

August 12, 2021

The Board of Commissioners of the Arapahoe County Public Airport Authority, Arapahoe County, Colorado, held a regular meeting open to the public at Centennial Airport Administration Complex, 7565 South Peoria St., Englewood, Colorado, located within the County, on August 12, 2021 at 2:30 p.m.

The following members were present:
Commissioner Sharpe, Chair
Commissioner Bagnato, Chair Pro-Tem
Commissioner Baker, Clerk
Commissioner Doubek, Treasurer
Commissioner Holen, Voting Member
Commissioner Huffman, Ex-Officio
Commissioner Laydon, Ex-Officio
Commissioner Sieber, Ex-Officio

The following members were absent, but excused:

Each Commissioner was notified of the date, time and place of the meeting and the purpose to which it was called. At least three (3) days prior to the date of the meeting, Public Meeting notices were posted at the Administration Buildings of Arapahoe County, Douglas County, Greenwood Village, City of Centennial; the courthouses in Arapahoe County and Douglas County; and at least three places on the Airport with instructions to access the meeting through video and web conferencing. At least 24 hours prior to the meeting, an agenda was posted on the Authority's website and in the window of the door at the base of the Control Tower/Administration Complex at 7800 South Peoria Street.

Please note that due to the Governor's order related to the COVID-19 pandemic and restrictions on public gatherings, this public meeting was held through video and web conferencing software options for the Board members, staff and public.

Call to Order & Pledge of Allegiance

Chair Sharpe called the meeting to order at 3:00 p.m. and recited the Pledge of Allegiance.

Public Comment

None.

Amendments to the Agenda

ADDED ITEM: Consent Agenda – Consent to Assignment, Assumption, & Second Amendment to Ground Lease from J&L Management Services, LLC to APA Lot 15 Development Holdings, LLC

Next Meetings

- September 1, 2021 @ 6:30 p.m. – Noise Roundtable Meeting – Wright Brother's Room Virtual/Hybrid
- September 9, 2021 @ 3:00 p.m. – Regular Board Meeting – Wright Brother's Room Virtual/Hybrid

CONSENT AGENDA

- 1. Approve Minutes of June 17, 2021** Gwen Balk
Recommendation: Motion to approve the minutes of June 17, 2021 and authorize the Chair to sign.
- 2. Appoint Budget Officer for 2022 Budget** Robert Olislagers
Recommendation: Motion to appoint Roxana Hahn as Budget Officer for 2022 Budget.
- 3. Ratification of Second Quarter 2021 Expenditures** Roxana Hahn
Recommendation: Motion to ratify Second Quarter 2021 Expenditures in the amount of \$2,066,265.88.
- 4. Consent to Assignment and Assumption of the FBO7 Ground Sublease from AeroColorado to Aviate Colorado, LLC** Gwen Balk
Recommendation: Motion to approve the Consent to Assignment and Assumption of the FBO 7 Ground Sublease and the Lessor's Estoppel Certificate and to authorize the Chair and Clerk to sign.
- 5. Consent to Assignment and Assumption of Parcel 63-10 and 63-11 from Howard Aviation, LLC to Derek and Jennifer Severns** Luke Skaflen
Recommendation: Motion to approve the Consent and Release to Assignment and Assumption for Parcel 63-10 and 63-11 and authorize the Chair and Clerk to sign.
- 6. Assignment of Parcel 40W Hangar 6 Sublease from LE Aviation, LLC to MIMG Cent Air, LLC** Luke Skaflen
Recommendation: Motion to approve the below listed documents and authorize the Chair and Clerk to sign:
 1. Consent to Assignment of 40W-6 Sublease

2. Assignment and Assumption of the Subordination Non-disturbance and Attornment Agreement (the "SNDA"); and
 3. Lessor's Estoppel Certificate.
 7. **SunBorne – 6th Amendment to Ground Lease** **Gwen Balk**
Recommendation: Motion to approve the 6th Amendment to Ground Lease and authorize the Chair and Clerk to sign.
 8. **APA Hangars, LLC – Subordination, Non-disturbance and Attornment Agreement and Lessor's Estoppel Certificate** **Gwen Balk**
Recommendation: Motion to conditionally approve the Subordination, Non-Disturbance and Attornment Agreement and Lessor's Estoppel Certificate and authorize the Chair and Clerk to sign.
 9. **Modern Aviation Ramp Expansion Development – Uniform Easement Deed and Revocable Storm Drainage License Agreement and Stormwater Facility Maintenance Agreement** **Gina Conley**
Recommendation: Motion to conditionally approve the Uniform Easement Deed and Revocable Storm Drainage License Agreement and Stormwater Facility Maintenance Agreement for the Modern Aviation Ramp Expansion Development and authorize the Chair to sign pending final review and approval by staff and legal counsel.
 10. **Modern Aviation Hangars and FBO Development – Uniform Easement Deed and Revocable Storm Drainage License Agreement and Stormwater Facility Maintenance Agreement** **Gina Conley**
Recommendation: Motion to conditionally approve the Uniform Easement Deed and Revocable Storm Drainage License Agreement and Stormwater Facility Maintenance Agreement for the Modern Aviation Hangars and FBO Development and authorize the Chair to sign pending final review and approval by staff and legal counsel.
- ADDED ITEM: Consent to Assignment, Assumption, and Second Amendment to Ground Lease from J&L Management Services, LLC to APA Lot 15 Development Holdings, LLC** **Gwen Balk**
Recommendation: Motion to approve the Consent to Assignment, Assumption, and Second Amendment to FBO15 Ground Lease from Assignor to Assignee and the Lessor's Estoppel Certificate and authorize the Chair and Clerk to sign.
11. **Approval of Consent Agenda** **Nancy Sharpe**
Recommendation: Approval of the Consent Agenda

Commissioner Holen moved to approve the consent agenda as amended; Commissioner Bagnato seconded the motion and the motion passed unanimously

BUSINESS AGENDA

12. **Items Moved to the Business Agenda** **Nancy Sharpe**
None
13. **Establish Jurisdiction to Proceed with Public Hearings** **Kimberly Bruetsch**
Recommendation: Advisory.

Ms. Bruetsch advised the Board that the public hearing notices had been posted and published. She advised that the Board had jurisdiction to proceed with the public hearings for the Sky Harbour Hangar Development plan and the application for GrandView Aviation.

14. **Development Plan for Sky Harbour Hangar Campus** **Mike Fronapfel**
Recommendation: Motion to approve the Sky Harbour Hangar Campus Development Plan located on APA Hangars, LLC sub-leashold provided the following conditions have been met.
 1. All comments from the Airport Authority and the referral agencies (Arapahoe County Planning & Engineering, Southeast Metro Stormwater Authority, Cherry Creek Basin Water Quality Authority, Arapahoe County Water & Wastewater Authority, South Metro Fire Rescue Authority) must be addressed to their satisfaction prior to construction.
 2. Construction on Phase One must be completed within 2 years of Board approval. Phase Two must start within 3 years of Board approval.
 3. A 3% construction fee will be paid to the Airport Authority for each completed hangar row no later than 30 days after a Certificate of Occupancy has been issued for the facility.

Mr. Fronapfel presented the development plan for Sky Harbour Hangar Campus. He advised that this development plan will be done in two phases; phase one will be 5 large 14,200sqft hangars totaling 71,000sqft, 7 small 8,000sqft hangars totaling 56,000sqft, and 1 ground service equipment building. Phase two will include 5 more large 14,200sqft hangars totaling another 71,000sqft, 4 small

8,000sqft hangars totaling 32,000sqft with the grand total of a full buildout of 230,000sqft of new hangar space. Mr. Fronapfel stated that pending Board approval, phase one is expected to begin construction February 2022 with a finish date of April 2023 and then phase two pending Board approval and market demand would be completed within the next 3 years. Representatives Tim Johnson who is Senior VP for Sky Harbour and Jeff Kolasanti the Engineer were present for the meeting. Chair Sharpe, Commissioner Doubek and Commissioner Bagnato asked several questions regarding the development and who is expected to be within this campus; Mr. Johnson replied. Chair Sharpe opened the public hearing at 3:13 pm and with no comments, it was closed at 3:14 pm and followed a motion to approve the development plan from Commissioner Bagnato. Commissioner Holen seconded the motion and motion was passed unanimously.

15. Public Hearing on Application from GrandView Aviation, LLC to Conduct Air Charter

Luke Skaffen

Recommendation: Motion to approve the application from GrandView Aviation, LLC and authorize the Chair and Clerk to sign the associated Agreement Under Standards (AUS).

Mr. Skaffen presented the application for GrandView Aviation to conduct air charter under the Agreement Under Standards. He stated that the principal members are Dan Naor and Jerry Edwards; key personal are Jessica Naor, Chief Operations Officer and Peter Pahyannis, Director of Operations. They are located at Signature Flight Support and are open 24/7 for air charter operations and have 1 aircraft based at APA with 4 local employees and 80 positions company wide. Commissioner Huffman asked about GrandView having more than one aircraft. Mr. Skaffen responded as of now he only knew of one being based out of APA; however, Ms. Naor responded as well that while the company does have more than one aircraft in their fleet, right now they are basing only one and depending on the demand for charter and organ transplant transfers will determine if they will base anymore aircraft out of Centennial. With no further questions from the Board, Chair Sharpe opened the public hearing at 3:17 pm and closed it at 3:18 pm due to no comments from the public. Commissioner Bagnato made a motion to the recommended motion and it followed with a second by Commissioner Holen; the motion passed unanimously.

16. Denver Metroplex Decision to Appeal

Robert Olislagers

Recommendation: Motion to Not Appeal the Decision by the District of Columbia Circuit Court of Appeals regarding the Petition for Review for the FAA's Denver Metroplex FONSI.

Mr. Olislagers stated that on June 8, 2021, the DC Circuit Court of Appeals denied the airport's petition for review of the FONSI regarding the FAA's Denver Metroplex. He advised that based on discussions with counsel and the co-petitioners, the cost of an appeal and the unlikelihood of a successful appeal staff recommends pursuing alternatives to mitigating the effects of Metroplex and forego an appeal. Ms. Bruetsch advised the Board that the appeal done by Gilpin County who was one of the petitioners with us had their appeal completely denied. Commissioners Bagnato, Huffman, Laydon, and Sieber all asked questions regarding legal fees and other options that could be looked at; Mr. Olislagers responded. Commissioner Holen made a motion to not appeal the decision regarding the petition for the FONSI; it followed in second by Commissioner Baker and the motion passed unanimously.

17. Hotel Ground Lease and Agreement between Pinnacle Hospitality, LLC ("Lessee") and Arapahoe County Public Airport Authority ("Authority").

Recommendation: Motion to conditionally approve the Hotel Ground Lease and Agreement between Authority and Lessee pending review by Staff and Counsel of (a) all associated documents; (b) verification of funds; and (c) payment of all past-due fees and taxes and authorize the Chair and Clerk to sign.

Mr. Olislagers advised the Board that as of 3:34 pm a deposit was made for the earnest money; however, this could not be confirmed. He stated that he has spoken with the court appointed receiver, Mr. Reed who is the principle for Pinnacle Hospitality, LLC, and Mr. Ritter who represents several interested investors. Mr. Olislagers advised that he was keeping an eye on his email as he was waiting on a response from either the receiver, Mr. Reed, or Mr. Hooks who is the representing broker for Mr. Reed. He also advised that Wells Fargo while they are running short on patience has extended the period until the end of the month for Mr. Reed to perform; however, should nothing happen he advised that one of two options will happen of either foreclosure or the sales process starts all over again. Commissioner Huffman asked if Mr. Olislagers had a feel for the situation since the judge signed the decree 6 weeks earlier than expected. Mr. Olislagers responded that he did not have a feel, nor did he want to speculate. Commissioner Sieber asked what our financial impact was to the economy. Mr. Olislagers replied we are a \$2.1B annual operation. Commissioner Holen made a motion to conditionally approve the Hotel Ground Lease which was subject to the listed conditions and it was seconded by Commissioner Bagnato; motion passed unanimously.

REPORTS

8. June 2021 Financial Report

Andrew Gillespie

Recommendation: Advisory.

Mr. Gillespie presented the June 2021 Financial reports. Both Chair Sharpe and Commissioner Huffman asked questions about the financial report; Mr. Olislagers and Mr. Gillespie responded.

9. Fuel and Operations Report for June & July 2021

Jeremy Gunn

Recommendation: Advisory.

Mr. Gunn stated the following for **June 2021**:

- 2021 YTD Operations for June: Up 0.8% from 2020 at 147,499
- Monthly Operations June: Up 19.4% from 2020 at 30,148
- 2021 YTD Fuel Totals for June: Up 41.6% from 2020 at 7,405,675
- Monthly Fuel Totals June: Up 46.8% from 2020 at 1,423,367
- Monthly AvGas Fuel Sales June: Up 1.7% from 2020 at 64,092
- Monthly Jet Fuel Sales June: Up 49.9% from 2020 at 1,359,275
- Monthly Market Share for fuel sales for June: DJC: 34.7%; TAC Air: 25.9%; Signature: 29.3%; Modern Aviation: 10.0%; Heliplex: 0.1%

July 2021:

- 2021 YTD Operations July: Down 1.9% from 2020 at 176,967
- Monthly Operations July: Down 13.4% from 2020 at 29,468
- 2021 YTD Fuel Totals for July: Up 41.4% from 2020 at 9,037,677
- Monthly Fuel Totals July: Up 41% from 2020 at 1,632,002
- Monthly AvGas Fuel Sales July: Up 2.3% from 2020 at 66,563
- Monthly Jet Fuel Sales March: Up 42.9% from 2020 at 1,565,439
- Monthly Market Share for fuel sales for July: DJC: 36.5%; TAC Air: 26%; Signature: 27.4%; Modern Aviation: 9.9%; Heliplex: 0.1%

10. Second Quarter Land Use Referrals

Rachel Keller

Recommendation: Advisory.

Ms. Keller presented the following:

- 33 referrals were received for the 2nd quarter of 2021 (April – June)
- 11 were approved as submitted
- 20 were subject to comments
- 2 were not recommended

Ms. Keller advised that of the two developments not recommended, one is in the buffer zone outside the 55 DNL contour but it was not recommended due to them rezoning it and wanting it to be residential. The second development falls within the Meridian Office Park and was not recommended due to the airport being advised that it was part of a lot line vacation that has been vacated and will be used for residential down the line. Commissioner Huffman asked if the development plan in Meridian was Koelbel; Ms. Keller and Mr. Olislagers stated that they were not sure but could look into it. Chances are it is a Shea Property.

11. June and July Noise Update

Rachel Keller

Recommendation: Advisory

Ms. Keller presented statistics on the June 2021 noise complaints. She stated the following:

- There were 1,476 complaints from 145 households
- Year-to-Date there are 6,253 complaints from 238 households
- With the top household removed, there were 1,185 complaints for June
- There were 1,271 daytime complaints: 205 nighttime complaints
- 87 requested a response by email; 81 requested a response by phone
- Year-to-date 416 requested a response by email; 292 requested a response by phone
- Majority of the complaints come from Unincorporated Douglas County with 28% followed by Unincorporated Arapahoe County at 26%, and Greenwood Village at 17%

- The Top 5 households comprise 59% of year-to-date complaints out of a total 6,253 complaints; the number one household from Unincorporated Arapahoe County makes up 17% of that total with 1,068 complaints
- Training led complaints with 37% followed close with Departures close behind with complaints at 36%; prop aircraft was 70%.
- Staff provided a 2018 Census Population information for the surrounding cities and counties affected by aircraft noise

July 2021:

- There were 1,562 complaints from 112 households
- Year-to-Date there are 7,815 complaints from 298 households
- With the top household removed, there were 952 complaints for July
- There were 1,392 daytime complaints: 170 nighttime complaints
- 64 requested a response by email; 75 requested a response by phone
- Year-to-date 480 requested a response by email; 367 requested a response by phone
- Majority of the complaints come from Unincorporated Douglas County with 44% followed by Unincorporated Arapahoe County at 18%, Greenwood Village at 12%, and Castle Rock at 7%
- The Top 5 households comprise 57% of year-to-date complaints out of a total 7,815 complaints; the number one from Unincorporated Arapahoe County household makes up 15% of that total with 1,178 complaints
- Departures led complaints with 41% followed close with Training close behind with complaints at 35%; prop aircraft was 70%.
- Staff provided a 2018 Census Population information for the surrounding cities and counties affected by aircraft noise

12. Centennial Airport Noise Roundtable Update

Andy Jones (Highlands Ranch Metropolitan District)

Recommendation: Advisory.

Mr. Jones presented the following:

- CACNR met on August 4th after the July 7th CACNR meeting was cancelled
- Four members of the public spoke with similar complaints about increased and repetitive aircraft noise over their homes
- A meeting between the flight schools, CACNR, Airport Staff, and Arapahoe and Douglas County representatives is anticipated to be held in September
- APA's Whispertrack has been updated by Rachel Keller and is now accessible by all Whisper Track users throughout the nation
- Plans were made to hold an educational session for CACNR in October focusing on capabilities of the Noise Monitoring System

13. Legislative Report

Robert Olislagers

Recommendation: Advisory

Mr. Olislagers advised that the Senate passed a bi-partisan \$1.2T Infrastructure Bill, which reauthorizes existing public works programs and adds and additional \$550B in new funding, including \$25B for airports. Of that amount, \$2.5B or \$500M over five years each will be allocated to non-hub and general aviation airports. He stated that the Senate also voted to approve a \$3.5T climate and social initiatives plan, and get it passed by way of reconciliation once the House has voted on it. That process is expected to face considerable challenges and the Infrastructure appropriations may be linked to its passage as well. Mr. Olislagers also stated that Congress will head home for the August recess first, likely gauging constituent support/opposition in the process; let the lobbying begin!

Public Comment

Nancy Sharpe

Comments from Board or Staff

Nancy Sharpe

24. Adjourn to Executive Session pursuant to CRS Section 24-6-402(4)(a)-(f); specifically concerning legal advice related to a Personnel matter.

Nancy Sharpe

Recommendation: Motion to adjourn to Executive Session to discuss any of the following pursuant to CRS Section 24-6-402(4): (a) purchase, acquisition, lease, transfer, or sale of any real, personal or other property interest; (b) conference with an attorney for purposes of receiving advice on specific legal questions; (c) matters to be kept confidential by federal or state law; (d) security arrangements; (e) determining positions relative to matters that may be subject to negotiations or negotiation strategies; and (f) personnel matter.

Chair Sharpe asked for a motion to adjourn to Executive Session regarding a personnel matter and stated that they would not be returning to the meeting and that it will be adjourned after the motion is made. Commissioner Bagnato made a motion to move to executive session and adjourn the Board meeting which was seconded by Commissioner Holen and motion passed unanimously.

Adjournment

Nancy Sharpe

The meeting was adjourned at 4:30 p.m.

Execution of Documents

Gwen Balk

Approved:


Nancy Sharpe, Chair