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.
5 <input type="checkbox"/>	Airport staff review	Applicant/Airport	Present project proposal details to Airport staff for feedback.
6 <input type="checkbox"/>	Enter into an optional intent to lease agreement	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 three months to allow applicant to progress through steps 7-14. Deposit will be applied toward the land lease or the cost of the survey if land is not leased.
7 <input type="checkbox"/>	Schedule building consultation (simple projects) or concept review (complex projects) with City of Loveland	Applicant/Airport	Airport will work with applicant to provide information to City of Loveland staff and schedule a meeting to discuss project details. These meetings are not required but highly recommended to avoid potential pitfalls.
8 <input type="checkbox"/>	Attend building consultation or concept review meeting	Applicant/Airport/ Loveland Development Review Team	Receive input from City of Loveland staff regarding permit preparation. Obtain information on building/fire code requirements, utilities, transportation, stormwater, etc. Determine if architect and/or site plan review will be required.
9 <input type="checkbox"/>	Prepare project proposal for PDSC review	Applicant	Incorporate feedback from City/Airport staff to refine project proposal. (See Note A for submittal requirements)
10 <input type="checkbox"/>	Planning & Development Subcommittee (PDSC) Review	Applicant/Airport/ PDSC	Present project proposal details to the PDSC for feedback and potential recommendation to the Airport Commission.
11 <input type="checkbox"/>	Perform utility locate	Applicant	Applicant will schedule utility locate; Airport will provide necessary support for access to site.
12 <input type="checkbox"/>	Perform basic site survey	Airport	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).
13 <input type="checkbox"/>	Finalize project details and prepare for Airport Commission review	Applicant	Incorporate feedback from PDSC to finalize project proposal. (See Note A for submittal requirements)
14 <input type="checkbox"/>	Sign land lease	Applicant/Airport	The applicant will sign a land lease with the Airport based on the area defined by the site survey.
15 <input type="checkbox"/>	Airport Commission review and lease execution	Applicant/Airport/ Airport Commission	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.

- Website advertises all available land for development
- Airport staff uses a 20-step development guide which outlines the process for review and recommendation of development proposals to the Airport Commission.
 - Provides developers with transparency and information on 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

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 - \$0.353 per square foot
 - No or limited access to utilities, taxiways, roads, etc.
- Improved Property - \$0.501 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

Assessment – Current Lease/Development Strategy

- FNL has over 180+ acres of developable land suitable for a mix of aviation and business interests.
- Historically, private development projects at the Airport have occurred through unsolicited proposals to airport staff.
 - Staff does not actively market sites for lease
- As development-friendly, high exposure sites become scarce, competitive interests have emerged.
- A clear policy and improved leasing 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.
 - Presents challenges for staff to balance ongoing concerns with new negotiations
- Currently there are limited funds to deliver new shovel-ready sites for private investment

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.



Air Service Development Manager, Director of Aviation, Advertising Specialist, Senior Airport Properties Specialist, RFP/ Bidnet process



Business Support Specialist, Airport Planning Office, 53-page Aviation and Non-aviation Development guide.

Recommended Airport Land Use & Lease Strategy

- Contract with an aviation real estate specialist to exclusively market opportunities in a public campaign for a reasonable period (ie. 3 years, subject to annual renewal).
- Real Estate Advisor Scope of Services to include:
 - Real estate marketing and advisory services
 - Recommendations to PDSC and Commission on amendments to plans & policies (land-use, lease terms, incentives)
 - Create an Airport Development and Leasing Website and document portal to increase exposure of the Airport to current stakeholders and future partners.
 - Handle inquiries, initial vetting and recommendations, manage the transaction process.
 - Publicly promote opportunities to local, national, and international contact lists
 - Coordinate with commercial air service development consultant on strategy/branding.
 - 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.

Ancillary Benefits

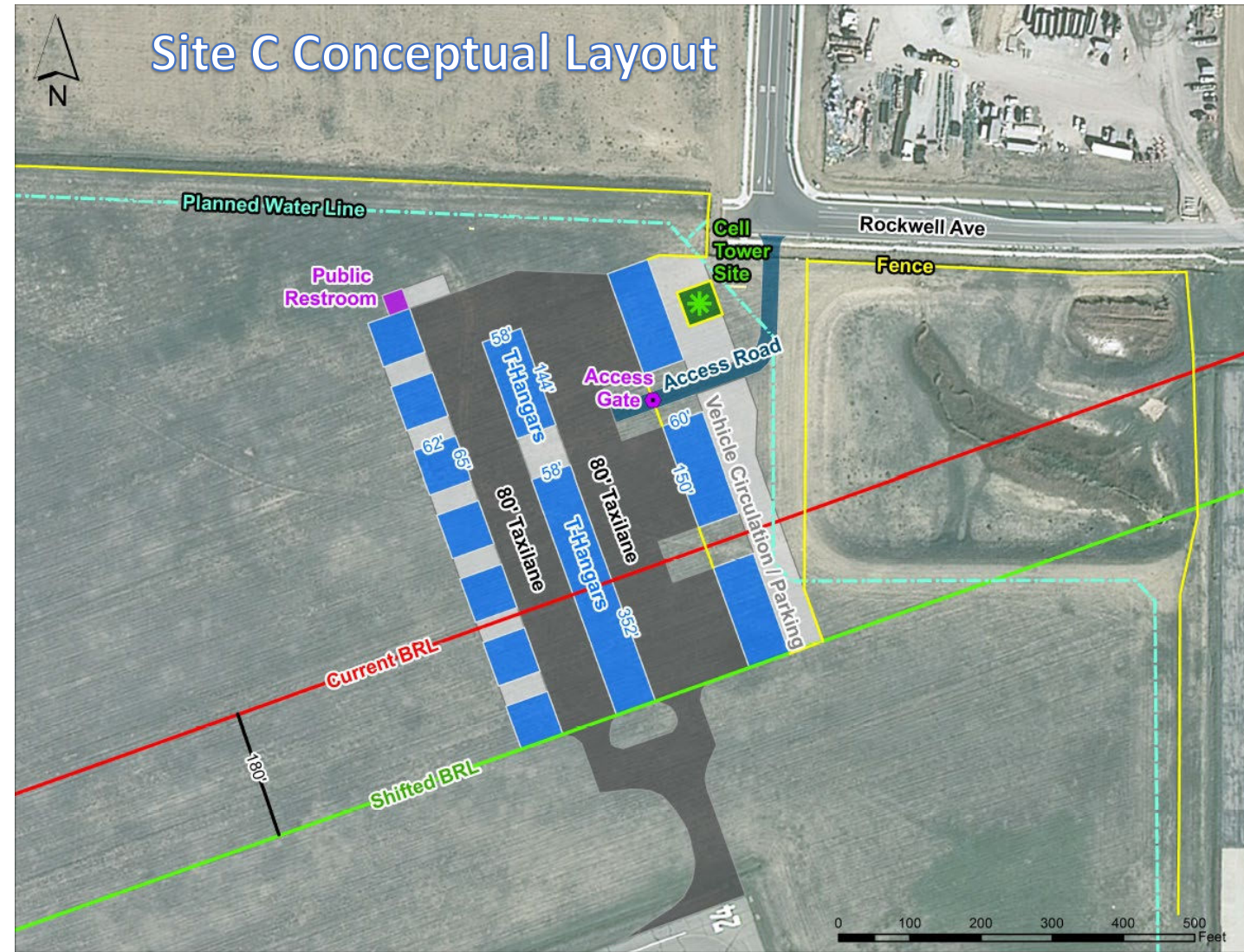
- Replaces passive/reactive strategy with a targeted proactive strategy
- Cross marketing of new terminal and services to the aviation and business marketplace
- Low up-front costs / Compensation through the deal (ie. traditional commission).
- Fills a gap in resources (Staff time/\$) to market and create better branding for the airport
- Brings expertise and additional credibility to the leasing process
- Provides a buffer between potential bidders, current stakeholders, and staff
- Does not change the hierarchy of the approval process Broker → PDSC → Commission → City Councils
 - Can adapt to governance study recommendation, as necessary.

Airport Real Estate Service Providers



Next Steps

- Commission feedback on Leasing Strategy
- Formalize RFP Criteria
 - Real Estate Advisor Scope of Services
 - Compensation
 - Use Site "C" as the initial RFP marketing site/priority project for respondents
- Conduct RFP Process and Select Broker
- Develop infrastructure plan and marketing strategy with priority project for replacement general aviation hangars.



QUESTIONS and FEEDBACK?





NORTHERN COLORADO REGIONAL AIRPORT

The following outline provides a general guide of the Airport development process:

#	Item Description	Responsibility	Action
1 <input type="checkbox"/>	Discuss concept with Airport staff	Airport/Applicant	Identify potential locations, building size and use(s), type of aircraft to be housed, major utilities required, and special requirements such as parking, access, etc.
2 <input type="checkbox"/>	Provide potential locations with building diagrams	Airport	Airport staff will work with developer on site location diagrams in accordance with the applicant's needs. 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 <input type="checkbox"/>	Identify preferred building location	Applicant	Identify the most suitable location for the development
4 <input type="checkbox"/>	Develop project proposal	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.
5 <input type="checkbox"/>	Airport staff review	Applicant/Airport	Present project proposal details to Airport staff for feedback.
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7 <input type="checkbox"/>	Schedule building consultation (simple projects) or concept review (complex projects) with City of Loveland	Applicant/Airport	Airport will work with applicant to provide information to City of Loveland staff and schedule a meeting to discuss project details. These meetings are not required but highly recommended to avoid potential pitfalls.
8 <input type="checkbox"/>	Attend building consultation or concept review meeting	Applicant/Airport/ Loveland Development Review Team	Receive input from City of Loveland staff regarding permit preparation. Obtain information on building/fire code requirements, utilities, transportation, stormwater, etc. Determine if architect and/or site plan review will be required.
9 <input type="checkbox"/>	Prepare project proposal for PDSC review	Applicant	Incorporate feedback from City/Airport staff to refine project proposal. (See Note A for submittal requirements)
10 <input type="checkbox"/>	Planning & Development Subcommittee (PDSC) Review	Applicant/Airport/ PDSC	Present project proposal details to the PDSC for feedback and potential recommendation to the Airport Commission.
11 <input type="checkbox"/>	Perform utility locate	Applicant	Applicant will schedule utility locate; Airport will provide necessary support for access to site.
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13 <input type="checkbox"/>	Finalize project details and prepare for Airport Commission review	Applicant	Incorporate feedback from PDSC to finalize project proposal. (See Note A for submittal requirements)
14 <input type="checkbox"/>	Sign land lease	Applicant/Airport	The applicant will sign a land lease with the Airport based on the area defined by the site survey.
15 <input type="checkbox"/>	Airport Commission review and lease execution	Applicant/Airport/ Airport Commission	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.

Northern Colorado Regional Airport Development Guide

Updated 10/5/2020

16a <input type="checkbox"/>	If no site development plan (SDP) review required	Applicant	Proceed to 16 - Building permit (Typically only required for projects with multiple buildings, multiple uses, or large buildings.)
16b <input type="checkbox"/>	If site development plan (SDP) review required	Applicant	Prepare site plan in accordance with City's site plan review process
17 <input type="checkbox"/>	Building permit	Applicant	Applicant will prepare building permit submittal in accordance with City of Loveland Permit requirements. Airport may provide limited support as necessary.
18 <input type="checkbox"/>	Pre-construction meeting with Airport Staff	Applicant/Airport	Applicant and/or contractors must obtain Airport access badge(s). Site access and security plan must be approved by the Airport Security Coordinator. Discuss project schedule, temporary fencing, erosion control, impact to Airport operations, etc., with staff.
19 <input type="checkbox"/>	Begin Construction	Applicant	Basic site work, including excavation, may be performed with the consent of the Airport in advance of building permit issuance.
20 <input type="checkbox"/>	Airport Inspection and Approval	Airport	Airport Staff will inspect the project site and all improvements to confirm compliance with Airport Design Standards. Airport approval is required prior to certificate of occupancy from the City.
Steps		Estimated Minimum Time Required	
1 – 6		4 Weeks	
7 – 15		6 Weeks	
16 (Large projects only)		6 Weeks	
17-19		4-6 Weeks (assumes no major revisions)	
Total Time to Building Permit Issuance		14-16 Weeks (typical projects) 22+ Weeks (large projects)	

Note A: Submittal requirements for PDSC and Airport Commission Review (must be provided at least two weeks before meeting)

Site Plan: Site plan drawn to scale showing existing and planned final contour grades, the location of all improvements, including structures, aprons, taxilanes, walks, patios, driveways, parking, fences and walls, utilities, and the location of all improvements that may occur in future phases. All site data and dimensions shall be included.

Elevations: Colored exterior elevations drawn to scale illustrating all sides of planned structure(s). Building heights to the highest point shall be included. Elevations shall include building mounted signage and descriptions of all materials to be used, including colors, textures, and shapes.

Landscape Plan: Landscape plan drawn to scale showing the size, type, location, and spacing of all plants and other materials, elevation changes, and irrigation systems for all unpaved areas within the leased area.

Project Narrative: A written description of the uses and activities associated with the planned facilities, including number and type of aircraft, frequency of aircraft operations, and business activities.



NORTHERN COLORADO REGIONAL AIRPORT

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ITEM NUMBER: 11

MEETING DATE: January 18, 2024

PREPARED BY: Laurie Wilson, Senior Assistant City Attorney

TITLE

Commission Roles and Responsibilities Training

RECOMMENDED AIRPORT COMMISSION ACTION

Informational

BUDGET IMPACT

Neutral

SUMMARY

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

ATTACHMENT

Commission Roles and Responsibilities Presentation



Northern Colorado Regional Airport Commission

Roles and Responsibilities

Laurie Wilson, Senior Assistant City Attorney

January 18, 2024

Presentation Agenda

Northern
Colorado
Regional
Airport
Commission

Open
Meetings &
Open
Records

Ethics &
Conflicts of
Interest

NCRA Commission History

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

Commission Authority

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

Commission Authority *cont'd*

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



Authority Reserved to the Cities

Policy Matters

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

Open Meetings

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

Open Meetings Cont'd

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

Open Meetings *Cont'd*

Executive Sessions

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

Open Meetings *Cont'd*

Executive Sessions

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



Open Meetings *Cont'd*

Executive Sessions

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

Open Records

- Colorado Open Records Act (CORA) governs the disclosure of “public records”
- Various records regarding public business may be subject to disclosure, even if they are located on a personal device or email account

Ethics and Conflicts of Interest

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

Ethics and Conflicts of Interest *Cont'd*

State Law

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



Questions?