

# Discovery Air Lease Amendment

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# Agenda

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## Background

Discovery Air executed a lease in 2019 to construct a multi hangar aviation complex.

Total area 1.1 million square feet and the largest single lease at the Airport. This multi hangar complex completed the first phase of construction in 2021.

Ongoing conversations about construction in 2022 led to a request for a lease amendment in 2023 by the tenant. The Airport Sponsor negotiating team consisting of City Managers of Fort Collins and Loveland, Airport Director, and legal council met with Discovery Air negotiation team to produce this amended and restated lease.





# Exhibit "A1" Description of Leased Premises

## Amendment 1



Boundary and area are approximate and subject to professional

## Amendment 2

Discovery Air Lease Premise 1,148,946 sf



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# Amendment 1

## Exhibit "B1" Site Plan



# Amendment 2



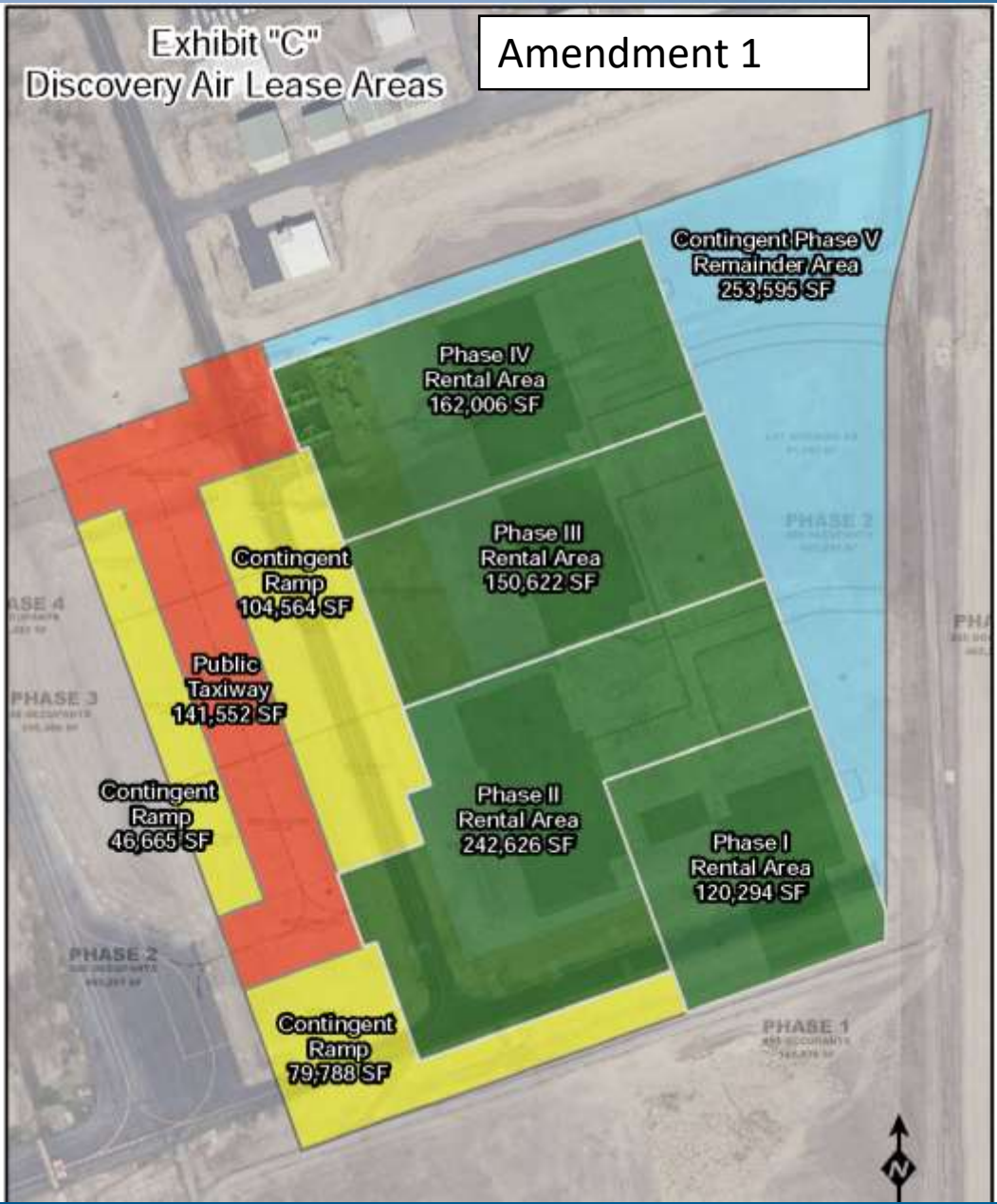
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# Exhibit "C" Discovery Air Lease Areas

## Amendment 1



## Amendment 2

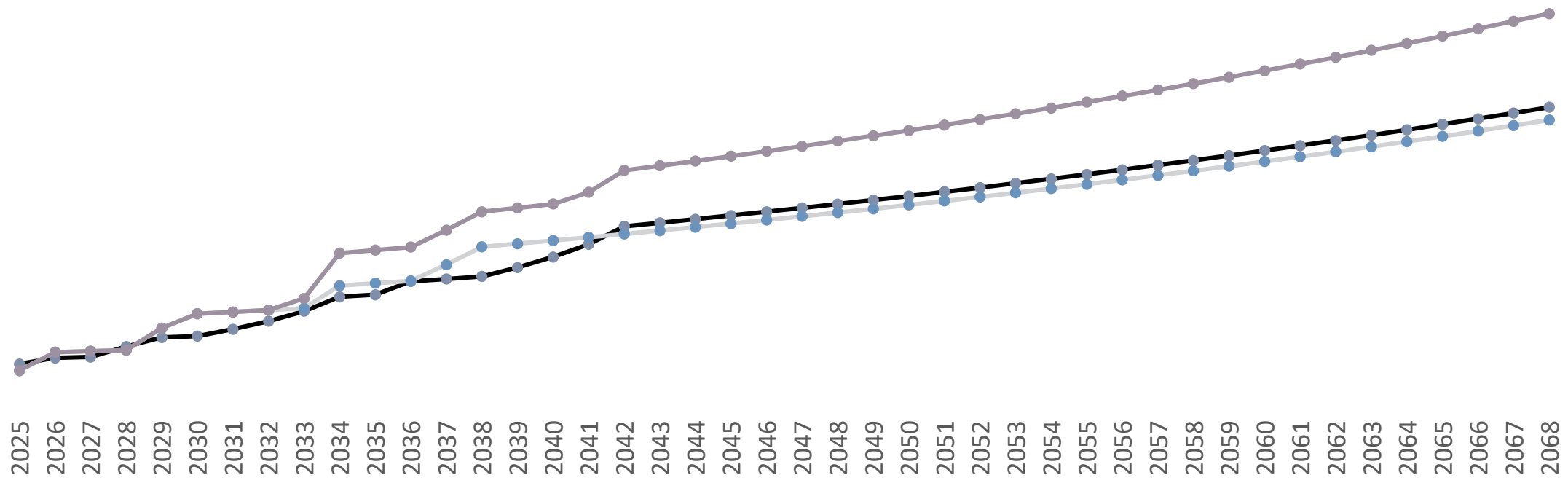
- Hangar Rental Area 259,634 sf
- Contingent Ramp Area 496,356 sf
- Contingent Remaining Area 175,199 sf
- Parking Rental Area 217,757 sf





# Lease Rate Comparison

—●— Amendment 2    —●— Amendment 1    —●— Amendment 1 current schedule





# Lease Rate Comparison

## Revenue Projection 2025-2068

Phases I-V Rent Commencement in 2019, CPI Annually Starting in 2022

Phase VI & Contingent Ramp Rent Commencement at \$0.05 in 2025, with Annual CPI

		Area (SF)	Cumulative Rent	Average Annual Rent per SF
Minimum Rent Regardless of Phasing/Development	Existing Lease	1,160,160	\$13,035,737	\$0.255
	New Lease	1,148,947	\$13,187,470	\$0.261
	Delta	-11,213	\$151,733	\$0.005
Phase V Development in 2033	Existing Lease	1,160,160	\$14,376,520	\$0.282
	New Lease	1,148,947	\$13,187,470	\$0.261
	Delta	-11,213	-\$1,189,050	-\$0.021
Phase V Development in 2033 & Contingent Remainder Area Aeronautical Development in 2034	Existing Lease	1,160,160	\$17,306,929	\$0.339
	New Lease	1,148,947	\$13,187,470	\$0.261
	Delta	-11,213	-\$4,119,459	-\$0.078



# Recommendation

- Airport Staff recommend a motion to adopt the ordinance for the City to amend and restate the lease with Discovery Air.
- Northern Colorado Regional Airport Commission Recommended this for adoption with a vote of 5-0 with 2 absent on September 19, 2024 with R-09-2024.
- Loveland City council voted unanimously to amend and restate this lease on October 1, 2024 with R-94-2024.