

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 14

DATE: November 4, 2003

STAFF: Dave Gordon

### SUBJECT

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Resolution 2003-120 Authorizing the City Manager to Execute an Agreement with Great Lakes Airlines to Provide Scheduled Bus Service at the Fort Collins-Loveland Municipal Airport.

### RECOMMENDATION

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Staff recommends adoption of the Resolution.

### FINANCIAL IMPACT

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The lease will generate approximately \$50,000 annually. There are no immediate expenses associated with this lease. It is possible that the Airport's paved parking might need to be enlarged if the service is successful and additional buses are added.

### EXECUTIVE SUMMARY

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Great Lakes Airlines desires to operate scheduled bus service from the Fort Collins/Loveland Municipal Airport to Denver International Airport (DIA). The bus service will operate initially with 4 round trips per day during the week and 3 round trips on Saturday and Sunday. The bus service is very unique because it allows ticketed airline passengers to go through security check-in here and be dropped off at Concourse "A" at DIA, thereby bypassing security screening, baggage check-in and more expensive pay parking at DIA. This is the first time such gate-to-gate service has been offered between two airports. The Transportation Security Administration (TSA) is processing final approval of the service and DIA has approved the service to operate from their airport.

Great Lakes will rent space in the terminal building for passenger and baggage check-in as well as pay a "ramp service fee" (in lieu of a landing fee) and overnight parking for the bus(es). The terminal building rental rates are higher than our previous lease rates and are based on local rates for comparable space as well as comparisons with other airports that are leasing similar space to airlines. The Agreement term is for one-year which may be extended for an additional year once the lease rates are renegotiated. The Airport has been approved by DOT to count the bus passengers as if they were airline passengers; this will help the Airport in reaching 10,000 annual enplanements this calendar year in order to be eligible for \$1 million in FAA entitlement funds.

The terminal building and temporary secured boarding building are adequate for this service. The Agreement obligates Great Lakes to adhere to the Airport Security Plan, provide the required security

measures for the service and to reimburse the Cities for security costs it may incur if TSA requires the Airport to provide addition security measures. The Airport's existing paved parking lot may need to be enlarged in the future if the service is strongly supported by the public and/or if additional buses are added to the schedule. It is not known at this time how many additional parking stalls might be needed or the associated cost for a potential expansion of the parking lot if that becomes necessary. This issue will be examined further in the Airport Master Plan process beginning this fall.

RESOLUTION 2003-120  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE CITY MANAGER TO EXECUTE AN  
AGREEMENT WITH GREAT LAKES AIRLINES  
TO PROVIDE SCHEDULED BUS SERVICE  
AT THE FORT COLLINS-LOVELAND MUNICIPAL AIRPORT

WHEREAS, the Cities of Fort Collins and Loveland (the "Cities") jointly own and operate the Fort Collins-Loveland Municipal Airport (the "Airport"), including the Terminal located on said Airport; and

WHEREAS, pursuant to Section 23-114(b) of the Code of the City of Fort Collins, the Council is authorized to lease for a definite term of two years or less, any and all interests in real property owned in the name of the City except property that is part of the City's water or electric utility systems, provided that Council first finds by resolution that the lease is in the best interests of the City; and

WHEREAS, the Intergovernmental Agreement for the Joint Operation of the Fort Collins-Loveland Municipal Airport between the Cities specifically recognizes the leasing of Airport Property as a valid use of the jointly owned Airport Property; and

WHEREAS, Great Lakes Airlines has indicated a desire to enter into an agreement with the Cities that would allow it the use of a portion of the Terminal, the Airport ramp area, and the Airport parking lot for a period of one year, in order to conduct the business of offering secured, scheduled bus service between the Airport and Denver International Airport.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS, COLORADO as follows:

Section 1. That it is in the best interests of the City to enter into an agreement which leases to Great Lakes Airlines a portion of the Terminal, the Airport ramp area, and the Airport parking lot for the purpose of offering secured, scheduled bus service between the Airport and Denver International Airport.

Section 2. That the City Manager is hereby authorized to enter into an agreement with Great Lakes Airlines in substantially the form entitled "Agreement for Scheduled Bus Service" which is on file with the City Clerk of the City of Fort Collins, Colorado, subject to such modifications in form or substance as the City Manager, in consultation with the City Attorney, may deem necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 4th day of November, A.D. 2003.

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Mayor

ATTEST:

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City Clerk

SUMMARY OF LEASE AGREEMENT TERMS/CONDITIONS  
GREAT LAKES AIRLINES  
SCHEDULED BUS SERVICE

**Summary of lease terms and conditions**

1. Use document from past airline agreements or standard office space lease agreement.
2. Term of lease is one year with a one-year extension. Extension is conditional that we can renegotiate rates & terms.
3. Lease rates for the various spaces will be established in the lease attachment. (Copy of the proposed lease rates are attached to this memo.) Lease spaces will include: exclusive ticket counter space; exclusive office space; exclusive dispatch /office space; joint-use boarding room space; joint-use baggage make-up space; joint-use public pre-screening space.
4. Ramp area access fee will be an additional airport use fee. Rate will be \$20.00 per each bus arrival onto the ramp and \$20.00 per each bus departure from the ramp area. Overnight parking of buses shall be at a rate of \$20.00 per bus per night. Buses may be parked on the ramp area as designated by Lessor or in the public parking lot.
5. Service to be provided is 50-passenger scheduled bus service for the general public who has purchased air transportation passage through a certified air carrier for United States and Foreign air travel. Bus service will be conducted in accordance with all applicable federal, state and local regulations including but not limited to the Department of Homeland Security (DHS), the Transportation Security Administration (TSA), and Federal Aviation Administration (FAA). Lessee shall specifically be responsible for supplying Designated Ramp Observer (DRO) security functions for all operations associated with their service. Lessee agrees to abide by all conditions of the DRO and to enter into separate agreement with Lessor that stipulates DRO responsibilities assumed by Lessee.
6. Lessee agrees to provide a minimum level of service of 4 round trips per day Monday through Friday and a minimum of 3 round trips on Saturday and Sunday. Buses shall have a minimum of 50 seats.
7. Lessor will be applying for Passenger Facility Charges, (PFC), that will be applied to passengers on the bus service. Lessee acknowledges this process will be initiated and agrees to cooperate for expeditious approval of the application process.
8. Lessee agrees to provide all data necessary to Lessor and as required by the FAA for proper record keeping of emplaned passengers as if they were passengers on an aircraft.

**TERMINAL BUILDING  
RATES AND CHARGES  
PROPOSED 10-21-03  
GREAT LAKES AIRLINES – SCHEDULED BUS SERVICE**

**TERMINAL BUILDING**

Ticket Counter space for airlines, food, car rental	\$17.00/ foot
Office space	\$15.00/foot
Operations/baggage make up space	\$12.00/foot
Operations/baggage joint use	\$6.00/foot
Secured Boarding Hold Room, joint Use	\$6.00/foot
Public waiting area, joint use	\$6.00/foot

**AIRLINE LANDING FEE – FOR AIRCRAFT OPERATIONS**

\$0.58 per thousand pound gross landing weight for signatory or non-signatory airlines and for large public/private charters.

**RAMP ACCESS FEE – FOR BUS SERVICE**

\$20.00 per each arrival and departure for Great Lakes Airlines scheduled bus service.

**ARFF STANDBY FEE – FOR SCHEDULED AIRCRAFT OPERATIONS**

\$50.00 per landing and takeoff for Index A.

\$100.00 per landing and takeoff for Index B.