

ORDINANCE NO. 071, 2024
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROVING THE FIRST AMENDMENT TO THE HANGAR
GROUND LEASE AGREEMENT WITH IC LOVELAND, LLC,
FOR THE AERO FNL HANGAR DEVELOPMENT AT THE
NORTHERN COLORADO REGIONAL AIRPORT

A. The City of Fort Collins (“City”) and the City of Loveland (“Loveland”) (collectively, the “Cities”) jointly own property located in Loveland known as the Northern Colorado Regional Airport.

B. The Cities currently operate and maintain the Airport pursuant to that certain Amended and Restated Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Airport, dated January 22, 2015, as amended (the “IGA”).

C. The Cities are parties to that certain Amended and Restated Hangar Ground Lease Agreement (“Ground Lease”), dated August 22, 2022, with IC Loveland, LLC, as lessee, with an initial term of 25 years with the option of three 5-year extensions. The Ground Lease was approved by the Northern Colorado Regional Airport Commission pursuant to its authority under the IGA and City Code Section 23-113(3). The Ground Lease was executed by the Chair of the Airport Commission.

D. IC Loveland, LLC is developing hangars upon the leased premises, which project is known as the Aero FNL development.

E. IC Loveland, LLC has requested the Ground Lease be amended to remove the condominium structure for the marketing of individual hangar units and to replace it with a subleasing structure, which would be a deviation from the standard ground lease form utilized at the Airport. The proposed First Amendment is attached hereto as Exhibit “A.”

F. The First Amendment to the Ground Lease was presented to the Airport Commission at its April 18, 2024, meeting and the Airport Commission voted unanimously to recommend the City Council and the Loveland City Council approve the First Amendment.

G. Section 23-113 of the City Code allows the City Council to lease any and all interests in real property owned in the name of the City if the City Council first finds that the lease is in the best interests of the City, with such leases being approved by resolution unless the proposed term of the lease exceeds twenty (20) years, in which event the lease must be approved by the City Council by ordinance.

H. City Council finds that the amendment of the Ground Lease is in the best interest of the City and its residents in that it will allow for the marketing of the individual hangars in a manner suitable for IC Loveland, LLC, which in turn will promote the success of the development and continued lease revenue for the Airport.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. The First Amendment to the Amended and Restated Hangar Ground Lease Agreement with IC Loveland, LLC, attached hereto as Exhibit "A" and incorporated herein by reference is hereby approved.

Section 2. The Mayor is authorized to execute the First Amendment in substantially the form as Exhibit "A," with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interest of the City or effectuate the purposes of this Ordinance.

Introduced, considered favorably on first reading on May 21, 2024, and approved on second reading for final passage on June 4, 2024.

Mayor

ATTEST:

Interim City Clerk

Effective Date: June 14, 2024
Approving Attorney: Ryan Malarky